



# Corporate Plan

**2017-2020**

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**“Together we move the North West Province forward”**

**Approved by Board of Directors on the 16<sup>th</sup> March 2018**

## Statement by the Accounting Authority

It is hereby certified that this Corporate plan:

- ✚ Was developed by the management of the North West Development Corporation SOC Ltd (NWDC) under the guidance of the Board of Directors;
- ✚ Was prepared in line with the current Shareholder's Compact of the NWDC Group; and
- ✚ Accurately reflects the performance targets which the NWDC Group will endeavour to achieve given the resources made available in the 2018/2019 budget.



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**Ms Lungelwa Sonqishe**

Chief Financial Officer



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**Mr Tshepo Phetla**

Chief Executive Officer

**APPROVED FOR SUBMISSION TO LEGISLATURE BY:**



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**Mr Dali Duma**

Accounting Authority

## Abbreviations & Acronyms

Acronym	Description	Acronym	Description
<b>ACT</b>	Agriculture, Culture and Tourism	<b>MIDZ</b>	Mafikeng Industrial Development Zone
<b>BPO</b>	Business Process Outsourcing	<b>MTSF</b>	Medium Term Strategic Framework
<b>CEO</b>	Chief Executive Officer	<b>NEMA</b>	National Environmental Management Act
<b>CFO</b>	Chief Financial Officer	<b>NW/NWP</b>	North West Province
<b>COMESA</b>	Common Market for Eastern and Southern Africa	<b>NWAF</b>	North West Agricultural Fund
<b>CPI</b>	Consumer Price Index	<b>NWDC</b>	North West Development Corporation
<b>CSI</b>	Corporate Social Investment	<b>PDI</b>	Provincial Development Institution
<b>DEED</b>	Department of Economic & Enterprise Development	<b>PDP</b>	Provincial Development Plan
<b>EAC</b>	East African Community	<b>PEGA</b>	People's Economic Growth Agency
<b>EAP</b>	Employment Assistance Programme	<b>PFMA</b>	Public Finance Management Act
<b>EE</b>	Employment Equity	<b>PSA</b>	Public Servants Association of SA
<b>EEA</b>	Employment Equity Act	<b>RHR</b>	Reconciliation Healing and Renewal
<b>FDI</b>	Foreign Direct Investment	<b>SEZ</b>	Special Economic Zone
<b>FEED</b>	Department of Finance, Economy & Enterprise Development	<b>SME</b>	Small Medium Enterprise(s)
<b>FTA</b>	Foreign Trade Agreement	<b>SMME</b>	Small Micro Medium Enterprise(s)
<b>GDP</b>	Gross Domestic Product	<b>SOC</b>	State Owned Company
<b>HDI</b>	Human Development Index	<b>SOE</b>	State Owned Entity
<b>HOD</b>	Head Of Department	<b>SONA</b>	State of the Nation Address
<b>IBP</b>	Index of Buying Power	<b>SOPA</b>	State of the Province Address
<b>IHS</b>	Information Handling Services (Market Regional Explorer)	<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>IO</b>	Information Officer	<b>VTSD</b>	Villages, Townships and Small Dorpies
<b>LED</b>	Local Economic Development		
<b>MDC</b>	Maputo Development Corridor		

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## 1. Overview of the NWDC Group

### 1.1 The Establishment of the North West Development Corporation

**Table 1:** *Establishment of the NWDC*

<b>Name of the Public Entity</b>	North West Development Corporation SOC Ltd
<b>Establishment Date</b>	1999
<b>Reasons for the establishment of the Public Entity</b>	To plan, finance, coordinate, promote and carry out the economic development of the North West Province and its people in the fields industry, commerce, finance, mining, tourism enterprise-related activities and other business resulting in wealth and job creation while taking cognisance of aims and objectives of the Reconstruction and Development Programme of the Republic of South Africa.
<b>Information, Services or Goods provided</b>	<ul style="list-style-type: none"><li>• Property leasing</li><li>• Loans and bridging finance to SMMEs</li><li>• Assisting SMMEs to register and facilitate training</li><li>• Trade and Investment facilitation</li><li>• Establishment of SEZ</li><li>• Project management of projects</li><li>• Publishing of the North West Economic Data Report</li></ul>

### 1.2 Legislation empowering the NWDC to perform its functions

- a) The North West Development Corporation is currently a company registered in terms of the Companies Act 2008.
- b) The North West Development Corporation has been in continued existence for more than 40 years, although known by different names and governed by different statutes. It was initially established as a Corporation in terms of the provisions of the Promotion of the Economic Development of Bantu Homelands Act, 1968 (Act of 1968). It subsequently became known as Bophuthatswana National Development Corporation Limited in terms of the provisions of the Bophuthatswana National Development Corporation Limited Act, 1993 (Act 37 of 1993), which repealed Act 46 of 1968. The two latter Acts established and governed the existence of the NWDC (in the form of a statutory parastatal Corporation) in the former homeland of Bophuthatswana prior to the Constitution of the Republic of South Africa and the formation of the North West Province.
- c) On 5 September 1995 the Premier of the Province assented to the North West Development Corporation Limited Act, 1995 (Act 6 of 1995); the act established the NWDC Ltd, which succeeded to all of the assets and liabilities of the Bophuthatswana National Development Corporation Limited. Up to this point the NWDC was a statutory body in terms of the legislation mentioned.

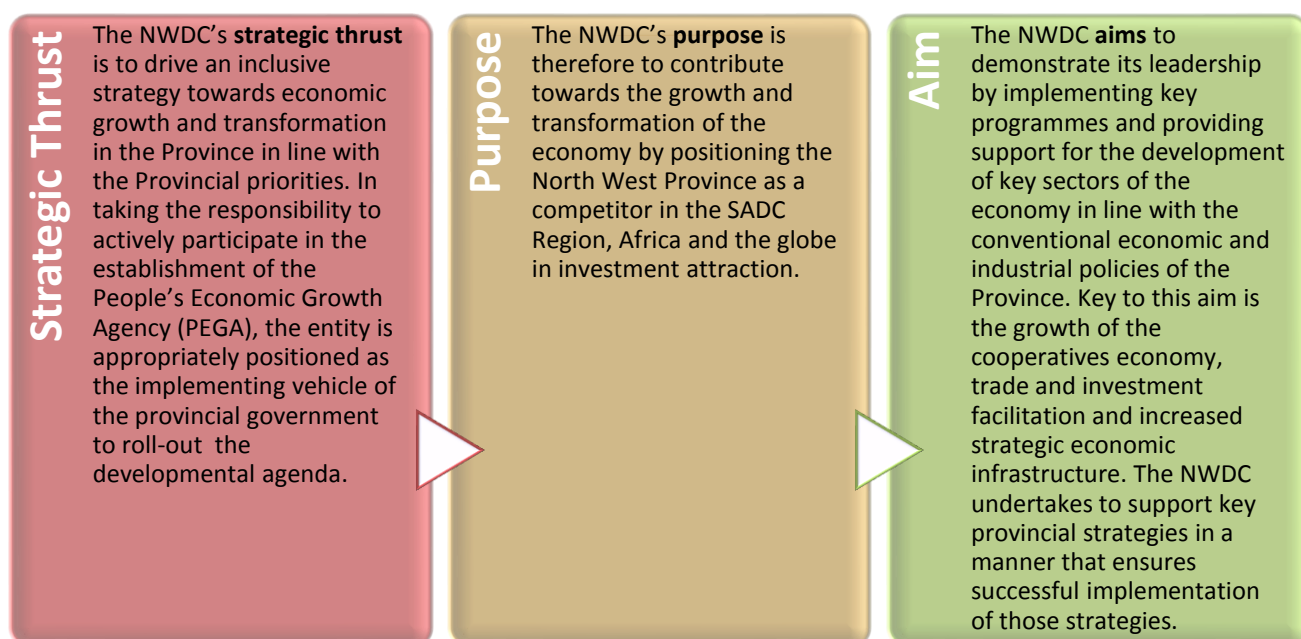
- d) On 3 February 1999 and in terms of the provisions of Section 28 of Act 6 of 1995, a notice was published in an Extraordinary Government Gazette, declaring that authorisation had been obtained to incorporate the NWDC Ltd as a private company. The respondent was duly registered with the Registrar of Companies on 8 February 1999 and registration number 1999/02625/07 was allocated to it.
- e) Since the Government Gazette of 3 February 1999 the NWDC has ceased to exist as a statutory body and is currently doing business as a company. The Companies Act of 2008 also changed the Pty to SOC (State Owned Company). See section 11(3)(c) of the Companies Act.
- f) Unfortunately the Act being Act 6 of 1995 has never been repealed, which has caused some confusion amongst the members of the NWDC. It is to be noted that the Act has fallen into disuse and should be repealed.

### 1.3 Stakeholders that the NWDC serve

**Table 2:** *NWDC Stakeholder servicing*

Name of Stakeholder	Short description of perceived or real Stakeholder needs	Economic Sector
<b>Provincial &amp; National Government Departments</b>	NWDC compliance to policy and legislative mandates and road maps; Feedback on execution of the above, where applicable	Government
<b>NWDC Clients</b> Tenants, SMMEs, Cooperatives, Investors and Requestors of Information	Efficient and professional service from the NWDC	Various, as per sector clients are from
<b>NWDC Suppliers</b>	Professional and ethical business conduct. Right to be paid within a reasonable time frame for services/goods rendered	Various
<b>North West University</b> (and similar niche institutions)	Reciprocal relationship of cooperation on matters of mutual interest and mutual mandates, such as trade, innovation and research	Academia
<b>Broad public of the North West Province</b>	Awareness of and accessibility to the service offerings of the NWDC	All
<b>Media</b>	Right to be informed of key news events and matters of public interest pertaining to the NWDC's execution of its mandate	Media
<b>Internal stakeholder: NWDC Staff</b> Includes trade union representatives	Right to be informed and listened to pertaining to all topics relevant and pertinent to the effective execution of their duties. Need to feel respected and valued	Not applicable

## 2. Purpose



In alignment with the provincial strategy, the NWDC's strategic intervention focuses on high impact programmes for:



### 3. Vision



To be the cornerstone of promoting trade, attracting investment, and ensuring economic growth and transformation in the North West Province.

#### 4. Mission

To contribute to the economic growth and transformation of the North West Province through:

- a) industrial development;
- b) commercial investment;
- c) property development and management;
- d) development of sustainable enterprises;
- e) trade and investment attraction; and
- f) project management & implementation

#### 5. Scanning the environment and building competencies

To be able to place the performance of the North West Province into perspective, it is necessary to consider the macro and micro economy from both a global and a South African perspective.

##### 5.1 Swot Analysis

An analysis of the strategic objectives of the NWDC indicated the following Strengths, Weaknesses, Opportunities and Threats:

**Table 3:** *Strengths, Weaknesses, Opportunities and Threats (SWOT)*

##### Strengths:

Description	NWDC Response
NWDC has a large portfolio of property and assets	Use property portfolio to raise capital
The official economic development implementing arm of Government in the province	Advancement of economic development particularly the VTSD economy
Provincial footprint	Diverse service delivery

##### Weaknesses:

Description	NWDC Response
Poor state of properties due to maintenance backlog	Enforce revenue collection and property management policy
Shortage of relevant skills to drive projects	Promote participation in Employee Assistance Programme

Lack of value chain – protocol to determine feasibility of new projects	Enforce project management framework (includes policy, procedures and checklist etc.)
Loss of brand recognition and loyalty due to major changes (name change to PEGA)	Sensitise stakeholders to brand change

### Opportunities:

Description	NWDC Response
The province has ample available resources including minerals, agriculture and wild life	Explore initiatives that will benefit the Province through beneficiation
Hosting SEZ	<ul style="list-style-type: none"> <li>Access national incentives</li> <li>Establishment of industrial parks</li> </ul>
Projects identified (SOPA)	Effective project implementation for financial gain and economic impact
Investment into the Province	Structured stakeholder engagements leading towards increase in current investment levels (FDI) and attraction of new investments
Access to VTSD opportunities for cooperatives on government spend	Enterprise development

