



GAUTENG PROVINCE
ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

ANNUAL REPORT

20²³/₂₄









PART A
GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:	Umnotho House 56 Eloff Street Marshalltown Johannesburg 2000
POSTAL ADDRESS:	Private Bag 091 Marshalltown 2107
TELEPHONE NUMBER/S:	+27 (0) 11 355 8000
FAX NUMBER:	+27 (0) 355 8730
EMAIL ADDRESS:	gdedenquiries@gauteng.gov.za
WEBSITE ADDRESS:	www.gauteng.gov.za

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LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATIONS	ACRONYMS
AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDC	Automotive Industry Development Centre
AO	Accounting Officer
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BSC	Bid Specification Committee
CASA	Casino Association of South Africa
CCBSA	Coca-Cola Beverages South Africa
CFO	Chief Financial Officer
COHWHS	Cradle of Humankind World Heritage Site
ConHill	Constitution Hill
CSD	Central Supplier Database
CSI	Corporate Social Investment
CCI	Cultural and Creative Industries
CoA	Certificate of Acceptability
COVID-19	Coronavirus Disease of 2019
DDI	Domestic Direct Investment
DFI	Development Finance Institutions
ESD	Enterprise Supplier Development
FDI	Foreign Direct Investment
GAS	Gauteng Audit Services
GCR	Gauteng City Region
GDP	Gross Domestic Product
GDED	Gauteng Department of Economic Development
GEP	Gauteng Enterprise Propeller
GBS	Global Business Services
GGB	Gauteng Gambling Board
GGDA	Gauteng Growth and Development Agency
GGT 2030	Growing Gauteng Together 2030
GIDZ	Gauteng Industrial Development Zone
GLB	Gauteng Liquor Board
GRAP	Generally Recognised Accounting Practices
GTA	Gauteng Tourism Authority
GEDA	Gauteng Economic Development Agency
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
HOD	Head of Department
ICT	Information Communications Technology
IDZ	Industrial Development Zone
IGR	Inter-Governmental Relations
IRM	Installation Repair and Maintenance
JMP	Jewelry Manufacturing Precinct

MAL	Maropeng a' Afrika Leisure
MEC	Member of the Executive Council
MPL	Member of the Provincial Legislature
MTEF	Medium Term Expenditure Framework
MTSP	Medium Term Strategic Plan
NDP	National Development Plan
NACH	National Anti-Corruption Hotline
NPO	Non-Profit Organisations
ORTIA	OR Tambo International Airport
PFMA	Public Finance Management Act
PPP	Public Private Partnership
PwD	Persons with Disability
PPGI	Public Private Growth Initiative
RAMC	Risk and Audit Management Committee
RWOEE	Remunerative Work Outside the Employee's Employment
SARB	South African Reserve Bank
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SEZ	Special Economic Zones
SID	Sector & Industry Development
SMS	Senior Management Service
SME	Small Medium Enterprise
SMME	Small Medium and Micro Enterprises
SOPA	State of the Province Address
SLA	Service Level Agreement
SPDC	Supplier Park Development Company (SOC)
TIH	The Innovation Hub
TIHMC	The Innovation Hub Management Company
TETA	Transport Education Training Authority
TEDA	Township Economic Development Act
TASEZ	Tshwane Automotive Special Economic Zone
TISH	Township, Informal Settlement and Hostels
WSP	Workplace Skills Plan

3. FOREWORD BY THE MEC

It is with great pride and a deep sense of responsibility that I present the 2023/24 Annual Report for the Gauteng Department of Economic Development. This report is a testament to our unwavering commitment to fostering inclusive economic growth, job creation, and sustainable development in our province.

Over the past year, our Department has undertaken numerous initiatives and projects aimed at accelerating the development, growth and transformation of Gauteng's economic landscape. Our efforts have been guided by the Growing Gauteng Together 2030 and TISH priorities, which remains central to our mission of addressing historical inequalities and promoting economic inclusion for all.

Our Annual Performance Plans (APP) and Annual Operational Plans (AOP) have been meticulously aligned with the Growing Gauteng Together 2030 and TISH priorities. This alignment has ensured that our initiatives are not only effective but also contribute meaningfully to the broader provincial vision. The ultimate goal of the APP is to create a strategic blueprint that goes beyond mere targets and numbers to resonating deeply with citizens.

To achieve economic growth, inclusivity, and resilience in Gauteng, we had to assess the alignment of our agencies with the Departmental goals and ensure that agencies are fit for driving growth in key sectors and regions. The Gauteng Growth and Development Agency (GGDA) ensured growth in critical sectors and regions. The GGDA's ability to deliver economic infrastructure, such as Special Economic Zones (SEZ) and industrial parks, proved essential for regional economic transformation.

The Gauteng Tourism Authority (GTA) continued to position Gauteng as a global business tourism destination, leveraging assets like OR Tambo International Airport, showcasing cultural heritage, and diversifying attractions. The initiatives of the Gauteng Enterprise Propeller (GEP) were key in addressing market failures, promoting financial inclusivity, and empowering disadvantaged entrepreneurs.

The Gauteng Gambling Board (GGB) balanced industry growth with regulatory oversight in the rapidly evolving gambling sector, adopting innovative strategies while ensuring consumer protection and responsible gambling practices.

The Gauteng Liquor Board continued to regulate the liquor industry in the province; ensuring ethical business practices and empowered stakeholders. The entity promotes and maintains an effective and efficient regulatory system for the industry (by maximising the benefits derived from the liquor industry while minimising the potential negative impact of liquor) and generates revenue while creating awareness on the harms caused by alcohol abuse. To fight the scourge of non-compliance by operators to the Gauteng Liquor Act, the entity undertakes various activities, which include partnerships with law enforcement agencies, and conducts regular compliance inspections.

Through the Consumer Affairs unit, the Department was able to facilitate and ensure effective and efficient access to redress for Gauteng consumers and to foster and promote ethical consumer-focused business practices. The unit ensured awareness of consumer rights through consumer education and consumer protection, investigating and resolving consumer complaints and ensuring compliance of businesses with applicable consumer legislation by prosecuting unresolved cases in the Consumer Affairs Court for effective enforcement.

We have implemented strategic programmes that have stimulated economic growth, supported Small and Medium-sized Enterprises (SMEs), and attracted significant investment into the province. These efforts have created new jobs and opportunities, particularly for historically disadvantaged individuals.



MEC: GAUTENG DEPARTMENT OF
ECONOMIC DEVELOPMENT

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Through various training and development programmes, we have equipped thousands of individuals with the skills needed to participate effectively in the economy. Our focus on youth, women, and people with disabilities has ensured that these groups are not left behind in our economic transformation agenda.

We have provided comprehensive support to black-owned businesses through financial assistance, mentorship and market access initiatives. This support has been crucial in helping these enterprises grow and thrive in a competitive market.

We have continued to champion sustainable development practices that balance economic growth with environmental stewardship. Our initiatives in green economy sectors have positioned Gauteng as a leader in sustainable development.

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This Annual Report reflects the collective effort of our dedicated staff, partners and stakeholders, who have worked tirelessly to achieve our goals. I extend my deepest gratitude to them for their unwavering commitment and hard work.

Looking ahead, we remain resolute in our mission to drive economic transformation and uplift the lives of all residents in Gauteng. We are committed to transparency, accountability, and continuous improvement as we strive to build a more inclusive and prosperous economy.

Thank you for your continued support and partnership.



LEBOGANG MAILE

MEC: Gauteng Department of Economic Development

4. REPORT OF THE ACCOUNTING OFFICER

1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT:

The mandate of the Gauteng Department of Economic Development (GDED) is to facilitate, promote and develop economic growth in the Gauteng City Region. In an effort to ensure that the Department continues to deliver on its mandate, the GDED has revised its Annual Performance Plan, which is essentially, its roadmap towards achieving the strategic objectives of the National Development Plan, the GGT-2030, elevated priorities and the Premier's SOPA commitments.

The revision of the APP during the adjustment period has been undertaken to not only guide the operationalisation of the approved policy priorities but to boldly respond to the service delivery needs of the Gauteng City Region and make a meaningful impact towards changing the lives of our people in all corridors of the GCR.

In the year under review, the emphasis was on the discipline of implementation leading to the end of the MTSP period. The current APP was aligned to deliver on the Premier's elevated priorities and the Department's delivery priorities below:

- Economic recovery and acceleration;
- Catalytic infrastructure investment and development;
- Township Economic Revitalisation and Township Economic Development Act (TEDA) Programme.

In the period under review, the Department's focus was on economic redress and transformation. In so doing, the Department unlocked opportunities that are making an impact on Gauteng citizens, particularly the youth, women and persons living with disabilities in townships, informal settlements and hostels (TISH) by improving services and living conditions.

In the period under review, some of the GDED's notable achievements include the following:

The Department obtained an achievement of 77% of its planned APP targets, which is an improvement from the 42% recorded in the previous financial year. The Department, continued to ensure that gender empowerment remains a key and strategic deliverable for us. In the Department, 42,55% of our procurement was spent on women-owned businesses, which is an over-achievement of the 40% planned target. Furthermore, we ensured that vulnerable groups within society continue to benefit from the work of the government, and as such, we have continued to pay supplier invoices within 15 working days. Such an achievements ensures the survival and sustainability of the many SMEs who do business with our Department. Furthermore, the Department obtained a clean audit outcome from the Auditor General for the 2022/23 audit year.

The Department, through the Sector and Industry Development (SID), has consistently demonstrated its dedication to nurturing economic growth and has been actively implementing various programmes aimed at fostering innovation, competitiveness and sustainable economic growth across key sectors. These programmes extend across different sectors of the economy, each contributing to different issues of economic development. The department has been at the forefront of rolling out the Global Business Services (GBS) contact centres in the township. These contact centres are envisaged as a catalyst for economic development. As a key aspect of this initiative, the Department has developed the GBS value proposition strategy aimed at positioning the province as a leading destination for GBS operations. This strategy is intended to attract investment, drive job creation, foster skills development and drive economic growth, and facilitate transformation. A significant milestone has been achieved with the identification of twelve (12) suitable facilities across the townships for establishing these contact centres, marking a tangible step forward in realising the goals of the GBS initiative. The department implemented sector-specific programmes aimed at supporting SMMEs to enhance competitiveness and productivity tailored to help them grow



REPORT OF THE
ACCOUNTING OFFICER

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into successful businesses that will be able to create jobs. These programmes were implemented through partnership collaboration with various stakeholders in sectors such as Cultural and Creative industries (CCI), Furniture, Construction, Transport and Logistics and Aerospace and Defence. Approximately 321 SMMEs were supported, with 44% being women-owned enterprises and 68% being youth-owned enterprises. These SMMEs collectively achieved a remarkable R 21, 92 million in revenue and created 520 employment opportunities (direct and indirect). This highlights the critical role played by SMMEs in driving economic growth and job creation. Additionally, 293 young individuals have undergone skills development training in various programmes aimed at enhancing their employability and empowering them to pursue entrepreneurial efforts, thereby contributing to economic growth.

In response to the energy crisis and the ongoing transition to green energy, the Department has been implementing various resource efficiency programmes aimed at reducing energy consumption and promoting sustainable practices across industries, businesses, and households. The Department is actively advancing the adoption of alternative and/or renewable energy sources in the Gauteng economy, including embedded generation and Micro Grid, to mitigate load shedding and ensure energy security. Through partnership agreements with different renewable energy producers, the Department has facilitated the activation of up to 550 MW of alternative energy through a Micro Grid model. As part of the Water Energy Nexus Project, the Department has also overseen the installation of 15 KW solar PV systems in Westonaria and Tarlton, aimed at promoting sustainable energy practices and enhancing the resilience and efficiency of agricultural operations.

The Department, through the Strategic Partnerships outlined above, also managed to secure an instrumental partnership to the value of R2,3 billion with one of the international e-hailing companies. This partnership enabled the GDED to empower 400 unemployed youths in the township with jobs.

The Gauteng Provincial Government (GPG) continues to implement the Gauteng Township Economic Development Act (GTEDA), which is viewed as a flagship programme playing a pivotal role in transforming the township economy across all Gauteng's developmental Corridors. The Gauteng Provincial Government (GPG) has partnered with various implementing partners to facilitate job creation through programmes such as Infill Residential, Township Retails Programme, installation Repair and Maintenance, Broadband, Taxi Economy and others.

The **Township Retail Programme** seeks to increase retail stores footprint across Gauteng and create employment within the township economies through the following key deliverable

- Through the **Installation, Repair and Maintenance (IRM)** the Department has developed several technical training programmes which put young people on a pathway to income-earning opportunities. It targets semi-skilled young people and provides developmental supervision as a strategy to enable successful delivery of projects. The programme covers a broad spectrum of opportunities, such as construction, upholstery, welding and general maintenance to enable the youth to formally participate in these sectors.
- The **Cellphone Repair Programme** is an accredited skills development training programme co-funded by the Gauteng province and MICT SETA. Its objective is to equip young people of the province with smartphone aftercare skills that could assist them to establish their own businesses and/or attain employment. In addition to the training, the intention is to equip these qualified technicians with business and entrepreneurial skills to unlock the ripple effects of job creation and other initiatives in their communities. The beneficiaries targeted by this intervention mainly included people from townships areas and previously disadvantaged individuals for a greater impact. To date 146 youth beneficiaries have been reached in the following areas: Alexandra (31); Westbury (2); Rabie Ridge (21); Sebokeng (59); Orange Farm (17); and Kagiso (16).
- The **Last Mile Delivery** is an entrepreneurial skills development programme that involves linking young people to opportunities in the e-commerce sector value chain, including scooter delivery opportunities through, among others:
 - The New Venture Creation (entrepreneurial skills training);
 - Motorbike testing and licensing;
 - Job placement and establishment of a business; and
 - Job creation opportunities.

The Last Mile Delivery programme was launched in November 2022 in partnership with the Transport Education Training Authority (TETA) and Radah Skills Academy, which was appointed to deliver the training. The Department has partnered with various e-commerce industry players, including UberEats SA, to create job opportunities for the trained scooter delivery beneficiaries. The partnership also aims to create market access opportunities for township merchants and any enterprises with products that can be sold on e-commerce platforms – these include informal traders that have licences and Certificates of Acceptability (COA) and township licensed liquor traders.

UberEats has committed to offering support and technological services to the equivalent of R200 000 000 for onboarding of merchants in the township economy and the onboarding and support of 2 000 000 scooter delivery beneficiaries.

In the 2023/2024 financial year, the department has provided training to over 200 learners in the scooter delivery project conducted by Radah Skills Academy in the following areas: Mamelodi (26); Reiger Park (30); Alex (32); Soweto (40); Soshanguve (33); Atteridgeville (31); and Tembisa (16). Furthermore, 96 township licensed drivers were onboarded to date.

- **Township Backyard Mechanics** is an automotive skills development programme aimed at equipping township beneficiaries, particularly informal mechanics, with formal training on skills necessary to penetrate the automotive aftermarket value chains, thereby creating sustainable income earning pathways and job opportunities. In the 2023/24 financial year the programme was rolled out in Sebokeng (Sedibeng District Municipality). The training is a composite of both theory and practicals for a period of 6 months. This fiscal, 25 unemployed youth were trained, seven (7) of which were females.
- **Enterprise and Supplier Development (ESD)** is a product-led industrialisation programme that aims to transform the structure of the township economy to ensure that townships become areas of employment-creating through the formalization of township SMMEs; business development support; and product development to increase the production of quality goods and services and ensure greater market access.

The Department, through the Inclusive Economy Directorate, partnered with various municipalities in hosting the Enterprise and Supplier Development (ESD) Open Day roadshows. These roadshows serve as a product-mapping exercise for the Department to establish the types of SMMEs available; the kind of products being manufactured in these areas as well as the level of product development. Roadshows were conducted in the City of Tshwane, Sedibeng and parts of the City of Johannesburg. The majority of these sessions were attended by about 70 small businesses from those that are operating formally, informally and at a conception phase, apart from Eesterust, Mabopane and Devon which were poorly attended.

- In line with the National Government plan of implementing a **Broadband Connectivity Drive** through a programme called South Africa (SA) Connect, the goal is to ensure that all South Africans have access to the internet by 2024. The Department has through this programme contributed towards upskilling the youth as a strategy to have more black township Internet Service Providers (ISPs). In this regard, the drive will assist with the rolling out of broadband/fibre optic cables in townships thereby increasing the number of townships with coverage. The skills programme called Broadband Infrastructure Deployment has in the year under review trained 40 youth in Ga-Rankuwa and Tshepisong (23 females and 17 males).
- **Infill Residential** is part of the Backroom Upgrade Project to multi-storey structures, preserving rentals at their existing levels but adding more revenue-generating spaces (including for street-level commercial). The Department has partnered with Indlu Living to help township land-owners unlock the earning potential of their properties by building residential property rental businesses. The company offers land-owners loans to fund additions and new builds or finish existing builds on their properties, and subsequently manages the rental of this additional accommodation. The Department and its partners offer both landlords and tenants a rental management solution, as Indlu Living app allows for leases, payments and statements to all be generated electronically.

The company is also trying to support the wider township economy as it aims to use local contractors and material suppliers in its developments, thereby providing opportunities for upskilling. It also offers all its enterprise resource planning tools from construction to property management as a software service to micro developers who already have properties, but need some assistance.

During the period under review, 26 rental houses were built. The greatest challenge was getting building plans' approval as 13 zoning applications have been stuck for more than 12 months.

Strategic interventions that presented challenges to realising transformation, modernisation and re-industrialisation of the Gauteng Province include:

- In the current financial year, both planned targets on the implementation of entities performance as well as budget spent performed below an average of 6% respectively. This was due to some infrastructure projects and non-compliant tender bids on projects implemented by GGDA. A ruling against the proposed tax increase by the Constitutional Court had a detrimental effect on revenue collection by GGB. In relation to financial performance, expenditures for GGDA and TASEZ are in the range of 80% to 88%. GGDA was affected by non-achievement of some infrastructure projects while TASEZ was affected by vacant positions.

- The under-achievement on revenue collected from liquor regulatory processes was attributed to shebeen permit holders operating without renewing their permits, non-renewal of licences due economic constraints, fraudulent licences and corruption.

In conclusion, the Department has seen an improvement in the 23/24 performance. In relation to TEDA implemented, the Department has implemented projects that have seen a positive impact to the communities within the Gauteng City Region being effected. Furthermore, in the 2024/25 the Department will interrogate the implementation of strategies of each work area to improve and expedite delivery.

Overview of the results and challenges for the department

During the financial year under review, the total expenditure for the Department as of 31st March 2023 amounts to R1 829 billion against the adjusted budget of R1 873 billion which makes up the 98% spent for the year. The total underspending amounts to R44,3 million (2%).

- The underspending is attributed to the following factors:
- Awarded contracts were made yet no services were rendered by year-end.
- Accruals and commitments as a result of invoices which had not gone through payment due to year-end cut off.
- Vacant positions and the non-payment of SMS pay progression which has been pending from the beginning of the financial year.
- Delays by sister departments in recovering shared costs (E.Gov for the fully managed data centres) and GDARD for regional office accommodation services.
- Delays in finalising the service level agreement (SLA) for the cell phone repairs skilling initiative.
- Outstanding close-out reports on ongoing projects.

Overview of the financial results of the department

Departmental receipts

The Department's main source of funding is the equitable share, which was spent towards the achievement of departmental goals, priorities and the overall mandate based on the Gauteng Provincial Government's GGT 2030 vision.

The Gauteng Gambling Board is one of the Department's agencies and generates its own revenue mainly from gambling taxes and licence fees drawn from casino taxes, horse racing taxes and bookmakers. Other sources of the Department's revenue included sales of goods and services other than capital assets, interest, dividends and rent on land, as well as financial transactions in assets and liabilities.

Departmental receipts	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	1 235 990	1 243 633	(7 643)	1 149 187	1 111 889	37 299
Casino taxes	813 610	832 082	(18 472)	515 009	793 362	(278 354)
Horse racing taxes	350 000	339 879	10 121	563 563	318 527	245 038
Liquor licences	72 380	71 672	708	70 615	-	70 615
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	260	202	58	250	193	57
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	3 898	6 005	(2 107)	3 734	2 696	1 038
Sale of capital assets	-	-	-	-	97	(97)
Financial transactions in assets and liabilities	270	635	(365)	260	157	103
Total	1 240 418	1 250 475	(10 057)	1 153 431	1 115 032	38 400

* The tax receipt (Casino and Horseracing taxes) of R1 172 billion is disclosed at net (gross is R1 266 billion) after deducting 8% Commission paid to GGB.

Reasons for over collection

The annual revenue collection target was R1, 240 billion and the Department managed to collect R1, 250 billion as of 31 March 2024, which translates to 1% over collection for the year. The R10 million over collection is attributed to the Gauteng Liquor board surrender of its revenue collection due to the Provincial Revenue Fund in the 2023/24 financial year as well as increased online gambling activities due to accessibility of various gambling platforms where punters can easily place bets from the comfort of their homes.

Programme Expenditure

Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	275 580	254 765	20 815	254 051	238 399	15 651
Integrated economic development services	221 333	221 333	-	223 876	223 876	-
Trade and sector development	841 054	841 054	-	798 613	798 613	-
Business regulation and governance	135 330	126 428	8 902	146 797	143 344	3 453
Economic planning	400 454	385 923	14 531	373 493	346 381	27 112
Total	1 873 751	1 829 503	44 248	1 796 830	1 750 612	46 218

Programme 1 underspent by R20,8 million or 8% of its adjusted budget of R275,6 million. The under-expenditure was due to vacant posts within the programme which remained unfilled by the end of the financial year, as well as purchase orders and invoices which were not paid by the end of the financial year resulting in accruals.

There was an underspending of R8,9 million, or 7%, of the adjusted allocation of R135,3 million under **programme 4**. The underspending was mainly attributed to the vacant posts that were not filled during the financial year and cost containment measures announced by National Treasury for the 2023/24 financial year that resulted in the scaling down in advertisement and catering expenses.

The Economic Planning underspending amounts to R14,5 million, and it translates into 3% of the total allocated adjusted budget of R400 million. The underspending is attributed to accrued invoices, outstanding close out reports on ongoing projects such as the GBS Value proposition, Codebook stakeholder engagement, the mining incubation programme and the construction and brick manufacturing project. Furthermore, the underspending is also attributed to non-implementation of both ICT Smart Industry centre and ICT Innovation projects.

Virements/roll overs

There were no virements applicable for the 2023/24 financial year, however the department applied for the shifting of budget within programmes to align resources to programme expenditure at year-end. The purpose of the shifting application was to defray overspending that had occurred within programmes as outlined in table below the schedule of the respective implications.

Programme Name	2023/24			
	Final Appropriation	Actual Expenditure	Virements & Shifts	Final Appropriation
	R'000	R'000	R'000	R'000
ADMINISTRATION	275 580	254 765	-	275 580
INTEGRATED ECONOMIC DEVELOP SERVICES	221 333	221 333	-	221 333
TRADE AND SECTOR DEVELOPMENT	841 054	841 054	-	841 054
BUSINESS REGULATION AND GOVERNANCE	135 330	126 428	-	135 330
ECONOMIC PLANNING	400 454	385 923	-	400 454
TOTAL	1 873 751	1 829 503	-	1 873 751

Unauthorised, Fruitless and Wasteful Expenditure

Below is a description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

Irregular expenditure

The Gauteng Department of Economic Development incurred irregular expenditure of an amount of R75 500 in the 2023/24 financial year. The trading entity (Gauteng Liquor Board) did not incur any irregular expenditure in the 2023/24 financial year. The department reported cumulative irregular expenditure amounting to R7 963 000 as at 31 March 2024, under Part E of the Annual Report. The trading entity (Gauteng Liquor Board) did not report any cumulative irregular expenditure under Part E of the Annual Report, as the cumulative irregular expenditure amounting to R15 974 000 incurred by the GLB in the previous financial years have been condoned by the relevant Treasury in the 2023/24 financial year.

The descriptions and reasons of cumulative irregular expenditure incurred and reported under Part E of the Annual Report are as follows:

GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT		
Descriptions	Steps taken to address and prevent recurrence	Amount
Variation of the capital expenditure contract by more than the allowed threshold of 20% in terms of Instruction Note 3 of 2016/17 financial year.	The matter has been referred to the relevant department for investigations. The department has put proper processes and procedures in place, to ensure variation of contracts are authorised by the relevant delegated persons to prevent recurrence.	R 6 943 000
Non-compliance with TR 16A3.2 and Supply Chain Management (SCM) processes.	The determination tests have been completed and the department is in the process of applying for condonation of irregular expenditure with the relevant Treasury. The department has put proper SCM processes and procedures in place, to prevent recurrence.	R 290 700
Wrongful appointment processes of the appeal panel members	The matter is still under the determination test. The irregular contract terminated and proper processes have been put in place to prevent recurrence.	R 653 500
Procurement without prior approval	The matter is still under the determination test. Proper processes have been implemented and SCM officials have been instructed to not initiate any procurement processes without necessary approval from delegated officials.	R 75 500
Total		R 7 963 000

Unauthorised expenditure

The Gauteng Department of Economic Development and the GLB did not incur any unauthorised expenditure.

Fruitless and wasteful expenditure

The Gauteng Department of Economic Development did not incur any fruitless and wasteful expenditure in the current financial year. However, the trading entity (Gauteng Liquor Board) incurred fruitless and wasteful expenditure amounting to R2 418.35 due to sheriff costs paid to uplift the pledge that was attached to the GLB bank account. This is due to court orders that were not settled in time between the 2010 - 2016 financial years. The GDED reported cumulative fruitless and wasteful expenditure amounting to R3 33 000 incurred in the previous financial year, and the entity reported irregular expenditure amounting to R2 418.35 under Part E of the Annual Report.

The descriptions and reasons of cumulative fruitless and wasteful expenditures incurred and reported under Part E of the Annual Report are as follows:-

Gauteng Department of Economic Development		
Descriptions	Steps taken to address and prevent recurrence	Amount
Abolishment of the design costs pertaining towards the construction of Jewellery Manufacturing Precinct superblock building.	The matter has been referred to the relevant department for investigations. The contract terminated and the department has put proper processes and procedures in place to prevent recurrence.	R3 330 000

Gauteng Liquor Board		
Descriptions	Steps taken to address and prevent recurrence	Amount
Sheriff costs paid to uplift the pledge that was attached to the GLB bank account. This is due to court orders that were not settled in time between 2010 - 2016 financial years	The matter is still under the determination test by the relevant unit. The entity has implemented appropriate measures and controls to ensure that the court orders are settled on time in accordance with date mentioned on the court orders.	R2 418.35

STRATEGIC FOCUS OVER THE SHORT TO MEDIUM TERM PERIOD

The Department will continue to pursue its mandate of economic development through various programmes and projects aimed at stimulating and growing the Gauteng Economy. Emboldened by the passing of the Township Economic Development Act of 2022, the Department will make steady headway in making the Gauteng economy more inclusive and competitive, thereby cementing the province's position as the economic hub of the country and continent. Furthermore, through initiatives such as the Economic and Jobs War Room, the department has spared no effort in developing strategic interventions designed to transform, revitalise, promote and grow the Gauteng economy. These catalytic programmes remain the department's strategic priorities and will contribute to job creation and poverty reduction through a sustainable and inclusive economy. Our strategic priorities are:

1. Development of Multi-Tier SEZs as Economic Anchors for Industrialisation

Special Economic Zones (SEZs) are strategic interventions for attracting investments, stimulating industrialisation, and boosting job creation. The 6th administration in South Africa recognised the importance of SEZs, with Tshwane SEZ attracting R18.6 billion in private investment since 2014. The GPG will facilitate investment in regional SEZs, encouraging SMME participation and expanding province-wide to attract FDI, drive industrialisation and support the manufacturing sector.

2. SMME and Township Enterprise Empowerment

The Covid-19 pandemic and previous recessions severely impacted business, particularly small and medium-sized enterprises (SMEs) and township enterprises. The Gauteng Department of Economic Development has prioritised the enactment of the Township Economic Development Act (TEDA) to support these enterprises. The Act will create the SME Partnership Fund, a public-private partnership initiative, to provide funding to SMMEs and township enterprises unable to access financial institutions. The Act will also provide a legal framework for unlocking opportunities and transforming townships into major economic nodes. Programmes include the Township Economy Partnership Fund, Infill Residential and Commercial Development, Island Reconstruction Contractors, Township Retail, Fiber Roll-out, and Taxi Economy.

3. Creation of jobs and/or an enabling environment

The Growing Gauteng Together (GGT2030) prioritises Economy, Jobs, and Infrastructure in the 6th term of office. The National Development Plan aims to reduce unemployment to 6% by 2030. The Department plans to invest in infrastructure development and support SMMEs to generate 90% of new jobs. Programmes include financial support, capacity-building and market access assistance. Partnerships with stakeholders will leverage expertise and resources to create a conducive environment for job creation.

4. Infrastructure as a Catalyst for Development

State infrastructure spending, based on John Maynard Keynes' theory, is seen as a fiscal stimulus and a strategy to stimulate economic activity post-Great Depression. South Africa's President Cyril Ramaphosa emphasised infrastructure investment as a catalyst for unlocking the country's economy. Gauteng Provincial Government committed to using infrastructure projects to revive the province's economy, supporting township enterprises and those owned by disadvantaged individuals. The Department plans to develop new and expand existing infrastructure, including tourism and industrial hubs, to create new regional economic nodes and employment opportunities.

5. High Growth Priority Sectors

The Department is partnering with the Public Private Growth Initiative (PPGI) to facilitate transformation within 10 priority sectors, aiming to include small and township businesses in mainstream value chains. The government is monitoring sector performance and implementing sector-based incubation programs in mining, furniture manufacturing, tolling and technical manufacturing, chemical and pharmaceuticals, clothing and textile, creatives, and brick manufacturing. The 10 high-priority sectors include automotive, aerospace, defence, transportation and logistics, ICT and digital services, energy, tourism and hospitality, food, beverages, agro-processing, agribusiness, construction and infrastructure, financial services, cultural and creative services, and the cannabis industry.

6. Partnership with the Private Sector

The Department is focusing on a developmental approach to drive the economy. The GDED will use its budget to leverage private and public sector funding to increase the scale and impact of its programmes on society and the economy. Partnerships with entities like Industry Development Cooperation, Family Tree, banking sector, Competition Commission, Development Bank South Africa, Automotive Industry Transformation Fund, and Gauteng Provincial Departments will potentially be formed to support the implementation of these plans.

7. A Better Africa and World

The Gauteng City Region (GCR) is exploring opportunities to enhance its trade balance with other global economies, particularly South Africa, through the African Free Trade Agreement. As the most industrialised and diverse economy in Africa, South Africa and the GCR can boost exports to African countries due to their competitive advantage, innovation, and position as a gateway to Africa. The GDED group aims to increase the rand value of exports to Africa, reduce business costs in Africa, and boost the number of companies exporting to Africa.

Public- Private Partnerships

The Gauteng department of Economic Development (GDED) had a PPP (Public Private Partnership) agreement with Maropeng a' Africa Leisure (MAL) which expired in 2015. The expired PPP was in relation to the management of the visitors' facilities of Sterkfontein and Maropeng at Cradle of Humankind World Heritage site.

In terms of the termination clause 27.2 of the concession agreement, the revenue, loans, liabilities and movable assets should be transferred to the Department. The Department is still unable to account for the investment into MAL or other assets and liabilities except for the movable assets which are accounted for and disclosed under Note 27 to the AFS.

The Department is still waiting for the final decision to be followed regarding the implementation of the termination clause of the expired PPP. The process of conducting a due diligence to ensure accurate valuation of the investment, revenue, loans and liabilities has been completed and the Department is currently in a process of implementing the recommendations of the due diligence report.

The due diligence report recommended that MAL must be converted into a Non-Profit Organisation (NPO). The State Attorney's office will assist the department with conversion of MAL to an NPO.

The Gauteng Provincial Treasury exemption to implement the recommendations of the expired PPP agreement and due diligence report has now been extended to 30 June 2025. The extension until 30 June 2025 has been approved by the CEO of Cradle of Humankind in line with the PFMA SCM instruction note 3 of 20220/21, as advised by the Gauteng Provincial Treasury.

Discontinued key activities

The Department does not have any discontinued activities/ activities to be discontinued.

New or proposed key activities

The Department does not have any new or proposed activities.

Supply chain management

Unsolicited Bids

There were no unsolicited bids received or concluded during the year under review.

Irregular expenditure

The Department has an updated SCM policy in place and standard operating procedure manual outlining the procurement processes, roles and responsibilities of all key stakeholders. There are other internal control measures and initiatives that the Department has developed, such as compliance checklists.

The unit was capacitated through the filling of critical positions, including that of SCM: Director.

Challenges within the supply chain

The Department has experienced delays in the finalisation of projects tabled on the 2023/24 procurement plan. This was mainly due to the delays in the appointment of Bid committee members as well as the unavailability of Bid committee members (BSC and BAC) to form a quorum for meetings to take place. To combat similar, future delays, the Department has ensured that all Bid committee members are appointed immediately after the procurement plan has been approved. Any delays in the sitting of bid specification and bid evaluation meetings are escalated to the accounting officer to hold committee members accountable.

The Department has also experienced challenges of cancelled tenders due to non-responsiveness. An assessment has been conducted to outline the root causes and possible remedies to curb future occurrences.

Gifts and donations received in kind from non-related parties

For the 2023/24 financial year, there were no declarations made in the Departmental register for gifts, sponsorships or donations received by the GDED.

Exemptions and deviations received from the National Treasury

The Gauteng department of Economic Development (GDED) had a PPP (Public Private Partnership) agreement with Maropeng a' Africa Leisure (MAL) which expired in 2015. The expired PPP was in relation to the management of the visitors facilities of Sterkfontein and Maropeng at Cradle of Humankind World Heritage site.

In terms of the termination clause 27.2 of the concession agreement the revenue loans liabilities and movable assets should be transferred to the department. The Department is still unable to account for the investment in MAL or other assets.

The Gauteng Provincial Treasury initially granted the department an exemption of two financial years (2019/20 and 2020/21) and granted an extension for further two financial years (2021/22 and 2022/23) to enable the Department to implement the termination clause in full. The exemption to implement the recommendations of the expired PPP agreement and due diligence report has now been extended to 30 June 2025. The extension until 30 June 2025 has been approved by the CEO of Cradle of Human Kind in line with the PFMA SCM instruction note 3 of 20220/21 and as advised by the Gauteng Provincial Treasury.

Events after the reporting date

There are no new events that were undertaken or which occurred after the reporting period and the time of printing the Annual Financial Statements from March 2024 – 31 July 2024.

Other

The financial state of affairs of the department and trading entity are disclosed under Part E. There are no additional material facts or circumstances to disclose on the Accounting Officers report.

Acknowledgement/s or Appreciation


I take this opportunity to extend my appreciation and gratitude to the Member of the Executive Council, Ms. Tasneem Motara, the Gauteng Provincial Treasury, all Gauteng Provincial Government departments, GDED Senior Management and all staff members, the Risk and Audit Management Committee Chairperson and the Cluster One Audit Committee Members for their hard work, dedication, and inspiring leadership, the support by labour post the labour forum and the private sector who came on board by providing amongst others the commitments on revenue for project implementation. Without them, we would not have been able to achieve the audit outcome.

Conclusion

I, therefore, present to you the Annual Financial Statements of the Gauteng Department of Economic Development and Gauteng Liquor Board (GLB), for the financial year 2022/23. The Annual Financial Statements have been prepared in compliance with and submitted in terms of the Public Financial Management Act, 1999 (Act No. 1 of 1999).

Approval and sign off

The Department's Annual Financial Statements have been prepared in accordance with the Modified Cash Standard (MCS) Basis of accounting and those of the Gauteng Liquor Board in compliance with the Standards of Generally Recognised Accounting Practice (GRAP). They are set out from pages 139 to 172 and pages 189 to 211 respectively and have been approved by both the Accounting Officer and the Office of the Auditor-General South Africa.



MPHO NAWA
Acting Accounting Officer
Gauteng Department of Economic Development

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part F) 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 2024 .

Yours faithfully



MPHO NAWA

Acting Accounting Officer

Gauteng Department of Economic Development

6. STRATEGIC OVERVIEW

6.1 VISION

A radically transformed, modernised, and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

6.2 MISSION

The mission of the GDED in pursuit of its vision is to:

- Provide an enabling policy and legislative environment for equitable economic growth and development.
- Develop and implement programmes and projects that will:
- Revitalise Gauteng's township and solidify economies;
- Build new smart, green knowledge-based economy and industries;
- Facilitate inclusivity in key economic sectors;
- Integrate and empower marginalised groups into the mainstream economy activities; and
- Promote and facilitate transformative partnerships for effective delivery of the mandate.