### Threats:

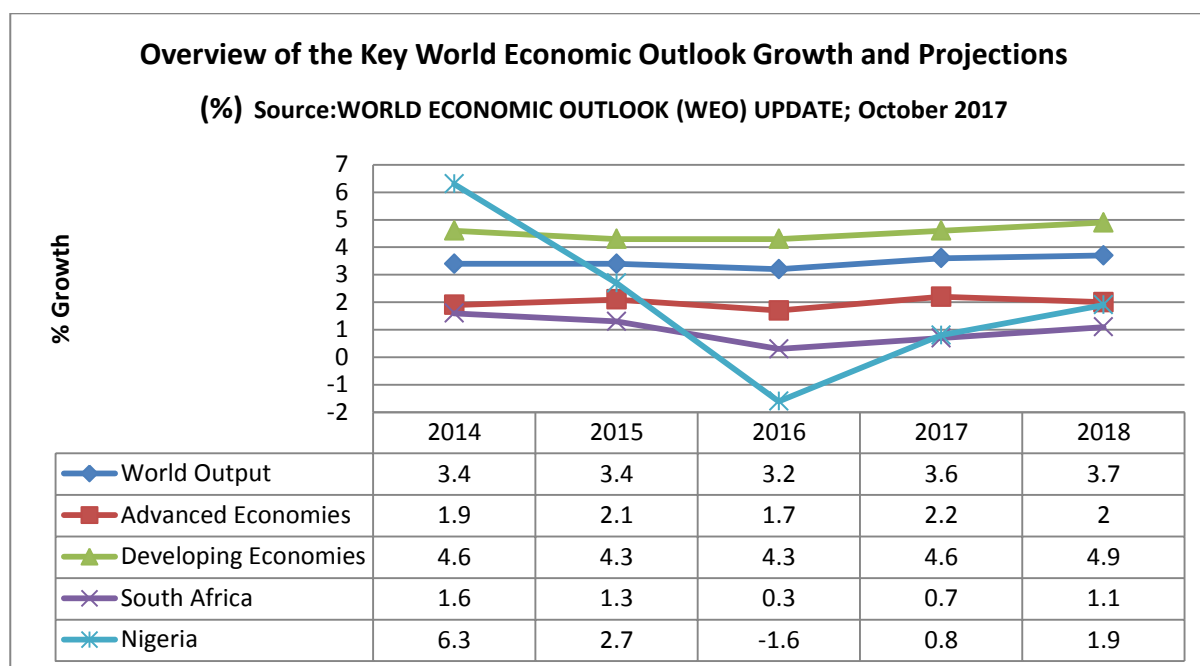
Description	NWDC Response
The organisation's going concern status	<ul style="list-style-type: none"> <li>Effective debt collection</li> <li>Increase of revenue generation capacity</li> </ul>
Poor reputational image	Improve customer relations and customer service
The reliance of the province on commodities creates vulnerability	Diversified economic sectors

## 5.2 Economic Overview

### 5.2.1 The Global Economy – Seeking Sustainable Growth Short-Term Recovery, Long-Term Challenges (Source: WORLD ECONOMIC OUTLOOK (WEO) UPDATE; October 2017)

The global upswing in economic activity is strengthening. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2%, is projected to rise to 3.6% in 2017 and to 3.7% in 2018. The welcome cyclical pick-up in global activity thus provides an ideal window of opportunity to tackle the key policy challenges—namely to *boost potential output while ensuring its benefits are broadly shared*, and to *build resilience against downside risks*. A renewed multilateral effort is also needed to tackle the common challenges of an integrated global economy.

**Table 4:** *Overview of the Key World Economic Outlook Growth and Projections as per the World Economic Outlook Update October 2017.*



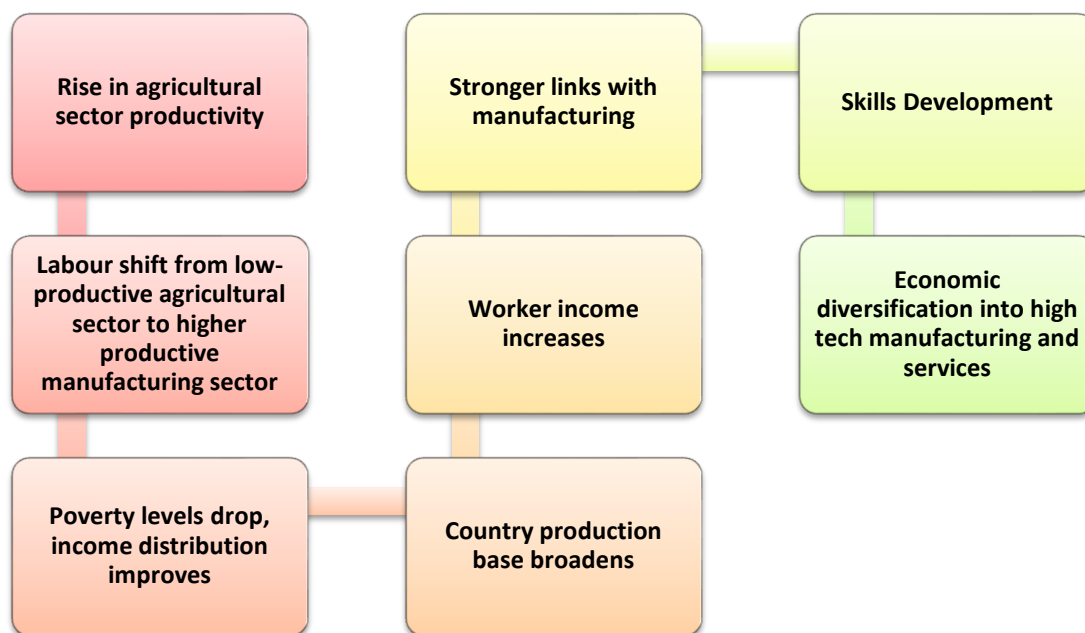
- US economic rebound improves global economic outlook while growth in Europe and China is stable.
- Commodity prices showed a sharp upturn during 2016 and early 2017 period, however, vulnerabilities remain, of which softer Chinese industrial production and stronger US Dollar pose the most significant in the near term.
- Growth prospects in Sub-Saharan Africa improve on the back of commodity price recovery but fiscal consolidation is expected to remain a drag on economic performance over the 2018/2019 period.
- South Africa faces unique challenges.
  - Structural factors to impede South Africa's growth performance in the short to medium term include a weakening fiscal backdrop, slowing investment, weaker business environment and consumer vulnerability as the most significant.
- Global risk factors also remain high. IHS Markit simulates the impact of a Trade War between the US and Mexico and China as well as a "hard" Brexit scenario on global and regional growth.

### 5.2.2 South African Economy

- The population of South Africa was estimated at 56.5 million at mid 2017.

- South Africa's gross domestic product (GDP) growth rate was 2.5% in the second quarter of 2017.
- Inflation Consumer Price Index (CPI) remains within the 3%-6% target of the Reserve Bank
- Unemployment rate was 27.7% for South Africa in Q2 2017 and 27.2% for the North West Province. (Source: Statssa Q2 2017)

The following structural transformation in the economy is needed:



### 5.2.3 Overview of the North West Province economy

- The NW region covers approximately 104 88 square kilometers, comprising 8.6% of the national area. The NWP is not densely populated when compared to the national population density. The NWP houses approximately 3.7 million people, 6.8% of the country's total population of which nearly 44% are in the Bojanala District.
- The table below summarises the *key demographic and socio-economic characteristics* of the NWP and its four district municipalities in context of the South African picture as per the 2016 IHS Global Insight Indicators.

**Table 5:** *Key indicators South Africa, North West Province and District Municipalities (2016)*  
(Source: Source: IHS Markit; Regional eXplorer 1070 (2.5y))

		South Africa	North West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
Region area km <sup>2</sup>		1 221 246	104 882	18 333	28 114	43 764	14 671
	% Share of SA		8,6%	17,5%	26,8%	41,7%	14,0%
Demographic	Total population	55 724 934	3 787 979	1 671 586	885 738	484 776	745 878
	% Share of region		6,8%	44,1%	23,4%	12,8%	19,7%

		South Africa	North West	Bojanala DM	Ngaka Modiri Molema DM	Dr Ruth Segomotsi Mompoti DM	Dr Kenneth Kaunda DM
Labour	EAP as % of total population, official definition	38,0%	33,0%	39,7%	25,2%	22,2%	34,3%
	Unemployment rate, official definition (%)	26,1%	27,4%	25,3%	28,5%	31,4%	30,4%
Income & Expenditure: Personal Income							
	Annual per capita income (Rand, current prices)	50 702	45 750	54 295	35 209	29 292	49 941
	Annual per household income (Rand, current prices)	180 429	153 359	165 660	133 164	110 153	169 819
Economic: Gross Domestic Product by Region (GDP-R)							
	<b>Constant 2010 prices (R 1000)</b> 2016	3 071 637 043	173 807 498	93 915 892	30 634 900	11 193 453	38 063 253
	% Share of SA	100,0%	5,7%	3,1%	1,0%	0,4%	1,2%
Tourism	<b>Total Tourism Spend (R 1000, Current prices)</b>	236 847 190	11 331 528	7 278 314	2 131 478	558 182	1 363 555
	<b>Total Tourism spend as % of GDP (Current prices) (2016)</b>	5,8%	4,6%	5,6%	5,0%	3,5%	2,4%
	Growth in Tourism (using bed nights) by origin 2016	-6,2%	-6,6%	-6,3%	-7,1%	-7,1%	-6,8%
International Trade	Exports as % of GDP	25,5%	9,4%	15,3%	2,7%	3,4%	3,0%
	Total trade as % of GDP	50,7%	11,6%	17,1%	3,3%	4,6%	7,8%

- c) The NW shows improvement in most of the developmental indicators (2009 used as baseline). Most notable is the improvement in the Human Development Index (HDI) currently at 0.60 up 0.52 in 2009. Similar improvements are seen in both the number and percentage of people living in poverty below the upper poverty line (Statssa defined), currently measured at 52.8% (59.1% in 2009) respectively. Improvements in all measures relating to schooling and education are also reported. The Index of Buying Power has also increased for the NW Province. IHS Global Insight's Index of Buying Power (IBP) indicates that 5% of the country's spending power is located in the NWP. Income levels in the NWP are below the national average (which is to be expected for the more rural areas in South Africa).

- d) The unemployment rate is slightly lower than that of the national average, while the percentage of people living in poverty is marginally higher than the national average. The NWP has a share of approximately 10.8% of national employment.

**Table 6:** *Statistical key indicators for employment in the North West Province*

	Jan-Mar 2016	Apr-June 2016	Jul-Sept 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-June 2017	Jul-Sept 2017	% Change Y on Y
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	
Population 15-64 yrs	2 456	2 468	2 479	2 490	2 501	2 512	2 523	1,8
Labour Force	1 284	1 259	1 294	1 304	1 328	1 343	1 332	2,9
Employed	924	915	900	959	976	978	983	9,3
Unemployed	360	344	395	345	353	365	349	-11,6
Not economically active	1 172	1 209	1 185	1 186	1 173	1 169	1 191	0,5
Discouraged work- seekers	251	259	229	231	254	269	294	28,3
Other	920	950	956	955	919	900	897	-6,1
<b>Rates (%)</b>								
Unemployment rate	28,1	27,3	30,5	26,5	26,5	27,2	26,2	-4,3
Employed / population ratio (Absorption)	37,6	37,1	36,3	38,5	39	38,9	39	2,7
Labour force participation rate	52,3	51	52,2	52,4	53,1	53,5	52,8	0,6

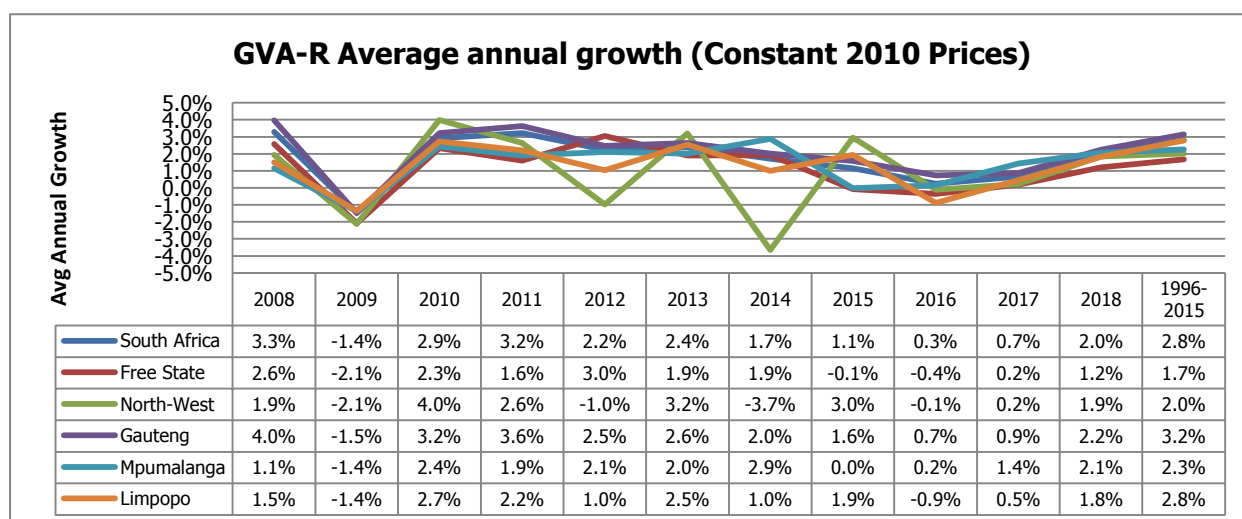
**Table 7:** *North West Sector Contributions to GDP (Current Prices) and Employment in 2016 (Source: IHS Markit; Regional eXplorer 1070 (2.5y))*

		Sector Contribution to GDP (2016)	Sector Contribution to Employment (2016)	Jobs created or lost from 2006 to 2016
<b>Primary Sector</b>	Agriculture	3%	6.3%	-32,600
	Mining	33%	17.6%	
<b>Secondary Sector</b>	Manufacturing	5%	7.7%	932
	Electricity	3%	0.4%	
	Construction	3%	7.2%	
<b>Tertiary Sector</b>	Trade	12%	20.7%	17,400
	Transport	7%	3.9%	
	Finance	13%	11.1%	
	Community Services	21%	25.1%	
<b>TOTAL</b>		<b>R264b</b>	<b>836,000</b>	<b>-14,268</b>
<b>As % of National GDP</b>		<b>6.1%</b>	<b>5.3%</b>	

- e) The 2016 Gini coefficient indicates that the level of equality is decreasing from 0.60 in 2009 to 0.61 in 2016 for the North West Province. This is a trend for South Africa and the District Municipalities as well.

- f) With regards to the economy, the Tress index provides insight into the level of concentration (or diversification) within an economic region. The North West economy is the second most concentrated provincial economy after the Eastern Cape and the Bojanala District has the highest concentrated economy due to the dominance of mining.
- g) The Average Annual growth rate for the North West Province has clearly improved from the 2014 figures.
- h) In the graph that follows the average annual growth of the North West Province is compared to the national growth figures and to Gauteng, Limpopo and Mpumalanga. It becomes clear that the North West Province's growth is more volatile which can be attributed to the heavy reliance on mining.

**Table 8:** *Average Annual Growth South Africa, North West, Free State, Gauteng, Mpumalanga and Limpopo*

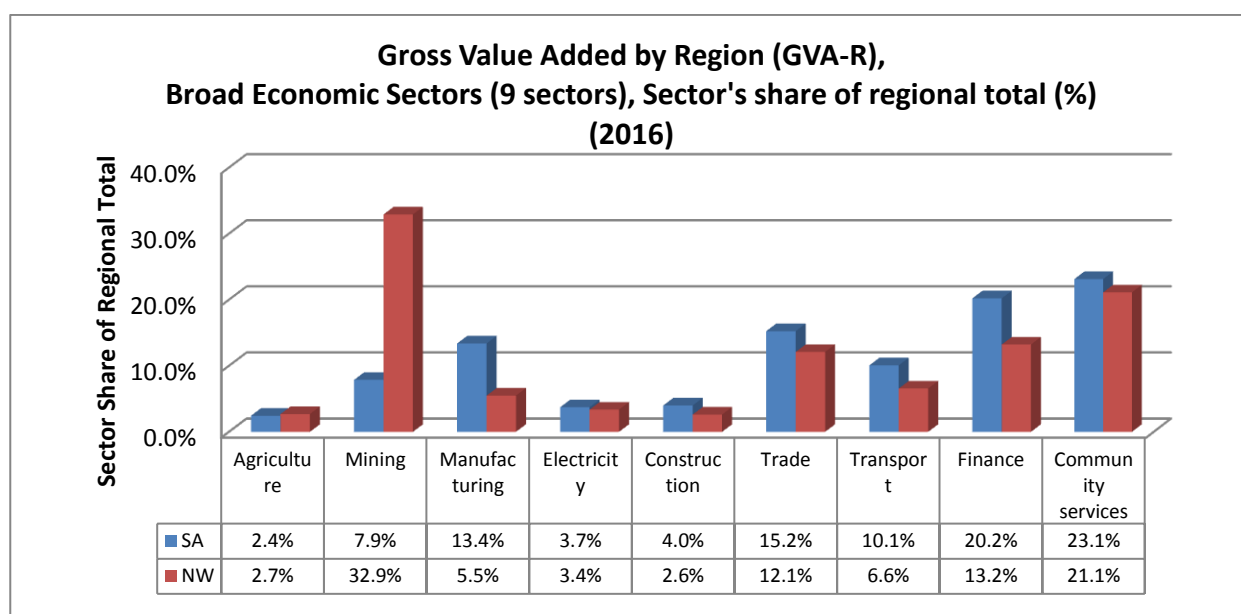


- g) The provincial economy is structurally unbalanced with the primary and tertiary sectors contributing more towards GDP-R and growing faster than the secondary sector. The situation is further exacerbated by limited water and electricity supply, the poor state of infrastructure, shortage of skilled labourers and rigid regulatory and legislative policies. A provincial input-output analysis points to a situation of high economic leakages and a dislocation of supply and demand across a number of industries. This has resulted in input and output activities between industries not operating in tandem, minimising the competitiveness of the province.
- h) With the focus of the 5<sup>th</sup> Administration on the economic sectors of agriculture, culture and tourism (ACT), it is important to indicate the relative importance of these sectors in the NWP. Agriculture (both narrow [2.8%] and broad [4.4%]) plays a smaller role than in most of the other provinces (with the exception of Gauteng and Limpopo). Along with most other provinces, except Gauteng, the Culture sector makes up a small part of GVA (2.7%). Culture and Tourism are difficult to isolate as they are spread across various sectors in the economy. The Tourism sector contributes more (19%) to

provincial GVA than Agriculture and Culture added together. In the total NWP economy ACT contributed approximately 23% of all value added in 2014.

- i) The graph below indicates the sector share contribution of the nine broad economic sectors to the economy of the NW Province. It should be noted that it is easier to implement a project related to sectors where the North West has a competitive advantage.

**Table 9:** *Sector share contribution of the nine broad economic sectors to the economy of the North West Province*



**Table 10:** *Areas with location quotients  $\geq 1.1$  (highlighted in blue) by broad economic sector in the NWP (2016) (Source: HIS Markit: Regional eXplorer 1070 (2.5y))*

AREA	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services
North-West (2016 boundaries)	1,10	4,18	0,41	0,90	0,65	0,79	0,65	0,65	0,91
<b>District Municipalities</b>									
BPDM	0,43	6,51	0,41	0,68	0,47	0,63	0,50	0,52	0,55
NMMDM	1,99	0,71	0,49	1,45	0,83	0,92	0,85	0,76	1,58
DRSMDM	3,32	0,83	0,29	1,35	1,02	1,06	0,90	0,90	1,25
DKKDM	1,33	2,47	0,38	0,89	0,83	0,99	0,78	0,80	1,15
<b>Local Municipalities</b>									
<b>BPDM</b>									
Moretele	0,33	0,25	0,77	2,07	0,83	1,17	0,90	1,32	0,97



AREA	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services
Madibeng	0,75	3,74	0,77	0,84	0,69	0,82	0,75	0,71	0,79
Rustenburg	0,25	9,00	0,20	0,33	0,29	0,41	0,31	0,34	0,32
Kgetlengrivier	0,52	9,07	0,19	0,25	0,33	0,38	0,36	0,27	0,34
Moses Kotane	0,37	5,71	0,21	1,20	0,50	0,87	0,46	0,52	0,72
<b>NMMDM</b>									
Ratlou	2,68	0,49	0,26	0,72	0,84	0,85	0,76	0,84	1,84
Tswaing	6,18	0,77	0,44	0,64	0,89	0,90	0,83	0,59	1,43
Mahikeng	0,88	0,30	0,28	1,53	0,75	0,92	0,80	0,88	1,87
Ditsobotla	2,83	1,11	0,91	0,61	1,00	0,88	1,09	0,66	1,23
Ramotshere Moiloa	1,38	1,14	0,46	3,41	0,69	1,02	0,62	0,64	1,36
<b>DRSMDM</b>									
Naledi	3,61	0,23	0,29	1,06	0,83	1,33	1,17	1,11	1,02
Mamusa	4,73	1,07	0,23	1,08	1,48	1,13	0,79	0,96	0,98
Greater Taung	1,27	1,20	0,17	2,09	0,85	0,95	0,77	0,94	1,42
Lekwa-Teemane	4,11	0,95	0,69	0,62	1,20	1,05	0,96	0,70	1,14
Kagisano/Molopo	4,70	0,66	0,17	1,36	1,05	0,83	0,80	0,65	1,64
<b>DKKDM</b>									
City of Matlosana	0,51	3,37	0,29	0,74	0,76	1,00	0,81	0,81	0,98
Maquassi Hills	5,33	1,73	0,40	0,72	1,24	0,99	0,75	0,64	1,08
JB Marks (Tlokwe/Ventersdorp)	2,03	1,13	0,51	1,16	0,89	0,97	0,74	0,81	1,42

### Framework of fundamental economic guiding principles: A policy agenda towards sustainable ACT

To enable stakeholders to move towards more sustainable ACT, there are many elements that are required or must be considered. They may include:

- Clustering;
- Linkages with local suppliers of goods and services;
- Skills and human resources development;
- Access to finance and investment;
- Institutional framework and mainstreaming of ACT in national policies;
- Promotion and marketing;

- Protection and conservation of cultural heritage.

## Conclusion

To ensure that ACT and VTSD provide employment and income opportunities in the long run and contribute to sustainable development, their operations, including the activities that are linked with them, must be sustainable. In terms of the Budget Speech of March 2018 of the MEC for Finance, Economy and Enterprise Development (FEED), the allocation for unemployment, poverty alleviation programmes and mining beneficiation initiatives amounts to R160 million over the MTEF period. These funds will be managed by NWDC Group (NWDC).

### 5.3 North West Location and Infrastructure

- Location is one of the NWP's greatest natural advantages. The main Cape Town to Zimbabwe railway line runs through the provincial capital of Mahikeng, linking the NWP to several southern African countries, including Angola, Zambia and Botswana. An extensive road network connects the major commercial centres of the province to the rest of the country via a network of 1 785 km of national roads. The vital east-west corridor links the eastern Africa seaboard at Maputo to the western African seaboard at Walvis Bay, running through the NWP en-route. Its strategic positioning has been further improved with the completion of the Trans Kalahari Corridor through Botswana and Namibia – and these developments bode well for a thriving business and tourism economy. In terms of airports, Mahikeng has an established airport with one of the longest runways in the world and Pilanesberg (near Sun City) also has an international airport, primarily servicing the tourism industry.
- Water is considered one of the key limiting factors to development in the NWP. The province is not only depleting its precious water reserves, but suffers from an additional problem – that of pollution of groundwater caused by both natural and human-induced factors including mining and industrial activities, agriculture and domestic use.
- With regards to electricity, the NWP has a well-developed electricity distribution network due to mining activities. Although the electricity crisis is under control, renewable energy solutions are becoming more affordable and should be considered for rural communities. Therefore, investment into renewable energy technologies for rural communities provides a unique opportunity.
- Bordering Botswana, the North West Province is ideally positioned to access the fourteen countries comprising the Southern African Development Community (SADC) and the development of the proposed Trans-Kalahari corridor will enhance North West Province access to the West African market.
- The North West Province's well developed road and rail links provide the platform and infrastructure for ground transportation deep into sub-Saharan Africa.
- The SADC Foreign Trade Agreement (FTA) signed in August 2008 provides access to a market of over 250 million consumers.

- g) Future FTA with SADC, Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC) will provide access to a market of over 700 million consumers.
- h) The North West Province offers easily available skills and distribution channels imperative for agricultural commercial ventures.
- i) The North West Province plays a significant role in the supply of energy, transport and communications to the continent.
- j) The North West Province is well positioned to a shared services hub for investors interested in African operations, especially for Sub-Saharan countries.

#### **5.4 Policy Guidelines**

- a) Given the economic growth forecasts, key demographic and socio-economic characteristics and the current economic and structural realities in the North West, the NWPG has an important role to play in setting the framework for growth and outlining the necessary actions to stimulate growth in areas such as innovation, research and development, skills, education, exports, FDI and entrepreneurship. This also means identifying and supporting business growth in areas where there is the greatest potential, whilst ensuring that the necessary economic infrastructure is in place to capitalise on the existing strengths and opportunities.
- b) The NWDC Group identified the following key and cross-cutting sectors, based on the renewed focus in the NWP

##### **Key economic sectors include:**

- Agriculture and agro-processing
- Culture
- Tourism
- Mineral beneficiation
- Manufacturing
- Green economy
- ICT

##### **Cross-cutting sectors include:**

- Small and medium enterprise (SME)
- International trade
- Innovation and R&D
- Business process outsourcing (BPO)

#### **VTSD & Geographical Economy - Spatial Economic Growth Context and Challenges**

- c) A major challenge is the poor degree of connection to urban centres because of insufficient public transport infrastructure. According to the World Bank 2009 report on transport prices and costs in Africa, connectivity remains a challenge in rural areas: around 70% of South Africa's rural populations live at least two kilometers away from

an all-season road. Rail and roads need upgrading and expansion to cope with the increasing volume of passenger and goods transport. The government has published a national infrastructure plan that outlines investment needs and plans over the next decade.

- d) The framework legislation for the use of communal land in traditional areas needs to be established as it creates uncertainty and affects the legality of various forms of land use, ranging from sub-letting plots of land to migrant mine workers to the establishment of industrial zones for long-term leases.
- e) The digital divide also remains deep. Access to high-quality communication services and technologies, infrastructure and content remains largely limited to the privileged few. Only 2% of households in rural areas had access to fixed-line internet infrastructure compared to 9.2% in urban and 16.2% in metropolitan areas in 2013. Consequently, 7 out of 10 South Africans are using their mobile telephones to log on to the internet.
- f) The spatial frameworks relying on an abstract design approach, and centred on the use of nodes and corridors, became a standard form of planning in South Africa. The Maputo Development Corridor (MDC) was launched in 1996 and represents the first regional corridor initiative in Southern Africa. The corridor aimed at increasing trade between and along its starting points in the Gauteng province and the Maputo harbour in Mozambique. It involves investment in roads, railways and ports. However, local populations along the corridor do not always benefit from greater connectivity.
- g) Based on the information above, NWDC will strive to close the gap by focusing on smart specialisation. Smart specialisation is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each area's strengths and competitive advantage. It aims to identify factors of competitiveness and to concentrate resources on key priorities. It also aims to harness area diversity by avoiding uniformity and duplication in investment goals. It combines goal-setting with a dynamic and entrepreneurial discovery process involving key stakeholders from government, community leaders/representatives business, academia and other knowledge-creating institutions.