6.3 VALUES

The department's values are:

Caring - To care for those we serve and work with.

Competence - Propel the ability and capacity to do the job we are appointed to do.

Accountability - We take full responsibility of our actions.

Integrity - To be honest and to do the right things.

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

Responsiveness - To serve the needs of our citizens and employees in totality.

7. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

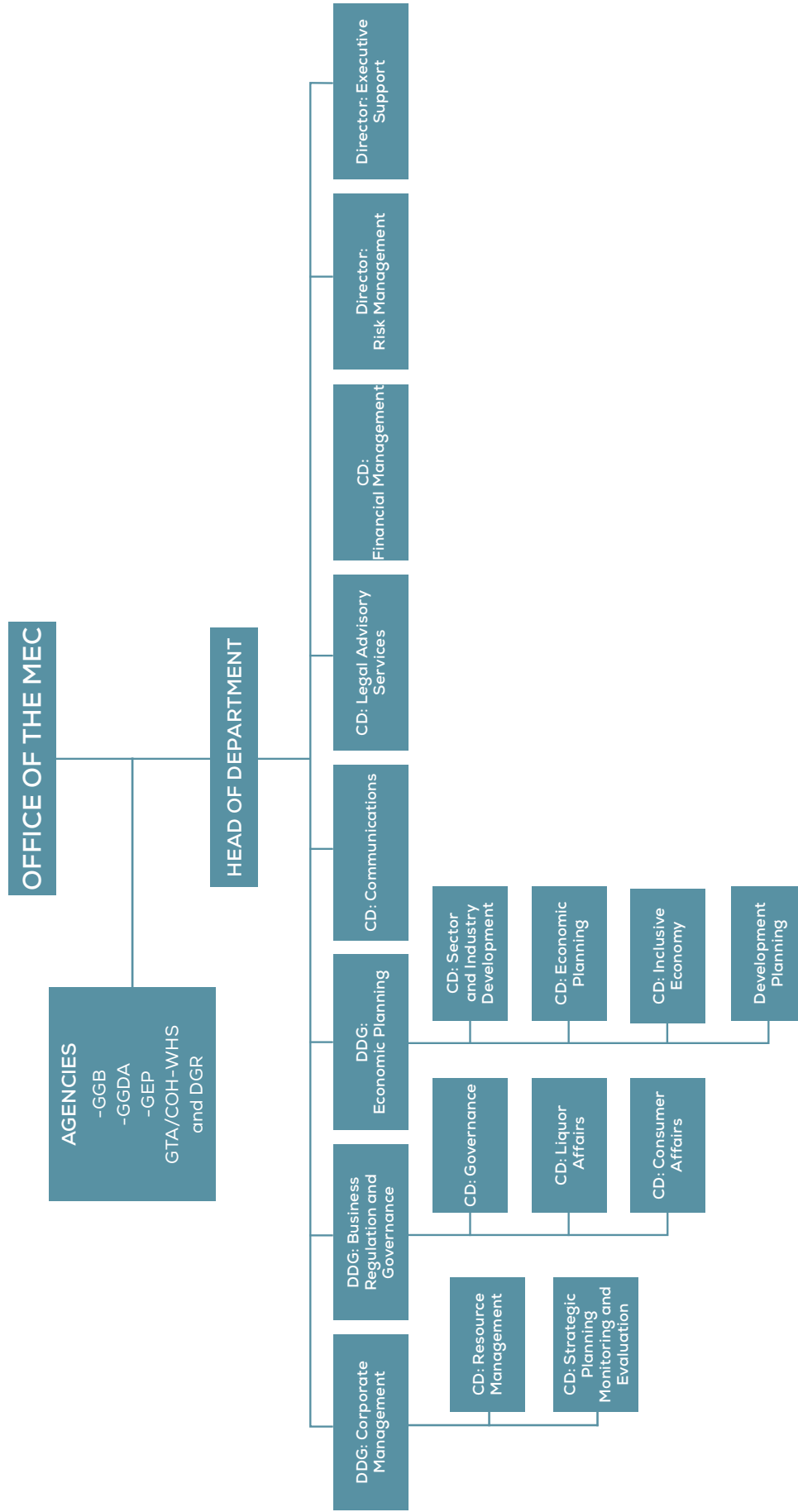
The Department derives its mandate from the Constitution of the Republic of South Africa, 1996 (Constitution). Part A of Schedule 4 to the Constitution details the functional areas of concurrent national and provincial legislative competence. Applicable to the department, areas of concurrent competence include casinos, racing, gambling and wagering (excluding lotteries and sports pools); consumer protection; disaster management; industrial promotion; trade, provincial public enterprises; tourism; and urban & rural development. In terms of Schedule 5 Part A of the Constitution, provinces have exclusive legislative competence over, inter alia, Liquor Licences.

Legislative Mandate

All regulatory prescripts applicable and relevant to a government department, duly applies to the GDED. In the furtherance of its mandate, the Department is governed by various National and Provincial legislations and prescripts including, inter alia:

- Businesses Act, 1991 (Act No. 71 of 1991);
- Consumer Affairs (Unfair Business Practices) Act, 1996 (Act No. 7 of 1996);
- Consumer Protection Act, 68 of 2008 (Act No. 68 of 2008);
- Cooperatives Act, 2005 (Act No. 14 of 2005);
- Gauteng Enterprise Propeller Act, 2005 (Act No. 5 of 2005);
- Gauteng Gambling Act, 1995 (Act No.4 of 1995) and Regulations;
- Gauteng Growth and Development Agency Act, 2012;
- Gauteng Liquor Act, 2003 (Act No. 2 of 2003), and Regulations;
- Gauteng Tourism Act, 2001 (Act No. 10 of 2001);
- Liquor Products Act, 1989 (Act No. 60 of 1989);
- National Credit Act, 34 of 2005 (Act No. 34 of 2005);
- National Small Business Act, 1996 (Act No. 102 of 1996);
- Promotion of Access to Information Act (PAIA), 2000 (Act No. 2 of 2000);
- Promotion of Administrative Justice Act (PAJA), 2000 (Act No. 3 of 2000);
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013);
- Special Economic Zones Act, 2014 (Act No 16 of 2014); and
- Tourism Act, 2014 (Act No. 3 of 2014).

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gauteng Enterprise Propeller	To primarily drive the revitalisation of township economies and enhanced participation of SMMEs and Co-ops in the Province’s mainstream economy.	The entity receives monthly allocation based on their Annual Performance Plan	Implementing agent of the Department
Gauteng Gambling Board	To regulate and transform the industry in a transparent, ethical, equitable, competent and efficient manner for the benefit of all stakeholders	The Gauteng Gambling Board collects tax revenue for the benefit of the fiscus.	Implementing agent of the Department
Gauteng Growth and Development Agency	To be the prime catalyst of innovative and sustainable growth and socio-economic development within the Southern African region.	The entity receives monthly allocation based on its Annual Performance Plan	Implementing agent of the Department
Gauteng Tourism Authority	To develop and promote, co-ordinate and facilitate responsible and sustainable tourism in Gauteng	The entity receives monthly allocations based on its Annual Performance Plan	Implementing agent of the Department

In 2020 Gauteng Department of Economic Development (GDED) signed a first of its kind Intergovernmental Relations Agreement with the Department of Trade, Industry and Competition (DTIC) and the City of Tshwane Metropolitan (COT) for the establishment of the Tshwane Automotive Special Economic Zone (TAHSEZ) Pty(LTD).

The TASEZ Pty (LTD) was established in May 2020 as a special- purpose vehicle and appointed as the custodian of the Tshwane Special Economic Zone project. The TASEZ was registered as a private company in terms of the Companies Act No 71 of 2008 and is currently concluding the process of being listed as a Public Entity, in terms of the Public Finance Management Act 1 of 1999 (PFMA).



PART B

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 134 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Gauteng Provincial Government (GPG) focused its attention in 2023 to the continued improvement of the Gauteng economy along with a particular focus on improving the lives of citizens in the Township, Informal Sector and Hostels (TISH). The strengthening of the economy and generating employment remained as top priorities, reinforced by a rigorous economic recovery plan. Included within these plans were programmes that promoted economic empowerment for groups traditionally excluded from the mainstream economy, like the youth, women, and TISH economies. Despite these efforts, the broader economic performance of both the South African and global economies continued to shape the impact of these initiatives, with broader challenges such as the escalating Hamas-Israeli conflict, the ongoing Ukraine-Russia war, disruptions in the Suez Canal trade routes and continued high fuel costs; coupled locally with severe load shedding – the worst to date – further complicating economic growth.

The global economy is estimated to have grown by 3.1% in 2023 following a growth of 3.5% in 2022, according to the International Monetary Fund (IMF). The 2023 growth rate was driven by stronger than expected growth in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption.

The above has led to the global economic recovery from the Covid -19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis unfortunately proving to be resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favourable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024. In most countries, reaching inflation targets, reducing fiscal deficits, and containing or lowering debt levels will remain as key policy priorities in 2024.

According to the IMF World Economic Outlook January 2024 report, global economic growth is expected to remain at 3.1% in 2024 before rising to 3.2% in 2025. The projection for global growth in 2024 and 2025 is below the historical (2000-19) annual average of 3.8%, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Growth from advanced economies is anticipated to decline slightly from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025. In the United States, growth is projected to fall from 2.5% in 2023 to 2.1% in 2024 and 1.7% in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand. The Euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025.

Emerging markets and developing economies are expected to remain constant at 4.1% in 2024 then edge up to 4.2% in 2025. Despite the stellar aggregate growth rate relative to other regions, disparities exist between the countries and regions in this group. Economic activity in Sub-Saharan Africa is projected to rise from an estimated 3.3% in 2023 to 3.8% in 2024 and 4.1% in 2025, as the negative effects of earlier weather shocks subside, and supply issues gradually improve. Logistical constraints experienced by South Africa will continue to hamper growth in the region.

Headline inflation continues to ease in most parts of the world; however, core inflation remains upwardly sticky. Global headline inflation is expected to fall from an estimated 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025.

The South African economy experienced modest growth in 2023, closing the year with a GDP increase of 0.6%. This growth came despite significant challenges, including the worst power outages in the country's history. The national economy grew by 0.1% in Q4, recovering slightly from a 0.2% decline in Q3. The Gauteng province outperformed the national average, achieving about 1% growth for the year.

Nationally sector-wise, six out of 10 sectors showed growth, led by Transport (2.9%), Mining (2.4%), and Utilities (2.3%). However, Agriculture saw a significant contraction of 9.7%, and other sectors, like Trade and Construction, also experienced declines. Despite these challenges, sectors such as Transport and Finance proved resilient, helping the economy to surpass its pre-COVID levels. The manufacturing and construction sectors also saw improvements over the previous year, marking their first growth since the pandemic.

Several sectors underperformed relative to 2022, including Agriculture, Mining, Utilities, and Trade. The Trade sector entered a technical recession in 2023, reflecting the severe strain on South African households due to high interest rates, escalating food inflation, high fuel costs and persistent high unemployment levels. Moreover, the mining sector's performance was dampened by lower commodity prices linked to sluggish global growth, particularly from China. The construction sector also faced hurdles due to a lack of fixed investment within the country.

Looking ahead, the South African Reserve Bank (SARB) anticipates GDP growth of 1.2% in 2024 and 1.3% in 2025. However, several factors could hinder these projections, including persistent lower commodity prices, ongoing electricity shortages, and logistical challenges. Additionally, the weak Rand, which has hovered around R19 to the US dollar, poses an inflationary risk, potentially affecting the SARB's ability to lower interest rates – a measure that is crucial for supporting household and business finances in the current economic climate.

The South African economy faces a complex environment with both internal and external pressures. While there are positive signs of recovery and resilience in several sectors, the broader economic landscape remains fraught with challenges that will require careful management and strategic interventions to sustain growth and improve living conditions across the nation.

On the labour front, despite facing significant economic challenges such as rising debt costs, weak global demand, and structural issues like loadshedding and inefficient ports, South Africa's labour market showed resilience in 2023. The country achieved an annual job gain, with national net employment increasing by 789,000 after an increase of 1.4 million the previous year. This continued pace of job gains suggests that the labour market is still in recovery mode.

Throughout the first three quarters of 2023, South Africa recorded consecutive quarterly employment gains. However, in the fourth quarter (Q4:2023), employment unexpectedly declined by 22,000 to 16.7 million, deviating from the usual end-of-year job surge due to the festive season. The number of unemployed individuals rose by 46,000 quarter-on-quarter to 7.9 million, slightly increasing the unemployment rate by 0.2 percentage points to 32.1%. Compared to the start of the year, the national unemployment rate is lower by 0.6 percentage points.

Youth unemployment remains a critical issue, with employment among individuals aged 15-34 years decreasing by 97,000 quarter-on-quarter in Q4:2023 to 5.9 million. For the year (2023), total employment amongst the youth increased by 273,000, accounting for over a third (1/3) of all jobs gains nationally. The number of unemployed youth increased by 87,000 quarter-on-quarter to 4.7 million. This translated into the youth unemployment rate increasing by 0.9 percentage points from 43.4% in the third quarter of 2023 to 44.3% in the fourth quarter of 2023.

The Gauteng labour market performed favourably in 2023. Total employment rose by 130,000 year-on-year after employment gains were reported in all four quarters. This follows a total job gain of 381,000 in 2022. In the fourth quarter of 2023, quarterly employment grew by 15,000 to 5 000 000. The number of unemployed individuals grew by 8,000 quarter-on-quarter to 3.6 million. The unemployment rate increased by 0.1 percentage points from 33.8% in the third quarter of 2023 to 33.8% in Q4:2023. Compared to a year ago, the unemployment rate in Gauteng has remained unchanged, declining by only 0.2 percentage points.

The youth in Gauteng continued to be disproportionately vulnerable. In 2023, employment amongst the youth increased narrowly by 22,000. This implies that only 15% (relative to 35% nationally) of the annual job gains in the province benefitted the youth.

Quarterly, employment amongst the youth increased by 44,300 to 1.4 million. The number of unemployed youth declined by 5,600 quarter-on-quarter to 1.4 million. By the end of the year, the youth unemployment rate was up by 0.9 percentage points from 46.03% in the previous quarter to 47.0% in Q4:2023. Annually, the youth unemployment rate was lower by 0.5 percentage points.

Looking at Gauteng metros, annual employment increased in three (3) of the four (4) metros. Leading the gains was the Non-metro region (54 000), the City of Ekurhuleni (47 000) and the City of Johannesburg (47 000). Annual employment declined by 18,700 in the City of Tshwane. Annually, the unemployment rate increased slightly in major metros such as the City of Johannesburg by 0.5 to 33.1%, and in the City of Tshwane by 0.3 percentage points to 35.0%. In the City of Ekurhuleni, the unemployment rate remained unchanged at 30.7% whilst it decreased notably in the Non-metro region by 3.6% to 38.5%. The unemployment rate in the Non-metro region reported the largest decline, however, its unemployment rate remains the highest in the province.

Since its inception in June 2023, Gauteng's Nasi Ispani programme has made a notable impact to these numbers, creating close to 90,000 jobs as reported in the 2024 State of the Province Address (SOPA).

South Africa's labour market faced various pressures in 2023 but displayed signs of underlying strength with significant annual job gains. The continued improvement in the labour market, despite economic adversities, underscores the resilience and potential recovery trajectory of the country's employment landscape.

2.2 Service Delivery Improvement Plan

The department 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	Desired standard of service	Actual achievement
Consumer Protection Service.	Citizens of Gauteng.	To investigate and resolve all consumer complaints.	To resolve consumer complaints through mediation and arbitration within 60 working days.	<ul style="list-style-type: none"> • 662 Complaints received. 193 carried over from the previous financial year. Total of 855 complaints investigated. • 593 Consumer complaints resolved within desired 90 working days. • 103 Consumer complaints resolved outside the desired standard of working days ; and • 159 Consumer complaints remain unresolved due to further investigations.
Liquor Licensing.	Citizens of Gauteng.	To issue liquor licences and permits in compliance with the Gauteng Liquor Act.	To process liquor licences applications within 90 days.	<ul style="list-style-type: none"> • 3 715 Liquor applications received; • 3 836 Liquor licences issued within 90 days.

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

Current/actual arrangements	Desired arrangements	Actual achievements
<p>441 Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> • Special awareness programmes (youth, women, people with disability and the elderly); • General consumer workshops; • Consumer education programmes for big businesses in partnership with the Consumer Goods Council; • SMMEs to be trained in Consumer Protection Laws ; • Financial Wellness workshops; and • Social media (e.g. Twitter and Facebook) engagement. 	<p>422 Citizens and stakeholder activities to be conducted through:</p> <ul style="list-style-type: none"> • Special awareness programmes (youth, women, people with disability, the elderly and LGBTQIA+); • General consumer workshops; • Consumer education programmes for big businesses in partnership with the Consumer Goods Council; • SMME s to be trained in Consumer Protection Laws ; • Financial Wellness workshops; and • Social media (e.g. Twitter and Facebook) engagement. 	<p>783 Citizens and stakeholder activities conducted through:</p> <ul style="list-style-type: none"> • Special awareness programmes (youth, women, people with disability, the elderly and LGBTQIA+); • General consumer workshops; • Consumer education programmes for big businesses in partnership with the Consumer Goods Council; • SMMEs to be trained in Consumer Protection Laws; • Financial Wellness workshops; and • Social media (e.g. Twitter and Facebook) engagement.

<p>Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> • 230 Liquor awareness activities which include (youth, women, people with and the elderly); • 4 Social responsibility programmes; and • 9 968 Liquor compliance activities conducted. 	<p>Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> • 220 liquor awareness activities which include (youth, women, people with disabilities and the elderly); • 4 social responsibility programmes; and • 11 065 liquor compliance activities to be conducted. 	<p>Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> • 155 Liquor awareness activities which include (youth, women, people with disabilities and the elderly); • Social responsibility programmes; and • 6 103 Liquor compliance activities to be conducted.
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Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<p>There is a greater use of indigenous languages in the Department and citizens were assisted in a language of their choice:</p> <ul style="list-style-type: none"> • English; • IsiZulu; • IsiNdebele; • IsiXhosa; • Xitsonga; • Setswana; • Tshivenda; • Sesotho; and • Afrikaans. 	N/A	<p>There is a greater use of indigenous languages in the Department and citizens were assisted in a language of their choice:</p> <ul style="list-style-type: none"> • English; • IsiZulu; • IsiNdebele; • IsiXhosa; • Xitsonga; • Setswana; • Tshivenda; • Sesotho; and • Afrikaans.
<p>Citizens can access services at the head office and there are five regional offices to minimise the distance travelled by citizens to access services:</p> <ul style="list-style-type: none"> • Johannesburg Head Office • West Rand • Sedibeng • Ekurhuleni • Tshwane • Soweto (Consumer Affairs only). 	N/A	<p>Citizens can access services at the head office and there are five regional offices to minimise the distance travelled by citizens to access services:</p> <ul style="list-style-type: none"> • Johannesburg Head Office • West Rand • Sedibeng • Ekurhuleni • Tshwane • Soweto (Consumer Affairs only).

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>The Department has established the Service Delivery Committee that ensures redress in case of the violation of the Batho Pele Principles:</p> <p>The effective utilisation of the complaints, complements and suggestion boxes and the Premier Hotline by citizens.</p>	<p>To ensure redress of Batho Pele Principles (service delivery) violations.</p>	<p>Number of Batho Pele Principles (service delivery) violations received:</p> <ul style="list-style-type: none"> • 350 Complaints received; • 100 Complaints resolved; • 1075 Queries pending; and • 253 Partially resolved. <p>Pending queries are as a result of:</p> <ul style="list-style-type: none"> • Incomplete information; • Objections underway; • Petition underway; • Dispute between GLB and complainant; and • Outstanding investigation report.

2.3 Organisational environment

As at 31 March 2024, the MEC signed off the consultation request on the proposed organisational structure of the department in terms of the 2016 DPSA Directive on changes to the organisational structure. The proposed organisational structure is currently before the Premier for consideration in preparation for the final consultation with the Minister for Public Service and Administration (MPSA). As soon as the approval has been granted by the MPSA, it is anticipated that the department will implement the new organisational structure. The department will also develop job descriptions in line with the new organisational structure and conduct job evaluation on all posts (existing, newly created and/or newly defined) in the department as part of the implementation of the organisational structure.

In terms of employment equity the SMS level (salary level 13 – 16) constitutes of 26 males and 22 females; the MMS (salary level 11 – 12) is made up of 28 males and 37 females; the Junior Management (salary level 9 – 10) comprise of 51 Males and 65 Females whilst the Elementary & Supervisory (salary level 2 - 8) accounts for 56 Males and 152 Females.

At the beginning of the 2023/24 financial year the vacancy rate was at 12,71% (62 vacancies), inclusive of the Gauteng Liquor Board. As at 31 March 2024, the vacancy rate is at 13,81% (64 vacancies). The fluctuations in the vacancy rate are largely due to a number of appointments made for the Nas'iSpani Project. The issuing of Circular 49 of 2023, in October 2023, had a negative impact on the Department's ability to fill vacancies, due to it being required to seek concurrence for the advertising and filling of posts, through the Gauteng Premier. The Department made a first submission for concurrence in March 2024, requesting to fill 28 posts. The Office of the Premier is busy with its assessment and the Department awaits feedback and, on receipt thereof, the recruitment and selection process will immediately commence which will have a positive impact on the vacancy rate. The implementation plans have been developed in ensuring that posts are filled within four (4) months of being advertised.

During the period under review, the Business Continuity Plan (BCP) was activated by the Department for the head office. This was done to guarantee that the Department's public services remained unaffected. The Department's BCP is a document that consists of the critical information the Department uses to continue operating during an unplanned event. The BCP states the essential functions of the business, identifies which systems and processes must be sustained, and details how to maintain them. It also considers any possible business disruption. The Department suffered minimal downtime since employees are provided with the necessary tools. This allows employees to work remotely and at other Departmental Regional offices because all systems are accessible outside the head office building.

2.4 Key policy developments and legislative changes

A. Guideline on cost containment measures for the 2023/24 Financial Year

In August 2023, the National Treasury issued a letter supplemented with subsequent guidelines, applicable to all national and provincial government departments advising Accounting Officers (AO) and Accounting Authorities (AA) on measures required to achieve savings and prevent the materialisation of potentially crippling resource constraints for the current financial year. The guideline identify measures that could assist in cost containment and further guides AO/AA s in the implementation of such measures. Restriction measures include, inter alia, travel, attendance of conferences, workshops and catering, capital

spending on buildings and other fixed structures, capital spending on machinery and equipment and recruitment and the filling of vacant posts. In the implementation of the said measures, the departmental operations are impacted to the extent of reprioritising projects and spending. Recruitment in the institution is affected, with a moratorium placed on recruitment, unless prior approval to fill a vacancy has been obtained.

It is noted that the cost containment measures are applicable for the 2023/24 financial year, however, should these restrictions extend beyond such period, it may have an impact on service delivery targets set for the 2024/25 financial year.

B. Judgment

CASINO ASSOCIATION OF SOUTH AFRICA (CASA) AND OTHERS V MEMBER OF THE EXECUTIVE COUNCIL FOR ECONOMIC DEVELOPMENT ENVIRONMENT CONSERVATION AND TOURISM AND OTHERS (CCT 322/22) [2023] ZACC 39 (29 NOVEMBER 2023)

An application was made to the Constitutional Court (CC), to confirm the decision of the High Court, North-West, (High Court) declaring sections 84(1)(e), 87(1)(a), and 87(3) of the North-West Gambling Act 2 of 2001 constitutional invalid. The first applicant is the Casino Association of South Africa (CASA), representing the interest of Peermont Global (Northwest) (Pty) Limited (2nd Applicant) and Sun International (South Africa) Limited (3rd Applicant). The Respondents in this matter are Member of the Executive (MEC) for Tourism is the first respondent (1st Respondent)/MEC: Tourism), MEC for Treasury (2nd Respondent/MEC: Finance), Northwest Gambling Board (3rd Respondent/Board).

Sections 84(1)(e), 87(1)(a) and 87(3) of the Northwest Gambling Act (NW Gambling Act/empowering legislation) empowers the MEC: Tourism to make regulations on gambling levies. Regulation 73(1) of the NW Gambling Regulations (Regulations) prescribes the gaming levies payable by casino licensees, and the Regulation amendments were promulgated by MEC: Tourism on 23 and 24 January 2020, with effect from 1 February 2020.

In July 2020, the applicants launched an application in the High Court seeking an order to review and set aside the empowering legislation and to declare the provisions unconstitutional, invalid and reviewable on the basis that, inter alia, the empowering provisions delegates legislative power to the Provincial Executive to impose provincial taxes or levies, in breach of section 228(1) of the Constitution.

The Constitution further prescribes that only the MEC: Finance may introduce a "money Bill" in a Provincial Legislature. Examples of a "money Bill" include a Bill that imposes provincial taxes, levies, duties or surcharges; or abolishes or reduces, or grants exemptions from, any provincial taxes, levies, duties or surcharges. In light of the above, applicants contended that a MEC may not introduce a provincial tax by way of regulation, and a provincial Act may not purport to empower an MEC to do so.

Respondent argued that the relevant levy is not a provincial tax as defined in the Process Act, and that the Act and S228 relates to the levy imposed by any national legislation, and not provincial. The fact that the NW Gambling Act was a provincial Act, the Process Act and S228 therefore do not apply.

The HC declared Sections 84(1)(e), 87(1)(a), and 87(3) of the Act invalid to the extent that they purport to authorise the MEC: Tourism to impose gambling levies as a tax as contemplated in section 228(1)(a) of the Constitution. The CC confirmed that the levy implemented by the board constituted a provincial tax and therefore the procedure detailed in the Process Act must be complied with.

The Gauteng Province is currently considering the impact of this judgment, if any, on its regulatory framework. The amendment of the Gauteng Provincial Gambling Regulations, in respect of levies, is currently stayed, pending the finalisation of the internal review process.

In terms of section 167(5) and 172(2)(d) of the Constitution of South Africa

¹*The Constitutional Court (CC) makes the final decision on whether a provincial Act is constitutional, and the CC must confirm any order of constitutional invalidity made by either the High Court or the Supreme Court of Appeal before that order has any force.*

²*The Responsible Member may, in consultation with the Board, by notice in the Provincial Gazette make regulations regarding (e) any matter pertaining to gambling levies and fees.*

³*The Responsible Member may, with the concurrence of the Member of the Executive Council responsible for finance, by notice in the Provincial Gazette make regulations prescribing the matters in respect of which gambling levies and fees shall be payable and the tariffs relating thereto*

⁴*Section 228 (1) of the Constitution provides that a provincial legislature may impose:*

(a) taxes, levies and duties other than income tax, value-added tax, general sales tax, rates on property or customs duties; and

(b) flat-rate surcharges on any tax, levy or duty that is imposed by national legislation, other than on corporate income tax, value-added tax, rates on property or customs duties.

⁵*Section 119 and 120 of the Constitution.*

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Outcomes	GGT 2030 Statement	Progress
Outcome 1: An enabled business environment	Building a capable and developmental state with heightened procurement reform.	In the 3- year, the Department has maintained a clean audit outcome except for the 2021/2022 financial year when an unqualified audit outcome was obtained.
	Rigorously support the expansion and sustainability of SMMEs	In an effort to rigorously support the expansion and sustainability of SMMEs, the Department continued to ensure that suppliers are paid within 15 working days.
Outcome 2: Industrialised economy anchored on localisation, local content and government procurement	Increase investment in SMME development to build and grow an inclusive economy.	<ul style="list-style-type: none"> • The Department, through the Strategic Partnership Unit, sourced partnerships with both domestic and international partners as part of the Departmental mandate of tackling the triple challenges with a particular focus on the township economy, youth and female persons. • R3,3 billion worth of economic benefit was generated from various strategic partnerships . • The Department continued with the focus on driving inclusive economic growth and meaningful economic opportunities for all, with specific focus on SMMEs, township businesses, black-owned enterprises and target groups (the youth, women and persons with disabilities) by implementing various programmes within the identified high growth sectors. • The Furniture Programme is aimed at equipping candidates with technical skills and development training in furniture manufacturing (Upholstery & Wood Machining and cabinet making) and also provide support for SMME within the Furniture industry (Manufactures and Designers) to improve their productivity, quality, and competitiveness which contributes to job creation, economic growth, and transformation within the furniture manufacturing sector. In that regard. <ul style="list-style-type: none"> • 356 candidates were trained and 103 job were assisted with placements (88% youth and 32% women) • 25 Business were established and • 99 SMMEs were supported (31% women and 68% youth) • Whilst a turnover of approximately R15 million was generated and 405 Job opportunities were created • Aerospace Programme aims to provide candidates with skills development training in aerospace manufacturing, investment casting, Fused Deposition Modeling (FDM), and other additive processes. This training is designed to enhance the candidates employability and facilitate seamless integration into the workforce. <ul style="list-style-type: none"> • 208 youth were trained and 196 were placed in jobs (100% youth and 30% females) • 25 SMMEs were supported (44% black business; 16% women and 8% youth) • 18 jobs opportunities were created • Green/ Renewable Projects aim to equip candidates/ SMMEs with technical skilling or upskilling in renewable energy and promote efficient use of resources by reducing energy consumption and promoting sustainable practices across industries, businesses, and households. <ul style="list-style-type: none"> • 182 candidates were trained and 180 were placed in jobs; • 103 SMMEs trained; and • 24 SMMEs were assisted with installation of solar systems in their business operation to assist them to mitigate the effects of load shedding; reduce their operational costs and the environmental impact.

Outcomes	GGT 2030 Statement	Progress
		<ul style="list-style-type: none"> • Global Business Services (GBS) programme is aimed at rolling out the GBS contact centres as a catalyst to develop the township economy. The contact centres established will be used as training centres in an effort to employ young people in the townships since companies have started moving contact centre and business process outsourcing and services to second and third-tier cities because of lower costs and lower competition for talent in those locations. <ul style="list-style-type: none"> • Jabulani contact Centre in Soweto was launched in October 2022; • 1 224 candidates were trained (91% youth, 78% female); and • 645 job opportunities were created. • Transport and Logistics Programme aims to equip candidates with motorbike driving skills; assisting them in acquiring driver's licences and establishing their own businesses. The businesses established are provided with new venture creation training, resources, and support for optimising last-mile delivery operations. <ul style="list-style-type: none"> • Market facilitation has been conducted through partnerships with Take-a-lot; Uber Eats and Kasi Delivery across the corridors; • 650 youth were trained (100% youth; 53% women); and • 407 businesses were established. • Creative Industries Programme provides support to SMMEs that prototype animated products in the form of TV Series, Games, Edu-content, and Comic Books. SMMEs who develop the innovative digital platforms which will compete with APPs like Facebook, Instagram and Tiktok. <ul style="list-style-type: none"> • 47 SMMEs were trained; • 427 formal jobs opportunities created; • 2586 gig work opportunities created; and • R 2,1 million turnover was generated. • Chemicals support Programme provides support to SMMEs in the chemical (Skincare Products; Haircare Products; Personal Care Products; Laundry Detergents; Dishwashing Detergents; Household Cleaners) to enhance their competitiveness and sustainability in the chemical sector, so that they can contribute to economic growth, job creation, and transformation within the industry. <ul style="list-style-type: none"> • 770 SMMEs were supported (64% women and 46% youth) • R 73, 9 Million in turnover was generated; and • 537 jobs were created. • Construction Programme aims to provide support to SMMEs within the construction sector such as contractors (general building, plumbing and civil engineering); inputs manufacture (bricks; cement, doors, windows) and construction services (project management; building; architectural). This support helps them to enhance their competitiveness, productivity, and sustainability within the construction sector and contribute to economic growth and job creation. <ul style="list-style-type: none"> • The ISO 9001: 2015 Quality Management System certified Hub was established in Munsiville Mogale city and launched in February 2022; • Six (6) 100% black-owned businesses were assisted with SABS certification for brick manufacturing. The SABS certification will assist with ensuring quality; compliance, market access, competitive advantage, risk reduction, and sustainability; • 120 SMMEs were supported (41% women; 43% youth and 2% PWD) with SMMEs development such as capacity building; market facilitation technology and innovation support; access to infrastructure and facilities; • A turnover worth about R 32,1 million was generated; and • 433 jobs created. • Mining Programme aims to empower ex-mine workers by helping them to start their own business and provide support to SMMEs within the engineering and mining value chain by providing support, guidance and resources. The programme enables these entrepreneurs to develop sustainable businesses that contribute to job creation and economic growth. <ul style="list-style-type: none"> • A hub was established in Khutsong, Merafong Local Municipality in February 2020. • 138 SMMEs were supported (32% youth and 28% female and 1% PWD) through training, market access facilitation and incubation facility; • R 22,1 million worth of turnover was generated; and • 285 jobs created.

Outcomes	GGT 2030 Statement	Progress
<p>Outcome 3: Economic transformation and job creation</p>	<p>Increased investment and improved conditions and operations within the township economy</p>	<ul style="list-style-type: none"> • The Department has continued contributing to revitalisation of the township economy, through fast-tracking the implementation of the Township Economic Development Act (TEDA); a first of its kind in South Africa, which aims to, amongst other priorities, leverage government expenditure to improve economic activity in township spaces as well as facilitate and promote inclusive economic growth along a transformative paradigm in order to build a cohesive and more equal society which is underpinned by a growing and inclusive economy that harnesses the potential of all people in the republic who reside in Gauteng. • Several strategic programmes have been implemented which include: <ul style="list-style-type: none"> • The Township Retail programme; • Township Infill Residential and Commercial Development; • Expedited broadband installation (linked to TEZ special bylaw); • Installation, Repair and Maintenance (IRM); • Township last Mile Delivery Project; • Accelerated ESD and product LED Development; and • 60% Goods and Services Budget Implementation Approach, • The Township Retail Programme seeks to increase retail stores footprint across Gauteng and create employment within the Township Economies through the following key deliverables: <ul style="list-style-type: none"> • Increase development and training opportunities for entrepreneurship upskilling and for managing retail enterprises; • Developing retail stores infrastructure, upgrades, and store operational management systems; and • Reinforcement of a retail eco-system network for distribution of trading stock via the value chain of Distribution Centres (DC), Superstore & Mini DCs and Convenient Stores network. • Through this programme, over 1 750 SMMEs were trained on Entrepreneurial Skills Development as follows: <ul style="list-style-type: none"> • 3 251 stores were refurbished in the townships; • 574 enterprises have been on-boarded into the Entrepreneur Development Program and a further 500 entrepreneurs have been enrolled into the incubation program. • The Kasi Umnotho Fund (in partnership with Absa Bank and Independent Development Corporation) was successfully launched and to date 10 SMME have received funding. • Township Infill Residential and Commercial Development is a Township Backyard Real estate which involves upscaling and upgrading of backroom properties through a market access opportunity for township products (construction value chain opportunities) and maintenance by SMMEs. This programme links land-owners in Gauteng townships to opportunities to build residential property rental businesses. <ul style="list-style-type: none"> • Support includes helping land-owners with access to capital, systems, management & support services. • Alternative building solutions for township commercial units, retail facilities and residential solutions. • To date 873 residential units and 60 commercial units were upgraded.

Outcomes	GGT 2030 Statement	Progress
		<ul style="list-style-type: none"> • Installation, Repair and Maintenance programme (IRM) initiative operates at the interface between supply and demand, unlocking the demand for skills in these various industries. This programme seeks to expand opportunities for job retention and job growth in IRM enterprises within a range of industries. The focus of IRM enterprises within the infrastructure value chain includes Manufacturing, Plumbing, Electrical, and General Maintenance. <ul style="list-style-type: none"> • 60 beneficiaries have successfully completed technical training and have set up their own operations in the townships. • 52 of the new cohort were recruited successfully, focusing on a range of artisanal areas including plumbing, welding, upholstery, carpentry and general maintenance. • The Cell phone Repair Programme is an accredited skills development training programme co-funded by the Gauteng province and MICT SETA. Its objective is to equip young people of the province with smartphone aftercare skills. These skills could assist them to establish their own businesses and/or attain employment. <ul style="list-style-type: none"> • To date 146 youth beneficiaries have been reached in the following areas: Alexandra (31), Westbury (2), Rabie Ridge (21), Sebokeng (59), Orange Farm (17) and Kagiso (16). • Enterprise and Supplier Development (ESD) is a product-led industrialisation programme that aims to transform the structure of the township economy to ensure that townships become areas of employment-creating. ESD aims to achieve this through the formalisation of township SMMEs; business development support and product development to increase the production of quality goods and services and ensure greater market access. • To date the following achievement were recorded: <ul style="list-style-type: none"> • Product testing and certification by SABPS for 20 beneficiaries ranging from chemicals, food and beverages, clothing and textiles products. • Productivity enhancement (QMS; ISO standards etc.) by Mahoona for 15 beneficiaries (including buying of laptops to load QMS) and Crème de la crème for the 21 beneficiaries in the bakery cluster.
	<p>Improve SMME s' compliance capabilities with consumer protection legislation</p>	<ul style="list-style-type: none"> • In promoting business development support to improve SMME s' compliance capabilities with consumer protection legislation and ensure compliance and attain a regulated business environment, the Department has developed a Gauteng Consumer Protection Bill which when enacted will: <ul style="list-style-type: none"> • ensure alignment of the provincial consumer protection law to the national norms and standards set out in the Consumer Protection Act 68 of 2008; • strengthen the compliance and enforcement arm of the Provincial regulatory capacity; • effectively assist the province to facilitate the control, prohibition and prosecution of possible contraventions of the consumer protection laws; as well as • to protect the rights of consumers in the marketplace. • To date the following was achieved: <ul style="list-style-type: none"> • All cases that were referred to Consumer Affairs Court were adjudicated except in 2020/2021 FY. • 255 SMMEs were supported in application of the consumer protection laws. • 150 youth recruited as consumer champions in various townships.

Outcomes	GGT 2030 Statement	Progress
Outcome 4: Strengthened and responsive GDED agencies	Create an efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> The following are among the strategies developed and currently under implementation: <ul style="list-style-type: none"> The Gauteng Trade and Investment Strategy; Gauteng Informal Business Upliftment Strategy; and Gauteng Cooperatives Strategy. The Department continues to monitor the performance of its entities and a steady improvement has been observed from performance ranging at 70% to the performance ranging between 80% and 88%, both in terms of the budget spent and performance against the APP. The compliance of GDED entities to their shareholder compact has improved to 100%, from 99% achieved in the previous financial years. Revenue worth about R260 million was collected from liquor regulatory processes.
	An inclusive economy through targeted investment is delivered	<ul style="list-style-type: none"> The DDM Economic Intelligence Report was produced to improve integrated planning and delivery across the spheres of government in a spatially targeted way by enabling, by joint planning, budgeting, delivery in relation to district and metropolitan spaces that will be part of the implementation processes. The Department continues to provide necessary economic data and information in order to facilitate evidence-based policy, decision-making and GGT2030 implementation in the province. This is executed through the programmatic work on Economic Research and Knowledge Management, Economic Modelling and Forecasting and Economic Policy and Strategy to ensure that the province remained ahead of the curve.
Outcome 5: Sustainable Development for future generations	Alternative energy projects	<ul style="list-style-type: none"> Through partnership agreements with different renewable energy producers, the department has facilitated the activation of up to 550 MW of alternative energy through a Micro Grid model. As part of the Water Energy Nexus Project, the department has also overseen the installation of 15 kW solar PV systems in Westonaria and Tarlton, aimed at promoting sustainable energy practices and enhancing the resilience and efficiency of agricultural operations. Furthermore, a business case outlining energy solutions that could support township SMMEs, including funding options has been developed.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The purpose of the programme is to provide strategic leadership, support and transversal business solutions to enable the MEC, HOD and GDED group to effectively deliver on the mandate of the Department.

Sub-programmes

Office of the MEC:

Purpose:

- Support the MEC to perform his/her role.
- Provide political and strategic direction to the GDED group

Office of the HOD:

Purpose:

- Provides strategic direction to the GDED Group.
- Oversees and ensures service delivery and implementation.
- Responsible for programme performance management.
- Risk management.

Financial Management:

Purpose:

- Financial Management.
- Management Accounting.
- Supply Chain Management.

Corporate Services

Purpose:

- Human Capital Management.
- Communication, Marketing and Branding.
- Auxiliary Services and Legal Services.
- Information and Communication Technology

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department obtained a clean audit outcome from the Auditor General for the 2022/23 audit, this is in line with the GGT 2030 statement stating that the Gauteng government works to support the people and service delivery through embedding an accessible, responsive, ethical and effective state.

To ensure sustainability of SMMEs, the Department ensures that invoices for SMMEs and township businesses contracting with the state are paid within 15 working days. In an effort to support the previously marginalised, women-led SMMEs and women entrepreneurs are prioritised, hence approximately R19 million was spent on women enterprises which is just more than 40% of the department's goods and services budget.

Table 4.1.1

Programme / Sub-programme: Financial management									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
An enabled business environment	Rand value of resources leveraged through partnerships	Rand value of resources leveraged through partnerships	#	29,7m rand value of resources leveraged through partnerships	R300m of resources leveraged through partnerships	R0 of resources leveraged through partnerships	-R300m	Indicator was not due for reporting	The same indicator is reported by the Strategic Partnerships Unit

Table 4.1.2

Programme / Sub-programme: Financial management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
An enabled business environment	Invoices paid within 15 working days	Percentage of supplier invoices paid within 15 working days after receipts of correct invoice	100% Supplier invoices paid within 15 working days	100% Supplier invoices paid within 15 working days	100% of supplier invoices paid within 15 working days after receipt of a correct invoice	100% supplier invoices were paid within 15 working days after receipt of correct invoices (815/815)	0%	None
	Procurement spent on women owned businesses	Percentage of procurement spent on women owned businesses	52% (R8 552 184,48 / R16 446 508,62) procurement spent to women owned business	41% of procurement to women owned business spent	40% of procurement spent on women owned businesses	42,55% of procurement was spent on women owned businesses (R19 236 023,99 / R45 207 305,48)	2,55%	This is attributed to the increase in the number of companies owned by women that were targeted
	Clean audit outcome for the GDED	Clean audit outcome obtained from the Auditor-General	Clean Audit Outcome obtained from the Auditor General (AG)	Unqualified Audit opinion with findings from the Auditor General (AG)	Clean audit outcome obtained from the Auditor General	Clean audit outcome was obtained from the Auditor General	None	None

Linking performance with budgets

The Programme underspent by R20,8 million or 8% of its adjusted budget of R275,6 million. The under-expenditure was due to vacant posts within the programme which remained unfilled by the end of the financial year, as well as purchase orders and invoices which were not paid by the end of the financial year, resulting into accruals.

Amongst the reasons for underspending are accrued invoices emanating from services rendered in 2023/24 and payment could not be processed due to invoices being received after the system closure for the financial year under review, delays by sister departments in recovering shared costs (Gauteng Department of e- Government or E.Gov) for the fully managed data centred and Gauteng Department of Agriculture and Rural Development for office accommodation services). There were also projects/ services where commitments were already made in the form of purchase orders and service - level agreements signed (e.g. media bulk buying, audio visual maintenance and business continuity project). The invoices for the lease rental also contributed to the underspending due to non tax- compliance by the services provider leading to non-payment of the invoices.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	12 797	11 343	1 454	8 959	8 916	43
Office of the HOD	13 208	12 235	973	13 608	13 439	169
Financial Management	52 013	47 810	4 203	52 631	48 937	3 694
Corporate Services	197 562	183 377	14 185	178 853	167 106	11 747
Total	275 580	254 765	20 815	254 051	238 399	15 652

Strategy to overcome areas of under performance

None.

4.2 Programme 2: Integrated Economic Development Services

The purpose of the programme is to create an environment towards sustainable job creation.

Sub-programmes

Enterprise Development:

Purpose:

- Inclusion of SMMEs, township enterprises and cooperatives into the value chain of the 10 identified high growth sectors
- Building the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities
- Revitalising and modernising township economies

Regional and Local Economic Development:

Purpose:

- Make a responsive approach by developing a detailed plan with a focus to intervene on the depressed areas.

Sector and Industry Development:

Support high growth, competitive, labour absorbing sectors in an effort to re-industrialize the economy and to create much needed jobs. Stimulate competitiveness and transformation of identified sectors.

Revitalise and modernise old industries and Tourism and creative industries.

Purpose:

For the implementation of the programme, the department established entities as implementing arms to fulfil the above-mentioned purposes.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Gauteng Enterprise Propeller (GEP) was incorporated in terms of the Gauteng Enterprise Propeller Act (No. 5 of 2005) and listed as schedule 3c Provincial Public Entity in terms of the Public Finance Management Act, with a mandate to promote, foster and develop small enterprises in Gauteng as an agency for the Gauteng Department of Economic Development. The GEP is mandated to intervene and support the development of SMMEs and co-operatives in 11 priority sectors, and the other new or emerging economic sectors. The Agency is also contributing to the Premier's elevated priorities, specifically the economic recovery and reconstruction as well as changing the living conditions in townships, informal settlements and hostels.

The GEP has made great strides during the year under review and has registered 100% achievement in all its 16 key performance indicators for the 2023/24 financial year. The comparative results in the below graph are indicative of a successful turnaround strategy:

The entity, through the Investment Management Programme, has successfully provided:

- Direct loan funding support to the value of R 84 351 907,20 to Gauteng SMMEs and closed the financial year with disbursement at R84 154 722,06;

- Gauteng Youth owned businesses through GEP’s blended finance support (50% grant and 50% loan) received funding to the value of R10 117 941,18; and
- SMMEs at various stages of business life cycle including informal traders were provided with grant funding support to the value of R 23 514 840,35.

This was made possible by the synergies among different programmes within the entity. For instance, the Enterprise Support Programme provides tailor-made, business development support for the development and growth of small enterprises through the Gauteng Entrepreneurship Model (GEM) stages of ideation, start-up and early growth. These enterprises, once ready for investment, are then channelled to the GEP loan funding support or any other relevant support instruments within the Development Finance Institution space.

The Resources Mobilisation and Industrial Financing programme promotes entrepreneurship, mobilises resources through strategic partnerships and facilitates an integrated approach among DFIs and other role-players towards entrepreneurial development and support within the province.

Table 4.2.1

Programme / Sub-programme: Enterprise Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Strengthened and responsive GDED	Increased investment and improved economic performance within GCR and the township economy	% growth of the gross value added of energy sector within Gauteng City Region economy	#	#	2,0% growth of the gross value added of energy sector within Gauteng City Region economy	0% growth of the gross value added of energy sector within Gauteng City Region economy	-2.0%	Indicator was not due for reporting	The global economic landscape has undergone significant changes, with external factors like global economic slowdown, high-interest rates, and cuts in foreign investment causing a significant decrease in expenditure worldwide, despite initial optimism.
		% growth of the gross value added of transportation and logistics sector within Gauteng City Region economy	#	#	4,0% growth of the gross value added of transportation and logistics sector within Gauteng City Region economy	0% growth of the gross value added of transportation and logistics sector within Gauteng City Region economy	-4.0%	Indicator was not due for reporting	
		% growth of the gross value added of ICT and digital services sector within Gauteng City Region economy	#	#	4,0% growth of the gross value added of ICT and digital services sector within Gauteng City Region economy	0% growth of the gross value added of ICT and digital services sector within Gauteng City Region economy	-4.0%	Indicator was not due for reporting	
		% growth of the gross value added of agro-processing, agribusiness, food and beverages sector within Gauteng City Region economy	#	#	3,0% growth of the gross value added of agro-processing, agribusiness, food and beverages sector within Gauteng City Region economy	0% growth of the gross value added of agro-processing, agribusiness, food and beverages sector within Gauteng City Region economy	-3.0%	Indicator was not due for reporting	
		% growth of the gross value added of automotive and aerospace sector within Gauteng City Region economy	#	#	1,0% growth of the gross value added of automotive and aerospace sector within Gauteng City Region economy	0% growth of the gross value added of automotive and aerospace sector within Gauteng City Region economy	-1.0%	Indicator was not due for reporting	
		% growth of the gross value added of tourism and hospitality sector within Gauteng City Region economy	#	#	2,0% growth of the gross value added of tourism and hospitality sector within Gauteng City Region economy	0% growth of the gross value added of tourism and hospitality sector within Gauteng City Region economy	-2.0%	Indicator was not due for reporting	

		% growth of the gross value added of financial services sector within Gauteng City Region economy	#	#	8,0% growth of the gross value added of financial services sector within Gauteng City Region economy	0% growth of the gross value added of financial services sector within Gauteng City Region economy	-8,0%	Indicator was not due for reporting	
	B-BBEE policy implemented in GPG Departments	% BBEE spent through infrastructure development	#	44,39% B-BBEE spent through infrastructure development	30% BBEE spent through infrastructure development	0%	-30%	Non-submission of reports by GPG departments	The output was revised to measure the B-BBEE policy implemented in the Gauteng Department of Economic Development group only
	TER strategy and Township Economy Development Act implemented	% Gauteng provincial government goods and services sourced from townships	#	13,22% of GPG goods and services spending sourced from township enterprises	60% of Gauteng provincial government goods and services sourced from townships	0%	-60%	Non-submission of reports by GPG departments	The indicator was revised to measure the goods and services sourced from townships by Gauteng Department of Economic Development group only
Strengthened and responsive GDED	TER strategy and Township Economy Development Act implemented	% value distributed to township enterprises from infrastructure project	#	5,06% value distributed to township enterprises from infrastructure projects	30% value distributed to township enterprises from infrastructure projects	0%	-30%	Non-submission of reports by GPG departments	

Table 4.2.2

Programme / Sub-programme: Enterprise Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2023/2024	*Actual Achievement	Percentage of supplier invoices paid within 15 working days after receipts of correct invoice	100% Supplier invoices paid within 15 working days	100% Supplier invoices paid within 15 working days	100% of supplier invoices paid within 15 working days after receipt of a correct invoice	100% supplier invoices were paid within 15 working days after receipt of correct invoices (815/815)	0%	None
2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	#	13,22% of GPG goods and services spending sourced from township enterprises	60% Gauteng Department of Economic Development Group goods and services sourced from township enterprises	3,57% of Gauteng Department of Economic Development Group goods and services was sourced from township enterprises.	2,55%	This is attributed to the increase in the number of companies owned by women that were targeted
		% value distributed to township enterprises from infrastructure project	#	5,06% value distributed to township enterprises from infrastructure projects	30% value distributed to township enterprises from infrastructure project	48,77% value was distributed to township enterprises from infrastructure project (R61 206 247,05/ R125 502 778,74)	18,77%	The reasons for over-achievement is as a results of TASEZ which spent all its infrastructure project on township enterprises

Linking performance with budgets

100% of the Gauteng Enterprise Propeller (GEP) budget allocation was transferred to the entity for the 2023/24 financial year.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	221 333	221 333	-	223 876	223 876	-
Total	221 333	221 333	-	223 876	223 876	-

Strategy to overcome area of underperformance

Percentage (%) Gauteng Department of Economic Development Group goods and services sourced from township enterprises

- GDED Group entities would be advised to increase their spend on suppliers' development and support township enterprises that would enable them to meet the township target.
- GDED will monitor the spending of these entities very closely by going beyond engaging the programme managers/ champions to include SCM unit and also provide assistance in terms of advice.

4.3 Programme 3: Trade and Sector Development

The purpose of this programme is to ensure re-industrialisation of the Gauteng economy targeting the ten (10) identified high growth sectors as levers to achieve high economic growth, jobs and infrastructure.

Trade and Investment:

Purpose:

- Attract Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI).
- Increase trade, investment and export opportunities on the African continent and globally.
- Invest in strategic economic infrastructure.

Sector and Industry Development:

Purpose:

- Support high growth, competitive, labour absorbing sectors in an effort to re-industrialise the economy and to create much needed jobs.
- Stimulate competitiveness and transformation of identified sectors.
- Revitalise and modernise old industries, tourism and creative industries.

In an endeavour by the department to fulfil the above mentioned purposes, it was necessary that the following entities be established for each to focus on the implementation of various distinct programmes:

- Gauteng Growth and Development Agency (GGDA);
- Gauteng Tourism Authority (GTA);
- Tshwane Automotive SEZ (TASEZ); as well as
- Cradle of Humankind World Heritage Site (COHWHS) and Dinokeng Projects

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Gauteng Growth and Development Agency (GGDA) was created through a merger of two GDED agencies, namely Blue IQ and GEDA. In terms of the merger process, GEDA was dissolved as a legal entity and the GGDA was created through an amendment to Blue IQ Investment Holdings Act (No 3 of 2003). The amendment enabled the change of name from Blue IQ to Gauteng Growth and Development Agency (GGDA) and incorporated the mandate and objectives of the former Gauteng Economic Development Agency (GEDA). The expanded mandate of the GGDA enables the agency to address economic growth

and development in an integrated manner. The objectives of the GGDA in terms of Section 3 of the amended Blue IQ Act No.5 of 2013 are to:

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

The entity is made up of the Holding company as well as four (4) subsidiaries, with a key focus on the following areas: Identifying and facilitating strategic economic infrastructure;

- Skills Development;
- Sector Development;
- Enterprise Development,
- Facilitation of job creation; and
- Facilitation of Investments and Trade.

GGDA has in the year under review achieved 28 of the 34 planned targets, translating to the performance of 82% against its APP. These has resulted in the creation of 16 477 jobs of which 9 809 (60%) were jobs created through investment facilitation. Investment worth R52 billion (R21,6 billion FDI and R30,4 billion DDI) was facilitated. Furthermore, GGDA facilitated R11,2 billion worth of trade deals to markets in Europe, Africa, Middle East and Asia.

The refurbishment work at Sebokeng 1, Sebokeng 2 and the Chamdor industrial parks was completed while 55 local companies benefited from subcontracting to the various projects undertaken by the entity.

GGT2030 puts the Special Economic Zone at the centre of industrialisation, spatial structuring, job creation, competitiveness, and overall economic development, hence the GGDA is working towards the operationalisation of the Vaal SEZ. Since its inception, The Vaal SEZ has secured over R8 billion worth of investment commitments, of which R2,8 billion investment commitments were secured in the 2023/24 financial year. R2,1 billion was committed for a Chlor-alkali plant which will create a total of 100 direct jobs, and R700 million for a hydrogen production plant (H2 power generation plant, fuel cell refill exchange, H2 storage and trading) that is expected to create 175 direct jobs.

The service providers that will be responsible for the fencing projects in the two land parcels (Heidelberg x24 and Emfuleni) were appointed in the fourth quarter of the year under review. The implementation of the fencing project is a major milestone that will boost confidence among key stakeholders and demonstrate that the Vaal SEZ is indeed a reality that has commenced implementation.

The Supplier Park Development Company SOC (SPDC) T/A Automotive Industrial Development Centre (AIDC) was established as a government support centre, to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice. The subsidiary has in the year under review created 1440 jobs; 285 unemployed township-based youth, 1440 employed people and 65 SMMEs were upskilled and trained in various automotive skills while 240 candidates were assessed at the trade test centre.

The nine (9) incubatees in the Ford and Nissan incubation programmes generated a total combined revenue of R124,2 million whilst the SMMEs at the Winterveldt and Chamdor Hubs generated revenue in excess of R2,3 million processing 429 vehicles.

Twelve (12) innovations with a total export value of R295 123 928 were exported by the TIH Management Company (TIHMC), whilst 64 product- ready innovations were taken to the market by incubated companies. Furthermore, 12 Open Innovation projects were contracted, 67 Intellectual Property (IP) applications filed and 10 companies were identified and assisted through the Product Development Lab.

ORTIA SEZ Precinct 1 houses the Jewellery Manufacturing Precinct (JMP), which operates within the context of mineral beneficiation, and was conceptualised to promote production and export of mineral beneficiated products from South Africa. Two (2) Cluster Components – in diamond cutting and polishing and jewellery – were operationalised in 2022/23 financial year with a total of eight (8) companies/tenants to date.

During the financial year, 4 340 jobs were created at GIDZ; seven (7) interns participated in the ORTIA SEZ operations and construction mentorship programme and 51 SMMEs benefited from the ORTIA SEZ in infrastructure development, security management, enterprise development, facilities management and marketing.

The Constitution Hill (ConHill) Project recorded 63 487 leisure visitors and recorded R10 million's worth of gross economic impact from hosting signature events. Furthermore, ten (10) tourism SMMEs were incubated and provided with access to skills, financial resources, and platforms to support business development. A total of 1146 creatives benefitted from the creative uprising programme, which supports creative business development with access to financial and non-financial support.

The **Gauteng Tourism Authority (GTA)** is an implementing agency of the Gauteng Department of Economic Development (GDED); established in terms of the Gauteng Tourism Act, No. 18 of 1998, repealed by the Gauteng Tourism Act, No. 10 of 2001 as amended, which then became the enabling legislation. In the 2023/24 financial year GTA continued with its quest for supporting the sector by implementing three programmes, namely:

- **Strategic Support** with a purpose for strategic support for effective implementation of the GTA's mandate and increasing public value and trust through improved governance and accountability;
- **Destination Marketing** to stimulate demand for destination Gauteng tourism offerings and increased brand equity in both domestic and international markets; and
- **Destination Management and Development** to facilitate effective planning, development, and management of sustainable, and thriving tourism sector in Gauteng.

The following were the strategic focuses:

- Tourism value is generated by positioning Gauteng as a global destination of choice.
- Create platforms for sustainable tourism development.
- Bid for events by proactively identifying, attracting and providing support in hosting a diverse range of world-class events in Gauteng.
- Inclusive and sustainable tourism growth to stimulate the upgrade and maintenance of tourism infrastructure with partners in government structures and the product trade.
- Tourism offering differentiation increases the chances of the employment and employability of Gauteng youth. This is as a result of the skills development at Gauteng attractions and deployment of tourism guides and maintenance and hospitality staff.
- Enterprise development empowers township-based entrepreneurship through skills development, social development, job creation, and showcasing the value of township tourism for investment.
- New tourism services and products have been developed, showing the transformation of local tourism.
- Youth upskilling and employability- stimulating projects have influenced the employment and employability of Gauteng youth.
- Increase in tourism business opportunities.

GTA has in 2023/24 recorded an achievement of 79% as 15 indicator targets were achieved out of 19 indicator targets.

The **Tshwane Automotive Special Economic Zone (TASEZ)** is anchored by the automotive manufacturing sector as the primary development driver in the region and is positioned as a key catalyst for government's stride (through the Inter-Governmental agreement) in mobilising both public and private sector to invest within the northern development corridor located within the City of Tshwane.

In 2020, the Gauteng Department of Economic Development signed a first of its kind Intergovernmental Relations Agreement with the Department of Trade, Industry and Competition (DTIC) and City of Tshwane Metropolitan (CoT) for the establishment of the Tshwane Automotive Special Economic Zone (TASEZ) Pty(LTD).

The TASEZ PTY (Ltd) was established in May 2020 as a special- purpose vehicle and appointed as the custodian of the Tshwane Special Economic Zone project. The purpose is to facilitate the creation of an industrial complex, to lead the national and regional economic advantage for targeted investments in the automotive manufacturing sector. This aim will be achieved by attracting foreign and domestic direct investments, promoting regional economic development, promoting skills and technology transfer, generating new and innovative economic activities, and creating decent work and other economic and social benefits in the Gauteng city region.

The Zone consists of three (3) developable land parcels. Phase 1 (Land Parcel 1) construction commenced in August 2020 with beneficial occupancy achieved by all 12 investors during the 2021/22 financial year. As at the end of the 2023/24 financial year the investment made by these investors was at R5,6 billion against an overall initial projection of R3,4 billion. During 2023/24 these investors also managed to employ an additional 216 staff members against a target of 100, bringing the total number of people employed within the zone to 3 244 with more than 65% of these jobs being sourced from the surrounding townships.

In 2023/24 the number of construction jobs increased from the 322 reported in the previous financial year to 409 new construction jobs (58% youth and 18% woman), translating into 5 071 construction jobs created since inception in May 2020. In line with the Township Development Act (TEDA), TASEZ identified the need to develop a Social Compact Agreement with the surrounding Township Communities represented by a Community Project Committee. The core philosophy of this Social Compact is to emphasise an implicit arrangement between the Township Communities and TASEZ to create a healthier working relationship. TASEZ is also proud to announce that during the year under review, 42% of construction package values were allocated to SMMEs from the surrounding township communities.

A total of R274,8 million was spent on infrastructure, which brings the total capitalised investment to R3,4 billion, and all invoices received from the implementing agent were paid within average turnaround time of 6,88 days.

Even though TASEZ is one of the youngest special economic zones in South Africa, it is growing from strength to strength. The zone has now commenced with the development of the second land parcel spanning an additional 81 hA of land, with bulk and top structure construction earmarked to commence in the 2024/25 financial year. This comes on the back of an additional commitment in November 2023 of R5,2 billion by Ford for the production of the first-ever Ranger plug-in hybrid electric vehicle at this zone. In support of the Ford expansion, in March 2024 the DTIC SEZ Fund committed an additional R923 million for the investment into top structures for a Ford facility that will be housed in this phase.

The speed at which the Tshwane Automotive SEZ has been developed is a testimony to what South Africa can achieve with strong partnership between the private and public sector. Crucial to the success of the zone has been the agile project management and decision-making. They helped achieve 100% of its annual performance plan targets for 2023/24.

Cradle of Humankind World Heritage Site (COHWHS) and Dinokeng Projects are both trading entities of the Gauteng Department of Economic Development (GDED) with a single Accounting Officer: the Chief Executive Officer (CEO), appointed in terms of section 36(3)(b) of the Public Finance Management Act (PFMA), Act 1 of 1999.

The entities have in line with the founding mandate of creating a conducive environment for inclusive and sustainable economic growth in the north-eastern and north-western corridors of the Gauteng province, leveraging from the heritage and biodiversity resource strengths, conjointly achieved 96% against the 2023/2024 Annual Performance Plan (APP).

This highlights the journey that the COHWHS and Dinokeng Projects have undertaken in realising the Gauteng we all envisioned, guided by the principles and objectives set out in the National Development Plan (NDP) 2030; Growing Gauteng Together 2030 (GGT2030); the Gauteng Township Economic Development Act (GTEDA); Broad-Based Black Economic Empowerment (B-BBEE) and the Townships, Informal Settlements and Hostels (TISH).

Twenty-three (23) of the twenty-four (24) planned output indicator targets were achieved. Significantly is the fact that the outstanding performance was in the core areas of service delivery, namely socio-economic development, job creation programmes and statutory compliance requirements which are essential to the role of the entities and GPG expectations.

As Gauteng's only World Heritage Site, the COHWHS continued to provide strategic support to Makapan Valley in the Limpopo province and the Taung Skull Fossil Site in the North West province. In this regard, a working team comprising senior representatives from the three sites, including the National Department of Forestry, Fisheries and Environment (DFFE), was reconstituted. The team will ensure that the Outstanding Universal Value (OUV) of these Sites is preserved and protected for future generations to come, as inscribed by UNESCO at the Fossil Hominid Sites of South Africa.

The Dinokeng Project has continued to aggressively pursue the size expansion of the Dinokeng Game Reserve (DGR) towards the 40 000 hectares (hA) required to ensure self-sustainability and the declaration of the game reserve as a protected area under the National Environmental Management: Protected Areas Act (NEMPAA) 57 of 2003. In the 2023-24 financial year, 3 975.4831 hectares were secured for incorporation into the DGR.

Efforts to revive the Cullinan and Roodeplaat Hubs of the Dinokeng also continued during the reporting period and the World Rowing Master Regatta was successfully hosted in 2023, the fruits thereof continue to be realised. After the event, jobs were sustained and, through the expansion of Roodeplaat Dam infrastructure initiatives, more job opportunities will be realised.

The Department, through the **Sector and Industry Development Business Unit (SID)**, has consistently demonstrated its dedication to nurturing economic growth and has been actively implementing various programmes aimed at fostering innovation, competitiveness and sustainable economic growth across key sectors. These programmes extend across different sectors of the economy, each contributing to different issues of economic development.

The Department has been at the forefront of rolling out the GBS contact centres in the township envisioned as a catalyst for economic development. As a key aspect of this initiative, the Department has developed the GBS value proposition strategy aimed at positioning the province as a leading destination for GBS operations. This strategy is intended to attract investment, drive job creation, foster skills development and stimulate economic growth and facilitate transformation.

The Department implemented specific sector programmes aimed at supporting SMMEs to enhance competitiveness and productivity tailored to help grow into successful businesses that will be able to create jobs. These programmes were implemented through partnership collaboration with various stakeholders within sectors such as Cultural and Creative industries (CCI), Furniture, Construction, Transport and Logistics and Aerospace and Defence. More than 200 SMMEs were supported, with 44% being women-owned enterprises and 68% being youth-owned enterprises. These SMMEs collectively achieved a remarkable R21,92 million in revenue and created 520 employment opportunities (direct and indirect). This underscores the critical role played by SMMEs in driving economic growth and job creation. Additionally, 293 young individuals have undergone skills development training in various programs aimed at enhancing their employability and empowering them to pursue entrepreneurial efforts, thereby contributing to economic growth.

In response to the energy crisis and the ongoing transition to green energy, the Department has been implementing various resource- efficiency programmes aimed at reducing energy consumption and promoting sustainable practices across industries, businesses, and households.

The Department is actively advancing the adoption of alternative and/or renewable energy sources in the Gauteng economy, including embedded generation and Micro Grids, to mitigate load shedding and ensure energy security. Through partnership agreements with different renewable energy producers, the department has facilitated the activation of up to 550 m W of alternative energy through a Micro Grid model. As part of the Water Energy Nexus Project, the Department has also overseen the installation of 15 kW solar PV systems in Westonaria and Tarlton, aimed at promoting sustainable energy practices and enhancing the resilience and efficiency of agricultural operations.

Table 4.3.1

Programme / Sub-programme: Sector and Industry Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Economic Transformation and job creation	Gig work opportunities created through content development programmes and product development projects	Number of gig work opportunities created within the creative sector in Gauteng	#	#	5000 gig work opportunities created within the creative sector in Gauteng	0 gig work opportunities created within the creative sector in Gauteng	-5000	Indicator was not due for reporting	The means of verification regarding job targets became problematic due to incomplete and unverifiable supporting documents from implementing partners.
	Township-based jobs created through GBS and digital innovation services	Number of jobs created through Global Business Services inclusive of ICT jobs created in Townships	#	#	10 000 jobs created through Global Business Services inclusive of ICT jobs created in Townships	0 jobs created through Global Business Services inclusive of ICT jobs created in Townships	- 10 000	Indicator was not due for reporting	
	Jobs created within Economic Sectors	Number of jobs created within economic sectors.	#	#	4000 jobs created within economic sectors.	0 jobs created within economic sectors.	- 4000	Indicator was not due for reporting	
	SMMEs supported through the incubation programme in the economy sectors	Number of SMMEs supported through the incubation programme in the economy sectors	#	#	300 SMMEs supported through the incubation programme in the economy sectors	0 SMMEs supported through the incubation programme in the economy sectors	-300	Indicator was not due for reporting	The indicator was reworded to measure the number of SMMEs supported through business and supplier development. The target was also revised from 300 to 200

Sustainable development for future generations	Green energy including embedded generation and micro-grids facilitated to reduce emissions in industrial parks and SEZs	Increased production of alternative/renewable energy for Gauteng Economic facilities	#	100 megawatts production committed from alternative/renewable energy sources in the Gauteng economy	100 megawatts production committed from alternative/renewable energy sources in the Gauteng economy	0 megawatts production committed from alternative/renewable energy sources in the Gauteng economy	-100	Indicator was not due for reporting	The indicator was reworded to measure megawatts of alternative/renewable energy projects committed for Gauteng economy The target was also revised from 100 to 200 megawatts
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Table 4.3.2

Programme / Sub-programme: Sector and Industry Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target	*Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Economic Transformation and job creation	Creative and Cultural sector events coordinated	Number of events coordinated within the Cultural and Creative sector in Gauteng	#	#	10 Events coordinated within Cultural and Creative sector in Gauteng	10 Events were coordinated within Cultural and Creative sector in Gauteng	0	None
	Global Business Services Hubs supported in Gauteng	Number of Global Business Services Hubs supported in Gauteng	#	#	2 Global Business Services Hubs supported in Gauteng.	2 Global Business Services Hubs were supported in Gauteng.	0	None
	Sector programmes implemented	Number of sector development programmes implemented.	#	#	5 sector development Programmes implemented.	5 sector development Programmes were implemented.	0	None
	SMMEs supported through business and supplier development	Number of SMMEs supported through business and supplier development	#	#	200 SMMEs supported through business and supplier development	254 SMMEs were supported through business and supplier development	54	Increased demand in the Last Mile Delivery Programme among unemployed youth due to its alignment with the developing demands of the online shopping and the programme potential to empower youth with the skills and support needed to pursue entrepreneurial opportunities.
Sustainable Development for future generations	Green energy including embedded generation and micro-grids facilitated to reduce emissions in Gauteng Economy	Number of megawatts of alternative/renewable energy projects committed for Gauteng economy	#	100-megawatt production committed from alternative/renewable energy sources in the Gauteng economy	200 megawatts of alternative/renewable energy committed for Gauteng economy.	550 megawatts of alternative/renewable energy was committed	350	The overachievement was due to issuing a Request for Information (RFI) to solicit proposals for Micro Grids in alternative energy and not limiting the number of potential partnerships to explore. One energy producer pledged to increase their production further in another region, demonstrating their confidence and enthusiasm for collaborative efforts in advancing alternative energy initiatives

Linking performance with budgets

At the end of the 2023/24 financial year, the Department had transferred 100% of the budget allocated to the Gauteng Growth and Development Agency, Gauteng Tourism Authority, Cradle of Humankind World Heritage Site and Dinokeng Projects.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Sector Development	223 372	223 372	-	219 448	219 448	-
Strategic Initiatives	617 682	617 682	-	579 165	579 165	-
Total	841 054	841 054	-	798 613	798 613	-

Strategy to overcome areas of under performance

None

4.4 Programme 4: Business Regulation and Governance

The purpose of this programme is to create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, localisation, sustainable revenue generation and contributes towards the achievement of the Department's TMR goals.

Liquor Affairs

Purpose:

- Effective governance and regulation of the liquor industry.
- Ethical business practice and empowered stakeholders.
- Promotion and maintenance of effective and efficient regulatory system for the liquor industry.
- Job creation through the issuance of licences to prospective liquor establishments as part of regulating the industry and maintaining a regulated environment.

Consumer Affairs

Purpose:

- Ensure awareness of consumer rights through consumer and business education, awareness programmes and stakeholder liaison.
- Ensure consumer protection and compliance of business with applicable consumer legislation by prosecuting unresolved cases to the Consumer Affairs court for effective enforcement.
- Provide secretarial support to the consumer affairs court by assisting it to build new jurisprudence relevant to the transformation of the regulatory environment for economic justice.

Governance

Purpose:

- To ensure good compliance to governance legislations and delivery of services by entities.

IGR and Strategic Partnerships

Purpose:

- Manage strategic partnership engagement on behalf of the department.
- Facilitate and build effective intergovernmental relationships.

The above sub programme contributes to outcomes 4; Strengthened and responsive GDED agencies.

The Department's entity relating to this programme is the Gauteng Gambling Board (GGB).

4.4.1 Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Gauteng Gambling Board is a statutory body established in terms of section 3 of the Gauteng Gambling Act, No 4 of 1995 as amended. GGB is a public entity listed in Schedule 3C of the Public Finance Management Act (PFMA).

Prior to August 1996, betting on horse-racing and other sporting events was the only form of legal gambling in Gauteng. The Act was promulgated in August 1996. This Act legalised other forms of gambling in the Province and provided for the establishment of the GGB board. The following forms of activities are regulated by the GGB in Gauteng: casino gaming, betting on horse-racing and sporting events, bingo, limited pay-out gaming machines (route and site operators) and the manufacturing and supply of gambling equipment.

The Gauteng Gambling Board's mandate is to regulate and control gambling in the province with a view to promoting ethical business conduct, an inclusive economy, revenue generation for the fiscus and promoting responsible gambling.

The GGB has in the period under review achieved 19 out of the 23 indicator targets, which is an 83% achievement against the APP. GGB has disbursed R13,5 million through the CSI programme and R58,4 million was disbursed through the Sports Development Fund (SDF). In order to curb illegal gambling, 437 raids were conducted and, in the process, 792 illegal gambling machines were seized. In an effort to transform the gambling industry in Gauteng, nine (9) new Bingo licences were issued with at least 55% historically disadvantaged ownership.