## **5.5 Best Practices in State Owned Entities**

### **Presidential Review Committee Report**

- a) The review of SOEs provides an opportunity for post-1994 South Africa to redefine the configuration and the role of its SOEs to address economic, social and service delivery challenges facing the country. These challenges include access to quality service delivery, globalisation, unemployment, skewed distribution of income, access to land, housing and finance, and poor infrastructure – the burden of which is disproportionately borne by the majority of the population.
- b) South Africa aspires to be a developmental state. The review report provides an opportunity to align the SOEs to this agenda.

## **5.6 Organisational Environment**

- a) The NWDC is an implementing agent for the provincial government to drive the economy and to contribute to the economic growth and transformation of the North West Province.
- b) The NWDC Group must play a leadership and catalytic role in transformation and development. This should be achieved through transparent and development-focused procurement processes (70% local procurement from SMMEs and co-operatives in VTSDs); gender parity and progression; and targeted skills development in collaboration with other stakeholders (state, business and the community).
- c) The NWDC Group needs to implement projects in line with the provincial developmental agenda (ACT and VTSD). Furthermore, the NWDC needs to determine priority projects that shall yield the biggest impact in terms of job creation and enterprise development.
- d) It is imperative that the NWDC, through its investment strategy, has a high return objective to grow itself into a self-sustainable organisation, able to implement the developmental agenda. Furthermore, the NWDC is to become self-funded in the long term, focusing on increasing revenue through its property portfolio and investment activities.
- e) The NWDC as a State Owned Entity has been tasked to implement projects for the province. As it is an objective of NWDC to implement sustainable projects that contribute to economic transformation, it is crucial to base project implementation on thorough feasibility and other studies.
- f) It must be kept in mind that the commissioning of studies requires compliance with procurement procedures. Funds will also need to be sourced for the studies as NWDC does not have the financial resources. The time needed to conduct the studies and the cost of studies will be determined by the level of detail required.
- g) Once feasibility and business/implementation plans have been completed, these plans are to be used to source funding for projects. It must be noted that the quality of the feasibility and business plans influences sustainability, which in turn, determines the decision by investors or funding institutions to invest in or fund a project.
- h) Resources such as capacity, funds and time that are needed to execute projects, must be sourced; and performance depends on the ability to source resources.
- i) It must further be noted that the NWDC as well as its tourism subsidiaries is challenged by dilapidated infrastructure limiting it from being competitive in the market. The general industry norm is the frequent revamping and upgrading of facilities to ensure customer satisfaction. It is therefore crucial that NWDC obtains funding to improve its ability to increase revenue and achieve performance.

## 5.7 Current Organisational Environment

- a) The current organisational environment consist of:
  - Cash flow challenges;

- Concerns over unfavourable audit opinions;
- Migration added into PEGA;

**Table 11:** *Organisational challenges, impact and remedial action*

Components/Areas	Challenges	Impact	Remedial Action
<b>Strategy</b>	Lack of clear business strategy and limited organisational alignment	<ul style="list-style-type: none"> <li>• Financial loss</li> <li>• Lack of cohesion</li> <li>• Lack of service delivery</li> <li>• Poor economic growth</li> <li>• Job creation</li> </ul>	Clear business strategy that will address: <ul style="list-style-type: none"> <li>• Assessment and implementation of viable and financially beneficial projects</li> </ul>
<b>Structure</b>	To establish a well-aligned organisational structure	<ul style="list-style-type: none"> <li>• Unclear roles and responsibilities</li> <li>• Ineffective work distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Optimum utilisation of human capital</li> <li>• Attract new skills</li> </ul>
<b>Processes and Systems</b>	Centralised and integrated ICT infrastructure and systems	<ul style="list-style-type: none"> <li>• Wasted effort and duplication</li> <li>• Lack of disciplined execution</li> <li>• Risk of business continuity</li> </ul>	<ul style="list-style-type: none"> <li>• Upgrading of the infrastructure and equipment</li> <li>• Develop standard operating procedures</li> <li>• Integration of all systems into a centralised system</li> </ul>
<b>Performance Management</b>	Lack a high performance culture	Strategic objectives not achieved	Appointment of strategic leaders in key positions
<b>Continuous Improvement</b>	High retention rate with low qualifications and skills	The organisation has reached a level of stagnation	Transforming the culture from being reactive to being proactive through development

## 5.8 Moving forward

- The NWDC is embarking on a process to finalise and implement the new organisational structure. The new organisational structure is aligned with the strategy of the provincial priorities. The focus will move from conventional methods to a project-based approach for better implementation of deliverables.
- The filling of executive management commenced and the NWDC appointed the Chief Executive Officer and the Chief Financial Officer in June and December 2017 respectively.
- The NWDC, as a State Owned Entity, aims to match the private sector's performance standards to become a world-class player. The NWDC will be structured and capacitated in a manner that will enable it to implement projects effectively and efficiently.

## 6. Supporting Values

**Table 12:** *Core values and the interpretation thereof*

Strategic	<p><b>Fairness:</b> Acting with objectivity, empathy, integrity and transparency</p> <p><b>Focus (Batho Pele):</b> Focusing on people, economic and rural development</p> <p><b>Diversity:</b> Show a positive feeling of high regards towards another or entity irrespective of race, gender, religious persuasion, etc.</p> <p><b>Professionalism:</b> To behave professionally in all circumstances by showing respect, good judgement and cooperation to customers and colleagues</p> <p><b>Innovation:</b> To be able to translate ideas or inventions into goods or services that create value which customers will pay for</p>	Operational	<p><b>Integrity:</b> To demonstrate ethical behaviour by doing the right thing at all times and in all circumstances whether or not anyone is watching</p> <p><b>Accountability:</b> Taking responsibility for own actions; an obligation to one's self</p> <p><b>Customer-Orientated:</b> Client needs and satisfaction are one of the NWDC's biggest priorities. This includes responding promptly and respectfully to consumer complaints and queries</p> <p><b>Saamwerk-Saamtrek:</b> In alignment with the Premier's office we work together ("saamwerk"), giving direction and motivation ("saamtrek"). Good communication will prevent working in silos and duplicating work or research already done</p>
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## 7. Operating Principles

The NWDC bases its operating principles on the NWDC / PEGA Act including the following:

- The entity and government agrees on appropriate funding principles and models that comply with the PFMA and legislation.
- Financial viability of the entity should be ensured while it delivers on its core mandates as well as meet its determined developmental objectives.
- A good accounting system will support monitoring of financial performance.
- Performance should be assessed on the basis of efficiency and effectiveness as well as service delivery.
- The entity will play a leadership and catalytic role in economic transformation and development.

## 8. Business Standards

- The NWDC focuses on creating a business environment that is conducive to ease of access to information required for decision making through the development of information systems and information technology.
- The NWDC is committed to the development and maintenance of a work environment that is safe, actively fosters personal development and integrity, builds teamwork and values performance.

- c) The NWDC focuses on the development of information and knowledge to assist the entity in making better informed decisions and resulting actions affecting the well-being of the NWDC and its clients.
- d) The NWDC operates under the following principles guiding the entity in its approach to business operations and strategic planning:
- Fairness
  - Integrity
  - Accountability
  - Professionalism
  - Innovation and
  - Customer-orientated.

## 9. Strategic Goals (Long-Term)

Strategic Outcome-Oriented Goal of the NWDC: **Improved economic growth**

The NWDC Group has adopted the following Strategic Objectives for the next five years:

**Table 13:** *NWDC Strategic Objectives and Measurable Goals*

<b>Strategic Objective 1:</b>	<b>Maintain the going concern of the NWDC Group by achieving sustainability ratios annually</b>
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Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Going concern or liquidity (failure to pay our creditors)	High	To create cash reserves equivalent to 1% of total assets	Medium
Potential revenue loss on assets outside the Province	High	Disposal of the market value	Medium
Failure of internal controls Systems	Medium	<ul style="list-style-type: none"> <li>• Annual reviews and compilation and updating of relevant policies and procedures and other legislated registers (SCM, Risk, etc.)</li> <li>• Develop Company Standard Procedure Manual</li> <li>• Appointment of Compliance Officer as per the approved structure</li> </ul>	Medium
Poor rental collections in respect of tenants	High	<ul style="list-style-type: none"> <li>• Enhance lease agreements</li> <li>• Enhance the application requirements</li> <li>• Review the organisational structure</li> </ul>	Medium



Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Poor repayment collections in respect of loans	High	<ul style="list-style-type: none"> <li>Debt recovery</li> <li>Strengthen loan agreements</li> <li>Enhance the assessment phase of the application process (proper due diligence)</li> <li>Render effective aftercare services to clients</li> </ul>	Medium

**Strategic Objective 2:** Contribute annually to the GDP economic growth and transformation of the NWP through multiplying initial investments

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Failure of projects due to lack of funding and /or financing	High	<ul style="list-style-type: none"> <li>Source external funding to complement own funding</li> <li>Directive</li> <li>Enforce implementation of Project Management Policy</li> </ul>	Low
Major project failure (reputational risk)	Medium	<ul style="list-style-type: none"> <li>Follow due processes in project development and implementation of Project Management Policy</li> <li>Stakeholder Management</li> </ul>	Medium
Failure of the economic transformation programme	High	<ul style="list-style-type: none"> <li>Obtain VTSD economic statistics</li> <li>Develop funding model</li> <li>Develop and monitor the economic transformation implementation plan</li> </ul>	Medium

**Strategic Objective 3:** Increase the NWDC Group capacity by implementing operating systems

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Lack of succession plan	High	Develop comprehensive organisational plan e.g. managerial, retirement plans, business continuity, business optimisation etc.	High

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Inability to implement systems and processes	High	Implementation of the following: <ul style="list-style-type: none"> <li>Consequence Management</li> <li>Training &amp; Development</li> <li>Change Management</li> </ul>	Medium
Lack of integrated IT system	High	<ul style="list-style-type: none"> <li>Call for RFPs for integrated IT system</li> <li>Advance IT training on IT platforms e.g. Oracle, SAP</li> </ul>	Medium

**Strategic Objective 4:** Conduct annual surveys to measure the quality of services rendered by the NWDC Group

Possible Risk Factors	Inherent Risk Rating	Mitigation/ Remedial Action	Residual Risk Rating
Lack of pro-active and effective communication across the organisation	High	<ul style="list-style-type: none"> <li>Acquisition and customisation of Sharepoint software as per the organisation's communication requirements</li> <li>Survey Monkey</li> <li>Enhance internal communication between business units</li> <li>Inter departmental meetings</li> <li>Customer relations training</li> </ul>	Medium
Inability to meet Shareholder and Stakeholders' expectations	High	<ul style="list-style-type: none"> <li>Enforcement of the implementation of Shareholder and Stakeholder engagement</li> <li>Filling of vacant executive positions</li> </ul>	Medium

## 10. Objectives

### 10.1 Objectives: Short to Medium Term (over the next 3 years)

<b>Programme 1:</b>	<b>Property Development &amp; Management</b>
<b>Purpose of the Programme:</b>	To ensure the development and management of the property portfolio
<b>Strategic Objective applicable:</b>	Maintain the going concern of the NWDC Group by achieving sustainability ratios annually

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
1.1	Value of current rental collected within 30 days	0	0	0	-	R168m	R180m	R195m
1.2	Percentage of occupancy rate for lettable properties	-	-	-	-	90%	95%	95%
1.3	Value of amount spent on maintenance of lettable properties	-	-	-	-	R16.8m	R18m	R19.5m
1.4	Number of vacant sites earmarked for development	-	-	0	-	5	5	1

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1	Value of current rental collected within 30 days	Monthly	R168m	R42m	R42m	R42m	R42m
1.2	Percentage of occupancy rate for lettable properties	Annually	90%	90%	90%	90%	90%
1.3	Value of amount spent on maintenance of lettable properties	Quarterly	R16.8	R4.2m	R4.2m	R4.2m	R4.2m

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.4	Number of vacant sites earmarked for development	Annually	5	0	0	1	4

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of current rental collected within 30 days	R168m	R161m-R168m	R120m-R160m	R100m-R119m	R80m-R99	Below R99m
Percentage of occupancy rate for lettable properties	90%	88%-90%	85%-87%	80%-84%	75%-79%	Below 75%
Value of amount spent on maintenance of lettable properties	R16.8m	R16.1m-R16.8m	R9m-R16m	R1m-R8m	Below R1m	Zero spent
Number of vacant sites earmarked for development	5	4-5	3	2	1	0

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of current rental collected within 30 days	R168m	Below R120m	R120m-R167m	R168m	R169m-R176m	Above R176m
Percentage of occupancy rate for lettable properties	90%	Below 84%	85% to 89%	90%	91% to 99%	100%
Value of amount spent on maintenance of lettable properties	R16.8m	R1m-R8m	R9m-R16.7m	R16.8m	R17m-R18m	R19m-R21m

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of vacant sites earmarked for development	5	0 to 2	2 to 4	5	6 to 7	8 and above

<b>Programme 2:</b>	<b>Platinum Valley Special Economic Zone (SEZ)</b>
<b>Purpose of the Programme:</b>	To increase strategic development of economic infrastructure
<b>Strategic Objective applicable:</b>	Contribute annually to the GDP economic growth and transformation of the NWDC by multiplying the initial investments

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
2.1	Number of approved SEZ Master Plans	0	0	0	0	1	0	0
2.2	Value of investment attracted into the SEZ	0	0	0	R500m	R2b	R2b	R2b
2.3	Value of Zone Infrastructure Development	0	0	0	R250m	R750m	R1b	R1.5b

**Table 3: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.1	Number of approved SEZ Master Plans	Annually	1	0	0	0	1
2.2	Value of investment attracted into the SEZ	Annually	R1b	0	0	0	R2b

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.3	Value of Zone Infrastructure Development	Annually	R750m	0	0	0	R750m

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Number of approved SEZ Master Plans	1	Draft plan already submitted for approval by the Board	Draft plan available and adopted by Executive Management	Draft plan available but not submitted to Executive Management for adoption	No plan drafted	No plan drafted
Value of investment attracted into the SEZ	R2b	R1.7b-R2b	R1.4b-R1.69b	R1b-R1.39b	R500m-R999m	Below R500m
Value of Zone Infrastructure Development	R750m	R600m-R750m	R300m-R599m	R150m-R299m	Below R150m	0

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of approved SEZ Master Plans	1	0	0	1	n/a	n/a
Value of investment attracted into the SEZ	R2b	Below R1.4b	R1.4b-R1.69b	R1.7b-R2b	R2.1b-R2.5b	Above R2.5b
Value of Zone Infrastructure Development	R750m	Below R300m	R300m-R599m	R600m-R750m	R750m-R1b	Above R1b

### Programme 3: SMME Development & Management

<b>Purpose of the Programme:</b>	<b>To develop sustainable enterprises</b>
<b>Strategic Objective applicable:</b>	<b>Maintain the going concern of the NWDC Group by achieving sustainability ratios annually</b>

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
3.1	Value of loans disbursed	-	-	R24,818m	-	R20m	R25m	R30m
3.2	Amount recovered from collections	-	-	-	-	R4m	R9m	R12m
3.3	Number of SMMEs and Cooperatives registered at CIPC	-	-	-	1 000	600	600	600
3.4	Value of funding sourced from financial institutions for training of SMMEs and Cooperatives	-	-	-	-	R1m	R2m	R2m
3.5	Number of SMMEs and Cooperatives trained for development	-	-	-	-	400	400	400

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
3.1	Value of loans disbursed	Quarterly	R20m	R5m	R5m	R5m	R5m
3.2	Amount recovered from collections	Quarterly	R4m	R1m	R1m	R1m	R1m
3.3	Number of SMMEs and Cooperatives registered at CIPC	Quarterly	600	150	150	150	150
3.4	Value of funding sourced from financial institutions for training of SMMEs and Cooperatives	Quarterly	R1m	R250k	R250k	R250k	R250k
3.5	Number of SMMEs and Cooperatives trained for development	Quarterly	400	100	100	100	100

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of loans disbursed	R20m	R18m-R20m	R16m-R17.9m	R14m-R15.9m	R10m-R13.9m	Below R10m
Amount recovered from collections	R4m	R3.6m – R4m	R3m – R3.59m	R2.6m – R2.9m	R2m – 2.59m	Below R2m
Number of SMMEs and Cooperatives registered at CIPC	600	500-600	400-500	300-400	200-300	Below 200
Value of funding sourced from financial institutions for training of SMMEs and Cooperatives	R1m	R800,000 – R1m	R600,000 – R799,000	R400,000 – R599,000	R200,000 – R399,000	Below R200,000
Number of SMMEs and Cooperatives trained for development	400	360-400	260-359	160-259	110-159	Below 110

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of loans disbursed	R20m	Below R16m	R16m-R19.9m	R20m	R21m-R25m	Above R25m
Amount recovered from collections	R4m	Below 3.6m	R3.6m – R3.9m	R4m	R5 – R7m	Above R 7
Number of SMMEs and Cooperatives registered at CIPC	600	Below 300	300-499	500-600	601-650	Above 650
Value of funding sourced from financial institutions for training of SMMEs and Cooperatives	R1m	Below 600,000	R600,000 – R999,000	R1m	R1.1m – R1.2m	Above R1.2m



KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of SMMEs and Cooperatives trained for development	400	Below 260	260-399	400	401-440	Above 440

<b>Programme 4:</b>	<b>Trade &amp; Investment Facilitation</b>
<b>Purpose of the Programme:</b>	To attract foreign and local direct investments into the NWP, promote exports and facilitate market access for local businesses
<b>Strategic Objective applicable:</b>	Contribute annually to the GDP economic growth and transformation of the NWDC through multiplying initial investments

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
4.1	Value of successful investment projects facilitated into the North West Province	0	R0m	R98m	-	R100m	R200m	R500m
4.2	Number of trade and investment initiatives with local and district municipalities	-	8	-	-	4	4	4
4.3	Value of exports facilitated per annum	-	-	-	-	R20m	R30m	R40m
4.4	Number of companies assisted with access to export markets	-	17	25	-	10	15	20

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4.1	Value of successful investment projects facilitated into the NWP	Annually	R100m	0	0	0	R100m
4.2	Number of trade and investment initiatives with local and district municipalities	Quarterly	4	1	1	1	1
4.3	Value of exports facilitated per annum	Annually	R20m	0	0	0	R20m
4.4	Number of companies assisted with access to export markets	Quarterly	10	3	3	2	2

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Value of successful investment projects facilitated into the North West Province	R100m	R80m-R100m	R60m-R79m	R40m-R59m	R20m-R39m	Below R20m
Number of trade and investment initiatives with local and district municipalities	4	4	3	2	1	0
Value of exports facilitated per annum	R20m	R16-20m	R12 - R16.9m	R8 – R11.9m	R5 – R7.9m	Below R5m
Number of companies assisted with access to export markets	10	9-10 companies	7-8 Companies	6 companies	5 companies	4 and below

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Value of successful investment	R100m	Below R40m	R40m-R79m	R80m-R100m	R101m-R120m	Above R120m

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
projects facilitated into the North West Province						
Number of trade and investment initiatives with local and district municipalities	4	0-1	2-3	4	5	6 and above
Value of exports facilitated per annum	R20m	Below 16m	R16m-20m	R20m	R21m - R25m	Above R25m
Number of companies assisted with access to export markets	10	7 and below	8-9 companies	10 companies	11-13 companies	14 and above

<b>Programme 5:</b>	<b>Economic Development Projects</b>
<b>Purpose of the Programme:</b>	To facilitate and implement funded projects
<b>Strategic Objective applicable:</b>	Contribute annually to the GDP economic growth and transformation of the NWDC through multiplying initial investments

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
5.1	Number of funded projects to be implemented	0	0	3	6	11	8	8

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
5.2	Number of jobs created through projects implemented	0	0	0	100	500	100	100

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
5.1	Number of funded projects to be implemented	Annually	11	0	2	3	6
5.2	Number of jobs created through projects implemented	Annually	500	0	20	80	400

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Number of funded projects to be implemented	11	10-11	8-9	5-7	3-4	2 and below
Number of jobs created through projects implemented	500	450-500	300-449	200-299	100-199	99 and below

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of funded projects to be implemented	11	Below 9	9 -10	11	12-13	14 and above
Number of jobs created through projects implemented	500	Below 400	400-500	500	501-550	Above 551

<b>Programme 6: Mining</b>	
<b>Purpose of the Programme:</b>	To contribute towards the transformation of the mining economy
<b>Strategic Objective applicable:</b>	Contribute annually to the GDP economic growth and transformation of the NWDC through multiplying initial investments

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
6.1	Number of mineral beneficiation investment opportunities participated in	-	-	-	-	1	1	1
6.2	Number of prospecting rights funded annually	-	-	-	-	4	2	2
6.3	Number of mining licenses applied for annually	-	-	-	-	4	2	2

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.1	Number of mineral beneficiation investment opportunities participated in	Annually	1	0	0	0	1
6.2	Number of prospecting rights funded annually	Annually	4	1	1	1	1
6.3	Number of mining licenses applied for annually	Annually	4	0	2	1	1

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Number of mineral beneficiation opportunities participated in	1	1 opportunities	0 opportunities	0 opportunities	0 opportunities	0 opportunities
Number of prospecting rights funded annually	4	4	3	2	1	0
Number of mining licenses applied for annually	4	4	3	2	1	0

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of mineral beneficiation opportunities participated in	1	0	0	1	2	3
Number of prospecting rights funded annually	4	2 and below	3	4	5	6
Number of mining licenses applied for annually	4	2 and below	3	4	5	6

<b>Programme 7: Tourism</b>	
<b>Purpose of the Programme:</b>	To manage, promote and grow hospitality and eco-tourism in the NWP
<b>Strategic Objective applicable:</b>	Contribute annually to the GDP economic growth and transformation of the NWDC through multiplying initial investments

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
7.1	Percentage increase in revenue measured for the year against prior year same period	-	-	-	-	17%	20%	25%
7.2	Percentage increase in occupancy for the year measured against prior year same period	-	-	-	-	8%	8%	10%

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
7.1	Percentage increase in revenue measured for the year against prior year same period	Quarterly	17%	15%	20%	18%	15%
7.2	Percentage increase in occupancy for the year measured against prior year same period	Quarterly	8%	6%	9%	10%	7%

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Percentage increase in revenue measured for the year against prior year same period	17%	15%-17%	12%-14%	8% - 11%	5% - 7%	4% and below
Percentage increase in occupancy for the year measured against prior year same period	8%	7% - 8%	5% - 6%	4%	2% - 3%	1% and below

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Percentage increase in revenue measured for the year against prior year same period	17%	14% and below	15% - 16%	17%	18% - 20%	21% and above
Percentage increase in occupancy for the year measured against prior year same period	8%	5% and below	6% - 7%	8%	9% - 12%	13% and above

## Programme 8: Financial Management

**Purpose of the Programme:** To improve the going concern status for the NWDC Group

**Strategic Objective applicable:** Maintain the going concern of the NWDC Group by achieving sustainability

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021



Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
8.1	Percentage achievement of the Financial Development Plan	0	0	0	0	100%	100%	100%

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
8.1	Percentage achievement of the Financial Development Plan	Annually	100%	100%	100%	100%	100%

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Percentage achievement of the Financial Development Plan	100%	95% - 100%	85% - 94%	75% - 84%	60% - 74%	Below 60%

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Percentage achievement of the Financial Development Plan	100%	Below 85%	85% - 99%	100%	n/a	n/a

<b>Programme 9: Support Services</b>	
<b>Purpose of the Programme:</b>	To improve the going concern status for the NWDC Group
<b>Strategic Objectives applicable:</b>	<ul style="list-style-type: none"> <li>• Maintain the going concern of the NWDC Group by achieving sustainability</li> <li>• Increase the NWDC Group capacity by implementing operating systems</li> <li>• Conduct annual surveys to measure the quality of services rendered by the NWDC Group</li> </ul>

**Table 1: Performance Indicators and Annual Targets for 2018/2019**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
9.1	Number of Unit/Department Operational Plans monitored	0	0	0	64	72	72	72
9.2	Percentage collection of historical debt prior to 1 December 2017	0	0	0	0	50%	50%	50%

**Table 2: Quarterly Targets for 2018/2019**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2018/2019	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
9.1	Number of Unit/Department Operational Plans monitored	Quarterly	72	18	18	18	18
9.2	Percentage collection of historical debt prior to 1 December 2017	Annually	50%	12.5%	12.5%	12.5%	12.5%

**Table 3: Risk Appetite for 2018/2019**

KPIs	Annual Target 2018/2019	Negligible (1)	Significant (2)	Major (3)	Critical (4)	Catastrophic (5)
Number of Unit/Department Operational Plans monitored	72	68-72	60-67	50-59	40-49	Below
Percentage collection of historical debt prior to 1 December 2017	50%	45% - 50%	35% - 44%	25% - 34%	15% - 24%	14% and below

**Table 4: Performance Management for 2018/2019**

KPIs	Annual Target 2018/2019	Unacceptable Performance (1)	Not Fully Effective (2)	Fully Effective (3)	Significantly Above Expectations (4)	Exceptional Performance (5)
Number of Unit/Department Operational Plans monitored	72	59 and below	60-67	72	n/a	n/a
Percentage collection of historical debt prior to 1 December 2017	50%	24% and below	25% - 44%	45% - 50%	51% - 60%	61% and above

## 11. Employment Equity Strategy

### Employment of previously disadvantaged individuals in terms of both race and gender

#### 11.1 Formal Statement of Commitment

North West Development Corporation (NWDC) takes its obligation seriously and there is a plan that has been designed to demonstrate its commitment to employment equity and diversity among its employees within an economically viable environment.