4.4.2 Liquor Affairs

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Gauteng Liquor Board is responsible for the regulation of the liquor industry in the province, ensuring ethical business practices and empowered stakeholders. The entity promotes and maintains an effective and efficient regulatory system for the industry, which attempts to maximise the benefits derived from the liquor industry, while minimising the potential negative impact of liquor and generates revenue while creating awareness about the harms caused by alcohol abuse. The entity derives its mandate from the Gauteng Liquor Act No 2 of 2003.

To fight the scourge of non-compliance to the Gauteng Liquor Act, the entity undertakes various activities which include :

- partnership with law enforcement agencies;
- compliance inspections, and
- helping businesses to be compliant by conducting education and awareness campaigns on the application process to follow for various liquor licences and other sections to trade in liquor.
- In the year under review, 155 liquor awareness sessions were conducted on the various application processes, responsible trading and drinking, and the importance of complying with the Gauteng Liquor Act 2 Of 2003.

In the beginning of the financial year the Gauteng Provincial Government hosted a successful Liquor Stakeholders; Summit engagement with the liquor industry, under the theme "Putting safety before profit", which was held at the Krugersdorp Centenary Hall, in the West Rand. The primary purpose of the summit was to address the historical challenges related to inclusive regulation, compliance, crime and corruption in the industry.

Stemming from the engagement with the liquor industry, the Offices of the Premier and the MEC of Economic Development have subsequently signed a pledge with various Gauteng liquor industry stakeholders such as liquor traders, liquor associations, faith-based organisations, community-based organisations and law enforcement agencies. The pledge-signing took place in August 2023 and was hosted at Alra Park, Ekurhuleni .

The liquor industry is one of the industries which has not realised transformation post 1994 and there was a deliberate effort to set transformation targets in an effort, by the department, to contribute towards the transformation of the liquor industry by developing and implementing the Gauteng Liquor Industry Charter.

The following are the milestones achieved to date:

- The appointment of a service provider to develop and finalise the Gauteng Liquor Industry Transformation Charter, by establishing the transformation charter committee and creating a scorecard for transforming the liquor industry;
- Conducting of research;
- Producing results from the survey;
- Final input of the results by the Charter committee, and
- Having a final transformation charter document developed and approved with scorecards.

Table 4.4.2.1

Programme / Sub-programme: Liquor Affairs									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
An enabled business environment	Percentage of regulatory compliance by liquor industry	Number of liquor awareness workshops conducted for LGBTQI+ workshops conducted	#	#	2 of liquor awareness workshops conducted for LGBTQI+ workshops conducted	1 of liquor awareness workshops conducted for LGBTQI+	-1	Quarter 2 target was achieved as planned and the remaining performance was to be reported in Q4.	Indicator reworded to Number of liquor awareness workshops conducted for LGBTQIA+

Table 4.4.2.2

Programme / Sub-programme: Liquor Affairs								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
An enabled business environment	Revenue collected from liquor regulatory processes	Revenue collected from liquor regulatory processes	#	R68 482 464,95 Revenue collected from liquor regulatory processes	R75 000 000 revenue collected from liquor regulatory processes	R71 614 916,40 worth of revenue was collected	-R3 385 083,60	The non-achievement was contributed by the non-renewal of liquor licences due to economic constraints, fraudulent licences and corruption.
	Increased level of regulatory compliance by the liquor industry	Percentage of regulatory compliance by the liquor industry	#	10% increase on regulatory compliance by the liquor industry	10% of regulatory compliance by the liquor industry	11,35 compliance was achieved (2 497/22 000)	1,35%	The over-achievement was mainly because of high volume of occasional permits and other section applications lodged and granted.
	Percentage of regulatory compliance by liquor industry	Number of liquor awareness workshops conducted for LGBTQIA+	#	#	2 of liquor awareness workshops conducted for LGBTQIA+	2 liquor awareness workshops were conducted for LGBTQIA+	0	None
	Gauteng liquor industry transformation charter implemented	Percentage Gauteng liquor industry transformation charter implemented	#	Gauteng liquor industry transformation charter designed	30% Gauteng liquor industry transformation charter implemented	0% of Gauteng liquor industry transformation charter implemented	30%	The charter was not implemented as it still needs to go through the political participation/phase- Adoption process.

Strategy to overcome areas of underperformance

Revenue collected from liquor regulatory processes

- The Department will implement the GLB Revenue Enhancement Strategy which is still to be recommended by the Board in the next financial year.
- Additionally, the operation of the automation system is anticipated to go live in the next financial year.

Gauteng liquor industry transformation charter implemented

- Whilst the first phase of the Charter has been completed with the production of the charter document (“the administrative phase”), the second phase of the development of the Gauteng Liquor transformation charter will unfold (“the political phase”), where the Charter will undergo public participation consultations with communities, and be subjected to socio-economic impact assessment systems, through the legislative committees of the Provincial Legislature. This process shall be completed in the next financial year.

- The achievement of these processes thereof will enable the charter to be implemented in the 2025/2026 financial year, and onwards.

4.4.3 Consumer Affairs

The Gauteng Office of Consumer Affairs is mandated to facilitate and ensure effective and efficient access to redress for Gauteng consumers and to foster and promote ethical consumer-focused business practices. It ensures awareness of consumer rights through consumer education and protection; through the investigation and resolution of consumer complaints and compliance of business with applicable consumer legislation by prosecuting unresolved cases in the Consumer Affairs Court for effective enforcement. Additionally, it provides secretarial support to the Consumer Affairs Court by assisting it in building new jurisprudence relevant to the transformation of the regulatory environment for economic justice.

In the year under review the Gauteng Consumer Protection Bill was published for public comments in the Government Gazette. 300 SMMEs were supported in application of consumer protection laws in different sectors whilst 100% of cases of unfair business practices were adjudicated in the Consumer Affairs Court.

A total of 240 business compliance monitoring inspections were conducted and the Unit participated in 4 blitz multi-agency enforcement inspections which took place in the 5 regions of the province on spaza shops and on second-hand motor vehicle dealerships.

The Provincial Finals of the Grade 10 Consumer Studies School competition was held in partnership with the Department of Education. Ten (10) schools offering the subject from the five (5) regions participated in the competition.

The Consumer Protection Intervention Plan was held in Tsakane, Ekurhuleni from March 25 to 28 March 2024. The programme adopted an integrated and collaborative approach with other stakeholders such as Community Development Workers (CDWs), Community Policing Forums (CPFs), and other non-governmental bodies. The focus was on a specific location for consecutive days to maximise the impact of educational programmes.

Fifty (50) unemployed township youths were appointed as Consumer Champions in all five corridors. Media coverage was received on the following radio stations for the listed media campaigns: EK FM, Jozi FM, TUT FM and YFM.

Table 4.4.3.1

Programme / Sub-programme: Consumer Affairs									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
An enabled business environment	SMME s trained to comply with provisions of the Consumer Protection laws	Number of SMMEs trained in consumer protection laws	200	250	100 SMMEs trained in consumer protection laws	105 SMMEs trained in consumer protection laws	5	The achievement was due to additional SMMEs showing interest in the training on consumer protection laws.	Annual target on the MTEF table not the same as the quarterly table

Table 4.4.3.2

Programme / Sub-programme: Consumer Affairs								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
An enabled business environment	Cases adjudicated in the Consumer Affairs Court	Percentage of cases adjudicated in the Consumer Affairs Court	#	100 % cases prosecuted in the Consumer Affairs Court	100% cases adjudicated in the Consumer Affairs Court	100% cases were adjudicated in the Consumer Affairs Court (17/17)	0%	None
	SMMEs trained to comply with provisions of the Consumer Protection laws	Number of SMMEs supported in application of the consumer protection laws	200 SMMEs empowered to be compliant with the Consumer Protection	250 SMMEs empowered to comply with consumer protection laws	300 SMMEs supported in application of the consumer protection laws	300 SMMEs were supported in application of the consumer protection laws	0	None
	Youth recruited as consumer champions	Number of Youth recruited as consumer champions in townships	50 Youth recruited as consumer champions	50 champions township youth recruited as consumer champions	50 Youth recruited as consumer champions	50 Youth were recruited as consumer champions	0	None

Strategy to overcome areas of underperformance

None.

4.4.4 Governance

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The purpose of Agency Oversight and Governance is to ensure good compliance with governance legislations and delivery of services by entities. The sub-programme also monitors the implementation of the entity’s shareholder compact and the Annual Performance Plans.

The GDED entities overall performance is 88% as 110 out of 125 indicator targets were achieved and R1 290 491 831 was spent from the budget allocation of R1 447 149 651, this translate to 89% expenditure by entities. Based on the assessment of entities compliance to the shareholder compact, all entities were found to be 100% in compliance to their shareholder compacts.

Table 4.4.4.1

Programme / Sub-programme: Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Strengthened and Responsive GDED agencies	Governance compliance analysis report produced	Level of compliance with the shareholder compact by agencies	90%	100%	100% compliance with the shareholder compact by agencies	100% of compliance with the shareholder compact by agencies achieved	0	None	The indicator was reworded to percentage compliance with the shareholder compact by agencies.

Table 4.4.4.2

Programme / Sub-programme: Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Strengthened and responsive GDED agencies	Financial and non-financial performance analysis report produced	Percentage spent against the budget allocated to agencies	72% spent against the budget allocated to agencies	82% spent against the budget allocated to agencies	95% spent against the budget allocated to entities	89% was spent against the budget allocated to entities (R1 290 491 831/ R1 447 149 651)	-6%	All entities recorded over 90% expenditure except for GGDA and TASEZ with expenditure in the range of 80% to 88%. GGDA was affected by non-achievement of some infrastructure projects while TASEZ was affected by vacant positions.
		Percentage achievement against planned targets by agencies	71% Performance achievement against the planned targets by agencies	85% performance assessed against the planned targets by entities	95% achievement against planned targets by agencies	88% was achieved against planned targets by agencies (110/125)	-7%	All entities achieved over 90% of their targets except got GTA, GGDA and GGB. Delays were experienced by GGDA in some infrastructure projects and non-compliant tender bids. A ruling against the proposed tax increase by the Constitutional Court had a detrimental effect on revenue collection by GGB. GTA was unable to attract sufficient responses from enterprises owned by young people and persons with disabilities for procurement t.
	Governance compliance analysis report produced	Percentage compliance with the shareholder compact by agencies	90% compliance assessed against the shareholder compact for entities	99% compliance assessed against the shareholder compact for entities	100% compliance with the shareholder compact by entities	100% compliance was achieved against the shareholder compact by entities	0%	None

Strategy to overcome areas of underperformance

Percentage spent against the budget allocated to agencies

- Contingency infrastructure project plans are in place at GGDA and will be constantly monitored during the implementation in 2024/25 financial year.
- The entity is expediting long-lead items by monitoring procurement weekly and confirming subcontractor appointments.

Percentage achievement against planned targets by agencies

- The GGB is initiating a review of gambling legislation intending to increase taxes and levies as well as to regulate online gambling which will boost revenue collection.
- The GTA is committed to initiate supplier development programme mechanisms to substantially enhance the involvement of enterprises owned by the youth and persons with disabilities.

4.4.5 IGR and Strategic Partnerships

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Strategic Partnerships, Special Projects and International Relations (SP, SP, IR) unit within the Department collaborates with private sector companies and international stakeholders to leverage on initiatives or programmes that are distinct from the regular operations of the Department. These projects are typically undertaken to address specific challenges, opportunities, or strategic objectives. This unit focuses on addressing the challenges faced by township-based SMMEs through capacity-building initiatives, facilitating access to market platforms and providing mentorship and business support opportunities to township-based SMMEs. The SP, SP, IR unit is also involved in various activities and initiatives aimed at fostering cooperation, collaboration, and knowledge exchange with foreign governments, international organisations, and diplomatic entities.

Through the Strategic Partnerships sub-unit, an instrumental partnership to the value of R2,3 billion with one of the e-hailing companies was secured. This partnership enabled the Gauteng Department of Economic Development to provide over 400 jobs for unemployed youth in the township.

In continuing with the Departmental mandate of creating an enabling environment for township-based SMMEs, the Special Projects sub-unit collaborated with Digify Africa and the National Electronic Media Institute of South Africa (NEMISA) to train over 200 SMMEs across all 5 regions of Gauteng. A further collaboration with Coca-Cola Beverages South Africa (CCBSA) enabled 55 SMMEs to receive support through kitchen renovations and equipment and mobile kitchens.

The International Relations sub-unit has been in a long-standing partnership with the United States Consulate-General. Four working groups emanated from this partnership. These working groups included the ICT sector, the Trade and Investment sector, Creative Industries sector and the Energy sector. In facilitating the work of the ICT sector, the IR sub-unit hosted a workshop with The Innovation Hub Management Company for township SMMEs to interact with various American ICT companies.

Through various stakeholder engagements with other international entities, the IR sub-unit also hosted Ease of Doing Business Sessions with the Portuguese and Indian business communities operating in Gauteng. These sessions were hosted to reassure investors that Gauteng is still the hub of economic activity in the country.

The Intergovernmental Relations (IGR) Unit seeks to advance intergovernmental cooperation, cooperative governance, and socio-economic development imperatives through meticulous planning, strategic execution, and robust engagement mechanisms.

Throughout the fiscal year, the unit actively engaged in the orchestration of the District Development Model (DDM), a multifaceted framework aimed at harmonising efforts among governmental entities at the national, provincial, and local echelons. The interventions encompassed the provision of advisory support to pertinent departments and agencies, ensuring alignment with DDM objectives and operational modalities. Formulation of comprehensive consolidated quarterly reports, subsequently submitted to the Department of Cooperative Governance and Traditional Affairs for the provincial Executive Council's consideration, underscored the commitment to evidence-based decision-making and the seamless execution of the DDM mandate.

The unit also played a pivotal role in reviewing Municipal Integrated Development Plans (IDPs) against provincial priorities which involved meticulous assessment of municipal plans to ensure alignment with overarching provincial development objectives. A structured review process entailed conducting comprehensive analyses to identify areas of synergy, gaps and opportunities for collaboration.

By participating in workshops and strategic engagements with municipalities, tailored advisory support was provided to enhance the coherence and effectiveness of local development planning vis-à-vis provincial imperatives. The outcomes of these efforts were instrumental in promoting integrated governance approaches and optimising resource allocation for sustainable socio-economic outcomes at the local level.

The District Development Model (DDM) Business Intelligence Report was then developed. It entailed the compilation and analysis of critical data sets and performance indicators across multiple governmental spheres to inform evidence-based decision-making and strategic interventions under the DDM framework. Through collaborative data collection exercises and interdepartmental consultations, actionable insights and trend analyses were produced that facilitated targeted interventions and resource allocation within district contexts. The DDM Business Intelligence Report served as a cornerstone for informed policy development, enabling stakeholders to leverage data-driven strategies for advancing socio-economic development priorities and achieving tangible outcomes aligned with intergovernmental cooperation objectives.

Table 4.4.5.2

Programme / Sub-programme: IGR and Strategic partnerships								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Industrialised economy anchored on localisation, local content and government procurement	Resources for economic benefits accrued	Rand value of economic benefit generated from strategic partnership	#	R1 billion value of economic benefit generated from strategic partnership	R1,2-billion value of economic benefit commitment from strategic partnership	R2,3-billion value of economic benefit was committed from strategic partnership	R1,1 billion	The partnership with Bolt is expected to run for a duration of 3 years, hence the commitment made by Bolt to the Department is for a period of 3 years. Bolt legal team wanted to commit for 3 years to the tune of R2.3 billion, as that was the budget approved by the Bolt Board.
Strengthened and responsive GDED	Integrated DDM Economic Intelligence Report for GDED	Integrated DDM Economic Development intelligence report for GDED	#	#	DDM Economic Intelligence Report produced for GDED	DDM Economic Intelligence Report was produced	None	None

Linking performance with budgets

There was an underspending of R8,9 million, or 7%, of the adjusted allocation of R135,3 million. The underspending was mainly attributed to the vacant posts that were not filled during the financial year due to the cost- containment measures announced by National Treasury for the 2023/24 financial year that resulted in the scaling down of project activities linked to advertisement and catering.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Governance	6 172	4 410	1 762	6 978	6 672	306
IGR and Strategic Partnerships	24 359	17 682	6 677	19 744	17 468	2 276
Consumer Protection	25 275	24 812	463	26 148	25 276	872
Gauteng Liquor Board	79 115	79 115	-	79 327	79 327	-
Gambling and Betting	409	409	-	14 600	14 600	-
Total	135 330	126 428	8 902	146 797	143 344	3 453

Strategy to overcome areas of underperformance

None.

4.5 Programme 5: Economic Planning

Purpose: To provide thought leadership to transform and re-industrialize economic Gauteng City Region through, policy and strategy development.

Policy and Planning:

Purpose:

- Modelling and scenario planning on economic policies to anticipate needs of economy;
- Identify areas requiring enhanced coherence and alignment as well as policy gaps;
- Evaluate policies and strategies that could lead to sustainable, shared and faster economic growth; and
- Identify critical interventions that will enable Gauteng province to accelerate implementation and realise its policy objectives.

Research and Development:

Purpose:

- Conduct and publish on-going economic reviews and provide comprehensive insights on the provincial economic landscape.
- Produce intelligence reports for decision making.
- Prepare indicator studies documenting and mapping the performance of the Gauteng economy on an annual basis.
- Develop and implement knowledge management concept, strategy and systems.
- Identify areas of transversal research to support implementation of GDED strategy.
- Collect data and update the GDED database of statistics and management research information

Economic Modelling and Forecasting:

Purpose:

- Develop and maintain economic models for the GCR economy
- Conduct economic impact analysis studies for the GCR economy to guide employment creation, poverty eradication and reduction of inequality
- Develop and maintain an economic database for GCR.
- Advise on the spatial economic development issues and high-impact economic development interventions or initiatives across economic sectors and five economic development corridors.

Inclusive Economy

Purpose:

- Facilitate the empowerment of previously disadvantaged individuals and communities.
- Facilitate and support the establishment of viable and sustainable cooperatives sector in the province that contributes positively to economic growth and creates decent work.
- Mobilise, align, coordinate and capacitate local economies towards enhanced and sustainable regional economic development and integration.

4.5.1 Inclusive Economy

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Gauteng Provincial Government (GPG) continues to implement the Gauteng Township Economic Development Act (GTEDA), which is viewed as a flagship programme playing a pivotal role in transforming the township economy across all Gauteng's developmental Corridors.

The Gauteng Provincial Government (GPG) has partnered with various implementing partners to facilitate job creation through programmes such as Infill Residential, Township Retails Programme, installation Repair and Maintenance, Broadband, Taxi Economy and others.

The **Township Retail Programme** seeks to increase retail stores footprint across Gauteng and create employment within the Township Economies through the following key deliverables:

- Increase development and training opportunities for entrepreneurship upskilling and for managing retail enterprises;
- Develop retail stores infrastructure, upgrades and store operational management systems; and
- Reinforce a retail eco-system network for distribution of trading stock via the value chain of distribution centres (DC), superstore & mini DC s and convenient store network.

The Township Economy Partnership Fund (TEPF) Kasi Mnotho fund is a R100 million fund, made up of contributions from the TEPF, with the GPG, IDC and ABSA Bank contributing equally (TEPF: R50 million and ABSA: R 50 million). This initiative is dedicated to empowering township-based enterprises in the Fast- Moving Consumer Goods (FMCG) sector, hence it is accessible to township businesses within the retail sector.

Through the **Installation Repair and Maintenance (IRM)** initiative, the Department has developed several technical training programmes that put young people on a pathway to income-earning opportunities. It targets semi-skilled young people and provides developmental supervision as a strategy to enable successful delivery of projects. The programme covers a broad spectrum of opportunities, such as like construction, upholstery, welding and general maintenance, to enable the youth to formally participate in these sectors.

The **Cellphone Repair Programme** is an accredited skills development training programme co-funded by the Gauteng province and MICT SETA. Its objective is to equip young people of the province with smartphone aftercare skills that could enable them to start their own businesses and/or get employment with skills that the market needs. In addition to the training, the intention is to empower these qualified technicians with business and entrepreneurial skills that can unlock the ripple effects of job creation and other initiatives in their communities. The beneficiaries targeted by this intervention mainly included people from townships areas, and previously disadvantaged individuals for a greater impact.

To date, 146 youth beneficiaries have been reached in the following areas:

- Alexandra
- Westbury
- Rabie Ridge
- Sebokeng
- Orange Farm
- Kagiso

The **Last Mile Delivery** is an entrepreneurial skills development programme that involves linking young people to opportunities in the value chain of the e-commerce sector, including the scooter delivery opportunity through New Venture Creation (entrepreneurial skills training).

The project was launched in November 2022 in partnership with the Transport Education Training Authority (TETA) and Radah Skills Academy, which the Department appointed to deliver the training.

In the 2023/2024 financial year, the department trained 200 learners in the scooter delivery project run by Radah Skills Academy in Mamelodi, Reiger Park, Alex, Soweto, Soshanguve, Atteridgeville and Thembisa.

Township Backyard Mechanics is an automotive skills development programme aimed at equipping township beneficiaries, particularly informal mechanics, with formal training on skills necessary for them to enter the automotive aftermarket value chains, thereby creating sustainable income earning pathway and job opportunities.

In the 2023/24 financial year, the programme was rolled out in Sebokeng (Sedibeng District Municipality) and focused on the following areas:

- Vehicle painting
- Vehicle panel beating and body trimming
- Auto electrical engineering
- Mechanical engineering

The training is a composite of both theory and practical training for a period of 6 months and 25 unemployed youth were trained, seven (7) of which were females.

The Enterprise and Supplier Development (ESD) is a product-led industrialisation programme that aims to transform the structure of the township economy by making townships areas of employment-creating, commercial activities. The ESD aims to do this through the formalisation of township business development support and product development to increase the production of quality goods and services and ensure greater market access. The department partnered with various GP municipalities in hosting the ESD Open Day roadshows. These roadshows serve as product-mapping exercises to help the Department identify the types of SMMEs available; kinds of products being manufactured in these areas, as well as the level of product development. The following ESD projects were implemented during the financial year:

Product testing and certification Project

Product testing and certification by SABPS for 20 beneficiaries ranging from chemicals, food and beverages, clothing and textiles products.

- **Productivity enhancement Project**

Productivity enhancement (QMS; ISO standards etc.) by Mahoona for 15 beneficiaries (including buying of laptops to load QMS) and Crème de la Crème for the 21 beneficiaries in the bakery cluster. Firm audits were also conducted of the 3 service providers (SABPS, Mahoona and Crème dela Crème) to check where they operate from, their processes and procedures, quality of their machinery/equipment etc.

- **Business development support project**

This project has sub-projects named as follows:

Market Access: Four (4) ESD beneficiaries (Sanath Trading, McLaughton, Phuthanang and Iketsetse Bokamoso) were given an opportunity to exhibit at the Nasrec Expo that took place on the 29 March till 1 April 2024.

SMME Support: Five (5) SMMEs were identified to benefit from the equipment/ machinery buying to a cap of R60 000 per beneficiary. The equipment will, however, only be delivered in the first quarter of 2024/2025 FY.

Townships, Informal Settlement and Hostels (TISH) was launched on 14 July 2023 by the department at George Goch Stadium. To advance ESD in the TISH initiative, the needs analysis was completed and an amount of R500 000 was transferred to buy laundry, salon etc., equipment and/or machinery to benefit SMMEs in hostels.

Hair Salon and Beauty Industry: The hair and beauty services industry has been forgotten in the economic streams, therefore the department conducted a workshop where township hair salon owners were invited. The aim of the workshop was to gather information on the challenges the industry faces. Subsequently, the Department is conducting a study to gather all the challenges and to geo-locate hair salons in the townships.

The current project under the programme is to conduct data collection of the hair salons in the townships, this is done in partnership with Lepharo. An amount R600 000 was transferred in March 2024 for this project. Data collection is anticipated to commence upon the completion of the process of recruiting field workers.

Table 4.5.1.1

Programme / Sub-programme: Inclusive Economy									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Industrialisation supported through localisation and government procurement	Growth and transformation of the GCR economy	% of the GCR GDP spent on research and development	#	0,8% of the GCR GDP spent on research and development	1,5% of the GCR GDP spent on research and development	0 % of the GCR GDP spent on research and development	-1,5%	The indicator was not due for reporting	Planned target revised from 1,5% to 0,9% of the GCR GDP spent on research and development. The global economic landscape has undergone significant changes, with external factors like global economic slowdown, high-interest rates, and cuts in foreign investment causing a significant decrease in expenditure worldwide, despite initial optimism.
	Township economy action plan implemented Township economy action plan implemented	% of budget spent on locally produced goods and services	75% of budget was spent on locally produced goods and services	6,53% of budget was spent on locally produced goods and services	75% of budget spent on locally produced goods and services has context menu	0	-75%	Non-submission of reports by GPG departments	Most of the products procured by the department do not fall under the category for locally produced goods.
		% of budget spent on supplier development	0,2% of budget spent on supplier development	0,01% of budget spent on supplier development	0,2% spent on B-BBEE supplier development	0	-0,2%	Non submission of reports by GPG departments	The indicators were revised to measure the GDED group
		% of budget spent on skills development	3,26% of payroll budget spent on skills development	0,11% of budget spent on skills development	6% of payroll budget spent on skills development	0	-6%		
		% of budget spent on enterprise development	0,1% of budget spent on enterprise development	0,02% of budget spent on enterprise development	0,1% of budget spent on enterprise development	0	-0,1%		
		% of budget spent on socio-economic development	0,1% of budget spent on socio-economic development	0,01% of budget spent on socio-economic development	0,1% of budget spent on socio-economic development	0	-0,1%		
		Number of jobs created through the township economy programmes	#	1 690 jobs created through township economy programmes	50 000 jobs created through township economy programmes	5899 jobs created through township economy programmes (from 1220, 20 is new jobs created and 1200 jobs sustained)	-44 101		

Table 4.5.1.2

Programme / Sub-programme: Inclusive Economy								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Industrialisation supported through localisation and government procurement	Growth and transformation of the GCR economy	% of the GCR GDP spent on research and development	#	0,8% of the GCR GDP spent on research and development	0,9% of the GCR GDP spent on research and development	0,9% of the GCR GDP was spent on research and development	0	None
		% spent on B-BBEE Supplier Development	#	#	0,2% spent on B-BBEE Supplier Development	4,52% was spent on B-BBEE Supplier Development (R96 402 179,79/ R2 135 100 630,24)	4,32%	This is due to some entities spending far more than what was expected.
		% spent on B-BBEE Skills Development	#	#	6% spent on B-BBEE Skills Development	5,66% was spent on B-BBEE Skills Development (R58 995 610,84/ R1 042 369 930,30)	-0,34%	GDED Group is not spending enough budget on skills development due to some of the entities who have not budgeted for B-BBEE implementation
		% spent on B-BBEE Enterprise Development	#	#	0,1% spent on B-BBEE Enterprise Development	3,89% was spent on B-BBEE Enterprise Development (R83 068 072,72/ R2 135 100 630,24)	3,79%	This is due to some entities spending far more than what was expected.
		% spent on B-BBEE Socio-economic Development	#	#	0,1% spent on B-BBEE Socio-economic Development	1,03% was spent on B-BBEE Socio-economic Development (R22 022 621,03/ R2 135 100 630,24)	0,93%	This is due to some entities spending far more than what was expected.
		Number of Gauteng City Region townships with broadband coverage	#	#	45 of Gauteng City Region townships with broadband coverage	45 townships with broadband coverage	0	None
		Number of Township Economic Development projects implemented	#	#	10 Township Economic Development projects implemented	10 projects were implemented	0	None

Linking performance with budgets

This programme’s underspending amounts to R14,5 million and translates to 4% of the total allocated adjusted budget of R400 million. The underspending is attributed to accrued invoices, outstanding close-out reports on ongoing projects such as the GBS value proposition, codebook stakeholder engagement, the mining incubation programme and the construction and brick manufacturing project. The non-implementation of the ICT Smart Industry Centre and ICT Innovation projects further contributed to the underspending reported in programme 5.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Policy and Planning	22 220	18 396	3 834	21 516	20 457	1 059
Research and Development	2 960	2 958	2	3 397	2 440	957
Knowledge Management	2 001	1 710	291	1 246	1 232	14
Sector and Industry Development	319 837	310 454	9 383	311 473	295 713	15 760
Inclusive Economy	53 436	52 405	1 031	35 861	26 538	9 323
Total	400 454	385 923	14 531	373 493	346 380	27 113

Strategy to overcome areas of underperformance

% spent on B-BBEE Skills Development

- The Inclusive Economy Unit will advise the GDED Group to budget for this element and track the spending against the budget.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Gauteng Enterprise Propeller	As per APP 2023/24	221 333	310 686	As per performance information
Gauteng Tourism Authority	As per APP 2023/24	117 954	171 395	As per performance information
Gauteng Growth and Development Agency	As per APP 2023/24	617 682	493 241	As per performance information
Gauteng Gambling Board	As per APP 2023/24	409	563 000	As per performance information
Total		957 378	1 538 322	

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Dinokeng	Trading Entity	As per APP 2023/24	Yes	36 119	37 653	None
Cradle of Humankind	Trading Entity	As per APP 2023/24	Yes	69 299	68 742	None
Gauteng Liquor Board	Trading Entity	As per APP 2023/24	Yes	79 115	71 228	- GLB Vacancy rate of 13.39% at 31 March 2024. - Non implementation of the liquor wardens project. - GLB legislative framework not completed. - R1,5 million outstanding claims from Department of Justice (accruals are not final, might still change) - 2023/24 commitments amounting to R1,5 million
TOTAL				184 533	177 623	

6. CONDITIONAL GRANTS

Not applicable to the department.

- 6.1 Conditional grants and earmarked funds paid

Not applicable to the department.

- 6.2 Conditional grants and earmarked funds received

Not applicable to the department.

7. DONOR FUNDS

Not applicable to the department

8. CAPITAL INVESTMENT

Not applicable to the department

- 8.1 Capital investment, maintenance and asset management plan

Not applicable to the department.



PART C
GOVERNANCE



1. INTRODUCTION

The GDED leadership is committed to the highest level of corporate governance in carrying out the department's mandate. The department established governance procedures to assess the effectiveness and efficiency of internal controls, governance and risk management. Risk management is a tool used to help attain performance and service delivery excellence as espoused by the Batho Pele principle. To foster an ethical culture, various policies were reviewed and approved including, a code of ethics and business conduct, conducting workshops on remuneration outside employees employment, gifts and financial disclosures.

2. RISK MANAGEMENT

The Department subscribes to the GPG Risk Management Framework, which is in line with the PFMA. The framework sets out the process of risk assessment, risk response, monitoring and reporting. The Department has an approved Risk Management Strategy, Policy and the Implementation plan to guide the implementation, integration and management of the risk management system at all levels within the Department.

The Department conducted strategic, fraud, and operational risk assessments with quantifiable mitigations and timelines during the year under review. Risks were assessed in terms of likelihood and impact, and the implementation of action plans was monitored quarterly in order to keep risks to an acceptable level. Additionally, the risk profile was reassessed on a regular basis to account for emerging risks. The department adopted GPG combined assurance framework which will assist the role players in ensuring efforts are directed to the risks that matter most. Separate risk assessments were conducted for the Gauteng Liquor Board.

The Department has established a Risk and Audit Management Committee (RAMC), which consist of heads of business units (deputy director generals and chief directors) and the oversight bodies (internal audit and the Gauteng Provincial Treasury Governance Unit). The accounting officer appointed the committee, and its operations were governed by its terms of reference. The committee was presided over by an independent chairperson. The RAMC met quarterly to assist the Accounting Officer with his risk oversight responsibilities by assessing the effectiveness of the risk management processes and systems within the department. In addition, the committee monitored the implementation of internal and external audit recommendations to ensure an improved internal control environment.

The RAMC chairperson reported quarterly to the HOD and the audit committee on the level of risk maturity and internal control status within the Department.

3. FRAUD AND CORRUPTION

The Department's Fraud Prevention Plan was reviewed and approved by the Accounting Officer. The progress on the implementation of the Fraud Risk Mitigation Plan was tracked and reported quarterly to the RAMC, Gauteng Provincial Forensic Team and the Audit Committee.

The Whistle Blowing Policy is in place and in terms of this policy, all employees are encouraged to report fraud and corruption. The policy outlines procedures on how internal and external stakeholders should report suspected cases of fraud. Employees and external stakeholders are encouraged to report cases to various structures such as the National Anti-Corruption Hotline (NACH), the Premier's Hotline and the National Prosecuting Authority.

All allegations of fraud and corruption are investigated by the office of the Premier's Forensic Unit. The implementation of recommendations was tracked by the Risk Management unit.

4. MINIMISING CONFLICT OF INTEREST

The Department adheres to the financial disclosure framework. All SMS members and other designated employees declared their financial interests for the 2023/24 financial year as required by the DPSA Directive of 2018. In addition, employees were encouraged to apply for Remunerative Work Outside the Employee's Employment (RWOEE), which must be approved by the Executive Authority prior to conducting any remunerative work.

The Department appointed an Ethics Officer who worked closely with the Office of the Premier and the Gauteng Public Service Commission on ethics-related matters. Conflicts of interest were declared by the bid Adjudication, bid specification and bid Evaluation Committees and interview panels when carrying out their duties. Members of these committees and interview panels are appointed by the Accounting Officer. The Department developed policies on RWOEE, financial disclosure, gift, and code of ethics and a business conduct to guide employees and minimise the risk of conflict of interest. Awareness sessions were also conducted on gifts and RWOEE.

5. CODE OF CONDUCT

The Department adopted Chapter 2 of the Public Service Regulations 2016, Code of Conduct, which requires employees to observe high ethical standards. The Code of Ethics and Business Conduct Policy is in place and awareness sessions were conducted to inculcate a culture of ethical conduct. The department formally appointed an ethics champion and ethics officer to assist in rolling out the ethics management implementation plan.