In developing the EE targets, the national and regional statistics for the economically active population (EAP) as supplied by Statistics South Africa will be taken into account.

NORTH WEST	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
	53,6%	0,7%	0,2%	4,4%	36,3%	0,9%	0,2%	3,7%	

**Source:** Stats SA QLFS Q4 2017

These figures are subject to review as and when updated statistics are released by Stats SA.

#### 11.2 Employment Equity Transformation Process

The NWDC was merged with the two State Owned Entities called Mahikeng Industrial Development Zone (MIDZ) and Invest North West. The merger took place in April 2013 and the merged entities have been absorbed in the NWDC Group.

The corporation is still undergoing the process of accurately merging employees from the entities into the new organisational structure.

The purpose of the plan is to identify and set measures for:

- Eliminating any discrimination
- Dismantling barriers to Employment Equity
- Achieving representation of designated groups

#### 11.3 Employment Equity Communication Strategy

Communication has been identified as one of the success factors in achieving Employment Equity in the workplace. Its intention is to make employees and other stakeholders aware of the content and application of the EEA. It is envisaged that the process of structured communication will prepare stakeholders for their effective participation and meaningful contribution to the EE process.

The communication strategy consists of the following components:

- Stakeholder meetings
- Internal newsletter

- Posters
- Electronic communication
- Notice boards
- Display of EEA summary (EEA3) in strategic locations

#### 11.4 Consultation

NWDC shall take reasonable steps to consult and reach agreement on all matters of consultation as contemplated in section 17 of the EEA. The parties to consultation shall be:

- Representative trade unions (PSA)
- Employees or their nominated representatives
- NWDC management
- HR functional line services – facilitation role

The nominated employee representatives shall reflect the interests of the following workforce groupings:

- Employees from designated groups
- Employees who are not from designated groups
- Unionised employees
- Non-unionised employees
- People with disabilities

**Table 14:** *Consultative Structures*

The following stakeholders are recognised for various consultation purposes	Aspects included in the consultation process	Process Management
<ul style="list-style-type: none"> <li>•NWDC Employment Equity Committees</li> <li>•Social &amp; Ethics Committee</li> <li>•Public Servants Association of South Africa (PSA) Union</li> <li>•Human Resource and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>•Analysis of the workforce profile</li> <li>•Employment policies, procedures and practices</li> <li>•Identification of employment barriers and steps to eliminate them</li> <li>•Affirmative action measures</li> <li>•Advancement of employees, particularly from designated groups</li> <li>•Organisation-specific circumstances</li> <li>•Industry-specific circumstances</li> <li>•Department-specific circumstances</li> </ul>	<ul style="list-style-type: none"> <li>•The HR Department shall facilitate and manage the consultation process</li> <li>•The HR Department, through its administration shall be responsible for record-keeping</li> <li>•The consultation process shall be transparent</li> </ul>

#### 11.5 Analysis

As per Section 19 of the Employment Equity Act, an employer must collect information and conduct analysis of its employment policies, practices and procedures and the working environment to identify barriers that adversely affect people from designated groups.

The current workforce profile was analysed to determine under-representation of people from designated groups and the resultant information used to project the desired state at the end of the EE Plan. For the purposes of this plan, the over and under-representation is determined relative to the North West EAP statistics. The policies, procedures and practices were also analysed and, where applicable, corrective measures were designed.

**Table 15:** *Snapshot of workforce profile for all employees, including people with disabilities*

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	14	0	0	1	3	1	1	2	0	0	22
Professionally qualified and experienced specialists and mid-management	8	0	1	0	11	0	0	2	0	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	12	0	0	0	37	4	0	2	0	0	55
Semi-skilled and discretionary decision making	39	0	0	0	11	0	0	0	0	0	50
Unskilled and defined decision making	2	0	0	0	10	0	0	0	0	0	12
<b>TOTAL PERMANENT</b>	<b>77</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>73</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>163</b>
Temporary employees	8	0	0	0	2	0	0	0	0	0	10
<b>GRAND TOTAL</b>	<b>85</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>75</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>173</b>

**Table 16:** *NWDC Job Grade Convention Table*

Occupational Level	Job Grades
Top management	<b>P1-P4</b>
Senior management	<b>P5-P6</b>
Professionally qualified and experienced specialists and mid-management	<b>P7</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	<b>P8-P10</b>
Semi-skilled and discretionary decision making	<b>P11-P16</b>
Unskilled and defined decision making	<b>P17</b>

## 11.6 Findings and observations (From analysis process)

Occupational Level	Job Grades
Top management	There is no representation of other groups in the job category, however African females and male are 50% represented.
Senior management	African males are over represented in this category, other groups are under represented

Occupational Level	Job Grades
Professionally qualified and experienced specialists and mid-management	African females are over represented in this category, other groups are under represented
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	African males are over represented in this category, other groups are under represented
Semi-skilled and discretionary decision making	African males are over represented in this category, other groups are under represented
Unskilled and defined decision making	African females are over represented in this category, other groups are under represented
People with Disabilities (PWD)	People with disabilities are under-represented less than in all occupational categories
Women in Leadership positions	The current <b>women component</b> in the top two occupational categories is <b>50%</b> of the male component

**Table 17:** *Recruitment: January to December 2017*

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	3	0	0	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	1	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

## 11.7 Employment Equity Plans and Targets

Numerical goals must include the entire workforce profile, and the difference that is projected to be achieved by the end of this EE Plan.  
1 May 2017 ending 31 March 2018

Occupational Levels		MALE				FEMALE				SUB TOTAL		2017/2018 Labour Budget	Vacant Positions
		A	C	I	W	A	C	I	W	Filled	Vacant		
Provincial EAP Compliance		53.6	0.7	0.2	4.4	36.3	0.9	0.2	3.7				
Top Management	Filled	1	0	0	0	1	0	0	0	2		5	
	Vacant	2	0	0	0	1	0	0	0		3		Chief Operations Officer, Executive Manager: Corporate Services and Executive Manager: Investment Growth
Senior Management	Filled	14	0	0	1	3	1	1	2	22		30	
	Vacant	0	1	0	1	5	0	1	0		8		Legal Manager, Branch Manager x 6, Economist
Professionally qualified and experienced specialists and mid-management	Filled	8	1	1	0	10	0	0	2	22		30	
	Vacant	2	1	1	1	0	1	1	1		8		Specialist Trade, Specialist Market Access, Specialist Aftercare, Specialist Mining Equipment, Assistant Company Secretary, Financial Planner, IT Administrator x 2 and Maintenance Coordinator x 2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Filled	12	0	0	0	37	4	0	2	55		72	
	Vacant	0	2	1	2	4	2	1	5		17		Junior Supply Chain x 2, Executive Secretariat, Finance Administrator, Archive and Registry, Auxiliary Admin, Information Officer x 7, IT Technician and Compliance Officer
Semi-skilled and discretionary decision making	Filled	39	0	0	0	11	0	0	0	50		51	
	Vacant	1	0	0	0	0	0	0	0		1		GES x 1
Unskilled and defined decision making	Filled	2	0	0	0	10	0	0	0	12	0	13	
	Vacant	0	0	0	0	1	0	0	0		1		
TOTAL		81	5	3	5	83	8	4	12	163	38	201	



## 12. Reflecting on Outcomes

- a) The Medium Term Strategic Framework (MTSF) is government's strategic plan for the 2014-2019 electoral terms. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP.
- b) The NWDC has aligned its strategy to the (MTSF). In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

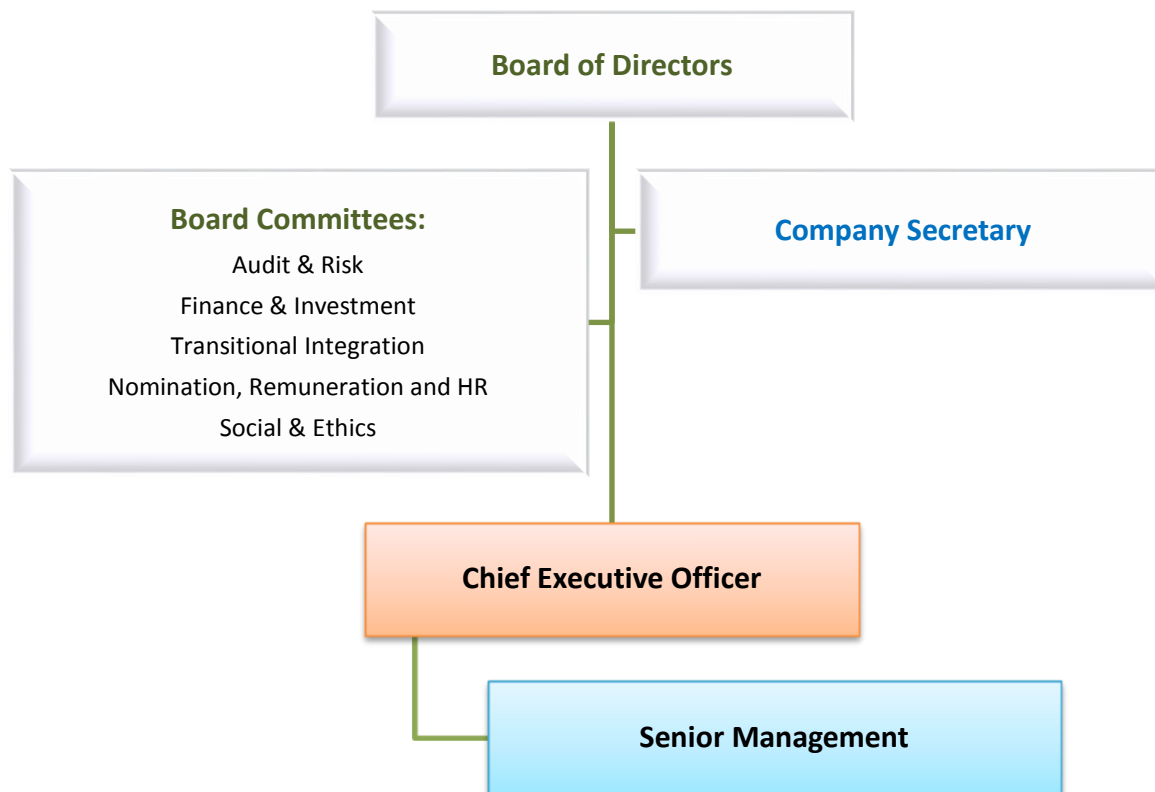
**Table 18:** *The MTSF outcomes, Correlating NDP Chapters and Relevance to NWDC:*

Outcome	Subject	Correlating NDP Chapter	Relevance to NWDC
Outcome 4	Decent employment through inclusive growth	Chapter 3	NWDC Mandate
Outcome 5	A skilled and capable workforce to support an inclusive growth path	Chapter 9 & 13	NWDC Values
Outcome 6	An efficient, competitive and responsive economic infrastructure network	Chapter 4	NWDC Properties
Outcome 7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Chapter 6	VTSD Projects
Outcome 10	Protect and enhance our environmental assets and natural resources	Chapter 5	Ensure that projects have RODs on Environmental Impact Assessments (EIAs) Ensure Energy Efficiency of all properties Facilitate investment in Renewable Energy Reduce, reuse and recycle
Outcome 11	Create a better South Africa and contribute to a better Africa and a better world	Chapter 7	Destination Marketing and Exports (Trade and Investment promotion)
Outcome 12	An efficient, effective and development-oriented public service	Chapter 13 & 14	NWDC (Strategic Objective 1) Ensure the sustainability of the NWDC

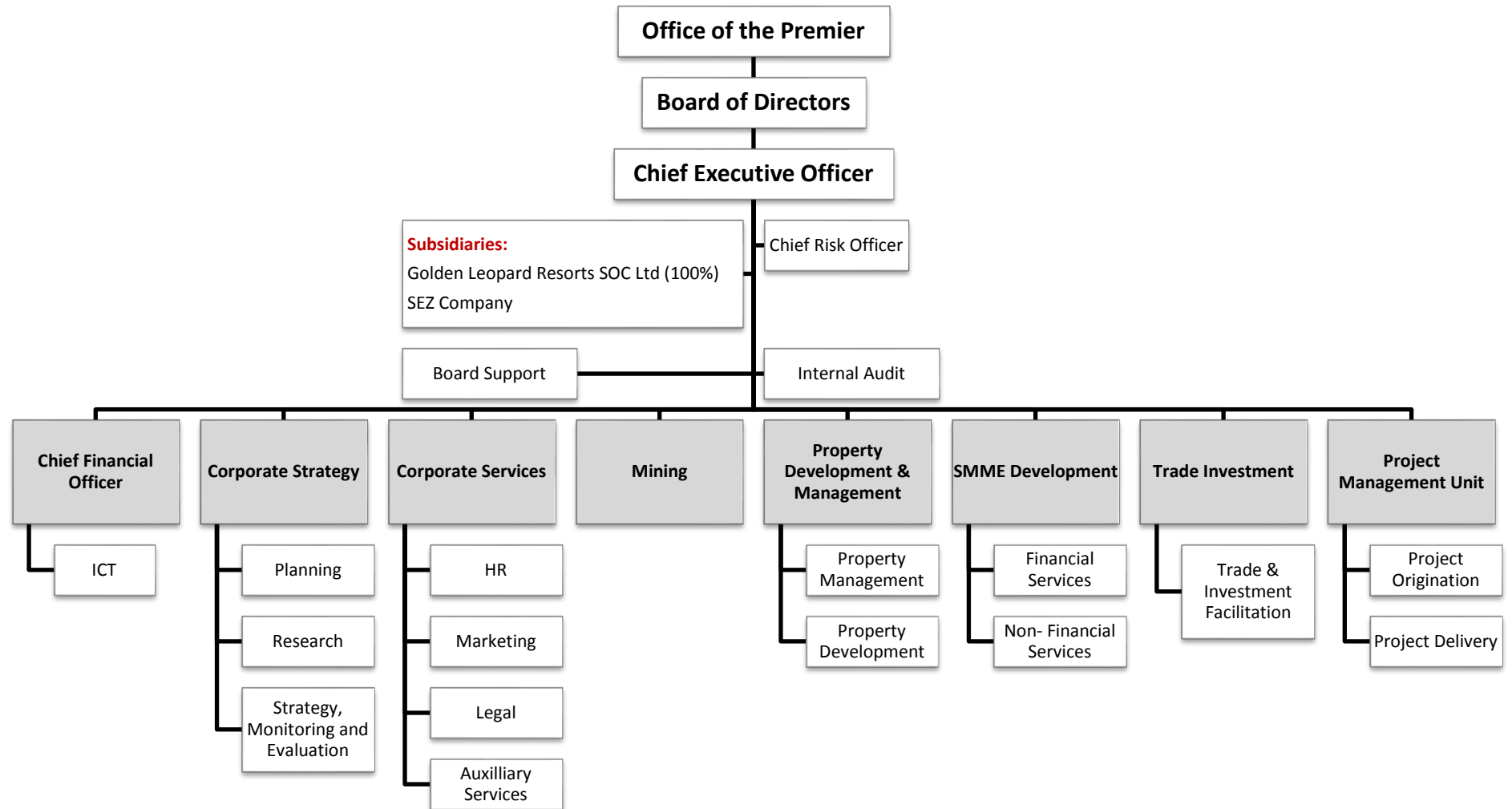
- c) The NWDC aims to implement key programmes and to provide support for the development of key sectors of the economy in line with the conventional economic and industrial policies of the Province. NWDC furthermore aims to grow the cooperatives economy, trade and investment facilitation and increased strategic economic infrastructure. NWDC aims to be the cornerstone of promoting trade, attracting investment, and ensuring economic growth and transformation in the North West Province.
- d) The desired outcome for the NWDC is to contribute towards the growth and transformation of the economy by positioning the North West Province as a competitor in investment attraction in both the SADC Region and the rest of the globe.

### 13. Organisational Structure

#### 13.1 The structure and composition of the Board of Directors and the Committees:



### 13.2 The administrative structure of the organisation:



### 13.4 Information of the Board of Directors:



Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
Advocate H C Keyter	53	BA, BA Hons, BA Hons, BProc, LLB, LLM, LLM, LLM (Cum Laude)	Drafting and interpretation of contracts, Administrative and Municipal Law, Corporate Law, Political Studies and Psychology	<ul style="list-style-type: none"> <li>Retyek Holdings (Pty) Ltd</li> <li>Retyek Industries (Pty) Ltd</li> <li>Pilanesberg Resorts</li> <li>Manyane and Bakgatla Share Block Companies</li> </ul>	5 November 2014 to date
Mr B Khumalo	49	Bachelor of Arts, Higher Diploma in Education, Bachelor of Arts Honours, Executive Development Programme from Wits Business School, The Anglo American Advanced Social Management Programme from the University of Cambridge, Institute for Sustainability Leadership and University of Queensland Centre for Social Responsibility in Mining	Operations Management, Media Management, Economics, Finance, Strategic Planning, Policy Development, Marketing, Advertising and Communications, Corporate Governance, Strategy, Business Development	<ul style="list-style-type: none"> <li>Capital Edge Resources</li> <li>Capital Edge Investment</li> </ul>	1 August 2007 to date
Ms N Koloti	35	Diploma in Management Finance and Leadership and Local Government Development Management	Leadership and Management of Local Government and Public Relations, Communication Media Liaison, Public Participation/Sectoral Mobilisation, Stakeholder Relations	Potchefstroom Hospital Board	5 November 2014 to date
Mr K Tlhoale	46	Bachelor of Commerce, Investment Management, International Executive Development Programme, Managing Credit Risk in the Commercial Segment, Executive Leadership Programme	Financial Services, Property Investments, Enterprise Development and Risk Management	North West Housing Corporation	1 July 2016 to date
Prof L Jackson	50	PhD, MA, MBA, Hons. BA, Senior Primary Education	Industrial Psychology, Strategic Management, Education (Mathematics)	<ul style="list-style-type: none"> <li>LTD Jackson and Associates</li> <li>Afriforte</li> </ul>	1 July 2016 to date

Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
		Diploma	and Science)		
Mr G D Duma	48	MBA, Bachelor of Technology, Senior Management Development, Programme, Diploma in Project Management	Corporate/Executive Management; Shared Services Management (Supply Chain, Information Technology; Stakeholder Engagement; Remuneration, Time & Attendance, Personnel & Administration, Property Development & Management, Capital Procurement); Sustainability; Local Economic (Community) Development; Operations Management; Quantity Surveying; Property Management	<ul style="list-style-type: none"> <li>• Impala Platinum Properties North West (Pty) Ltd.</li> <li>• Impala Platinum Properties Rustenburg (Pty) Ltd.</li> <li>• Impala Platinum Properties Johannesburg (Pty) Ltd.</li> <li>• Impala Platinum Investments (Pty) Ltd.</li> <li>• Impala Platinum Chrome (Pty) Ltd.</li> <li>• Fredshelf (Pty) Ltd</li> <li>• Makgomo Chrome (Pty) Ltd.</li> <li>• Impala Pension Fund Trustee</li> <li>• Impala Provident Fund Trustee</li> </ul>	1 July 2016 to date
Mr TTC Dlamini	56	Master of Arts in Development Economics, Bachelor of Arts in Economics, Diploma in Business Administration	Business Administration, Audit and Risk, Economics	<ul style="list-style-type: none"> <li>• National Planning Commission</li> <li>• National Library of South Africa</li> <li>• National Home Builders Council</li> <li>• Metropolitan Trading Company</li> <li>• Pilanesberg Resorts</li> <li>• Manyane and Bakgatla Share Block Companies</li> </ul>	1 July 2016 to date
Prof N A Nevhutanda	63	Professor of Environmental Sciences, MBA Course Work, Dip Management, DMus, DEd, BMus (Hon), Med, Bed, HEd, BA, Higher Education Diploma	Strategic Marketing and Deal Making, Governance, Human Resource Development, Economic Development Programme, Social Responsibility Programmes, Leadership Role, Public Passenger Transport	<ul style="list-style-type: none"> <li>• IODSA</li> <li>• NOAA Petroleum (Pty) Ltd</li> <li>• International Aviation Services Council</li> <li>• National Lotteries Board</li> <li>• SA Gate and Fence</li> <li>• Coal of Africa</li> <li>• Limpopo Tourism and Parks Board</li> </ul>	1 July 2016 to date
Ms M M Chokoe	47	MBL, Management Development Programme, B Com Honours (Business	Strategic Leadership of supplier development, Functional Leadership and Management, Management of strategic		1 July 2016 to date

Name of Director	Age	Academic Qualifications	Areas of Expertise	Other Boards on which member serves	Appointment Date as Director at NWDC
		Management), B Com (Management, Statistics, Cost Accounting and Economics)	initiatives, Stakeholder Management, Capability Development		
Ms K A Dikgole	59	National Diploma: Internal Auditing, National Certificate: Internal Auditing	Auditing and Accounting, Corporate Governance, Risk Management, Managerial Skills		1 July 2016 to date

### 13.5 Information of the Senior Executives of the North West Development Corporation

Name of Director	Age	Academic Qualifications	Areas of Expertise	Appointment date at NWDC
Mr T Phetla	50	B. Admin Hons PMD	Strategic Management, Development Finance and Human Resources	June 2017
Ms L Sonqishe	48	MBA and BCompt	Financial Management, Enterprise-wide Risk Management, Treasury Management, Financial Accounting, Governance and Labour Relations	December 2017
Mr M Mthimunye	52	National Diploma Building Surveying	Property Management and Administration	January 1993
Ms P Matli	41	National Diploma Human Resource Management BTech Human Resource Management	Human Resource Management and Industrial Relations	January 2016

#### 14. Financial Resources and Sources of Income

The NWDC Group obtains the bulk of its revenue from property rentals. This represents 69% of the total revenue. Property rental income is generated from commercial, industrial and residential properties. Fifteen percent (15%) of the NWDC's revenue is from the allocation by the provincial government. The remainder of the revenue is from interest, insurance recoveries and venue facilities. These revenue sources are considered sustainable.

The provincial government often requires the NWDC to deliver projects on its behalf. For this purpose administration fees are charged. Examples include the establishment of alternative building materials factories across the province, research on alternative sources of energy, the Gazelles project and establishing bakeries across the province, to name but a few.

Furthermore, the NWDC has a number of subsidiaries with the potential to generate revenue. The subsidiaries are not yet profitable; however, profits are anticipated in future.

#### 15. Key Performance Indicators

##### **Programme 1: Property Management and Development**

<b>Key Performance Indicator:</b>	<b>Value of current rental collected within 30 days</b>
<b>Objective:</b>	To ensure rental is collected for all occupied units
<b>Drivers:</b>	Property Manager
<b>Method of calculation:</b>	Management accounts (total amount of rental collected)
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Percentage of occupancy rate for lettable properties</b>
<b>Objective:</b>	To increase client base and profitability of the NWDC
<b>Drivers:</b>	Property Manager
<b>Method of calculation:</b>	(Total occupied units divided by total number of available units) x 100 Calculation is based on square meters
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-cumulative
<b>Type of Indicator</b>	Output



<b>Key Performance Indicator:</b>	<b>Value of amount spent on maintenance of lettable properties</b>
<b>Objective:</b>	To ensure that all NWDC properties are maintained
<b>Drivers:</b>	Property Manager
<b>Method of calculation:</b>	Approved Maintenance Plan which indicates actual maintenance spent
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of vacant sites contracted for development</b>
<b>Objective:</b>	To enhance revenue and asset value
<b>Drivers:</b>	Properties Regional Manager
<b>Method of calculation:</b>	Number of Build, Operate & Transfer (BOT) contracts signed (off-take agreements)
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

## **Programme 2: Platinum Valley Special Economic Zone (SEZ)**

<b>Key Performance Indicator:</b>	<b>Number of approved SEZ Master Plans</b>
<b>Objective:</b>	To industrialise the economy of the North West Province
<b>Drivers:</b>	SEZ Project Manager
<b>Method of Calculation:</b>	Approved SEZ Master Plan
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Value of investment attracted into the SEZ</b>
<b>Objective:</b>	To attract new investment into the economy of the North West Province
<b>Drivers:</b>	SEZ Project Manager
<b>Method of Calculation:</b>	Sum of the total value investment commitment received from Memorandum of Understanding
<b>Reporting Cycle:</b>	Bi-annually

<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Value of zone infrastructure development</b>
<b>Objective:</b>	To increase the infrastructure investment in the North West Province
<b>Drivers:</b>	SEZ Project Manager
<b>Method of Calculation:</b>	Sum of total infrastructure development invested
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

### **Programme 3: SMME Development & Support**

<b>Key Performance Indicator:</b>	<b>Value of loans disbursed</b>
<b>Objective:</b>	To ensure allocation of funds to successful applicants
<b>Drivers:</b>	SMME Manager
<b>Method of Calculation:</b>	Total amount disbursed to clients (Proof of payment to clients and their suppliers)
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Amount recovered from collections</b>
<b>Objective:</b>	To ensure that clients repay their loans
<b>Drivers:</b>	SMME Manager
<b>Method of Calculation:</b>	Total amount recovered from clients (LMS statements and/or bank statements)
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of SMMEs and Cooperatives registered at CIPC</b>
<b>Objective:</b>	To improve capacity and growth of SMMEs in VTSD areas
<b>Drivers:</b>	SMME Manager
<b>Method of Calculation:</b>	Proof of CIPC Registration

<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Value of funding sourced from financial institutions for training of SMMEs and Cooperatives</b>
<b>Objective:</b>	To improve capacity and growth of SMMEs in VTSD areas
<b>Drivers:</b>	SMME Manager
<b>Method of Calculation:</b>	Proof of Payment from Financial Institution
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of SMMEs and Cooperatives trained for development</b>
<b>Objective:</b>	To improve capacity and growth of SMMEs in VTSD areas
<b>Drivers:</b>	SMME Manager
<b>Method of Calculation:</b>	<p>Either certificate of attendance for external training providers or attendance register for internal training providers:</p> <ul style="list-style-type: none"> <li>• Certificate of Attendance (Accredited training – trained by outside institutions)</li> <li>• Attendance Register (non accredited training – in-house training)</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