The effect of the Code of Conduct on the Department is that all officials – from the most junior to the most senior – demonstrate the practical understanding of procedures, directions and instructions contained in the Code of Conduct. This is mandatory for the efficient delivery of services. It also requires the officials of the Department to demonstrate respect for human rights, the rule of law, accountability and transparency.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Act, Act 85 of 1993, mandates that employers must provide a safe environment for their employees, free from health and safety risks. This encompasses regulations outlined in the Act, which specify safe work procedures and measures aimed at eliminating or mitigating any hazards that could jeopardise employee safety. Additionally, the Head of the Department is responsible for approving appointments in accordance with the Act's provisions (Section 16.2, 17, 18, and 19) A safe, healthy workplace environment is important for the physical safety, mental well-being, and productivity of all employees. Some of the Safety, Health and Environmental issues affecting the department are:

Risk	Risk Rating
Personnel failing to adhere conscientiously to the Occupational Health and Safety Act and regulations can result in both injuries and damage to property.	High
Smoking by employees in undesignated areas can lead to illnesses, injuries, fatalities and damage to property.	High
Failure to adequately maintain work facilities or adhere to a maintenance plan by the landlord can result in a compromised work environment, potentially leading to injuries.	High

7. PORTFOLIO COMMITTEES

During the reporting period, these six meetings were held:

Meeting	Date
Presentation of the Fourth Quarter Report for 2022/23 FY	05 June 2023
Presentation of the First Quarter Report for 2023/24 FY	18 August 2023
Presentation of the Annual Report for 2022/23 FY	27 October 2023
Presentation of the Second Quarter Report for 2022/23 FY	14 November 2023
Provincial Adjustment Appropriation Bill for Vote 03 for the 2023/24 FY	08 February 2024
Presentation of the Third Quarter Report for 2023/24 FY	29 February 2024

Table number

Matters raised by the Portfolio Committee and how has the department addressed these matters

The Portfolio Committee sought further clarity and House resolutions from the Annual report and the Provincial Adjustment Appropriation Bill, including from each quarterly report. These were all responded to by the Department and submitted to the Legislature.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Resolved (Yes/No)
GDED			
	Request for responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Department of Economic Development for the year ended 31 March 2023.	<ol style="list-style-type: none"> The Department must provide a report detailing the progress made in the implementation of its Audit Action Plan by 30 April 2024. The Department must develop and implement a plan to maintain clean audit outcomes on the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024. 	Yes
GLB			
	Request for responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Gauteng Liquor Board for the year ended 31 March 2023.	<ol style="list-style-type: none"> The Gauteng Department of Economic Development must set up processes to revise the Gauteng Liquor Act to ensure that there is alignment between the requirements of PFMA and the Gauteng Liquor Act in respect to the treatment of revenue collected by the GLB and provide the Committee with a report by 30 April 2024. The entity must develop and implement a plan to maintain clean audit outcomes on the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and providing the Committee with a report by 30 April 2024. 	Yes
Cradle of Humankind World Heritage Site			
	Request for responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Cradle of Humankind World Heritage Site for the year ended 31 March 2023.	<ol style="list-style-type: none"> The entity must provide the Committee with a report detailing the status of the implementation of the audit action plan by 30 April 2024. The entity must develop and implement a plan to maintain clean audit outcomes on the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024. 	Yes
Dinokeng Trading Entity			
	Request for responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Dinokeng Trading Entity for the year ended 31 March 2023.	<ol style="list-style-type: none"> The entity must provide the Committee with a progress report detailing the status of the implementation of the audit action plan by 30 April 2024; and The entity must implement a plan to maintain clean audit outcomes in financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds, and provide the Committee with a report by 30 April 2024. 	Yes

Resolution No.	Subject	Details	Resolved (Yes/No)
GEP			
	Request for Responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Gauteng Enterprise Propeller for the year ended 31 March 2023.	<p>1. The entity must develop and implement measures to ensure that lease contracts are renewed timeously to avoid consumption of services on expired contracts and provide the Committee with a report by 30 April 2024;</p> <p>2. The entity must provide the Committee with a report detailing the status of the appointment of a Contract Officer in the SCM Unit by 30 April 2024 and a quarterly progress report continuing up until finalisation thereof;</p> <p>3. The entity must provide the Committee with a report detailing the outcome of the tender process for development of the Terms of Reference for the procurement of lease offices by 30 April 2024 and a quarterly progress report continuing up until finalisation thereof;</p> <p>4. The entity must provide the Committee with a progress report detailing the effectiveness of the following regarding internal controls deficiencies and provide the Committee with a progress report by 30 April 2024:</p> <ul style="list-style-type: none"> • Implement and adequately monitor action plans to prevent repeat findings. • Conduct adequate reviews of the annual financial statements and performance information to be implemented on a quarterly basis; • Strengthen the financial support loan deal initiation and vetting process to reduce credit defaults and the reliability of the debtors' book by improving follow-up with legal over debt collection. 	Yes

Resolution No.	Subject	Details	Resolved (Yes/No)
GGB			
	Request for Responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Gauteng Gambling Board for the year ended 31 March 2023.	<p>1. The entity must implement controls development before submitting financial statements to the Provincial Treasury and provide the Committee with a report detailing the effectiveness of the controls by 30 April 2024.</p> <p>2. The entity must implement additional resources to review and ensure that all disclosure notes have been disclosed accordingly and provide the Committee with a report detailing the effectiveness of the controls by 30 April 2024.</p> <p>3. The entity must implement preventative and detective controls to monitor compliance with the internal policies to prevent material non-compliance and provide the Committee with a report by 30 April 2024.</p> <p>4. The entity must investigate and take disciplinary action against the official/s who are implicated in the approval of payroll payments with insufficient delegation of authority and provide the Committee with a report by 30 April 2024 & a quarterly progress report continuing up until finalisation thereof.</p> <p>5. The entity must take disciplinary action against the official/s who failed to extend the validity period of the tender and provide the Committee with a report by 30 April 2024 and a quarterly progress report continuing up until finalisation thereof.</p> <p>6. The entity must provide the committee with a report detailing the progress made in the implementation of its audit action plan by 30 April 2024.</p> <p>7. The entity must implement a plan to achieve clean audit outcomes in the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024.</p>	Yes
GGDA			
	Request for Responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Gauteng Growth and Development Agency for the year ended 31 March 2023.	<p>1. The entity must provide the committee with a list of all the key projects that were earmarked for job creation and economic development in the province during the 2022/23 financial year and provide the committee with a report detailing the status of the key projects by 30 April 2024;</p> <p>2. The entity must develop and implement a plan to maintain clean audit outcomes in the financial and performance management, as well as the status of 30/04/2024 compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024.</p>	Yes

GTA			
	Request for Responses to the SCOPA's Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statement of the Gauteng Tourism Agency for the year ended 31 March 2023.	<p>1. The entity must develop controls before submitting the financial statements to Provincial Treasury and provide the committee with a report detailing the effectiveness of the controls by 30 April 2024</p> <p>2. The entity must implement additional resources to review and ensure that all disclosure notes have been disclosed accordingly and provide the committee with a report detailing the effectiveness of the controls by 30 April 2024.</p> <p>3. The entity must develop and implement a plan to achieve clean audit outcomes in its financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024.</p> <p>4. The entity must develop and implement a system to ensure that reported achievements for the performance indicators are supported by reliable and verifiable information and provide the committee with a report by 30 April 2024.</p>	Yes
Response by the department			Resolved (Yes/No)
All contracts were recorded in the contract register. Management has ensured that all performance information reported is in line with the planned output indicators and targets as set out in the APP. This is done quarterly The Department was unable to receive quotations from accredited service providers to conduct a B-BBEE verification for 2022/23 FY. For 2023/24 assessment, the department has started the procurement processes to ensure that the compliance is adhered to. For the current financial year, the department is starting the process early to deal with possible delays. It has also prepared its files earlier than usual so that it can make the process smooth. The HOD has made it mandatory to discuss all audit findings and challenges during the Senior Management Team meetings. This platform assists the HOD in managing the possibility of repeat findings and in maintaining the clean audit status.			Yes
Management has included the breakdown of different streams of fees payable to the Provincial Revenue Fund (PRF) as per the AG's recommendation on the published Annual Financial Statements for 2022/23 financial year. There are controls in place as the information was already provided on the Annual Financial Statements (AFS) submitted for audit. The Auditor General's finding required management to enhance disclosure by providing the breakdown of fees collected/payable to PRF on the Financial Statements. Management disclosed the consolidated amount and the AG recommended that GDED also show the breakdown on this finding. Management had several engagements with the auditors and it was concluded that the changes in the 2022/23 financial year were not a change in accounting policy as per the auditors' finding; To resolve this, management has included the write up in the published AFS for the 2022/23 financial year regarding the reclassification of revenue to payable due to the new conditions introduced in the 2022/23 financial year, to clarify the information already provided on the AFS, submitted for audit ; In the 2022/23 financial year there is a new condition that the GLB is no longer required to fund its operations from the money collected by the entity; The Finance Unit has engaged the Legal Services Unit and the misalignment between the GLB Act and PFMA section 21 will be addressed in the revised GLB Act. The entity is currently in the process of reviewing and updating the GLB Act. To avoid piecemeal changes, all the changes will be effected at once, including the alignment of the GLB Act to the PFMA section 21, as per auditors' recommendation. It has been advised that the process of changing the GLB Act can take up to 2 years. The HOD has made it mandatory to discuss all audit findings and challenges during the Senior Management Team meetings. This platform assists the HOD in managing the possibility of repeat findings and maintaining the clean audit status.			Yes

Response by the department	Resolved (Yes/No)
<p>There were no Audit Performance Findings for the Cradle of Humankind World Heritage Site under 2022/23 Financial Year. The GAS and AG Performance Audit for the Entity resumed on 31 March 2024 for the 23/24 FY.</p> <p>The entity has developed and approved policies and procedures that are implemented to manage and monitor the entity's operations. They are reviewed annually to ensure that they remain relevant and compliant with the latest prescripts.</p> <p>The staff in the office of the CFO attends relevant training and development programmes to ensure that they enhance their capabilities, skills and competence towards performing their functions as the developmental plan.</p> <p>The entity has developed and is implementing internal controls to ensure compliance to prescripts, as per the PFMA and PPPFA.</p> <p>GAS audits the entity as per the approved audit plan interval and procures a report with findings. The entity develops and submits its quarterly interim financial statement to Gauteng Treasury (GPT) and the audit committee for review.</p> <p>The audit findings continue to be addressed and reports sent to the auditors, RAMCO, audit committee and GPT for monitoring and management.</p> <p>The entity reports on a request basis to RAMCO and the audit committee on the progress and updates with regards any challenges that could result in a negative audit outcome.</p> <p>The entity holds monthly and quarterly senior management meetings that address the possible impact and challenges on the entity towards maintaining a clean audit opinion.</p> <p>Management continues to improve and enhance systems, controls, processes and procedures.</p>	<p>Yes</p>
<p>There were no Audit Performance Findings for the Dinokeng Projects under the 2022 /23 financial year. The GAS and AG Performance Audit for the entity resumed on 31 March 2024 for the 23/24 FY.</p> <p>The entity has developed and approved policies and procedures that are implemented to manage and monitor the entity's operations. They are reviewed annually to ensure that they remain relevant and compliant with the latest prescripts.</p> <p>The staff in the office of the CFO attends relevant training and development programmes to ensure that they enhance their capabilities, skills, and competence towards performing their functions as the developmental plan.</p> <p>The entity has developed and is implementing internal controls to ensure compliance to prescripts, as per the PFMA and PPPFA.</p> <p>GAS audits the entity, as per the approved audit plan interval, and procure a report with findings. The entity develops and submits its quarterly interim financial statement to the GPT and the audit committee for review.</p> <p>The audit findings continue to be addressed and reported to the auditors, RAMCO, audit committee and GPT for monitoring and management.</p> <p>The entity reports on a request basis to RAMCO and the audit committee on progress and updates on any challenges that could result in a negative audit outcome.</p> <p>The entity holds monthly and quarterly senior management meetings that address the possible impact and challenges on the entity towards maintaining a clean audit opinion.</p> <p>Management continues to improve and enhance systems, controls, processes and procedures.</p>	<p>Yes</p>

Response by the department	Resolved (Yes/No)
<p>The GEP has put measures in place to renew leases before expiry and none of leases will have consumption of services on expired contracts.</p> <p>The position of Contract Officer: SCM remains vacant as per the Organisational Structure that was approved by the Board of Directors on 22 September 2023. However, the position was not on the list of critical positions that was submitted to the Premier's Office for concurrence. The position that was listed was that of the Supply Chain Manager.</p> <p>The TORs for the satellite offices have been developed and submitted to probability auditors to perform quality assurance, as per the GPT open tender framework to issue compliance certificates for BSC process before CEO approval.</p> <p>The entity: Has designed a post in terms of the audit implementation plan to avoid repeated findings.</p> <p>Has appointed an external service provider to adequately review the AFS quarterly; and is finalising a process to introduce a new bank account type for the biggest segment, contract finance. The account will be opened by the GEP, in the name of the debtor, but controlled by GEP. The GEP interest will also be noted on CSD, thereby preventing any subsequent banking details changes by the debtor. The entity uses the Consumer Profile Bureau which provides detailed search options and longer periods .</p>	Yes
<p>The Gauteng Gambling Board (GGB) has appointed a permanent Chief Financial Officer and Senior Finance Manager who both have vast experience with the preparation of the financial statements. Secondly, the entity has proper segregation of duties in terms of reviewing the financial statement properly. The GGB has also developed a GRAP checklist to ensure it compiles the financials in full compliance with the standards.</p> <p>The Annual Financial Statements are also reviewed by the internal auditors to ensure accuracy.</p> <p>The GGB has engaged the internal auditors to review the financial statements before submission to the Auditor-General (AG) and the entity agreed with the AG that the Senior Manager must review the financial statements before submission as a value-added service.</p> <p>The GGB has reviewed several internal policies to enhance its internal control deficiencies. Part of the internal control improvements is the introduction of the GRAP checklist tool.</p> <p>Consequence management was implemented and subsequently certain officials were found guilty of irregular payment and irregular delegation of authority after the recommendations of independent disciplinary hearing chairpersons. These employees were dismissed.</p> <p>Consequence management was implemented; officials were taken through the disciplinary process and were found guilty for fruitless and wasteful expenditure and have subsequently been dismissed.</p> <p>The GGB has resolved 16 findings out of 17 issued. Regarding the 1 finding of conflict of interest of the Administrator who was appointed 2020/21 financial year; the GGB is currently engaging the GDED to assist in obtaining the Administrator's declaration of interest forms.</p> <p>The GGB has appointed board members and an audit and risk committee for good governance. The board and audit and risk committee will guide the entity into achieving a clean audit. The GGB also now has a permanent CEO and CFO who will ensure that the entity achieves a clean audit.</p>	Yes

Response by the department	Resolved (Yes/No)
<p>Biopark sciences phase 3: The objective was to achieve 100% completion by the end of the 2023/24 FY, however due to the delays expected from the long-lead items, completion will only be achieved in September 2024. The project is currently at 69% overall progress;</p> <p>Constitution Hill Visitors Centre: The objective was to reach practical completion by the end of the 2023/24 FY, however, the contract was terminated on 15 August 2023 following failure by the contractor to remedy the default within the period of the Notice of Intention to Terminate.</p> <p>The project progress at termination was at 16,5% and the adjusted contract value for the project is R183m and the expenditure to date is R29,5 million which constitutes 16% of the contract value.</p> <p>The litigation process to obtain project documentation from the previous professional resource team (PRT) has commenced and is estimated to take 6 to 9 months. While this legal process is underway, a memorandum seeking approval for the appointment of a new Project Service Provider (PSP) to handle Stages 3-6 of the project was prepared and sanctioned on 23 January 2024.</p> <p>Stage 3 involves reviewing the existing design and compiling any outstanding designs necessary to bring the project to fruition. The selection of the new PSP will be conducted through the approved PSP panel to mitigate potential delays associated with lengthy Supply Chain Management (SCM) procedures. The TORs were tabled and approved at the Bid Specifications Committee (BSC) and Bid Adjudication Committee (BAC) meeting on 6 February 2024 and 9 February 2024 respectively. Currently, the TO R is awaiting review by p robity a uditors.</p> <p>The objective was to reach practical completion by the end of the 2023/24 FY, however, the contract was terminated on the 15 August 2023 following failure by the contractor to remedy the default within the period of the Notice of Intention to Terminate.</p> <p>We the People Park: The PSP was appointed on 10 July 2023 and the inception meeting was held on 11 July 2023. A site inspection was held with the PSP on 13 July 2023 and a programme of works was submitted on 18 July 2023. The Conditional assessment was completed, and the report of current works was submitted to GGDA. The update of the tender document and Bill of Quantities was completed on 9 August 2023.</p> <p>Stages 1- 4 have been completed, and the project went out to market in December 2023. A site briefing took place on 15 January 2024, and the tender closed on 26 January 2024. The tender was evaluated and was found to be non-responsive and will have to be re-advertised. The tender document was updated and was approved by BSC on 26 March 2024 and is currently awaiting schedule for BAC.</p> <p>GIDZ Southern Precinct construction: A total of 1105 construction jobs were created, and 2741 jobs were created through the GIDZ operational phase.</p> <p>As at end of March 2024, a total of 4340 cumulative jobs (construction and operational) were reported by the GIDZ and it is anticipated that more construction jobs will be reported for the Precinct 2 bulk installation and top structure construction phases.</p> <p>The K217 road construction initiative is tied to the Tshwane Automotive City in the Northern Corridor. The road construction was delayed due to a pause in the project pending the outcome of arbitration re: a dispute by Gautrans challenging the land valuation on which the road was planned to be constructed. As at end March 2024, phase 1 of K217 (Tungsten Road, municipal portion) has been completed and contributed to creating 64 construction jobs.</p> <p>The AIDC is continuing to aid companies and investors wanting to locate in the Rosslyn area.</p> <p>The GGDA has developed an implementation plan for the 2023/24 audit cycle. The plan will assist the organisation in ensuring that it maintains the clean audits it achieved in the previous audit cycle.</p>	Yes

Response by the department	Resolved (Yes/No)
<p>The GTA will procure the services of a service provider to perform limited assurance on the performance information as well as the financial statements, in order to identify any issues of significant concern that might need to be addressed before the audit. In addition to this, the financial statements will also be submitted to the Provincial Accountant General's (PAG's) office as follows:</p> <p>1st Draft 30 April 2024; 2nd Draft 17 May 2024; and Final submission 31 May 2024.</p> <p>The first and second submission will also enable the GTA to address any material findings on the financial statements before the final submission on 31 May 2024.</p> <p>On a quarterly basis, GTA will report its performance, showcasing the percentage achievement against the annual target. This meticulous monitoring process is crucial for all of us, as it keeps us involved in the progress of our goals.</p> <p>GTA will not include percentages in reporting performance against the annual targets in the Authority's 2023/24 Annual report.</p> <p>The GTA's 2023/24 Quarterly reports were be accompanied by listings for evidence.</p> <p>GTA's 2023/24 Annual report will be submitted to the AGSA with evidence and their listings. However, this will not be applicable to indicators that use models in the form of research. The Authority will continue to provide methodologies used for indicators that use models as their data collection and analysis techniques.</p> <p>In addition to the above response , the GTA has developed an Audit Action Plan wherein the issues raised in previous audits have been registered and tracked to ensure that they are addressed. The GTA is in the process of issuing a tender to appoint an internal audit service provider for a three-year period. Currently, the GTA uses service providers appointed on a quarterly basis. The GTA has an Audit and Risk Committee in place.</p>	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no material audit findings raised by the Auditor General in the prior year. The Department maintained unqualified audit outcome with no material findings (clean audit).

Gauteng Liquor Board

There were no material audit findings raised by the Auditor General in the prior year. The GLB maintained unqualified audit outcome with no material findings (clean audit).

10. INTERNAL CONTROL UNIT

The Department does not have a dedicated Internal Control Unit. However, internal control matters are the responsibility of the relevant business units. The Risk Management Unit conducted quarterly key controls reviews to assess the effectiveness, efficiency and transparency of control activities. The report relating to the assessment of key controls was presented quarterly to the RAMC and the Audit Committee. In addition, the internal and external auditors evaluated the effectiveness of internal controls and action plans were developed by management to address deficiencies identified. The implementation of action plans emanating from the reviews and audits were tracked by the Risk Management Unit, Gauteng Audit Services (GAS) and the Cluster 1 Audit Committee.

11 INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit work for the Department is conducted by the GAS, a unit of the Gauteng Provincial Treasury. The GAS provides internal audit services to all the Departments in the province on a shared service model. It also provides assurance on the Department's effectiveness and efficiency of internal controls, governance and risk management. A risk-based audit approach was followed, and all GDED and GLB audits were conducted. All recommendations made by the GAS were prioritised and tracked monthly by the risk management unit. The progress regarding the implementation of the action plans were reported to the risk management committee and the audit committee quarterly. The Department proactively mitigated audit findings raised by the GAS throughout the year.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Masaccha Mbonambi (Ms)	<ul style="list-style-type: none"> Bachelor of Accounting B.Com Honors (Accounting) Certificate in Board Governance Certificate in Enterprise-wide Risk Management 	External		01 August 2022	Current	
Peter Mukheli (Mr)	<ul style="list-style-type: none"> B.Com Honors (Auditing) B.Com Accounting 	External		01 August 2023	Current	
Yedwa Mjiako (Ms)	<ul style="list-style-type: none"> Bachelor of Commerce Master of Business Administration Certified Internal Auditor Certification in Control Self-Assessment Quality Assessment Review (QAR) Certificate in Executive Leadership Development Program International Executive Leadership Development 	External		01 November 2021	Current	

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	Enterprises that apply for licences are expected to be B-BBEE Act- compliant.
Developing and implementing a preferential procurement policy?	Yes	The internal preferential procurement policy has B-BBEE Act targets that need to be achieved.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	GDED does not sell any assets.
Developing criteria for entering into partnerships with the private sector?	Yes	Partners that are interested in partnering with the Department are expected to comply with the B-BBEE Act.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad- Based Black Economic Empowerment?	Yes	Beneficiaries of B-BBEE Act are expected to be B-BBEE-compliant.



REPORT OF THE AUDIT COMMITTEE – CLUSTER 01

Gauteng Department of Economic Development

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee and Attendance

The Audit Committee consists of the external members listed hereunder and is required to meet at least two times per annum as per the provisions of the Public Finance Management Act (PFMA), 1999 (Act Number 1 of 1999). In terms of the approved terms of reference (GPG Audit Committee Charter), five meetings were held during the current financial year, i.e., three meetings to consider the quarterly performance reporting (financial and non-financial) and two meetings to review and discuss the annual financial statements and the audit and management reports of the Auditor-General South Africa (AGSA).

Non-Executive Members

Name of Member	Number of Meetings attended
Ms. Masaccha Mbonambi (chairperson)	05
Ms. Yedwa Mjiako (member)	05
Mr. Peter Mukheli (member)	05

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Committee:

Compulsory Attendees	Number of Meetings attended
Mr. Blake Mosley Lefatola (Accounting Officer)	03
Ms. Boitumelo Mabusela (Chief Financial Officer)	04
Mr. Ronald Tabatsindi (Acting Chief Financial Officer)	01 (until August 2023)
Ms. Madiagane Marota (Chief Risk Officer)	05
Mr. Velile Kweyama (Chief Audit Executive)	04

The Audit Committee noted that the Accounting Officer attended three (03) scheduled committee meetings for the period under review. Therefore, the committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter in ensuring that there is proper representation for the Accounting Officer.

The members of the committee met with the senior management of the Department and Internal Audit collectively to highlight risks and address challenges faced by the Department. A number of in-committee meetings were held to address internal control weaknesses and unresolved deviations within the Department.

Audit Committee Responsibility

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

The effectiveness of Internal Control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed and the follow-up reviews conducted, the overall opinion on the internal control design was adequate but ineffective to ensure that the Department's objectives were achieved.

Our review of the findings based on the work of Internal Audit, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were raised with the Department.

The following internal audit work was completed during the year under review:

- Review of the BBBEE and TISH Upliftment
- Corporate Governance and Risk Management

- Follow up Review on the AGSA's findings
- Follow up on transfer payments (Entity Oversight)
- Follow up review on the Supply Chain Management
- Review of the draft annual performance report
- Performance of the Department against pre-determined objectives – Q1 and Q2
- SAP ESS & PERSAL leave reconciliation
- Data analysis – ETHICS / FIN / HR (1 Jan 2023 – 30 June 2023) and (1 July 2023 – 31 December 2023)
- ICT asset management review
- 2023-24 ICT risk assessment

Due to the Department's dependency on the entities to deliver its core mandate, it is critical that management put in place adequate and effective controls to ensure proper oversight on the governance and performance of the entities throughout the financial year.

The internal controls around the applications and renewal of liquor licence processes need to be strengthened. Furthermore, the findings raised by the AGSA and Internal Audit should also be implemented on time.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and has a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the internal auditors consulted with management, the AGSA and the Audit Committee on its Internal Audit Plan.

The Audit Committee notes that the improvement in the communication between the executive management, the AGSA and the Internal Audit function especially with regards to the consultation on the Internal Audit plan, which interactions have strengthened the Corporate Governance initiatives within the Department.

Coordination of efforts between internal audit and the AGSA has been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

The Audit Committee will continue to monitor the resources and capabilities of the Internal Audit function as this has an impact on the audit of performance information.

Risk Management

Progress on the departmental risk management process was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should ensure that its high-risk areas are adequately and timely mitigated to an acceptable or tolerance level in order to achieve a clean administration and avoid regression of the Audit outcome.

Forensic Investigations

There were no new cases reported to the Gauteng Forensic Service received for the year under review. The Audit Committee commended the Department for improvement made in the implementation of recommendations particularly on disciplinary actions.

The Quality of Quarterly Reports Submitted in Terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of the financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and emphasise that the Department must ensure that its financials statements are free from material misstatement and that its non-financial reports are supported by the required portfolio of evidence.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Reviewed the draft annual financial statements prepared by the department prior to submission to the AGSA for audit purpose.
- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the AGSA and the Accounting Officer;
- Reviewed the audit report of the AGSA;

- Reviewed the AGSA's management report and management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and

The Audit Committee concurs with and accepts the AGSA's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.

One-on-One Meeting with the Accounting Officer

The Audit Committee met with the Accounting Officer for the Department to address unresolved issues where there was a need.

One-on-One Meetings with the Executive Authority

The Audit Committee appraised the Executive Authority, through regular reports on the performance of the Department.

Auditor-General of South Africa

The Audit Committee met with the AGSA to ensure that there are no unresolved issues.



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Ms. Masaccha Mbonambi
Chairperson of the Audit Committee
Date: 31 July 2024

REPORT OF THE AUDIT COMMITTEE – CLUSTER 01

Gauteng Liquor Board

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five meetings were held during the current financial year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Audit and Management Reports of the Auditor-General South Africa (AGSA).

Non-Executive Members

Name of Member	Number of Meetings attended
Ms. Masaccha Mbonambi (chairperson)	05
Ms. Yedwa Mjiako (member)	05
Mr. Peter Mukheli (member)	05

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Committee:

Compulsory Attendees	Number of Meetings attended
Mr. Blake Mosley Lefatola (Accounting Officer)	03
Ms. Boitumelo Mabusela (Chief Financial Officer)	04
Mr. Ronald Tabatsindi (Acting Chief Financial Officer)	01 (until August 2023)
Ms. Madiagane Marota (Chief Risk Officer)	05
Mr. Velile Kweyama (Chief Audit Executive)	04

The Audit Committee noted that the Accounting Officer attended three (03) scheduled Audit Committee meetings. Therefore, the Committee is satisfied that the Gauteng Liquor Board (Entity) adhered to the provisions of the GPG Audit Committee Charter in ensuring that there is proper representation for the Accounting Officer.

Audit Committee Responsibility

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

The effectiveness of Internal Control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed, the overall opinion on the internal control design was Adequate and Effective to ensure that the Entity's objectives will be achieved. The Entity should improve the controls around the Application, Renewal and Issuance of liquor license.

Management should ensure that the findings from Auditor-General and Internal Audit are addressed on time.

The following internal audit work was completed during the year under review:

- Corporate Governance and Risk Management
- Application, Renewal and Issuance of liquor license
- Follow-up on Revenue Management
- Follow-up on the AGSA's findings
- Review of the Draft Annual Performance Report

- Performance of the Entity against predetermined objectives/Performance Information Q1 and Q2
- SAP ESS & PERSAL leave reconciliation
- Data Analysis – ETHICS / FIN / HR (1 Jan 2023 – 30 June 2023) and (1 July 2023 – 31 December 2023)
- GLB revenue database analysis

Internal Audit

The Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The Committee is concerned with regards to Management's inadequate responses to action plans.

Furthermore, the Committee encourages the Executive Management, the AGSA and the Internal Audit

Function, to cooperate and strengthened consultation in order to achieve effective combined assurance at the Entity. Notwithstanding this, the coordination of efforts between internal audit and the AGSA has been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

The Audit Committee will continue to monitor the resources and capabilities of the Internal Audit function as this has an impact on the audit of performance information.

Risk Management

Progress on the Entity's risk management was reported to the Audit Committee on a quarterly basis.

Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to even further enhance the performance of the Entity.

Forensic Investigations

No new forensic investigation was reported to the Audit Committee for the reporting period.

The Quality of Quarterly Reports Submitted in Terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Reviewed the draft annual financial statements prepared by the department prior to submission to AGSA for audit purpose.
- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

One-on-One Meeting with the Accounting Officer

The Audit Committee met with Management of the Entity to discuss the actions to be taken to address the internal control deficiencies.

One-on-One Meetings with the Executive Authority

The Audit Committee appraised the Executive Authority, through regular reports on the performance of the Department.

Auditor-General of South Africa

The Audit Committee met with the AGSA to ensure that there are no unresolved issues.



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Ms. Masaccha Mbonambi
Chairperson of the Audit Committee
Date: 31 July 2024



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department

The Department, due to Occupational Health and Safety (OHS) challenges, needed to adopt a remote work principle, and despite this challenge, continued to provide essential services and ensure service continuity. The Department achieved a vacancy rate of 13, 81%, despite the measures implemented by the National Treasury and Department of Public Service and Administration, through the implementation of Circular 49 of 2023. An implementation plan to bring the vacancy rate within the prescribed 10% or less, is being implemented.

The management of leave through the Employee Self-Service (ESS) system continues to be a challenge, as this impacts reconciliation between the ESS and Persal systems. Resources challenges are being addressed and alignments are being improved. Roadshows are planned for the forthcoming financial year to improve the service offering.

Human resource priorities for the year under review and the impact of these

The filling of critical vacant positions remains a challenge. The approval of the proposed organisational structure, and its impact on service delivery, will only be determined once implemented and the matching-and-placing exercise has been concluded. The implementation of the employment equity plan will make an impact on the Department in achieving its equity targets. The restoration and digitisation of employee records is ongoing, however the complete destruction of employee records is proving a challenge. A plan to address this is being developed.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The Department embraced continuous learning through the development and implementation of interventions to address skills gaps and to improve performance of the department. Competency Assessment reports and performance development plans were sources of input for the planned Workplace Skills as we have trained 236 employees for Generic and Job Specific training. The Department had 56 interns who completed the programme under the financial year in review and 35 interns left for greener pastures before the end of the financial year. Furthermore, the department awarded forty-two (42) bursaries in pursuit of further education and training and expanded the current skill-sets of its employees.

Employee performance management

The department recorded a 98% compliance percentage for the submission of Performance Agreements and 96% compliance percentage for the submission of Annual Assessments.

Employee wellness programmes

These programmes maintain healthy, dedicated, responsive and productive employees. Such programmes exist to build and maintain a healthy workforce for increased productivity and excellent service delivery. The Department's three-pronged employee wellness endeavours focus on:

- the HIV, TB and STI Management programme,
- the Health and Productivity Management, and
- the Wellness Management Programme.

The HIV Programme's focus is on HIV prevention through measures such as condom use and promotion. Condoms are distributed in the Department toilets. The Department has also done substance abuse awareness and education. Employees are educated on reproductive health and sexuality, and National World AIDS Day and the International AIDS Candlelight are commemorated annually, according to the Health Calendar. Employees are also encouraged to test for HIV, so they know their HIV status. Those who test positive are referred for Disease Management.

The Health Productivity Management Programme promotes prevention and treatment of non-communicable diseases (such as hypertension, cancer and diabetes), and mental health. The Department also conducts hospital and home visits to provide psychological support to employees on incapacity leave. On Wellness Days, medical screening is conducted for non-communicable diseases, e.g. cervical, breast and prostate screening, hypertension, diabetes and cholesterol. Body Mass Index (BMI) screenings are also done. The Department has increased efforts towards the promotion of mental health awareness to reduce stigma and discrimination in the workplace; empower employees with stress management skills, and raise awareness of depression, anxiety and bipolar disorder syndrome, among others.

The Wellness Management Programme focus is on physical wellness and psycho-social counselling. Department employees and their dependents have access to professional counselling services when going through personal problems. The Department sets aside a budget to pay for the race registration of employees participating in events such as Soweto Marathon, 702 Walk the Talk for physical Wellness. The Department has a soccer team affiliated to the GPG Soccer League as part of the physical wellness programme. Moreover, employees are continuously educated on financial literacy and pre-retirement planning skills. The GDED has successfully established a Best Practice Employee Health and Wellness Programme in the Province where we managed to set up two Wellness Centres both at the Head Office and at one of our regional offices. The Wellness Centres cater for various services such as young mothers to express breast milk for their babies, emergency cases wait in this facility for an ambulance, pregnant mothers who need a rest during their lunch time and employees with flu lie down when feeling drowsy.

Labour Relations

Labour relations establish and strengthen the employee-and-employer relationship. This is achieved by measuring employee satisfaction and identifying and resolving workplace issues through both conducting labour relations surveys and engagements in consultative forums between management and organised labour (Trade Unions).

The Department has developed a Standard Operating Procedure (SOP) on the management of misconduct cases, which is an important pillar in the establishment of good governance and ethical conduct of the employees in the Department. The SOP also seeks to promote such issues as respect for human rights, the rule of law, personal conduct and private interests. Labour relations strive to promote a harmonious work environment by resolving grievances and provide advice to both employees and managers at all levels on fair procedures to manage misconduct cases and unethical conduct. Labour relations further represents the Department in dispute resolution proceedings as well as disciplinary enquiry.

Highlight achievements and challenges faced by the department, as well as future human resource plans /goals

The highlights from the 2023/24 financial year include the promotion of over 20 permanent staff members, the filling of all DDG posts, the conclusion of a successful internship programme, the development of a comprehensive Workplace Skills Plan, following consultation with all business units, and the interrogation of competency assessments and personal development plans, the rollout of mental health awareness, screening for cancer as well as other non-communicable diseases, the reduction of labour matters, the attainment of labour peace, the continuous consultation with labour and the rooting out of corruption in the Department.

Furthermore, policies in consultation with labour unions have been revised and have allowed for a more harmonious relationship with labour unions. Vacancies, prior to Circular 49, were filled in under three months. The Department also contributed toward the Nasi Ispani programme of the province and took first place in the province in filling all posts advertised in the Nasi Ispani programme. The Department is currently contributing toward the National Labour Activation Programme.

In the new financial year, the department is looking forward to working with the new administration to fill posts within the envisaged period of four months. More focus will be placed on youth development and encouraging more youth to join and contribute to the public service. Ensuring that management executes its responsibilities of prudent leave management, employee development, employee wellness and sound labour relations is also a key focus for HR going forward.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes, awards and bursary opportunities.

In the 2023/24 financial year, 42 bursaries were awarded, which translates to 156 active bursary-holders. The Workplace Skills Plan (WSP) is compiled annually by 30 April, as mandated, and implemented. Hence 236 employees were trained.

3.1 Personnel related expenditure

The following tables summarises 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 2023 and 31 March 2024

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	254 765	145 433	0	0	57,10	551
BUSINESS REGULATION & GOVERNANCE	126 428	44 003	0	0	34,80	550
ECONOMIC PLANNING	385 923	48 923	0	0	12,70	670
INTEGRATED ECON DEVELOPMENT SERV	221 333	0	0	0	0	0
PR3:ECON AND DEVELOP PLAN(06/07) (PERSAL)	0	0	0	0	0	0
TRADE AND SECTOR DEVELOPMENT	841 054	0	0	0	0	0
Total	1 829 503	238 359	0	0	13,00	570

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	7 739	3,30	38	203 658
02 Skilled (Levels 3-5)	11 557	4,90	38	304 132
03 Highly skilled production (Levels 6-8)	40 530	17,10	91	445 385
04 Highly skilled supervision (Levels 9-12)	109 071	46,00	141	773 553
05 Senior management (Levels >= 13)	50 800	21,40	41	1 239 024
11 Contract (Levels 3-5)	307	0,10	2	153 500
12 Contract (Levels 6-8)	1 395	0,60	3	465 000
13 Contract (Levels 9-12)	3 560	1,50	4	890 000
14 Contract (Levels >= 13)	7 074	3,00	4	1 768 500
18 Contract / Other	4 853	2,00	55	88 236
TOTAL	236 885	99,90	418	566 711

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

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
ECONOMIC PLANNING	7 121	88,20	0	0	88	1,10	100	1,20
GRF: ADMINISTRATION	86 540	82,20	467	0,40	2 534	2,40	5 634	5,40
GRF: BUSINESS REGULATION & GOVERN	8 785	85,00	0	0	143	1,40	393	3,80
GRF: INTEGRATED ECON DEVELOPMENT SERV	14 125	84,20	0	0	260	1,50	709	4,20
PR1: ADMINISTRATION (7/8)	37 897	87,20	24	0,10	600	1,40	1 173	2,70
PR2: INTERG ECO DEV SERV(IEDS)7/8	9 655	85,70	0	0	244	2,20	358	3,20
PR4: BUSINESS REGULA & GOV(BRG)7/8	20 129	82,20	4	0	606	2,50	1 367	5,60
TRADE AND SECTOR DEVELOPMENT	15 290	87,20	0	0	158	0,90	314	1,80
TOTAL	199 542	84,10	495	0,20	4 633	2,00	10 048	4,20

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

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
01 Lower skilled (Levels 1-2)	5 213	67,40	0	0	485	6,30	1 312	17
02 Skilled (Levels 3-5)	8 341	72,20	170	1,50	569	4,90	1 317	11,40
03 Highly skilled production (Levels 6-8)	31 930	78,80	143	0,40	1 500	3,70	2 919	7,20
04 Highly skilled supervision (Levels 9-12)	92 515	84,70	176	0,20	1 602	1,50	4 006	3,70
05 Senior management (Levels >= 13)	45 200	88,70	0	0	466	0,90	431	0,80
11 Contract (Levels 3-5)	280	91,20	0	0	0	0	0	0
12 Contract (Levels 6-8)	1 314	94,20	4	0,30	0	0	0	0
13 Contract (Levels 9-12)	3 295	92,50	0	0	0	0	0	0
14 Contract (Levels >= 13)	6 604	93,20	0	0	13	0,20	63	0,90
18 Contract Other	4 850	99,90	2	0	0	0	0	0
TOTAL	199 542	84,10	495	0,20	4 633	2,00	10 048	4,20

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ECONOMIC PLANNING, Permanent	10	9	10	0
GRF: ADMINISTRATION, Permanent	232	206	11	14
GRF: BUSINESS REGULATION&GOVERN, Permanent	16	14	13	00
GRF: INTEGRATED ECON DEVELOPMENT SERV, Permanent	30	26	13	2
PR1: ADMINISTRATION (7/8), Permanent	78	73	6	25
PR2: INTERG ECO DEV SERV (IEDS) 7/8, Permanent	22	20	9	8
PR3: ECON AND DEVELOP PLAN (06/07), Permanent	1	1	0	0
PR4: BUSINESS REGULA &GOV (BRG)7/8, Permanent	45	41	8,90	3
TRADE AND SECTOR DEVELOPMENT, Permanent	35	28	20	7
TOTAL	469	418	11	59

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	39	38	2,60%	0
02 Skilled (Levels 3-5), Permanent	42	38	9,50%	1
03 Highly Skilled Production (Levels 6-8), Permanent	111	91	18,00%	3
04 Highly Skilled Supervision (Levels 9-12), Permanent	164	141	14,00%	0
05 Senior Management (Levels >= 13), Permanent	44	41	6,80%	0
09 Other, Permanent	56	56	0	55
11 Contract (Levels 3-5), Permanent	2	2	0	0
12 Contract (Levels 6-8), Permanent	3	3	0	0
13 Contract (Levels 9-12), Permanent	4	4	0	0
14 Contract (Levels >= 13), Permanent	4	4	0	0
TOTAL	469	418	111	59

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, permanent	78	78	0	0
Cleaners in offices workshops hospitals etc., Permanent	48	48	0	0
Client inform clerks (switchboard reception inform clerks), permanent	4	4	0	0
Communication and information related, permanent	6	6	0	0
Communication and marketing manager, permanent	1	1	0	0
Finance and economics related, permanent	33	33	0	0
Financial and related professionals, permanent	9	9	0	0
Financial clerks and credit controllers, permanent	13	13	0	0
Food services aids and waiters, permanent	1	1	0	0
Head of department/chief executive officer, permanent	1	1	0	0
Household food and laundry services related, permanent	1	1	0	0
Human resources & organisational development & related professional, permanent	14	14	0	0
Human resources clerks, permanent	5	5	0	0
Human resources related, permanent	5	5	0	0
Information technology related, permanent	3	3	0	0
Language practitioners interpreters & other communication, permanent	5	5	0	0
Legal related, permanent	2	2	0	0
Library mail and related clerks, permanent	6	6	0	0
Light vehicle drivers, permanent	1	1	0	0
Logistical support personnel, permanent	3	3	0	0
Material-recording and transport clerks, permanent	1	1	0	0
Messengers porters and deliverers, permanent	6	6	0	0
Not available, permanent	52	1	98,1	0
Other administrative & related clerks and organisers, permanent	77	77	0	56
Other administrative policy and related officers, permanent	10	10	0	3
Other information technology personnel, Permanent	10	10	0	0
Other occupations, permanent	1	1	0	0
Secretaries & other keyboard operating clerks, permanent	32	32	0	0
Senior managers, permanent	41	41	0	0
Total	469	418	10,9	59

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2024

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	1	1	100%	0	0
Salary Level 15	3	3	100%	0	0
Salary Level 14	10	8	80%	2	20%
Salary Level 13	31	29	93%	2	7%
Total	46	42	91,3%	4	8,7%

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	0	0
Salary Level 16	1	0	0	0	0
Salary Level 15	3	2	66%	1	33%
Salary Level 14	11	8	73%	3	27%
Salary Level 13	31	29	93%	2	7%
Total	47	41	87%	6	13%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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 of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	1	1	0
Salary Level 16	1	1	0
Salary Level 15	3	3	0
Salary Level 14	10	8	0
Salary Level 13	31	27	0
Total	46	40	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
DPSA Circular 49 of 2023 and directive on the implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments
Reasons for vacancies not filled within twelve months
Not applicable

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
DPSA Circular 49 of 2023 and directive on the implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments
Reasons for vacancies not filled within six months
DPSA Circular 49 of 2023 and directive on the implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments

3.4 Job Evaluation

The GDED has not conducted job evaluations between the period of 1 April 2023 and 31 March 2024. Job evaluations of all posts is scheduled to be conducted as part of the review of the proposed organisational structure after concurrence (approval) has been obtained from the Minister for Public Service and Administration (MPSA).

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

The GDED has not conducted job evaluations between the period of 1 April 2023 and 31 March 2024. Job evaluations of all posts is scheduled to be conducted as part of the review of the proposed organisational structure after concurrence (approval) has been obtained from the Minister for Public Service and Administration (MPSA).

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

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

Employees with a disability	0
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The GDED has not conducted job evaluations between the period of 1 April 2023 and 31 March 2024. Job evaluations of all posts is scheduled to be conducted as part of the review of the proposed organisational structure after concurrence (approval) has been obtained from the Minister for Public Service and Administration (MPSA).

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	0
N/A	0	0	0	0
N/A	0	0	0	0
N/A	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation	0			
Percentage of total employed	0			

The following table summarises the beneficiaries of the above in terms of race, gender, and disability. The department has not conducted job evaluations between the period of 1 April 2023 and 31 March 2024. Job evaluations of all posts is scheduled to be conducted as part of the review of the proposed organisational structure after concurrence (approval) has been obtained from the Minister for Public Service and Administration (MPSA).

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	76	0	0	0
02 Skilled (Levels 3-5) Permanent	78	2	2	2,6
03 Highly Skilled Production (Levels 6-8) Permanent	180	7	6	3,3
04 Highly Skilled Supervision (Levels 9-12) Permanent	284	8	12	4,2
05 Senior Management Service Band A Permanent	54	3	1	1,9
06 Senior Management Service Band B Permanent	14	0	1	7,1
07 Senior Management Service Band C Permanent	8	3	0	0
08 Senior Management Service Band D Permanent	2	0	0	0
09 Other Permanent	148	1	18	12,2
11 Contract (Levels 3-5) Permanent	2	1	0	0
12 Contract (Levels 6-8) Permanent	8	0	1	12,5
13 Contract (Levels 9-12) Permanent	8	0	0	0
14 Contract Band A Permanent	8	5	5	62,5
17 Contract Band D Permanent	4	0	1	25
TOTAL	874	30	47	5,40

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related permanent	158	2	5	3,2
Cleaners in offices workshops hospitals etc. Permanent	98	0	1	1
Client inform clerks(switchb receipt inform clerks) permanent	8	0	0	0
Communication and information related permanent	12	0	0	0
Finance and economics related permanent	70	1	6	8,6
Finance manager permanent	0	1	0	0
Financial and related professionals permanent	18	0	0	0
Financial clerks and credit controllers permanent	32	0	2	6,3

Food services aids and waiters permanent	2	0	0	0
Head of department/chief executive officer permanent	2	0	0	0
Human resources & organisat developm & relate prof permanent	28	1	2	7,1
Human resources clerks permanent	8	0	0	0
Human resources related permanent	4	2	0	0
Information technology related permanent	8	0	1	12,5
Language practitioners interpreters & other commun permanent	10	0	0	0
Legal related permanent	2	0	0	0
Library mail and related clerks permanent	12	0	1	8,3
Light vehicle drivers permanent	2	0	0	0
Logistical support personnel permanent	4	1	0	0
Material-recording and transport clerks permanent	2	0	1	50
Messengers porters and deliverers permanent	14	0	0	0
Middle manager: finance and economics related permanent	0	2	0	0
Not available permanent	2	0	0	0
Other administrat & related clerks and organisers permanent	192	1	19	9,9
Other administrative policy and related officers permanent	20	0	0	0
Other information technology personnel. Permanent	18	0	0	0
Other occupations permanent	2	6	0	0
Secretaries & other keyboard operating clerks permanent	62	4	3	4,8
Senior managers permanent	84	9	6	7,1
Total	874	30	47	5,4

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
01 Death, Permanent	1	2,1
02 Resignation, Permanent	34	72,3
03 Expiry of contract, Permanent	10	21,3
07 Dismissal-misconduct, Permanent	1	2,1
09 Retirement, Permanent	1	2,1
TOTAL	47	100
Total number of employees who left as a % of total employment	47	10,2

Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	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	158	8	5	35	22,2
Architects town and traffic planners	0	0	0	1	0
Civil engineering technicians	0	0	0	1	0
Cleaners in offices workshops hospitals etc.	98	0	0	44	44,9
Client inform clerks (switchboard reception clerks)	8	0	0	1	12,5
Communication and information related	12	0	0	4	33,3
Engineering sciences related	0	0	0	4	0
Finance and economics related	70	2	2,9	2	28,6
Financial and related professionals	18	0	0	8	44,4
Financial clerks and credit controllers	32	0	0	10	31,3
Food services aids and waiters	2	0	0	0	0
Head of department/chief executive officer	2	0	0	0	0
Human resources & organisational development & related professions	28	0	0	9	32,1
Human resources clerks	8	1	12,5	2	25
Human resources related	4	1	25	1	25
Information technology related	8	0	0	2	25
Language practitioners interpreters & other communication	10	0	0	3	30
Legal related	2	0	0	1	50
Library mail and related clerks	12	0	0	5	41,7
Light vehicle drivers	2	0	0	0	0
Logistical support personnel	4	0	0	1	25
Material-recording and transport clerks	2	0	0	0	0
Messengers porters and deliverers	14	0	0	5	35,7
Not available	2	0	0	0	0
Other administrative & related clerks and organisers	192	1	0,5	20	10,4
Other administrative policy and related officers	20	0	0	3	15
Other information technology personnel.	18	1	5,6	7	38,9

<i>Other occupations</i>	2	0	0	2	100
<i>Secretaries & other keyboard operating clerks</i>	62	1	1,6	20	32,3
<i>Senior managers</i>	84	5	6	4	4,8
Total	874	20	2,3	213	24,4

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	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
01 Lower Skilled (Levels 1-2), Permanent	76	0	0	38	50
02 Skilled (Levels 3-5), Permanent	78	0	0	28	35,9
03 Highly Skilled Production (Levels 6-8), Permanent	180	2	1,1	60	33,3
04 Highly Skilled Supervision (Levels 9-12), Permanent	284	13	4,6	85	29,9
05 Senior Management (Levels >= 13), Permanent	78	5	6,4	2	2,6
09 Other, Permanent	148	0	0	0	0
11 Contract (Levels 3-5), Permanent	2	0	0	0	0
12 Contract (Levels 6-8), Permanent	8	0	0	0	0
13 Contract (Levels 9-12), Permanent	8	0	0	0	0
14 Contract (Levels >= 13), Permanent	12	0	0	0	0
TOTAL	874	20	2,3	213	24,4

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 2024

NB: The information required on the table below is generated outside the department through Gauteng Provincial Treasury (GPT). Only their systems can determine which employees are defined under which categories. Therefore, we are unable to provide it.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professionals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technicians and associate professionals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Clerks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Service and sales workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Skilled agriculture and fishery workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Craft and related trades workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plant and machine operators and assemblers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elementary occupations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employees with disabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	8	1	0	1	2	0	1	0	13
Senior Management	15	0	0	1	16	1	2	0	35
Professionally qualified and experienced specialists and mid-management	25	1	1	1	33	4	0	1	66
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	60	1	1	0	82	0	0	0	144

Semi-skilled and discretionary decision making	30	1	0	0	89	4	0	0	124
Unskilled and defined decision making	13	0	0	0	40	2	0	0	55
Total	151	4	2	3	262	11	3	1	437

Table 3.6.3 Recruitment for the period 1 April 2023 and 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	1	1	0	0	0	3
02 Senior Management, Permanent	0	0	0	0	1	1	1	0	3
03 Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	0	4	0	0	0	8
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	6	0	0	0	7
05 Semi-skilled and discretionary decision making, Permanent	1	0	0	0	1	0	0	0	2
07 Not Available, Permanent	0	0	0	0	1	0	0	0	1
09 Contract (Senior Management), Permanent	3	0	0	0	0	2	0	0	5
12 Contract (Semi-skilled), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	11	0	0	1	14	3	1	0	30
Employees with disabilities	2	0	0	0	0	0	0	0	2

Table 3.6.4 Promotions for the period 1 April 2023 and 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	1
Senior Management	1	0	0	0	3	0	1	0	1
Professionally qualified and experienced specialists and mid-management	10	0	0	0	11	2	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	4	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	19	2	1	0	35
<i>Employees with disabilities</i>	0	0	0	0	1	0	0	0	1

Table 3.6.5 Terminations for the period 1 April 2023 and 31 March 2024

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

Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	3	2	0	0	1	0	0	0	6
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Fraud	1	0	0	0	2	0	0	0	3
Theft	1	0	0	0	0	0	0	0	1
Dishonesty	0	0	0	0	1	0	0	0	1
Negligence	2	0	0	0	0	0	0	0	2
Bribery	1	1	0	0	0	0	0	0	2
Poor performance	1	0	0	0	0	0	0	0	1
TOTAL	6	1	0	0	3	0	0	0	10

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	1	0	0	5	0	2	0	26
Professionals	34	0	0	0	63	1	0	0	98
Technicians and associate professionals	20	0	0	0	31	0	0	0	51
Clerks	5	1	0	0	9	1	0	0	16
Service and sales workers	5	0	0	0	2	0	0	0	7
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	4	0	0	0	32	2	0	0	38
TOTAL	86	2	0	0	142	4	2	0	236
Employees with disabilities	2	0	0	0	2	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

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	1	100%
Salary Level 16	0	0	0	0
Salary Level 15	3	3	3	100%
Salary Level 14	6	6	6	100%
Salary Level 13	33	33	29	95%
TOTAL	43	43	39	97%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2023

Reasons
One SMS grievance not yet concluded
Three SMS members resigned before completing performance agreements

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons	None

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 to 31 March 2024

GDED

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	0	243	0	0	0
African, Male	0	137	0	0	0
Asian, Female	0	3	0	0	0
Asian, Male	0	2	0	0	0
Coloured, Female	0	11	0	0	0
Coloured, Male	0	1	0	0	0
Total Female	0	257	0	0	0
Total Male	0	140	0	0	0
White, Female	0	1	0	0	0
White, Male	0	3	0	0	0
Employees with a disability	0	17	0	0	0
TOTAL	0	418	0	0	0

GLB

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	0	51	0	0	0
African, Male	0	30	0	0	0
Asian, Female	0	0	0	0	0
Asian, Male	0	0	0	0	0
Coloured, Female	0	1	0	0	0
Coloured, Male	0	1	0	0	0
Total Female	0	52	0	0	0
Total Male	0	31	0	0	0
White, Female	0	0	0	0	0
White, Male	0	0	0	0	0
TOTAL	0	83	0	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

GDED

Salary Band	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
01 Lower Skilled (Levels 1-2)	0	38	0	0	0
02 Skilled (Levels 3-5)	0	38	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	91	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	141	0	0	0
09 Other	0	56	0	0	0
11 Contract (Levels 3-5)	0	2	0	0	0
12 Contract (Levels 6-8)	0	3	0	0	0
13 Contract (Levels 9-12)	0	4	0	0	0
TOTAL	0	373	0	0	0

GLB

Salary Band	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (Levels 3-5)	0	16	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	21	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	36	0	0	0
09 Other	0	6	0	0	0
TOTAL	0	79	0	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

GDED

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	
Lower Skilled (Levels 1-2)	0	38	0	0	0	0
Skilled (level 3-5)	0	38	0	0	0	0
Highly skilled production (level 6-8)	0	91	0	0	0	0
Highly skilled supervision (level 9-12)	0	141	0	0	0	0
TOTAL	0	308	0	0	0	0

GLB

Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (Levels 3-5)	0	16	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	21	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	36	0	0	0
09 Other	0	6	0	0	0
TOTAL	0	79	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

GDED

Critical occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number Of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Financial clerks and credit controllers	0	13,00	0	0	0
Household food and laundry services related	0	1,00	0	0	0
Human resources clerks	0	5,00	0	0	0
Messengers porters and deliverers	0	6,00	0	0	0
Human resources & organisat developm & relate prof	0	14,00	0	0	0
Finance and economics related	0	33,00	0	0	0
Logistical support personnel	0	3,00	0	0	0
Other administrat & related clerks and organisers	0	77,00	0	0	0
Other occupations	0	1,00	0	0	0
Legal related	0	2,00	0	0	0
Financial and related professionals	0	9,00	0	0	0
Not available	0	1,00	0	0	0
Administrative related	0	78,00	0	0	0
Communication and information related	0	6,00	0	0	0

Secretaries & other keyboard operating clerks	0	32,00	0	0	0
Library mail and related clerks	0	6,00	0	0	0
Cleaners in offices workshops hospitals etc.	0	48,00	0	0	0
Human resources related	0	5	0	0	0
Communication and marketing manager	0	1	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Language practitioners interpreters & other commun	0	5	0	0	0
Material-recording and transport clerks	0	1	0	0	0
Other administrative policy and related officers	0	10	0	0	0
Senior managers	0	41	0	0	0
Client inform clerks(switchb receipt inform clerks)	0	4	0	0	0
Other information technology personnel.	0	10	0	0	0
Light vehicle drivers	0	1	0	0	0
Food services aids and waiters	0	1	0	0	0
Information technology related	0	3	0	0	0
TOTAL	0	418,00	0	0	0

GLB

Critical occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number Of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Other administrat & related clerks and organisers	0	57	0	0	0
Administrative related	0	18	0	0	0
Secretaries & other keyboard operating clerks	0	4	0	0	0
Senior managers	0	4	0	0	0
TOTAL	0	83	0	0	0

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

GDED

Salary Band	Beneficiary Profile			Cost		Total Cost As A % Of The Total Personnel Expenditure	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Number Of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)		
Band A	0	32	0	0	0	0	37 374
Band B	0	6	0	0	0	0	8 746
Band C	0	5	0	0	0	0	7 242
Band D	0	2	0	0	0	0	4 694
TOTAL	0	45	0	0	0	0	58 056

GLB

Salary Band	Beneficiary Profile			Cost		Total Cost As A % Of The Total Personnel Expenditure	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Number Of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)		
Band A	0	3,00	0	0	0	0	3 864
Band B	0	1,00	0	0	0	0	1 644
TOTAL	0	4,00	0	0	0	0	5 508

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Other administrat & related clerks and organisers	0	0	0	0	0	0
Administrative related	0	0	0	0	0	0
Secretaries & other keyboard operating clerks	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 April 2023 and 31 March 2024

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)
Contract (Levels 13-16)	14	100	1	0,5	14	111
Contract (Levels 6-8)	2	0	1	0,5	2	3
Contract Other	80	43,8	20	10,7	4	22
Highly skilled production (Levels 6-8)	349	28,1	49	26,2	7	586
Highly skilled supervision (Levels 9-12)	320	49,7	61	32,6	5	861
Lower skilled (Levels 1-2)	148	39,9	26	13,9	6	92
Senior management (Levels 13-16)	38	47,4	6	3,2	6	167
Skilled (Levels 3-5)	175	46,3	23	12,3	8	180,00
TOTAL	1 126	41,2	187	100	6	2 021

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2023 and 31 March 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	226	100%	1	1	1	258
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	123	100%	1	1	0	614
TOTAL	349	100%	2	2	176	872

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination

of service.

Table 3.10.3 Annual Leave for the period 1 April 2023 and 31 March 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	44	9	5
Contract (Levels 3-5)	3	3	1
Contract (Levels 6-8)	23	6	4
Contract (Levels 9-12)	12	3	4
Contract Other	505	11	47
Highly skilled production (Levels 6-8)	1 742	19	93
Highly skilled supervision (Levels 9-12)	2 523	17	145
Lower skilled (Levels 1-2)	587	15	38
Senior management (Levels 13-16)	443	12	38
Skilled (Levels 3-5)	774	20	38
TOTAL	6 656	16	413

Table 3.10.4 Capped leave for the period 1 April 2023 and 31 March 2024

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 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL	0	0	0	0

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2023/24	0	0	0
Current leave payout on termination of service for 2023/24	187	4	47
TOTAL	187	4	47

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
Youth between the ages 24 -35 years	Conducted condom usage awareness and Condom promotion

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		Nalini Naicker: Director: Human Capital 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		Two officials Budget – R1 300 000
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		Wellness Management Programme HIV, STI and TB Management Health productivity Management Physical Wellness, Mental Health, Financial literacy, Pre-retirement workshops, Medical screening, Psycho-social counselling, HIV Counselling and Testing
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		Cleo Bodibe, Milly Viljoen, Siphiwe Hlophe, Gloria Nkosi, Sibusiso Mthembu, Zweli Zwane, Sylvia Matseke, Nkele Leballo
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		Recruitment Policy, Bursary Policy, Job evaluation Policy, Grievance Policy, Policy on exits, Wellness Policy, Health and Productivity Management, Dress code policy, Disability Policy, Employment Equity Policy
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		HIV, STI and TB Management policy, Ongoing HIV, STI and TB awareness activities, Training of managers on management of HIV disclosure
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HIV counselling and testing conducted. A total of 94 employees participated. 4 females and 1 male employees tested positive
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Quarterly and annual reports compiled

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Subject matter	Date
Total number of collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	3	30%
Final written warning	1	10%
Suspended without pay	1	10%
Fine	0	0
Demotion	0	0
Dismissal	5	50%
Not guilty	0	0
Case withdrawn	0	0
TOTAL	10	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Fraud (soliciting bribe from the applicants f liquor licences	3	30%
Theft	1	10%
Dishonesty	1	10%
Negligence	2	20%
Bribery	2	20%
Poor performance	1	10%
TOTAL	10	100%

Total number of Disciplinary hearings finalised	None
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Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	11	73%
Number of grievances not resolved	4	27%
Total number of grievances lodged	15	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100%

Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	1 144 days
Cost of suspension(R'000)	R6 657 258.17

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19	0	15	2	17
	Male	26	0	20	1	21
Professionals	Female	103	0	95	0	95
	Male	61	0	50	0	50
Technicians and associate professionals	Female	58	0	40	0	40
	Male	35	0	30	0	30
Clerks	Female	45	0	25	0	25
	Male	22	0	15	0	15
Service and sales workers	Female	8	0	4	0	4
	Male	6	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trade 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	40	0	40	0	40
	Male	11	0	10	0	10
Sub Total	Female	273	0	219	2	221
	Male	161	0	125	1	126
TOTAL		434	0	341	6	347

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19		7	0	7
	Male	26		18	0	18
Professionals	Female	103		64	0	64
	Male	61		34	0	34
Technicians and associate professionals	Female	58		31	0	31
	Male	35		20	0	20
Clerks	Female	45		10	0	10
	Male	22		6	0	6
Service and sales workers	Female	8		3	0	3
	Male	6		5	0	5
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	40		34	0	34
	Male	10		4	0	4
Sub Total	Female	273		148	0	148
	Male	160		88	0	88
TOTAL		433		236	0	236

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	4
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
TOTAL	4	4

3.15 Utilisation of Consultants

The following tables illustrate information on the utilisation of consultants in the department. In terms of the Public Service Regulations, "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2023 and 31 March 2024

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





PART

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PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES – FOR GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

1.1 Irregular expenditure – Gauteng Department of Economic Development (GDED)

Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	8 833	8 833
Add: Irregular expenditure confirmed	76	-
Less: Irregular expenditure condoned	(946)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	7 963	8 833

The Department incurred additional irregular expenditure of R75 500 due to procurement without prior written approval from delegated officials. The amount of R6 943 146.35 from prior years has been referred to the relevant Department for investigations, an amount of R729 062 is currently under a determination test and for the amount of R290 700, the investigation is completed and the Department is in the process of applying for condonation of irregular expenditure with the relevant Treasury.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	76	-
Total	76	-

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	729	653
Irregular expenditure under investigation	6 943	6 943
Total	7 672	7 596

From the total of R7 963 000 irregular expenditure, an amount of R6 943 146.35 from prior years has been referred to the relevant department for investigations, an amount of R729 062 is currently under determination test. For the balance amounting to R290 700, the investigation is completed and the Department is in the process of applying for condonation of irregular expenditure with the relevant Treasury.

Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	946	-
Total	946	-

NUMBER OR USE NEXT ALPHABET AS ABOVE

Irregular expenditure of an amount of R946 000 for extension of regional office accommodation by more than allowed threshold has been condoned in the 2023/24 financial year by the relevant Treasury.

Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)¹

Description	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
The irregular expenditure is investigated by the relevant unit and consequence management is implemented based on the approved recommendations of the investigation report/determination test report.

¹ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

Fruitless and wasteful expenditure – Gauteng Department of Economic Development (GDED)

Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	3 330	3 683
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	(353)
Closing balance	3 330	3 330

The Department did not incur fruitless and wasteful expenditure in the current financial year. The fruitless and wasteful expenditure of an amount of R3 329 900 coming from prior year has been referred to the relevant department/s for investigation.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	3 330	3 330
Total	3 330	3 330

Number or use next alphabetical letter

The fruitless and wasteful expenditure of an amount of R3 329 900 coming from prior year has been referred to the relevant department for investigation.

Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
The fruitless and wasteful expenditure is investigated by the relevant unit and consequences management are implemented based on the approved recommendations of the investigation report/determination test report.
Total

Unauthorised expenditure

Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recoverable and written off	-	-
Closing balance	-	-

The department did not incur any unauthorised expenditure in the current and previous financial year.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

Details of unauthorised expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)2

Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	815	173 678
Invoices paid within 30 days or agreed period	815	173 678
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

All the invoices received in the 2023/24 financial year have been paid within 30 days from date of receipt in line with the PFMA and Treasury Regulations. The amount and numbers reported above excludes inter-departmental and transfers and subsidies.

SUPPLY CHAIN MANAGEMENT

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request approval to procure exhibition floor space and a stand at the Rand Show which will be held on the 6 to 10 April 2023, at Nasrec, Johannesburg	Dogan Trading (Pty) Ltd	Single source	N/A	285
Procurement of DSTV services from Multichoice through single source deviation	Multi Choice	Single source	N/A	R93
Request to procure subscription to Macroeconomic data from easydata-quantec through single source deviation	Easy Data-Quantec	Single source	N/A	299
Appointment of PEAK Timing Pty (Ltd) to manage the talk race registration and participation of GDED employees in the race	Peak Timing (Pty)Ltd	Sole service provider	N/A	54
Request to appoint SA Innovation Summit (Pty) Ltd being the sole service provider for the supply of floor space and exhibition stands at SA Innovation Summit 2023.	SA Innovation Summit (Pty) Ltd	Sole service provider	N/A	173
Request to appoint the Peak Timing (Pty) Ltd to manage the African Bank Soweto marathon race registration for the GDED employees.	Peak Timing (Pty)Ltd	Sole service provider	N/A	50
Request approval to appoint Newspaper Director as sole provider for digital news subscription service.	Newspaper Direct	Sole service provider	N/A	125
Total				1 088

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Request for a variation payment to the service provider (Zenzile Nyambi Holdings and Investment) for the services rendered to the Gauteng Department of Economic Development (GDED), for international travel procurement	Zenzile Nyambi Holdings and Investment)	Variation	N/A	715	45	760
Total				715	45	760

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES (Gauteng Liquor Board)

1.1 Irregular expenditure – Gauteng Liquor Board (GLB)

a) Reconciliation of irregular expenditure - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	15 974	15 974
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	(15 974)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	15 974

The entity (Gauteng Liquor Board) did not incur any additional irregular expenditure in the 2023/24 financial year. The opening balance of R15 974 000 has been condoned by the relevant Treasury in the current financial year.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	-	-

Details of irregular expenditure (under assessment, determination, and investigation) - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

Details of irregular expenditure condoned - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	15 974	-
Total	15 974	-

Irregular expenditure of an amount of R15 974 000 for extension of regional office accommodation by more than the allowed threshold has been condoned in the 2023/24 financial year by the relevant Treasury.

Details of irregular expenditure removed - (not condoned) - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Details of irregular expenditure recoverable - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
The irregular expenditure is investigated by relevant units and consequence management is implemented based on the approved recommendations of the investigation report/determination test report.

Fruitless and wasteful expenditure – Gauteng Liquor Board (GLB)

a. Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	15	-
Adjustment to opening balance	5	
Opening balance as restated	20	-
Add: Fruitless and wasteful expenditure confirmed	2	15
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	(15)	-
Closing balance	7	15

The 2022/23 fruitless and wasteful expenditure figure was understated by an amount of R5 189.50 due to interest and sheriff costs that were identified in the current 2023/24 financial year incurred in the 2022/23 financial year. The entity (Gauteng Liquor Board) incurred additional fruitless and wasteful expenditure of an amount of R2 418.34 in the current financial year due to costs paid to the Sheriff of the Court for upliftment of the pledge attached to the GLB FNB bank account. The amount of R15 000.00 was written off in the current financial year based on the recommendations of the investigations.

Reconciling notes - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	5	-
Fruitless and wasteful expenditure for the current year	2	15
Total	7	15

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation) - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	7	15
Fruitless and wasteful expenditure under investigation	-	-
Total	7	15

c) Details of fruitless and wasteful expenditure recoverable - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

d) Details of fruitless and wasteful expenditure not recoverable and written off - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	15	-
Total	15	-

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure - GLB

Disciplinary steps taken

The fruitless and wasteful expenditure is investigated by the relevant units and consequences management is implemented based on the approved recommendations of the investigation report/determination test report.

Unauthorised expenditure – Gauteng Liquor Board (GLB)

a) Reconciliation of unauthorised expenditure - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recoverable and written off	-	-
Closing balance	-	-

The entity (Gauteng Liquor Board) did not incur any unauthorised expenditure in the current and previous financial year.

Reconciling notes - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of unauthorised expenditure (under assessment, determination, and investigation) - GLB

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)⁴ - GLB

a) Details of material losses through criminal conduct - GLB

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

Details of other material losses - GLB

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Other material losses recoverable - GLB

Nature of losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

Other material losses not recoverable and written off - GLB

Nature of losses	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	28	4 229
Invoices paid within 30 days or agreed period	28	4 229
Invoices paid after 30 days or agreed period		
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)		
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)		

All the invoices received from suppliers in the 2023/24 financial year have been paid within 30 days from date of receipt in line with the PFMA and Treasury Regulations.

The number and figures reported above exclude accruals, board members' claims and inter-departmental claims. However, all board members' claims and inter-departmental claims were paid within 30 days from date of receipt in line with the PFMA and Treasury regulations.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
A request for approval to procure exhibition floor space and a stand at the 2023 Rand Show, which took place from 6- 10 April at Nasrec, Johannesburg, was made.	Dogan Trading (Pty)Ltd	Single source	N/A	285
Procurement of Ds TV services from MultiChoice through single source deviation.	Multi Choice	Single source	N/A	93
Request to procure subscription to Macro-economic data from Easy Data-Quantec through single- source deviation.	Easy Data-Quantec	Single source	N/A	299
Appointment of PEAK Timing Pty (Ltd) to manage Walk the Talk race registration and participation of GDED employees in the race.	Peak Timing (Pty) Ltd	Sole service provider	N/A	54
Request to appoint SA Innovation Summit (Pty) Ltd as the sole service provider for the supply of floor space and exhibition stands at the SA Innovation Summit 2023.	SA Innovation Summit (Pty) Ltd	Sole service provider	N/A	173
Request to appoint Peak Timing (Pty) Ltd to manage the African Bank Soweto Marathon registration for GDED employees.	Peak Timing (Pty) Ltd	Sole service provider	N/A	50
Request for approval to appoint Newspaper Direct as the sole provider for digital news subscription service.	Newspaper Direct	Sole service provider	N/A	125
Total				1 088

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Request for a variation payment to Zenzile Nyambi Holdings and Investment for services rendered to the GDED for international travel procurement.	Zenzile Nyambi Holdings and Investment	Variation	N/A	715	45	760
Total				715	45	760



PART F

**FINANCIAL
INFORMATION**

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REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 3: GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Economic Development set out on pages 139 to 171, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Economic Development as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury, the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

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

Other matter

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

Unaudited supplementary schedules

1. The supplementary information set out on pages 172 to 179 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

7. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora; 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.
8. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

9. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. A further MCS description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 136, forms part of my auditor's report.

Report on the audit of the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
12. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Integrated economic development services	40 - 43	The purpose of the programme is to create an environment towards sustainable job creation.
Trade and sector development	43 - 49	To ensure re-industrialisation of the Gauteng economy targeting the (10) identified high growth sectors as levers to achieve high economic growth, jobs and infrastructure.
Business regulation and governance	49 - 57	To create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, localisation sustainable revenue generation and contributes towards achievement of TMR goals.
Economic planning	57 - 63	To provide thought leadership to transform and re-industrialize economic Gauteng City Region through, policy and strategy development.

13. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
14. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets
15. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
16. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
19. The table that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 40 to 57.

Integrated economic development services

Targets achieved: 0%

Budget spent: 100%

Key indicator not achieved	Planned target	Reported achievement
Percentage of BBB-EE spent through infrastructure development	30%	0%
Percentage of Gauteng Department of Economic Development group goods and services sourced from township enterprises	60%	3.57%
Percentage of value distributed to township enterprises through infrastructure projects	30%	0%

Business regulations and governance

Targets achieved: 66.6%

Budget spent: 100%

Key indicator not achieved	Planned target	Reported achievement
Revenue collected from liquor industry	R75 000 000	R71 614 916
Percentage of Gauteng liquor industry transformation charter implemented	30%	0%
Percentage spent against the budget allocated to agencies	95%	89%
Percentage achievement against planned targets by agencies	95%	88%

Material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for integrated economic development services. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. The accounting officer did not exercise adequate oversight responsibility over the preparation of the annual performance report.
30. Senior management did not implement sufficient controls with regard to the preparation of an accurate and complete annual performance report that is supported by reliable information.
31. Internal controls were not designed to ensure that accurate and complete records are kept to support reported performance information as numerous material misstatements were identified on the reported performance.

Auditor - General

Johannesburg
31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	<p>Sections 38(1)(c)(ii), 38(1)(b), 38(1)(d), 38(1)(f), 38(1)(h)(iii), 38(1)(j), 39(1)(a), 39(2)(a), 40(1)(a), 40(1)(c)(i), 40(1)(b), 43(1), 43(4), 44, 45(b), 57(b)</p> <p>PFMA instruction note no.3 of 2021/22 definition</p> <p>PFMA instruction note no.3 of 2021/22 par. 4.2 (b)</p>
Treasury Regulations	<p>TR 4.1.3, TR 4.1.1, TR 5.1.1, TR 5.2.1, TR 5.2.3(a), TR 5.2.3(d), TR 5.3.1, TR 6.3.1(a) & (d), TR 6.3.1(b) & (d), TR 6.3.1(c), TR 6.4.1(b), TR 8.1.1, TR 8.2.1, TR 8.2.2, TR 8.2.3, TR 8.4.1, TR 9.1.1, TR 9.1.4, TR 10.1.1(a), TR 10.1.2, TR 12.5.1, TR 15.10.1.2(c), TR 16A6.2(a) & (b), TR 16A3.2 (a), TR 16A3 (a) & (b), TR 16A3 (c), TR 16A6.4, TR 16A6.5, TR 16A6.6, TR 16A7.1, TR 16A7.3, TR 16A7.6, TR 16A7.7, TR 16A8.3, TR 16A9.1(b)(ii), TR 16A9.1(d), TR 16A9.1(e), TR 17.1.1, TR 18.2, TR 19.6.1, TR 19.8.4</p> <p>Instruction note No. 4 of 2022/2023: PFMA Compliance and Reporting Framework, Par 4.12</p> <p>Treasury reg 16A6.1</p> <p>SCM instruction note 2 of 2021/22 par. 3.2.1</p> <p>SCM instruction note 2 of 2021/22 par. 3.2.4</p> <p>SCM Instruction Note 02 of 2021-22 par 3.3.1 (bids advertised on or after 1 April 2022)</p> <p>SCM instruction note 03 of 2021/22 par 4.1.</p> <p>National Treasury Instruction 4A of 2016/17</p> <p>National Treasury Instruction 01 of 2021/22 par.4.1</p> <p>Treasury reg.16A8.4</p> <p>PFMA SCM Instruction No. 3 of 2021/22 par. 7.2 (tenders advertised on or after 1 April 2022)</p> <p>Treasury reg 16A9.1(d)</p> <p>Second amendment NT Instruction No 5 of 2020/21 par 1 and Erratum NT Instruction note No 5 of 2020/21 par 2</p> <p>NT Instruction 4 of 2015/16 par 3.4</p> <p>NT Instruction No 5 of 2020/21 par 4.8</p> <p>NT Instruction No 5 of 2020/21 par 4.9</p> <p>NT Instruction 05 of 2020/21 par 5.3</p> <p>NT Instruction 07 of 2017/18 par 4.3</p> <p>NT Instruction 4A of 2016/17 par 6</p> <p>Treasury Instruction note 11 of 2020/21 par. 3.1</p> <p>Treasury Instruction note 11 of 2020/21 par. 3.4 (b) and 3.9</p>

Legislation	Sections or regulations
Preferential Procurement Regulations of 2022 (PPR)	<p>Preferential Procurement reg 2011 9(1)</p> <p>Preferential Procurement reg 2017 5(1) & 5(3)</p> <p>Preferential Procurement reg 2017 5(6)</p> <p>Preferential Procurement reg 2017 5(7)</p> <p>Preferential Procurement reg 2017 4(1) & 4(2)</p> <p>Preferential Procurement reg 2017 6(8), 7(8), 10(1) & (2) & 11(1)</p> <p>Preferential Procurement reg 2017 8(2)</p> <p>Preferential Procurement reg 2017 8(5)</p> <p>Preferential Procurement reg 2017 9(1)</p> <p>Preferential Procurement reg 2022 4(4)</p>
Prevention and Combating of Corrupt Activities Act 12 of 2004	34(1)
CIDB Act	<p>CIDB Act 18(1)</p> <p>CIDB reg. 17.</p> <p>CIDB reg. 25(7A)</p>
SITA Act	<p>SITA Act section 7(3)</p> <p>Treasury reg 16A6.3(e).</p> <p>Practice Note 5 of 2009/10 par. 3.3</p>
Public Service Regulations	<p>Regulation 25(1)(e)(i) and (iii)</p> <p>Regulation 18(1), (2)</p>

APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

APPROPRIATION PER PROGRAMME									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME									
1. Administration	275 580	-	-	275 580	254 765	20 815	92.4%	254 051	238 399
2. Integrated Economic Development Services	221 333	-	-	221 333	221 333	-	100%	223 876	223 876
3. Trade and Sector Development	841 054	-	-	841 054	841 054	-	100%	798 613	798 613
4. Business Regulation and Governance	135 330	-	-	135 330	126 428	8 902	93.4%	146 797	143 344
5. Economic Planning	400 454	-	-	400 454	385 923	14 531	96.4%	373 493	346 381
SUBTOTAL	1 873 751	-	-	1 873 751	1 829 503	44 248	97.6%	1 796 830	1 750 612
TOTAL (BROUGHT FORWARD)								1 796 830	1 750 612
Reconciliation with statement of financial performance									
ADD								-	
Departmental receipts						1 179 155		1 115 032	
Actual amounts per statement of financial performance (Total revenue)						3 052 906		2 911 862	
Actual amounts per statement of financial performance (Total expenditure)							1 829 503		1 750 612

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
ECONOMIC CLASSIFICATION									
Current payments	451 452	(24 225)	-	427 227	383 459	43 768	89.8%	429 838	386 862
Compensation of employees	254 811	(2 741)	-	252 070	238 359	13 711	94.6%	239 023	232 883
Goods and services	196 641	(21 484)	-	175 157	145 100	30 057	82.8%	190 815	153 979
Transfers and subsidies	1 410 574	13 325	-	1 423 899	1 423 731	168	100%	1 349 392	1 349 078
Departmental agencies and accounts	1 141 911	-	-	1 141 911	1 141 911	-	100%	1 116 416	1 116 416
Public corporations and private enterprises	268 048	13 184	-	281 232	281 232	-	100%	230 748	230 681
Households	615	141	-	756	588	168	77.8%	2 228	1 982
Payments for capital assets	11 725	10 524	-	22 249	21 944	305	98.6%	17 572	14 645
Machinery and equipment	11 725	10 524	-	22 249	21 944	305	98.6%	17 572	14 645
Payments for financial assets	-	376	-	376	369	7	98.3%	28	27
Total	1 873 751	-	-	1 873 751	1 829 503	44 248	97.6%	1 796 830	1 750 612

APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

PROGRAMME 1: ADMINISTRATION									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
Office of the MEC	11 273	1 524	-	12 797	11 343	1 454	88.6%	8 959	8 916
Office of the HOD	14 532	(1 324)	-	13 208	12 235	973	92.6%	13 608	13 439
Financial management	52 722	(709)	-	52 013	47 810	4 203	91.9%	52 631	48 937
Corporate services	197 053	509	-	197 562	183 377	14 185	92.8%	178 853	167 106
Total for sub programmes	275 580	-	-	275 580	254 765	20 815	92.4%	254 051	238 399
ECONOMIC CLASSIFICATION									
Current payments	263 490	(10 712)	-	252 778	232 416	20 362	91.9%	235 049	222 477
Compensation of employees	150 641	(2 412)	-	148 229	145 433	2 796	98.1%	142 021	140 054
Goods and services	112 849	(8 300)	-	104 549	86 983	17 566	83.2%	93 028	82 424
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	365	30	-	395	249	146	63.1%	1 414	1 261
Households	365	30	-	395	249	146	63.1%	1 414	1 261
Payments for capital assets	11 725	10 524	-	22 249	21 944	305	98.6%	17 572	14 645
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 725	10 524	-	22 249	21 944	305	98.6%	17 572	14 645
Payments for financial assets	-	158	-	158	155	3	98.1%	16	15
Total	275 580	-	-	275 580	254 765	20 815	92.4%	254 051	238 399

APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
ENTERPRISE DEVELOPMENT	221 333	-	-	221 333	221 333	-	100%	223 876	223 876
Total for sub programmes	221 333	-	-	221 333	221 333	-	100%	223 876	223 876
Economic classification									
Current payments									
Transfers and subsidies	221 333	-	-	221 333	221 333	-	100%	223 876	223 876
Departmental agencies and accounts	221 333	-	-	221 333	221 333	-	100%	223 876	223 876
Total	221 333	-	-	221 333	221 333	-	100%	223 876	223 876

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT									
2023/24								2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
1. Sector development	223 372	-	-	223 372	223 372	-	100%	219 448	219 448
2. Strategic initiatives	617 682	-	-	617 682	617 682	-	100%	579 165	579 165
Total for sub programmes	841 054	-	-	841 054	841 054	-	100%	798 613	798 613
Economic classification									
Transfers and subsidies	841 054	-	-	841 054	841 054	-	100%	798 613	798 613
Departmental agencies and accounts	841 054	-	-	841 054	841 054	-	100%	798 613	798 613
Total	841 054	-	-	841 054	841 054	-	100%	798 613	798 613



APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE										
2023/24								2022/23		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
SUB PROGRAMME										
1. Governance	6 203	(31)	-	6 172	4 410	1 762	71.4%	6 978	6 672	
2. IGR and strategic partnerships	26 790	(2 431)	-	24 359	17 682	6 677	72.6%	19 744	17 468	
3. Consumer protection	22 813	2 462	-	25 275	24 812	463	98.2%	26 148	25 276	
4. Liquor regulation	79 115	-	-	79 115	79 115	-	100%	79 327	79 327	
5. Gambling and betting	409	-	-	409	409	-	100%	14 600	14 600	
Total for sub programmes	135 330	-	-	135 330	126 428	8 902	93.4%	146 797	143 344	
ECONOMIC CLASSIFICATION										
Current payments	55 656	(133)	-	55 523	46 641	8 882	84%	52 320	48 930	
Compensation of employees	52 571	(133)	-	52 438	44 003	8 435	83.9%	49 185	46 612	
Goods and services	3 085	-	-	3 085	2 638	447	85.5%	3 135	2 319	
Transfers and subsidies	79 674	-	-	79 674	79 655	19	100%	94 465	94 401	
Departmental agencies and accounts	79 524	-	-	79 524	79 524	-	100%	93 927	93 927	
Households	150	-	-	150	131	19	87.0%	538	474	
Payments for financial assets	-	133	-	133	132	1	99.5%	12	12	
Total	135 330	-	-	135 330	126 428	8 902	93.4%	146 797	143 344	

APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

PROGRAMME 5: ECONOMIC PLANNING									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
1. Policy and planning	23 264	(1 044)	-	22 220	18 396	3 824	82.8%	21 516	20 458
2. Research and development	4 039	(1 079)	-	2 960	2 958	2	99.9%	3 397	2 440
3. Knowledge management	1 507	494	-	2 001	1 710	291	85.5%	1 246	1 232
4. Sector and industry development	318 306	1 531	-	319 837	310 454	9 383	97.1%	311 473	295 713
5. Inclusive economy	53 338	98	-	53 436	52 405	1 031	98.1%	35 861	26 538
Total for sub programmes	400 454	-	-	400 454	385 923	14 531	96.4%	373 493	346 381
ECONOMIC CLASSIFICATION									
Current payments	132 306	(13 380)	-	118 926	104 401	14 525	87.8%	142 469	115 454
Compensation of employees	51 599	(196)	-	51 403	48 923	2 480	95.2%	47 817	46 217
Goods and services	80 707	(13 184)	-	67 523	55 478	12 045	82.2%	94 652	69 237
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	268 148	13 295	-	281 443	281 440	3	100%	231 024	230 927
Public corporations and private enterprises	268 048	13 184	-	281 232	281 232	-	100%	230 748	230 681
Households	100	111	-	211	208	3	98.8%	276	246
Payments for financial assets	-	85	-	85	82	3	96.6%	-	-
Total	400 454	-	-	400 454	385 923	14 531	96.4%	373 493	346 381

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	275 580	254 765	20 815	8%
Integrated Economic Development Services	221 333	221 333	-	0%
Trade and Sector Development	841 054	841 054	-	0%
Business Regulation and Governance	135 330	126 428	8 902	7%
Economic Planning	400 454	385 923	14 531	4%
Total	1 873 751	1 829 503	44 248	2%



NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	427 227	383 459	43 768	10%
Compensation of employees	252 070	238 359	13 711	5%
Goods and services	175 157	145 100	30 057	17%
				-
Transfers and subsidies	1 423 899	1 423 731	168	0%
Departmental agencies and accounts	1 141 911	1 141 911	-	0%
Public corporations and private enterprises	281 232	281 232	-	0%
Households	756	588	168	22%
Payments for capital assets	22 249	21 944	305	1%
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	22 249	21 944	305	1%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
Payments for financial assets	376	369	7	2%
Total	1 873 751	1 829 503	44 248	2%

The underspending under Compensation of Employees is attributed to the outstanding pay progression for employees on SMS level. Furthermore, there are vacant positions such as the Chief Director: Communications, Director: Economic Planning amongst others which contributed to the underspending.

The low spending under goods and services are attributed to accrued invoices, outstanding close out reports on projects such as the GBS Value proposition, Codebook stakeholder engagement, Mining incubation programme and the construction and brick manufacturing project where final payments could not be processed. Furthermore, the underspending were also due to non-implementation of the ICT Smart Industry centre and ICT Innovation project and the enterprise and supplier development project.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	1 873 751	1 796 830
Statutory appropriation		-	-
Departmental revenue	2	1 273 096	1 211 718
TOTAL REVENUE		3 146 847	3 008 548
EXPENDITURE			
Current expenditure		477 399	483 548
Compensation of employees	3	238 359	232 883
Goods and services	4	145 099	153 979
Commission paid	29	93 941	96 686
Transfers and subsidies		1 423 731	1 349 078
Transfers and subsidies	6	1 423 731	1 349 078
Expenditure for capital assets		21 944	14 645
Tangible assets	7	21 944	14 645
Intangible assets		-	-
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	5	369	27
TOTAL EXPENDITURE		1 923 443	1 847 298
SURPLUS FOR THE YEAR		1 223 404	1 161 250
RECONCILIATION OF NET SURPLUS FOR THE YEAR			
Voted funds		44 248	46 218
Annual appropriation		44 248	46 218
Departmental revenue and PRF receipts	13	1 179 155	1 115 032
Aid assistance		-	-
SURPLUS FOR THE YEAR		1 223 403	1 161 250

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2023/24	2022/23
	Note	R'000	R'000
ASSETS			
Current assets		139 053	133 989
Cash and cash equivalents	8	130 566	128 878
Other financial assets		-	-
Prepayments and advances	9	50	18
Receivables	10	8 437	5 093
Non-current assets		4	4
Investments	11	4	4
Prepayments and advances		-	-
Receivables		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		139 057	133 993
LIABILITIES			
Current liabilities		138 612	133 322
Voted funds to be surrendered to the Revenue Fund	12	44 248	46 218
Statutory Appropriation to be surrendered to the Revenue Fund		-	-
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	13	92 708	86 968
Bank overdraft		-	-
Payables	14	1 656	136
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		138 612	133 322
NET ASSETS		445	671
REPRESENTED BY:			
Capitalisation reserve		4	4
Recoverable revenue		441	667
Unauthorised expenditure		-	-
TOTAL		445	671

STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2024

		2023/24	2022/23
	Note	R'000	R'000
Capitalisation reserves			
Opening balance		4	4
Closing balance		4	4
Recoverable revenue			
Opening balance		667	564
Transfers:		(226)	103
Irrecoverable amounts written off	5	369	27
Debts revised		(1 037)	(521)
Debts recovered (included in departmental revenue)		442	668
Debts raised		-	(71)
Closing balance			
TOTAL		445	671

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 146 847	3 008 450
Annual appropriation funds received	1.1	1 873 751	1 796 830
Departmental revenue received	2	1 267 091	1 208 924
Interest received	2.2	6 005	2 696
Net (increase)/decrease in net working capital		(1 856)	(8 190)
Surrendered to Revenue Fund		(1 219 633)	(1 161 088)
Current payments		(477 400)	(483 548)
Interest paid		-	-
Payments for financial assets		(369)	(27)
Transfers and subsidies paid		(1 423 731)	(1 349 078)
Net cash flow available from operating activities	15	23 858	6 519
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	7	(21 944)	(14 645)
Proceeds from sale of capital assets	2.3	-	98
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables		-	-
Net cash flow available from investing activities		(21 944)	(14 547)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(226)	103
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		(226)	103
Net increase/(decrease) in cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents		1 688	(7 925)
Cash and cash equivalents at beginning of period		128 878	136 803
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	8	130 566	128 878

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Summary of significant accounting policies:	
The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.	
The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.	
Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1. Basis of preparation: The financial statements have been prepared in accordance with the Modified Cash Standard.	
2. Going concern: The financial statements have been on a going concern basis.	
3. Presentation currency: Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department	
4. Rounding: Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).	
5. Foreign currency translation: Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.	
6. Comparative information	
6.1	Prior period comparative information: Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget: A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
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. Appropriated funds are measured at the amounts receivable. 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. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a 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: <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8. Expenditure	
8.1	Compensation of employees
8.1.1	Salaries and wages: Recognised in the statement of financial performance on the date of payment.
8.1.2	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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

8.2	<p>Other expenditure: (Such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
8.3	Accruals and payables not recognised: Recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	LEASES
8.4.1	Operating leases: Payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	<p>Finance leases: Payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9	<p>Cash and cash equivalents: Stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
10	Prepayments and advances: Recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
11	Loans and receivables: Recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
12	Investments: Recognised in the statement of financial position at cost.
13. Financial assets	
13.1	<p>Financial assets (not covered elsewhere): Recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13.2	Impairment of financial assets: Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
14	Payables: Payables recognised in the statement of financial position are recognised at cost.
15. Capital assets	
15.1	<p>Movable capital assets: Initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
15.2	<p>Intangible capital assets: 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.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

16. Provisions and contingents	
16.1	Provisions: 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.
16.2	Contingent liabilities: 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.
16.3	Contingent assets: 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.
16.4	Capital commitments: Recorded at cost in the notes to the financial statements.
17	<p>Unauthorised expenditure: Measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
18	<p>Fruitless and wasteful expenditure: Receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
19	<p>Irregular expenditure: Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <ul style="list-style-type: none"> • Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
20	<p>Changes in accounting policies, estimates and errors: Changes in accounting policies are applied in accordance with MCS requirements.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
21	Events after the reporting date: 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.
22	Principal-Agent arrangements: The department is party to a principal-agent arrangement for Gaming tax revenue collected by Gauteng Gambling Board (GGB) on behalf of the department. In terms of the arrangement the department is the <i>principal</i> and is responsible for paying GGB 8% commission from money collected on behalf of the department. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

23	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 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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
25	Related party transactions: Within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
26	Public-Private Partnerships: Accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
27	Employee benefits: The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ANNUAL APPROPRIATION

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

Programmes	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	275 580	275 580	-	254 051	254 051	-
Integrated Economic Development Services	221 333	221 333	-	223 876	223 876	-
Trade and Sector Development	841 054	841 054	-	798 613	798 613	-
Business Regulation and Governance	135 330	135 330	-	146 797	146 797	-
Economic Planning	400 454	400 454	-	373 493	373 493	-
Total	1 873 751	1 873 751	-	1 796 830	1 796 830	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Tax revenue		1 265 903	1 208 575
Sales of goods and services other than capital assets	2.1	202	193
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	6 005	2 696
Sales of capital assets	2.3	-	98
Transactions in financial assets and liabilities	2.4	986	156
Transfers received		-	-
Total revenue collected		1 273 096	1 211 718
Less: Own revenue included in appropriation	19	-	-
Total		1 273 096	1 211 718

In terms of Modified Cash Standard (MCS) the department is required to account and disclose the tax revenue at gross amount.

2.1 Sales of goods and services other than capital assets

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services produced by the department		202	193
Sales by market establishment		139	133
Administrative fees		63	60
Sales of scrap, waste and other used current goods		-	-
Total	2	202	193

Include discussion here where deemed relevant.

2.2 Interest, dividends and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest		6 005	2 696
Dividends		-	-
Rent on land		-	-
Total	2	6 005	2 696

The increase on interest received is due to increased or high favourable bank balance as compared to prior year.

2.3 Sales of capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		-	98
Total	2	-	98

2.4 Transactions in financial assets and liabilities

		2023/24	2022/23
	Note	R'000	R'000
Receivables		311	68
Other receipts including Recoverable Revenue		675	88
Total	2	986	156

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

			2023/24
Name of entity	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Gauteng Liquor Board	154 423	154 423	-
Total	154 423	154 423	-
Cash received not recognised (not included in the main note) – 2022/23			
Name of entity	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Gauteng Liquor Board	14 092	14 092	-
Total	14 092	14 092	-

The Gauteng department of Economic Development (GDED) act as a conduit for the Gauteng Liquor Board (GLB) which the trading entity of the department. The fees collected by the entity (GLB) are paid over to Provincial Revenue Fund (PRF) as and when received. The GLB pay-over the money to GDED and the department pay-over the fees received to PRF on behalf of the entity (GLB).

3. Compensation of employees

3.1 Analysis of balance

	Note	2023/24	2022/23
		R'000	R'000
Basic salary		169 117	158 897
Performance award		54	11
Service based		44	54
Compensative/circumstantial		2 201	3 331
Other non-pensionable allowances		33 501	38 759
Total		204 917	201 052

3.2 Social contributions

	Note	2023/24	2022/23
		R'000	R'000
Employer contributions			
Pension		21 097	19 502
Medical		12 302	12 287
UIF		-	-
Bargaining council		43	42
Official unions and associations		-	-
Insurance		-	-
Total		33 442	31 831
Total compensation of employees		238 359	232 883
Average number of employees		431	437

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4. Goods and services

		2023/24	2022/23
	Note	R'000	R'000
Administrative fees		594	248
Advertising		12 606	10 420
Minor assets	4.1	59	191
Bursaries (employees)		1 290	1 509
Catering		3 548	2 972
Communication		3 411	2 891
Computer services	4.2	12 992	13 444
Consultants: Business and advisory services		52 945	67 697
Legal services		1 121	1 439
Contractors		5 168	2 075
Agency and support / outsourced services		-	216
Entertainment		-	3
Audit cost – external	4.3	4 996	6 284
Fleet services		2 657	2 607
Consumables	4.4	4 415	4 540
Operating leases		5 639	4 582
Property payments	4.5	23 454	25 169
Rental and hiring		2 448	625
Travel and subsistence	4.6	3 074	1 435
Venues and facilities		2 575	3 025
Training and development		1 283	1 919
Other operating expenditure	4.7	824	688
Total		145 099	153 979

The increase on advertising expenditure is due to increases bulk media buying/procured in the current financial year.

The increase on catering expenditure is due to various awareness campaigns hosted with external stakeholders for engagements regarding the core mandates projects of the department.

The increase on communication expenditure is due to increased data usage as a result of online meetings.

The decrease on consultant expenditure is due to budget reprioritisation to departmental emerging projects aligned to the provincial priorities.

The increase on contractors expenditure is due to the contractors appointed for the installation of biometrics in the department and regional offices.

The increase on audit expense is due to the accruals not paid at year end.

The increase on rental and hiring expenditure is due to awareness campaigns hosted with external stakeholders, which resulted in hiring of audio equipment, tables and chairs.

The decrease on venues and facilities is due to cost containment measures implemented. The department was using government facilities for most of the departmental engagements and activities.

4.1 Minor assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		59	191
Machinery and equipment		59	191
Total	4	59	191

4.2 Computer services

		2023/24	2022/23
	Note	R'000	R'000
External computer service providers		12 992	13 444
Total	4	12 992	13 444

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4.3 Audit cost - external

		2023/24	2022/23
	Note	R'000	R'000
Regularity audits		4 996	6 284
Total	4	4 996	6 284

4.4 Consumables

		2023/24	2022/23
	Note	R'000	R'000
Consumable supplies		4 070	3 175
Uniform and clothing		329	392
Household supplies		2 387	2 226
IT consumables		572	65
Other consumables		782	492
Stationery, printing and office supplies		345	1 365
Total	4	4 415	4 540

The amount disclosed as other consumables mainly comprise of costs for photographic consumables, bags and consumable accessories.

4.5 Property payments

		2023/24	2022/23
	Note	R'000	R'000
Municipal services		6 077	7 625
Property maintenance and repairs		686	555
Other		16 691	16 989
Total	4	23 454	25 169

The amount disclosed as other consist of costs for fumigation services, cleaning services, safeguard and security services.

4.6 Travel and subsistence

		2023/24	2022/23
	Note	R'000	R'000
Local		1 030	941
Foreign		2 044	494
Total	4	3 074	1 435

The increase on travel expenses is due to increased number of international trips approved by the MEC and the Premier in the 2023/24 financial year.

4.7 Other operating expenditure

		2023/24	2022/23
	Note	R'000	R'000
Professional bodies, membership and subscription fees		136	59
Resettlement costs		-	56
Other		688	573
Total	4	824	688

The amount disclosed as other mainly consist of costs paid for storage services, print and publication services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Payments for financial assets

		2023/24	2022/23
	Note	R'000	R'000
Debts written off	5.1	369	27
Total		369	27

5.1 Debts written off

		2023/24	2022/23
Nature of debts written off	Note	R'000	R'000
Recoverable revenue written off		369	27
Total		369	27
Total debt written off	5	369	27

6. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Departmental agencies and accounts	Annex 1B	1 141 911	1 116 416
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	-	-
Public corporations and private enterprises	Annex 1D	281 232	230 681
Non-profit institutions	Annex 1F	-	-
Households	Annex 1G	588	1 981
Total		1 423 731	1 349 078

7. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		21 944	14 645
Machinery and equipment		21 944	14 645
Intangible capital assets		-	-
Software		-	-
Total		21 944	14 645
Total		21 944	14 645

7.1 Analysis of funds utilised to acquire capital assets - Current year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets			
Buildings and other fixed structures	-	-	-
Machinery and equipment	21 944	-	21 944
Intangible capital assets			
Software	-	-	-
Total	21 944	-	21 944

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7.2 Analysis of funds utilised to acquire capital assets - Prior year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	14 645	-	14 645
Machinery and equipment	14 645	-	14 645
Total	14 645	-	14 645

7.3 Finance lease expenditure included in Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		6 218	6 383
Total		6 218	6 383

8. Cash and cash equivalents

		2023/24	2022/23
	Note	R'000	R'000
Consolidated Paymaster General Account		130 546	128 858
Cash on hand		20	20
Total		130 566	128 878

9. Prepayments and advances

		2023/24	2022/23
	Note	R'000	R'000
Staff advances		-	-
Travel and subsistence		50	18
Total		50	18
Analysis of Total Prepayments and advances			
Current Prepayments and advances		50	18
Total		50	18

10 Receivables

	Note	2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	7 038	-	7 038	3 305	-	3 305
Staff debt	10.2	1 147	-	1 147	1 475	-	1 475
Other receivables	10.3	252	-	252	313	-	313
Total		8 437	-	8 437	5 093	-	5 093

10.1 Claims recoverable

		2023/24	2022/23
	Note	R'000	R'000
National departments		155	-
Provincial departments		196	130
Public entities		6 687	3 175
Total	10	7 038	3 305

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10.2 Staff debt

		2023/24	2022/23
	Note	R'000	R'000
Current Employees		231	450
Ex-Employees		916	1 025
Total	10	1 147	1 475

10.3 Other receivables

		2023/24	2022/23
	Note	R'000	R'000
Sal: Reversal Control: CA		36	-
Sal: Fin Institution Study Loans: CL		211	313
Sal: Deduction Dissall Acc:CA		4	-
Sal: Tax Debt: CA		1	-
Total	10	252	313

11. Investments

		2023/24	2022/23
	Note	R'000	R'000
Non-current			
Shares and other equity			
Blue IQ investments t/a GGDA		4	4
MAL		-	-
Total		4	4
Total non-current investments		4	4
		2023/24	2022/23
	Note	R'000	R'000
Analysis of non-current investments			
Opening balance		4	4
Closing balance		4	4

The Department had a PPP (Public Private Partnership) agreement with MAL (Maropeng a Afrika Leisure) which expired in 2015. In terms of the termination clause 27.2 of the concession agreement the revenue, loans, liabilities and movable assets should be transferred to the concessor (Investment in MAL).

The department appointed the service provider or consultant to perform due-diligence on the financial performance and position of MAL. The due diligence report recommended that MAL must be converted into a Non-Profit-Organisation. The department is currently in the process of converting MAL into NPO and the process has not yet been finalised as at 31 March 2024. The department has been given an extension until 30 June 2025 to implement the recommendations of the due-diligence report. Once the NPO is established all the assets and liabilities of MAL will be transferred to the new NPO.

12. Voted funds to be surrendered to the Revenue Fund

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		46 218	48 998
Prior period error		-	-
As restated		46 218	48 998
Transferred from statement of financial performance (as restated)		44 248	46 218
Paid during the year		(46 218)	(48 998)
Closing balance		44 248	46 218

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		86 968	84 026
Prior period error		-	-
As restated		86 968	84 026
Transferred from statement of financial performance (as restated)		1 179 155	1 115 032
Paid during the year		(1 173 415)	(1 112 090)
Closing balance		92 708	86 968

14. Payables - current

		2023/24	2022/23
	Note	R'000	R'000
Clearing accounts	14.1	133	113
Other payables	14.2	1 523	23
Total		1 656	136

14.1 Clearing accounts

		2023/24	2022/23
Description	Note	R'000	R'000
Sal: GEHS Refund Control Acc: CL		71	77
Sal: Income Tax		32	16
Sal: Pension Fund		-	5
Sal: ACB Recalls		30	-
Sal: Finance and Other Institutions		-	15
Total	14	133	113

14.2 Other payables

		2023/24	2022/23
Description	Note	R'000	R'000
Deposits		1 522	22
Cradle of Humankind		1	1
Total	14	1 523	23

15. Net cash flow available from operating activities

		2023/24	2022/23
	Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 223 404	1 161 250
Add back non-cash/cash movements not deemed operating activities		(1 199 546)	(1 154 731)
(Increase)/decrease in receivables		(3 345)	(2 034)
(Increase)/decrease in prepayments and advances		(32)	(18)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		1 520	(6 138)
Proceeds from sale of capital assets		-	(98)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		21 944	14 645
Surrenders to Revenue Fund		(1 219 633)	(1 161 088)
Surrenders to RDP Fund/Donors		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		23 858	6 519

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

		2023/24	2022/23
	Note	R'000	R'000
Consolidated Paymaster General account		130 546	128 858
Cash on hand		20	20
Total		130 566	128 878

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

			2023/24	2022/23
Liable to	Nature	Note	R'000	R'000
Claims against the department		Annex 3B	2 307	2 124
Intergovernmental payables		Annex 5	753	17
Total			3 060	2 141

The amount of R2 306 825.07 disclosed above it is for the pending labour matters and claims instituted against the Department. The balance of R753 000 is unconfirmed balances with other departments.

18. Capital commitments

		2023/24	2022/23
	Note	R'000	R'000
Machinery and equipment		-	688
Total		-	688

19. Accruals and payables not recognised

19.1 Accruals

		2023/24		2022/23	
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		12 964	12 161	25 125	8 550
Interest and rent on land		-	-	-	-
Transfers and subsidies		155	-	155	-
Capital assets		-	-	-	-
Other		852	-	852	9 542
Total		13 971	12 161	26 132	18 092

		2023/24	2022/23
Listed by programme level	Note	R'000	R'000
Administration		11 507	6 483
Business Regulation		14 540	9 793
Economic Planning		85	1 816
Total		26 132	18 092

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

19.2 Payables not recognised

	Note	2023/24		2022/23	
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Listed by economic classification					
Goods and services		30	36	66	2
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		-	-	-	-
Other		-	-	-	97
Total		30	36	66	99

	Note	2023/24 R'000	2022/23 R'000
Listed by programme level			
Administration		66	99
Total		66	99

	Note	2023/24 R'000	2022/23 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	630	358
Confirmed balances with other government entities	Annex 5	15 367	10 937
Total		15 997	11 295

20. Employee benefits

	Note	2023/24 R'000	2022/23 R'000
Leave entitlement		13 913	14 132
Service bonus		6 202	5 431
Performance awards		-	308
Capped leave		804	807
Pay Progression		3 503	347
Long Service Bonus		65	11
Total		24 487	21 036

At this stage the department is not able to reliably measure the long term portion of the long service awards. Included in the amount for leave above there is negative leave amounting to R29 364.46

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21. Lease commitments

21.1 Operating leases

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	39 846	3 822	43 668
Later than 1 year and not later than 5 years	-	-	28 509	3 825	32 334
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	68 355	7 647	76 002

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	37 804	237	38 041
Later than 1 year and not later than 5 years	-	-	66 173	-	66 173
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	103 977	237	104 214

Included in the amount for building and other fixed structures there is an amount for 124 Main street building which is sub-leased by the department to its agencies and entities. The annual escalation of the lease agreement is 6% annually. The annual escalation for Vereeniging regional office rental is 8% per annum and for Germiston regional offices rental is 8.5%

21.2 Finance leases

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 662	3 662
Later than 1 year and not later than 5 years	-	-	-	2 796	2 796
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	6 458	6 458

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 546	3 546
Later than 1 year and not later than 5 years	-	-	-	5 212	5 212
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	8 758	8 758

The finance lease agreement relate to the gg-cars leased from g-Fleet Management for a long term.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Accrued departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Tax revenue		90 283	119 640
Tourism Guide		25	25
Total		90 308	119 665

The accrued departmental revenue disclosed it is for March 2024 tax revenue collected by Gauteng Gambling Board (GLB) on behalf of the department. The March tax revenue collection was not paid over to the department as at 31 March 2024.

22.1 Analysis of accrued departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		119 665	104 772
Less: amounts received		(119 640)	(104 754)
Add: amounts recorded		90 283	119 640
Other (Specify)		-	7
Closing balance		90 308	119 665

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

		2023/24	2022/23
	Note	R'000	R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		76	-
Fruitless and wasteful expenditure - current year		-	-
Total		76	-

In terms of the new framework the department is required to only disclose Unauthorised, Irregular and Fruitless and wasteful expenditure in the year incurred. The cumulative balances of Unauthorised, Irregular and Fruitless and wasteful expenditure from previous years are disclosed under Part E for PFMA Compliance report in the Annual Report.

The irregular expenditure of R75 500 incurred has been reported to the Accounting Officer and is currently under determination tests/investigations in line with the framework.

24. Related party transactions

		2023/24	2022/23
	Note	R'000	R'000
Revenue received		-	-
Tax revenue		-	-
Total		-	-

		2023/24	2022/23
	Note	R'000	R'000
Payments made		-	-
Compensation of employees		-	-
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers and subsidies		-	-
Total		-	-

		2023/24	2022/23
	Note	R'000	R'000
Year end balances arising from revenue/payments		-	-
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
In-kind goods and services (provided)/received	Note	R'000	R'000
In kind goods and services provided		1 612	3 760
Total		1 612	3 760

In kind goods and services received		1 645	1 584
Total		1 645	1 584

The list of entities and agencies directly reporting to the Gauteng Department of Economic Development are as follows:-

- Gauteng Gambling Board (GGB)
- Gauteng Growth Development Agency (GGDA)
- Gauteng Enterprise Propeller (GEP)
- Gauteng Tourism Authority (GTA)
- Cradle of Humankind World Heritage Site (Trading entity)
- Dinokeng (Trading entity)
- Gauteng Liquor Board (GLB) (Trading entity)

GDED occupies a building that is leased by Gauteng Department of Infrastructure and Development which is a custodian of immovable property in the GPG however the Department is responsible for the payment of the utility services. The department also receive/provide service in kind for a staff member seconded to department or from the department to department's entity as disclosed above..

25. Key management personnel

		2023/24	2022/23
		R'000	R'000
Political office bearers (provide detail below)	1	2 125	2 150
Officials:			
Level 15 to 16	7	9 811	7 098
Level 14 (incl. CFO if at a lower level)	8	8 378	11 718
Total		20 314	20 966

26. Provisions

		2023/24	2022/23
	Note	R'000	R'000
Provision for doubtful debts		1 119	1 362
Total		1 119	1 362

26.1 Reconciliation of movement in provisions - Current year

	2023/24			
	Doubtful Debts	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	1 362	-	-	1 362
Increase in provision	-	-	-	-
Settlement of provision	-	-	-	-
Unused amount reversed/written off	(243)	-	-	(243)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	1 119	-	-	1 119

The provision decreased due to the staff debts written off in the current financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of movement in provisions - Prior year

	2022/23			
	Doubtful Debts	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	1 146	-	-	1 146
Increase in provision	216	-	-	216
Closing balance	1 362	-	-	1 362

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	76 271	-	15 798	-	92 069
Transport assets	949	-	-	-	949
Computer equipment	33 247	-	14 070	-	47 317
Furniture and office equipment	25 606	-	688	-	26 294
Other machinery and equipment	16 470	-	1 040	-	17 510
Total movable tangible capital assets	76 271	-	15 798	-	92 069

Movable Tangible Capital Assets under investigation

	Note	Number	Value
			R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		87	1 932
Total		87	1 932

The assets under investigations consist of unverified assets and stolen assets reported. The department is still in the process of investigating these assets.

27.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	68 968	-	8 237	934	76 271
Transport assets	949	-	-	-	949
Computer equipment	26 936	17	6 294	-	33 247
Furniture and office equipment	24 921	(75)	1 694	934	25 606
Other machinery and equipment	16 163	58	249	-	16 470
Total movable tangible capital assets	68 969	-	8 237	934	76 271

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

27.1.1 Prior period error

		2022/23
Nature of prior period error	Note	R'000
<i>Machinery and Equipment</i>		-
Computer equipment		17
Furniture and office equipment		(75)
Other machinery and equipment		58
Total prior period errors		-

In the current financial year the department identified misclassification between assets items included in the opening balance for machinery and equipment. As a result the department restated the opening balances which resulted in an increase of R17 000 under computer equipments, decrease of R75 000 under furniture and equipment and an increase of R58 000 under other machinery and equipment. The net effect of the prior period error on the total machinery and equipment is zero(R0).

MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION

		Number	Value
	Note		R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		58	1 292
Total		58	1 292

27.1 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24					
	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	-	-	-	10 396	-	10 396
Value adjustments						
Additions	-	-	-	44	-	44
Disposals	-	-	-	-	-	-
Total Minor assets	-	-	-	10 440	-	10 440

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	5 449	-	5 449
Total number of minor assets	-	-	-	5 449	-	5 449

Minor capital assets under investigation

		Number	Value
	Note		R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		166	265

The assets under investigation consist of unverified assets and stolen assets reported. The department is still in the process of investigating these assets

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	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	-	-	-	10 289	-	10 289
Prior period error	-	-	-	-	-	-
Additions	-	-	-	138	-	138
Disposals	-	-	-	31	-	31
Total Minor assets	-	-	-	10 396	-	10 396

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost	-	-	-	5 395	-	5 395
Total number of minor assets	-	-	-	5 395	-	5 395

Minor capital assets under investigation

	Note	Number	Value
			R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		129	203

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	7 737	-	-	7 737
TOTAL INTANGIBLE CAPITAL ASSETS	7 737	-	-	7 737

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7 737	-	-	-	7 737
TOTAL INTANGIBLE CAPITAL ASSETS	7 737	-	-	-	7 737

29. Principal-agent arrangements

29.1 Department acting as the principal

	Note	2023/24	2022/23
		R'000	R'000
Commission paid to Gauteng Gambling Board		93 941	96 686
Total		93 941	96 686

The Gauteng Gambling Board (GGB) perform agency service for the Gauteng Department of Economic Development (GDED) and it collects the casino taxes, horse racing taxes and bookmakers license fees on behalf of the Gauteng Department of Economic Development (GDED) which is the principal in the arrangement. The GGB in return receives 8% commission of the total revenue collected in terms of the principal agent arrangement.

There are no significant terms other the information already provided above nor significant risks identified by management on this arrangement. There were also no changes occurred to the arrangement as at 31/03/2024.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

30. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

31. Natural disaster or relief expenditure

		2023/24	2022/23
	Note	R'000	R'000
Goods and services		-	417
Total	<i>Annex 11</i>	-	417

The comparative amount disclosed above it is for Covid 19 related expenditure incurred in the previous financial year.

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Gauteng Enterprise Propeller	221 333	-	-	221 333	221 333	100.0%	223 876	223 876
Gauteng Tourism Authority	117 954	-	-	117 954	117 954	100.0%	123 937	123 937
Cradle of Humankind	69 299	-	-	69 299	69 299	100.0%	57 733	57 733
Dinokeng	36 119	-	-	36 119	36 119	100.0%	37 778	37 778
Gauteng Growth and Development Agency	617 682	-	-	617 682	617 682	100.0%	579 165	579 165
Gauteng Liquor Board	79 115	-	-	79 115	79 115	100.0%	79 327	79 327
Gauteng Gambling Board	409	-	-	409	409	100.0%	14 600	14 600
					-	-		
TOTAL	1 141 911	-	-	1 141 911	1 141 911	-	1 116 416	1 116 416



UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	2023/24								2022/23	
	GRANT ALLOCATION				EXPENDITURE					
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual transfer
Name of public corporation / private enterprise	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers	268 048		13 184	281 548	281 232	100.0%			230 748	230 681
Tshwane Automotive Hub Special Economic Zone	247 870	-	(311)	247 559	247 559	100.0%	-	-	224 748	224 681
Family Tree Holdings	20 178	-	-	20 178	20 178	100%	-	-	6 000	6 000
Radah Skills Academy (Pty) Ltd	-		13 495	13 495	13 495	100%	-	-	-	-
Total	268 048	-	13 184	281 232	281 232	100.0%	-	-	230 748	230 681

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
H/H: Leave Gratuity	513	-	193	706	538	76,2%	2 137	1 896
H/H: Injury on duty	102	-	(63)	39	39	100%	20	15
H/H: Claim Against State (CASH)	-	-	11	11	11	100%	71	71
						-		
Total	615	-	141	756	588	77,78%	2 228	1 982
TOTAL	615	-	141	756	588	77,78%	2 228	1 982

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 2A

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

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 23/24	% Held 22/23	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
				R'000		R'000		R'000		R'000		
				2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
National / Provincial Public entity												
Blue IQ (PTY) LTD t/a GGDA		100	100	4 000	4 000	1	1	4	4	-	-	
Subtotal		100	100	4 000	4 000	1	1	4	4	-	-	
TOTAL		100	100	4 000	4 000	1	1	4	4	-	-	

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / canceled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Labour Matters and claims against department	2 124	183	-	-	2 307
Subtotal	2 124	183	-	-	2 307
Other	-	-	-	-	-
TOTAL	2 124	183	-	-	2 307



UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	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	R'000
Department								
National Department of Cooperative Governance	-	-	134	-	134	-	-	-
Statistics South Africa	-	-	-	109	-	109	-	-
National Social Development	-	-	21	21	21	21	-	-
Department of Sports Arts Culture and Recreation	-	-	91	-	91	-	-	-
Department of Trade Industry and Competition	-	-	105	-	105	-	-	-
							-	-
Subtotal	-	-	351	130	351	130	-	-

Other Government Entities								
Gauteng Liquor Board	6	686	-	-	6	686	-	-
Cradle of Humankind	426	226	-	6	426	232	-	-
Dinokeng	136	226	-	4	136	230	-	-
Gauteng Tourism Authority	3 435	849	-	-	3 435	849	-	-
Gauteng Enterprise Propeller	68	851	-	227	68	1 078	-	-
Gauteng Growth and Development Agency	2 616	-	-	100	2 617	100	-	-
Subtotal	6 687	2 838	-	337	6 687	3 175	-	-
TOTAL	6 687	2 838	351	467	7 038	3 305	-	-



UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS								
Current								
Gauteng office of the Premier	16	296	-	-	16	296	-	-
Department of Justice	-	-	736	-	736	-	-	-
Gauteng Department of Human Settlement	-	9	-	-	-	9	-	-
Department of E-government	373	-	-	-	373	-	-	-
Statistics South Africa	-	48	-	-	-	48	-	-
Gauteng Provincial Health	23	-	-	-	23	-	-	-
Gauteng Provincial Treasury	-	5	-	-	-	5	-	-
Subtotal	412	358	736	-	1 148	358	-	-
Total Departments	412	358	736	-	1 148	358	-	-
OTHER GOVERNMENT ENTITIES								
Current								
G-Fleet			852	821	-	-	852	821
Cradle of Human Kind			-	40	-	-	-	40
State Information Technology Agency			-	-	17	17	17	17
Gauteng Tourism Authority, Newtown			-	161	-	-	-	161
Gauteng Growth and Development Agency			-	370	-	-	-	370
Gauteng Gambling Board			14 515	9 542	-	-	14 515	9 542
Government Printing Works			-	3	-	-	-	3
Subtotal			15 367	10 937	17	17	15 384	10 954
Total Other Government Entities			15 779	11 295	753	17	16 532	11 312
TOTAL INTER-GOVERNMENT PAYABLES			1 264	11 295	753	17	2 017	11 312

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ANNEXURE 11

NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2023/24					2022/23
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	-	-	-	-	-	-
Goods and services	-	-	-	-	-	417
Consultants	-	-	-	-	-	-
Contractors	-	-	-	-	-	-
Consumable Supplies	-	-	-	-	-	14
Rental and Hiring	-	-	-	-	-	-
Property Payments	-	-	-	-	-	403
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	417



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REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 3: GAUTENG LIQUOR BOARD

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Liquor Board set out on pages 189 to 212, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Liquor Board as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Responsibilities of the accounting officer for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 184, forms part of my auditor's report.

Report on the audit of the annual performance report

10. Section 40(3)(a) of the PFMA requires the trading entity to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Gauteng Department of Economic Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the department and any audit findings are included in the management and auditor's reports of the department.

Report on compliance with legislation

11. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting

officer is responsible for the trading entity's compliance with legislation.

12. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
13. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
14. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

15. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
16. My opinion on the financial statements and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor - General |

Johannesburg
31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c'); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 4.1.1; 4.1.3 Regulation 5.2.1; 5.2.3(d); 5.3.1 Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c') Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b);16A6,2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6,3(d) 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2(1) and (2); 16A 8.3; 16A8,3(d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b) (ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f);16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(iii); Regulation 17.1.1. Regulation 18.2 Regulation 19.6.1 Regulation 19.8.4
Public service regulations	PSR 13 (c);18;18(1) and 18(2)
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c'); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)

Legislation	Sections or regulations
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	<p>Regulation 4.1.1; 4.1.3</p> <p>Regulation 5.2.1; 5.2.3(d); 5.3.1</p> <p>Regulation 7.2.1</p> <p>Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1</p> <p>Regulation 9.1.1; 9.1.4</p> <p>Regulation 10.1.1(a); 10.1.2</p> <p>Regulation 11.4.1; 11.4.2; 11.5.1</p> <p>Regulation 12.5.1</p> <p>Regulation 15.10.1.2(c)</p> <p>Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b);16A6,2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6,3(d) 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2(1) and (2); 16A 8.3; 16A8,3(d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b) (ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f);16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(iii);</p> <p>Regulation 17.1.1.</p> <p>Regulation 18.2</p> <p>Regulation 19.6.1</p> <p>Regulation 19.8.4</p>
Public service regulations	PSR 13 (c);18;18(1) and 18(2)
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	<p>Paragraph 4.1; 4.2</p> <p>Paragraph 5.1; 5.3; 5.6; 5.7</p> <p>Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8</p> <p>Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8</p> <p>Paragraph 8.2; 8.5</p> <p>Paragraph 9.1; 9.2</p> <p>Paragraph 10.1; 10.2</p> <p>Paragraph 11.1; 11.2</p> <p>Paragraph 12.1 and 12.2</p>
PPR 2022	<p>Paragraph 3.1</p> <p>Paragraph 4.1; 4.2; 4.3; 4.4</p> <p>Paragraph 5.1; 5.2; 5.3; 5.4</p>

Legislation	Sections or regulations
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Assets			
Current Assets			
Receivables from exchange transactions	2	312	564
Receivables from non-exchange transactions	3	384	544
Cash and cash equivalents	4	67 291	136 516
		67 987	137 624
Non-Current Assets			
Property, plant and equipment	5	108	175
Total Assets		68 095	137 799
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	23 110	99 225
Provisions	7	2 224	1 712
		25 334	100 937
Total Liabilities		25 334	100 937
Net Assets		42 761	36 862
Accumulated surplus		42 761	36 862
Total Net Assets		42 761	36 862

*See note 20

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Revenue			
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	8	79 115	79 327
Expenditure			
Employee related costs	9	(53 645)	(49 886)
Depreciation and amortisation	10	(67)	(72)
Impairment Loss - Penalty		(2 323)	(1 312)
Bad Debts		(393)	(1)
Goods and Services	11	(16 787)	(14 513)
Total expenditure		(73 215)	(65 784)
Surplus for the year		5 900	13 542

*See note 20

STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2024

	Accumulated surplus / deficit	Total net assets
	R '000	R '000
Balance as at 01 April 2022	23 272	23 272
Adjustments		
Correction of errors -prior 1 April 2022 - SCNA* 20	47	47
Restated balance as at 01 April 2022	23 319	23 319
Changes in net assets		
Surplus for the year	13 543	13 543
Total Changes	13 543	13 543
Balance as previously reported as at 01 April 2023	37 437	37 437
Adjustments		
Correction of errors 2022/23 - SFP Note* 20	(575)	(575)
Restated balance as at 01 April 2023	36 861	36 861
Changes in net assets		
Surplus for the year	5 900	5 900
Total changes	5 900	5 900
Balance as at 31 March 2024	42 761	42 761

*See note 20

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Cash flows from operating activities			
Receipts			
Surrender Account		(76 618)	58 536
Government Grant and Subsidies		79 115	79 327
Fines and Penalties		160	(107)
		2 657	137 756
Payments			
Compensation of Employees		(51 921)	(52 155)
Goods and Services		(19 961)	(17 454)
		(71 882)	(69 609)
Net cash flows from operating activities	12	(69 225)	68 147
Net increase/(decrease) in cash and cash equivalents		(69 225)	68 147
Cash and cash equivalents at the beginning of the year		136 516	68 369
Cash and cash equivalents at the end of the year	4	67 291	136 516

Included in cash and cash equivalent, there is an amount of R5 385 000,00 collected on behalf of Provincial Revenue Fund (PRF).

The entity collect liquor license fees and other fees on behalf of the Provincial Revenue Fund (PRF). As a result the fees collected are not used to fund the operations of the entity.

*See note 20

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

1. Presentation of Annual Financial Statements

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

As Gauteng Liquor Board (GLB) has the responsibility of issuing the liquor license and monitoring and enforcing compliance to the Gauteng Liquor Board Amendment Act, the significant accounting policies relates to payable recognition (fees collected on behalf of the Provincial Revenue Fund - PRF), employee related costs, properties expenses related to the running of offices in major centers in Gauteng.

Presentation of Budget Information

The presentation of budget information that is required to be prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The entity does not meet the requirements to disclose the budget information due to its budget not being published and due to the fact that its budget is incorporate in the Gauteng Department of Economic Development Vote.

A summary of the significant accounting policies, which have been consistently applied in the preparation of this annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions for employee related costs

Performance Bonus

The provision for performance bonus is calculated at 0.5% of all total compensation for all staff members for 2020/21 financial year.

The provision for performance bonus is calculated at 0.0% of all total compensation for all staff members from 2022/23 financial year.

The bonus liability is paid to qualifying employees based on performance award policy.

Provision for capped leave

Provision for capped leave is the leave accrued until 30 June 2000 and was audited, calculated and capped(i.e. not forfeited). The capped leave increases annually as the gross basis salary adjusted, also when an entitled employee get promotion and

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

new appointees with the capped leave also affect the increase. The cash value payable in respect of personnel with the capped and audited leave credits is determined using formula included in the DPSA guide:

Determination on leave of absence in the public service, 2008.

Any unused capped leave shall be utilised where an employee has insufficient annual leave days or paid out in the event of death or retirement.

Provision for long service awards

Provision for long service awards calculation is based on the DPSA calculation.

Useful Life of Assets

Useful life of assets are the expected pattern of consumption of economic benefits or service potential embodied in a depreciable asset. Any change in useful life of assets in terms of GRAP 3 affects the depreciation expense for the current period and for each future period during the asset's remaining useful life.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to allocate the cost of assets less their fair values over their estimated useful life, using the straight line method. Management expects to abandon the assets at the end of their useful life and therefore the residual are estimated to be negligible. Useful lives and residual values are assessed when there is an indication that there is a change in useful life.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful life to their estimated residual value.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The useful life of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5-10 years
Computer equipment	Straight-line	3-5 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the assets future economic benefits or service potential through depreciation. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount and it is charged against the surplus or deficit.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure meets the definition and recognition criteria of an asset. Repairs and maintenance not deemed to enhance the economic benefits or service potential of items of property, plant and equipment are expensed as incurred.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

In terms of GRAP 17, the useful life of an asset shall be assessed at each reporting date. If expectation of useful life differs from previous expectations, the change shall be accounted for as change in accounting policy in terms of GRAP 3.

1.6 Financial instruments

Initial recognition and measurement

Financial instruments are recognised when Gauteng Liquor Board becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Subsequent to initial recognition, these instruments are measured at amortised costs.

Offsetting

Financial assets and financial liabilities are not offset in the Statement of Financial Position.

Financial assets

Financial assets are comprised mainly of receivable from overdue licences and penalty debt arising from licences/permits issued. Financial assets are initially recognised at fair value and subsequently measured at amortised costs less provisions for impairment. Provision for impairment is established when there is objective evidence that the entity will not be able to collect the amount due.

Financial liabilities

Financial liabilities are comprised mainly of income received in advance for licences, trade payables and provisions for employee benefits. Financial liabilities are recognised initially at fair value and subsequently measure at amortised cost.

Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations or similar means and require settlement by another entity in cash or other financial asset. Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and less any accumulated impairment losses and any other amount derecognised.

Nominal interest rate is the interest rate and or basis specified in legislation, supporting regulations or similar means. The transaction amount (for purpose of this standard) for a statutory receivables means the amount specified in or calculated levied or charged in accordance with legislation, supporting regulations or similar means.

An entity shall assess at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired. If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, an entity shall measure the impairment loss and recognise impairment loss in surplus or deficit.

1.7 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service. The cost of short term employee benefits are expensed in the statement of financial performance in the year in which it occurs. Short term employee benefits that give rise to a present constructive obligation are recognised and disclosed in the notes of the financial statements. This is limited to leave pay accrual and service bonus.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

The entity contributes to Government Employee Pension Fund (GEPF) on behalf of employees. The funds and related benefits are managed by GEPF on behalf of Government.

1.8 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

1.9 Revenue from non-exchange transactions

Government Grant

Accounting policy on revenue from non-exchange describes the conditions under which revenue will be recognised by the management of the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

The Gauteng Liquor Board received a government grant in the form of a transfer from the Gauteng Department of Economic Development to cover operational costs. The transfer is recognised when it is probable that future economic benefits will flow to the Gauteng Liquor Board and when the amount can be measured reliably.

Services in-kind

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Gauteng Liquor Board makes use of the following services at no cost:

- :Employee Costs for Chief Director
- :Cellphone costs:
- :Corporate services, financial services and human resource services and
- :Rental costs for regional offices.

The costs are covered by Gauteng Department of Economic Development.

1.10 Comparative Information

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a statement of GRAP does not require the restatement of comparative information. The nature and reasons for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly.

1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the 12 months period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Any cumulative balances of fruitless & wasteful expenditure from prior years are disclosed under part E of the annual report.

1.12 Irregular expenditure

Irregular expenditure as defined in section 1 of PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (act No . 86 of 1968), or any regulations made in terms of the act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued repealed and replaced by the irregular expenditure framework that came into effect on 1 December 2018 in terms of section 76(1) to 76(4) of the PFMA which requires the following:

Irregular Expenditure that was incurred and identified during the current financial year and which was condoned before year end and /or before finalisation of the financial statement must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statement.

Irregular expenditure that was incurred and identified during the current financial year and which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statement

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and disclosure note to the financial statement must be updated with amount condoned .

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If the liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible the accounting officer or accounting authority may write-off the amount as debt impairment and disclose such in the relevant note to the financial statement. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant program/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

In terms of new framework, irregular expenditure is disclosed on the year it is occurred. Any cumulative balances from prior financial year are disclosed on part E of the annual Report.

1.13 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.14 Leases

Operating leases

A lease is classified as operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payments are recognised as an expense over the lease term according to the agreed payment basis.

The total of future minimum Lease payments under non-cancelable operating leases are disclosed for each of the following periods;

- Not later than 1 year ;
- Later than 1 year and not later than 5 years ; and
- Later than 5 years;

1.15 Related Parties

The entity has adopted the disclosure requirements as per GRAP 20: Related Party Disclosures.

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

An entity shall disclose the remuneration of management per person and in aggregate, for each class of management remuneration.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the disclosure narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statement.

1.16 GRAP standards, amendments to GRAP standards and interpretation issued but not yet effective

Accounting standards change from time to time to account for transactions and events in a best possible manner. There are no significant amendments to GRAP standards affecting Gauteng Liquor Board in 2023/24 financial Year.

GRAP 104: Financial instruments (revised) is approved but not yet effective, the standard will be effective on 1 April 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

2. Receivables from exchange transactions

Recoveries of staff expense	132	242
Under-Paid Liquor Licence Fees	579	393
Provision for doubtful debts	(399)	(71)
	312	564
Trade and other receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Current (0 - 30 days)	107	114
31 days and above	42	181
120 days and above	163	269

3. Receivables from non-exchange transactions

Penalties	4 286	2 122
Provisions for impairment of Receivables	(3 902)	(1 578)
	384	544
Receivables from non-exchange transactions past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	384	544
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	1 578	266
Provision for impairment	2 324	1 312
	3 902	1 578

4. Cash and cash equivalents

Cash and cash equivalents consist of:		
FNB -Bank Account	302	302
STD - Main Bank Account	66 989	136 214
	67 291	136 516

Included in cash and cash equivalent, there is an amount of R5 385 000,00 collected on behalf of Provincial Revenue Fund (PRF).

The entity collect liquor license fees and other fees on behalf of the Provincial Revenue Fund (PRF). As a result the fees collected are not used to fund the operations of the entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Property, plant and equipment

	2024			2023		
	Cost Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 211	(1 138)	73	1 211	(1 104)	107
Computer equipment	890	(855)	35	890	(822)	68
Total	2 101	(1 993)	108	2 101	(1 926)	175
Reconciliation of property, plant and equipment - March 2024						
				Opening balance	Depreciation	Total
Furniture and fixtures				107	(34)	73
Computer equipment				68	(33)	35
				175	(67)	108
Reconciliation of property, plant and equipment - March 2023						
				Opening balance	Depreciation	Total
Furniture and fixtures				145	(38)	107
Computer equipment				102	(34)	68
				247	(72)	175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Payables from exchange transactions

	2024	2023
	R'000	R'000
Trade payables	2 970	3 442
Sal: ACB Recalls	113	159
SAL: Tax Debt	5	5
SAL: Medical Aid	4	4
SAL: GEHS Refund Control Acc: CL	-	5
Trading Entity: Payable to Provincial Revenue Fund	9 206	87 041
Staff Leave Accrual	4 921	3 757
Service Bonus Accrual	1 255	1 141
Payable:Adv:P/Dept	4 636	3 671
	23 110	99 225
Reconciliation of Payable to Provincial Revenue Fund (PRF) - March 2024		
Opening Balances	87 041	-
Total Amount received as per database	71 615	68 452
• Licence Fees	68 384	67 008
• Penalty Fees	3 231	1 444
Add: IRA Previous Year & recoveries	328	29 339
Add: Total Other Income	3 597	2 732
• Parking Fees	33	36
• Interest Fees	3 548	2 681
• Commission Fees	16	15
Add: Underpayments	2 279	1 542
Less: Overpayments	(1 231)	(932)
Less: Amounts paid to PRF	(154 423)	(14 092)
Trading entity: Payable to provincial revenue fund	9 206	87 041
Less Underpayments	(3 821)	(1 542)
Balance Payable to PRF	5 385	85 499

The entity receives full appropriation from the Provincial Revenue Fund (PRF), to cover all operational costs of the entity. In terms of the appropriation bill and the PFMA section 21, the entity is required to pay over all monies and fees collected by entity to PRF. Any amounts not paid over to PRF at the end of reporting period is accounted for as a payable to PRF.

The entity is in the process of changing paragraph 16 of the GLB Act to align to the PFMA section 21.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

7. Provisions

Reconciliation of provisions - March 2024				
	Opening Balance	Additions	Utilised during theyear	Total
Provision for Pay Progression/Incentives	43	514	-	557
Provision for Capped Leave	504	-	(2)	502
Provision for Litigation	1 165	-	-	1 165
	1 712	514	(2)	2 224
Reconciliation of provisions - March 2023				
	Opening Balance	Utilised during theyear	Total	
Provision for Pay Progression/Incentives	288	(245)	43	
Provision for Capped Leave	599	(95)	504	
Provision for Litigation	1 165	-	1 165	
	2 052	(340)	1 712	

The entity disclosed an amount of R 1 165 465,97 as a provision on litigation for a civil claim. The plaintiff is claiming the amount based on the service level agreement for document management solution tender. The entity disclosed a provision based on the invoices received from the service provider, however, uncertainty about the amount or timing of any resulting outflow expected as the matter is currently with the state attorney.

8. Government grants & subsidies

Operating grants

Government grant (Operating)	79 115	79 327
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9. Employee related costs

Basic Salary	39 496	37 508
Medical Aid - Company Contributions	2 955	2 706
Leave pay provision charge	1 161	(1 181)
Employee benefits Expensed - other	11	11
Overtime payments	2	-
Housing benefits and allowances	1 230	1 110
Leave Gratuity	175	313
Bargain council - Company Contribution	10	9
S&W:CMPS/CIRCM (RES)	-	79
13th Cheque- Service Bonus	2 717	2 781
Non - Pensionable Allowances	1 598	2 630
Pension - Company Contribution	4 290	3 920
	53 645	49 886

10. Depreciation and amortisation

Property, plant and equipment	67	72
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. Goods and Services

	2024	2023
	R'000	R'000
Audit fees	950	851
Bank charges	31	2
Cleaning	623	588
System maintenance expense	2 470	-
Legal Expenses	1 437	699
Consumables	192	563
Departmental Consumptions	194	394
External Comp Serv: Infor Services	95	173
Levies Paid (Water, Sewerage, Waste and Mun Rates)	405	548
Professional Fees	442	-
Rental of Buildings	6 482	6 110
Security Costs	623	588
Travel Costs	9	42
Electricity	1 351	1 257
Travel Agency Fees	-	2
A&S Professional Staff Services	-	125
Venues and Facilities	-	987
Contracted Maintenance	1 483	1 584
	16 787	14 513

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Cash (used in) generated from operations

	2024	2023
	R'000	R'000
Surplus	5 900	13 542
Adjustments for:		
Depreciation and amortisation	67	72
Impairment loss: Penalty	2 323	1 312
Movements in provisions	512	(340)
Bad debts: Penalty debt	393	-
Bad debts: recoveries of staff expenses	-	1
Other non-cash items	-	47
Changes in working capital:		
Receivables from exchange transactions	252	(88)
Other receivables from non-exchange transactions	(2 556)	(1 418)
Payables from exchange transactions	(76 116)	84 488
Income received in advance	-	(29 469)
	(69 225)	68 147

13. Financial instruments disclosure

Categories of financial instruments		
March 2024		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	312	312
Receivables from non-exchange transactions	384	384
Cash and cash equivalents	67 291	67 291
	67 987	67 987
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	23 110	23 110
March 2023		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	564	564
Receivables from non-exchange transactions	544	544
Cash and cash equivalents	136 516	136 516
	137 624	137 624
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	99 225	99 225

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Commitments

Lease commitments

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

	2024	2023
	R'000	R'000
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	6 723	6 482
- Later than 1 year but not more than 5 Years	4 555	11 278
	11 278	17 760

The entity discloses commitments in line with Grap standard and only disclosed the operating lease commitments in terms of GRAP 13 and did not have any capital commitments as at 31 March 2024.

15. Related parties

Relationships

Controlled entities of Gauteng Department of Economic Development

The Gauteng Liquor Board is trading as an entity of the Gauteng Department of Economic Development and its business operations are regulated as per the Gauteng Liquor Act no 2 of 2003. The entity under the control of MEC and the Accounting Officer of Gauteng Department of Economic Development. Gauteng Liquor Board receives a subsidy from Gauteng Department of Economic Development to run its operational costs, including office lease rentals. Gauteng Liquor Board is related to all Gauteng Provincial Government Departments and its trading entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature.

Related party balances

Balances - Owing (to) by related parties		
Gauteng department of Economic Development - Billed and Confirmed Balances	(6)	(687)
Gauteng department of Economic Development - Unbilled and Unconfirmed Balances	(289)	(277)
Provincial Revenue Fund - Trade payable surrender	(9 206)	(87 041)

The Gauteng Liquor Board is a sub program within business regulation and governance (program 4) and it is established as a trading entity of the Gauteng Department of Economic Development. The purpose of the Gauteng Liquor Board is to ensure effective governance and regulation of the liquor license industry and the collection of liquor license fees in accordance with the Gauteng Liquor Act no 2 of 2003 and section 23 of the Tariff Act structures. Effective from 2022/23 financial onwards, the Gauteng Liquor Board's budget will be appropriated in the budget book (EPRE).

Related party transactions

Service in kind

In the 2023/24 financial year Gauteng Liquor Board received the following services at no cost from the Gauteng Department of Economic Development:

- : Finance
- : Corporate services
- : Human Resources

In the 2023/24 financial year Gauteng Liquor Board received the following service at no cost from the Department of E-Government through Department of Economic Development:

- : Telephone Expenses

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

15. Related parties (continued)

Remuneration of management					
Management class: Executive management					
March 2024					
Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other long-term benefits	Total
Bodibe- Lushaba CK	796	66	464	-	1 326
Shabangu OM	819	68	478	11	1 376
Matlhaku P	813	68	281	-	1 162
	2 428	202	1 223	11	3 864
March 2023					
Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total	
Bodibe- Lushaba CK	758	63	463	1 284	
Shabangu OM	781	65	477	1 323	
Matlhaku P	336	17	123	476	
	1 875	145	1 063	3 083	

* The entity received in kind services from the Department of Economic Development for Chief Director, GLB position. Mr F Manamela was seconded to GLB at no costs to replace Mr. R Martin who was seconded to GDED. The amount paid by DED to Mr Manamela at no cost to GLB is R1 612 145,70 and the amount paid by GLB at no cost to DED is R1 644 546,40

16. Members' s emoluments

The Gauteng Liquor Board is a juristic person established in terms of Section 2 of the Gauteng Liquor Act, Act No 2 of 2003 (the Act) The Board does not perform the powers and functions of an executive board but performs the functions of an application board. In this regard the Board considers applications for liquor licenses and either grant or refuse such applications. The Board and Local committee members are remunerated based on the number of meetings held. Because of its status as a juristic person, the Board is sued directly and may institute legal actions instituted by and against the Board.

In terms of Section 3 of the Act the Board has the following powers and functions:

- (1) The Board shall receive applications referred to in section 21 from the local committees and after considering such applications.
- (2) The Board may, after the consideration by it or any other matter contemplated in this ACT
 - (a) Suspend for (an indefinite time or for such period as it may determine or withdraw from such date as it may determine, a license which is subject of a report, compliant or objection concerned, or any right privilege which is attached thereto.
 - (b) Declare the license concerned to be subject to such conditions or further conditions as it may in its direction impose.
 - (c) Rescind the suspension of the license concerned of any right of privilege which is attached thereto, with immediate effect or from such date as it may determine, subject to such conditions as it may in its discretion impose or,
 - (d) take any such other steps as it may think fit.

The board consist of 34 members appointed in terms of Section 4 of the Act. In addition the Act also make provision for the established local committees of the Board in each of the areas of the municipalities in the Province, known as Metropolitan Councils or Districts Council may determine.

Section 5 of the Act stipulates that a member shall be appointed for term not exceeding five (5) years and shall be eligible for reappointment at the lapse of the initial term. No person shall be reappointed as a member if the Board for more than two (2) terms. A member of the board shall be paid such remuneration and allowance out of the funds of the Board as the Member of Executive Council may determine.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Section 16 of the Act stipulates that the funds of the Board shall consist of -

- (a) Money approached by the Provincial Legislature; and
- (b) Money accruing to the Board from any other source approved by the Member of the Executive Council including fees paid in terms of the Act.

16. Members' s emoluments (continued)

	2024	2023
	R'000	R'000
Non-executive		
March 2024	Members' fees	Total
Lottering SR	109	109
Maboye MM	244	244
Madileng KM	66	66
Magerman TN	977	977
Magwaza SA	116	116
Maja KG	230	230
Mamabolo IM	64	64
Mamatela MMJ	13	13
Maseko RN	198	198
Mashiloane TL	24	24
Matsabu ML	85	85
Modise EM	183	183
Moeti RD	132	132
Mogwebi WW	92	92
Molebeledi L	113	113
Morabe TZ	281	281
More RE	109	109
Mthembu TP	145	145
Mudau SP	101	101
Mvelase MC	191	191
Nkosi DL	86	86
Nkuna BL	570	570
Pinana MC	81	81
Raborife MMM	226	226
Ramaputla MV	178	178
Lephekula SP	136	136
Serutha RF	482	482
Sithole E	67	67
Sithole ST	78	78
Tampe ME	187	187
Teffo BM	86	86
Thobejane PM	141	141
Tlagadi MP	86	86
V.D Westhuizen FJ	44	44
Vakalisa SM	76	76
Van Der Schyf Willem Nicolas	81	81
Van Eck Melony	155	155
	6 233	6 233

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

16. Members' s emoluments (continued)

	2024	2023
	R'000	R'000
March 2023	Members' fees	Total
Letlonkane J	517	517
Lottering SR	102	102
Mabaso STI	595	595
Maboye MM	343	343
Madileng KM	49	49
Magerman TN	993	993
Magwaza SA	160	160
Mamabolo LM	76	76
Mamatela MMJ	148	148
Mashiloane TL	66	66
Matsabu ML	97	97
Moeti RD	139	139
Mogwebi WW	92	92
Molebeledi L	56	56
Morabe TZ	431	431
More RE	111	111
Mthembu TP	150	150
Mudau SP	114	114
Nkosi DL	95	95
Nkuna BL	417	417
Pinana MC	78	78
Raborife M	393	393
Ramapuputla MV	157	157
Samuel PL	161	161
Serutha RF	375	375
Sithole E	85	85
Sithole ST	70	70
Tlagadi MP	96	96
Teffo BM	73	73
Thebejane PM	143	143
Van Der Westhuizen FJ	65	65
Vakalisa SM	94	94
Van Der Schyf	74	74
	6 615	6 615

17. Auditors' remuneration

Fees	950	851
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

1.8 Change in Accounting Estimate**Property, plant and equipment**

During the 2023/24 financial year, the entity reassessed the useful life of its assets in terms of GRAP 17. The change was accounted for as a change in accounting estimates in terms of GRAP 3 and resulted in a decrease in the depreciation amount for the current financial Year and future periods.

Effect of the change in accounting estimates	Computer Equipment	Furniture Equipment	Total
Depreciation amount after reassessment	33	34	67
Less: Depreciation amount before reassessment	(34)	(38)	(72)
Decrease in Depreciation	(1)	(4)	(5)

19. Risk management**Financial risk management****Liquidity risk**

The entity's risk to liquidity is as a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange transactions	18 139	4 966	5	-
At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payable from exchange transactions	96 487	2 738	-	-
Credit risk				

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	March 2024	March 2023
Penalties and other receivables	696	1 108
The entity did not individually rate its customers due to its diverse customer base.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

20. Prior period errors

The prior year figures have been restated due to the following errors and adjustments discovered in the current financial Year:

The 2022/23 trade and other payables were understated by an amount of R 762 123,94 due to an understatement of goods and services. Furthermore ,the 2022/23 Trade and other Payables were overstated by R 140 062,08 due to overstatement of goods and services by R 137 020,08 and overstatement of Board members emoluments by R 3 042 .The net effect of the prior period errors and adjustments increased trade and other payables by an amount of R 622 061,86 ; increased goods and services by an amount of R625 103,86 and decreased board members emoluments by an amount of R 3 042 .

The Prior years Accumulated surplus was understated by an amount of R 47 301,26 due to salary recall for employee who resigned in the 2019/20 financial year . The adjustment resulted in a decrease of trade and other payables by R 47 301,26

The net effect of these prior period errors and adjustment increased trade and other payables by an amount of R 574 760,60

The corrections and adjustment of the error(s) results in the following adjustments:

Statement of Financial Position -SFP- March 2023	As previously reported	Correction of error	Restated
Payables from exchange transactions	98 650	575	99 225
	98 650	575	99 225
Statement of Financial Performance			
March 2023	As previously reported	Correction of error	Restated
Goods and Services	13 888	625	14 513
Employee related costs	49 889	(3)	49 886
	63 777	622	64 399
Statement of Changes in Net Assets -SCNA- March 2023			
Accumulated Surplus	23 272	47	23 319
Disclosure notes to the Financial Statements - March 2023			

The prior year figures have been restated due to the following errors and adjustments discovered in the current financial Year:

The 2022/23 fruitless and wasteful expenditure disclosed figure was understated by an amount of R5 189.50 due to interest and sheriff costs that were identified in the current 2023/24 financial Year incurred in the 2022/23 financial year.

Fruitless and Wasteful Expenditure	As previously reported	Correction of error	Restated
Sheriff costs and Interests charged	15	5	20

21. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	2	20
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In terms of the new framework the entity is required to only disclose fruitless and wasteful expenditure incurred and confirmed in that particular financial year.

The full details and cumulative closing balances from prior years of fruitless and wasteful expenditure are now required to be disclosed in the annual report part E for PFMA compliance reports

Details of Fruitless and Wasteful expenditure		
Sheriff costs and Interests charged on overdue accounts	2	20

22. Irregular expenditure

Irregular Expenditure	-	-
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In terms of the revised framework the entity is required to only disclose irregular expenditure incurred and confirmed in that particular year .

The full details and cumulative closing balances from prior years of irregular expenditure are now required to be disclosed in the annual report part E for PFMA compliance reports

23. Segment Reporting

There are no reportable segments for Gauteng Liquor Board (GLB). GLB's specific operational objectives and major activities are administration of Liquor Licenses. All activities in relation to this are under one division named Liquor Administration. All Assets, Liabilities, Revenue and Expenses reported on the Annual Financial Statement are for Liquor Administration.





GAUTENG PROVINCE

ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

GPG Contact Centre
0860 GAUTENG (0860 428 8364)

Umnotho House, 56 Eloff Street,
Marshalltown, Johannesburg

Private Bag X 091, Marshalltown, 2107

Tel: +27 (0) 11 355 8000
Fax: +27 (0) 11 355 8730
Email: gdedenquiries@gauteng.gov.za
www.gauteng.gov.za

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  Gauteng Department of Economic Development

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