#### **Programme 4: Trade & Investment Facilitation**

<b>Key Performance Indicator:</b>	<b>Value of successful investment projects facilitated into the Province</b>
<b>Objective:</b>	To facilitate investment into the North West Province
<b>Drivers:</b>	Trade and Investment Facilitation Manager
<b>Method of calculation:</b>	<ul style="list-style-type: none"> <li>• Sum of the total investment value committed received through commitment letters and planned start period.</li> <li>• Costed Bankable Business Plan and/or Feasibility Study)</li> <li>• Letter of confirmation for funding from Financial</li> </ul>

	Institution/investor • Testimonial from companies receiving investment
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of trade and investment initiatives with local and district municipalities</b>
<b>Objective:</b>	To stimulate local economic development within municipalities
<b>Drivers:</b>	Trade and Investment Facilitation Manager
<b>Method of calculation:</b>	Realisation of the initiative. Confirmation of the event scheduled or project implemented. <b>Proof that an initiative has been done with a municipality (agenda, initiative concept document, attendance register)</b>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Value of exports facilitated per annum</b>
<b>Objective:</b>	To support economic growth
<b>Drivers:</b>	Trade and Investment Facilitation Manager
<b>Method of calculation:</b>	Actual value of export order secured by exporters (formal written export order)
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of companies assisted with access to exports markets</b>
<b>Objective:</b>	To support economic growth
<b>Drivers:</b>	Trade and Investment Facilitation Manager
<b>Method of calculation:</b>	Sum of companies assisted with exports market access. <ul style="list-style-type: none"> <li>• Proof of participation in export events (<b>For own events: Signed participation letter of companies taken to events; For others proof of referral to an export market</b>)</li> </ul>
<b>Reporting Cycle:</b>	Quarterly

<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

#### **Programme 5: Economic Development Projects**

<b>Key Performance Indicator:</b>	<b>Number of funded projects to be implemented</b>
<b>Objective:</b>	To implement projects that will transform and grow the economy
<b>Drivers:</b>	Project Managers
<b>Method of Calculation:</b>	Number of projects implemented: <ul style="list-style-type: none"> <li>Approved Close-Out Report</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of jobs created through projects implemented</b>
<b>Objective:</b>	To increase sustainable job opportunities in the North West Province
<b>Drivers:</b>	Project Managers
<b>Method of Calculation:</b>	Contractor's Resource Plan (approved)
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

#### **Programme 6: Mining**

<b>Key Performance Indicator:</b>	<b>Number of mineral beneficiation investment opportunities participated in</b>
<b>Objective:</b>	To create sustainable jobs
<b>Drivers:</b>	Project Managers
<b>Method of Calculation:</b>	Number of Agreements entered into with NWDC and companies with Mining prospecting rights
<b>Reporting Cycle:</b>	Annually
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of prospecting rights funded annually</b>
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<b>Objective:</b>	To enable establishment of mines within the NW Province
<b>Drivers:</b>	Project Managers
<b>Method of Calculation:</b>	Number of Agreements entered into with NWDC and companies with Mining prospecting rights
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Number of mining licenses applied for annually</b>
<b>Objective:</b>	To enable establishment of mines within the NW Province
<b>Drivers:</b>	Project Managers
<b>Method of Calculation:</b>	Number of licenses received
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

#### **Programme 7: Tourism**

<b>Key Performance Indicator:</b>	<b>Percentage increase in revenue measured for the year against prior year same period</b>
<b>Objective:</b>	To ensure growth in revenue against prior year
<b>Drivers:</b>	CEO and GMs
<b>Method of Calculation:</b>	Achievement revenue against set percentage target (difference of actual against prior year same period) <ul style="list-style-type: none"> <li>(Revenue reports per resort consolidated to Group level)</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Percentage increase in occupancy for the year measured against prior year same period</b>
<b>Objective:</b>	To maintain growth in occupancy against the prior year
<b>Drivers:</b>	CEO and GMs
<b>Method of Calculation:</b>	(Difference in occupancy rate of current year and previous year) divided by previous year occupancy

	<ul style="list-style-type: none"> <li>Occupancy Report</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-cumulative
<b>Type of Indicator</b>	Output

### Programme 8: Financial Management

<b>Key Performance Indicator:</b>	<b>Percentage achievement of the Financial Plan</b>
<b>Objective:</b>	To ensure financial sustainability
<b>Drivers:</b>	Chief Financial Officer
<b>Method of Calculation:</b>	<p>Achievement of the following ratios as per financial development plan:</p> <ul style="list-style-type: none"> <li>Current ratio (above 1:1)</li> <li>Solvency ratio (above 2:1)</li> <li>Debt to revenue ratio (below 45%)</li> <li>Remuneration to Expenditure ratio (below 30%)</li> <li>Maintenance to PPE ratio (8%)</li> <li>Interest to expenditure ratio (below 7%)</li> <li>Net operating margin ratio (above 15%)</li> <li>Cash cover (45 days)</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Non-cumulative
<b>Type of Indicator</b>	Output

### Programme 9: Support Services

<b>Key Performance Indicator:</b>	<b>Number of Unit/Department Operational Plans monitored</b>
<b>Objective:</b>	To monitor and evaluate the performance of the sub programmes
<b>Drivers:</b>	Senior Monitoring and Evaluation Specialist
<b>Method of Calculation:</b>	<p>Number of programmes operational plans validated:</p> <ul style="list-style-type: none"> <li>Auxiliary Services</li> <li>Board Support</li> <li>Economic Development Projects</li> <li>Financial Management</li> <li>Human Resources</li> <li>ICT</li> <li>Internal Audit</li> <li>Legal Services</li> <li>Marketing &amp; Communications</li> <li>Mining</li> </ul>

	<ul style="list-style-type: none"> <li>• Monitoring &amp; Evaluation</li> <li>• Platinum Valley SEZ</li> <li>• Property Development &amp; Management</li> <li>• Research &amp; Innovation</li> <li>• Risk Management</li> <li>• SMME Development &amp; Management</li> <li>• Tourism</li> <li>• Trade &amp; Investment Facilitation</li> </ul>
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

<b>Key Performance Indicator:</b>	<b>Percentage collection of historical debt prior to 1 December 2017</b>
<b>Objective:</b>	To reduce the debt book
<b>Drivers:</b>	Legal Manager
<b>Method of Calculation:</b>	Debt book as at 1 December 2017 as opening balance divided by debt collected for the period = total (NICOR Age analysis report)
<b>Reporting Cycle:</b>	Quarterly
<b>Calculation Type</b>	Cumulative
<b>Type of Indicator</b>	Output

## 16. The Supporting Framework

The Corporate Plan will not be complete if information regarding the supporting plans is not included. The supporting framework for the Corporate Plan consists of the following:

### 16.1 Risk Appetite & Tolerance Statements

The risks arising from the NWDC Group mandate can be significant. These risks are managed through detailed processes that emphasise among others, the importance of public accountability, maintaining high quality staff, and integrity. The success of the NWDC Group is thus dependent upon the amount and type of risk that it is willing to take in order to meet its strategic objectives – this includes both the organisation's risk appetite and risk tolerance.

**Risk appetite** is focussed on the pursuit of risk and the parameters that the organisation must employ in deciding whether or not to take on the risk. It defines what types of risks an organisation will pursue. For example, which types of markets, products, services, clientele and customers it will target.



**Risk tolerance** defines or quantifies the maximum amount of risk that the organisation is technically able to accept. For example, this may be the maximum level of risk the organisation can absorb or manage before breaching factors such as its capital base, liquidity levels, borrowing capacity, reputational and regulatory requirements, operational constraints and obligations to the shareholder, customers and other stakeholders.

**Risk Appetite Statement** - The overall responsibility for overseeing the management of risks, compliance with the organisation's risk management framework and the agreed risk appetite of the group lies with the Board. The Board's attitude towards and appetite for risk are communicated to the group's businesses through the strategy planning process. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit which has contributed to the attainment of the company's strategic objectives is not inhibited.

The NWDC Group has an overall conservative risk appetite.

The Risk Appetite Statement establishes risk tolerance in the following seven (7) categories:

**Table 19:** *Risk Tolerance Levels*

#	Risk Category	Definition	Risk Appetite
1	Strategic Risks	The risk that the organisation's strategy selection, prioritisation, adaptation and implementation will jeopardise the achievement of NWDC Group's goals and objectives	High
2	Operational Risks	The risk that people, processes, systems, or external events will impede the NWDC Group's ability to meet its objectives	High
3	Project Risks	The risk that the external factors will play a role whether a project will be successful or not	High
4	Financial Risks	The risk that the NWDC Group's financial resources will be vastly impaired because of reduction in assets under its control or management, inefficient resource utilisation, or increasing expenditures, thus adversely impacting on the ability of the NWDC Group to successfully complete its mission	High

#	Risk Category	Definition	Risk Appetite
5	Fraud Risks	The risk that the NWDC Group will not take all allegations of suspected fraud or corruption seriously or responds fully and fairly as set out in the Whistle Blowers Policy leading to deficiencies in its reputation	High
6	Reputational Risks	The risk that negative perception will jeopardise the NWDC Group's credibility, achievement of mission and strategic objectives, or ability to maintain the agency as a preeminent bank regulator	High
7	Compliance Risks	The risk that the NWDC Group will have gaps in critical functions to fulfil its obligations under applicable law and regulations. (e.g. appetite for deliberate or purposeful violations of legislative or regulatory requirements. Identified breaches of compliance must be remedied as soon as practicable)	High

**Table 20:** The process in response to the identified and rated risks is summarised as follows:

Event magnitude	Event acceptability	Risk Profile	Propose actions
<b>Maximum risk (Material and/or immediate threat exceeding risk appetite)</b>	<b>Unacceptable</b>	If the risk profile falls in this area, the organisation will be in breach of risk tolerance	Take action to reduce the risk with highest priority, i.e. Executive Management to bring to the attention of the Chief Executive Officer and the Board of Directors
<b>High risk (Threat to exceed the risk appetite)</b>	<b>Unacceptable</b>	If risk profile falls in this area, the organisation will be in breach of risk appetite but within risk tolerance	Take action to reduce the risk with highest priority, i.e. bring to attention of Executive Management.  (Discretion in involving the Chief Executive Officer will be dictated by the event)
<b>Low risk</b>	<b>Acceptable</b>	If risk profile falls in this area, the organisation	Take action to reduce the risk, i.e. inform

Event magnitude	Event acceptability	Risk Profile	Propose actions
(No threat to exceed the risk appetite)		will be within risk appetite	Senior Management
Minimum risk (No threat to exceed the risk appetite)	Acceptable	If risk profile falls in this area, the organisation will be within risk appetite	No risk reduction required. Simply control, monitor and inform Management

## 16.2 The Risk Management Plan

- a) The Public Finance Management Act (PFMA) assigns extensive responsibilities to the Accounting Authority. These responsibilities include ensuring the entity under its control has effective, efficient and transparent systems of financial and risk management and internal control. In order to assist the Accounting Authority in discharging these responsibilities, the Chief Executive Officer and the management team acknowledges and accepts the responsibility for maintaining a sound system of internal control. Management is fully committed to an effective risk management system and function in the organisation and in ensuring that strategic objectives are met and that risks are managed to an acceptable level, creating value for all stakeholders.
- b) NWDC Group's operations shall therefore be governed by a risk framework through which risks are identified and pro-actively managed in accordance with agreed risk tolerance levels. NWDC Group will further ensure that such a risk framework exists, outlining identification, assessment, management, monitoring and reporting of risks. Awareness and understanding of the risk framework will be established at all the appropriate levels of the organisation to establish a company-wide culture of risk management being everyone's responsibility.
- c) Effective risk management therefore aims to ensure that the NWDC Group achieves its objectives by minimising negative outcomes and optimising opportunities. Implicit in the objectives is that:
  - Risk management does not only focus on managing downside risks. It further assists in identifying opportunities and ensures that the risks involved in these opportunities are appropriately managed;
  - The implementation of internal controls needs to carefully consider the costs and benefits, i.e. the cost of control should always be measured against the potential loss should the risk occur; and
  - A major component of risk management is the establishment of a fraud prevention plan. Managing the risk of fraud and corruption entails the development, implementation and maintenance of cost effective internal controls.
- d) The Risk Management implementation Plan tabulated below thus describes how the Risk Management Strategy of the NWDC is to be implemented during the coming financial year.

Phase Number	Phase Description	Objective/Outcome	Deadlines/Timeframe	Responsible Person/s
1	Promotion of a risk management culture in the organisation	Review and update of the Risk Management Framework	Q1 of 2018/2019	Risk Manager
		Provision of Risk Management Training to role players	Q2 of 2018/2019	Risk Manager
		Inclusion of Risk Management Framework in the induction and orientation programme of new employees	With effect from 1 April 2018	HR Manager
		Inclusion of Risk Management as a standing item on the Management meeting agenda	With effect from 1 April 2018	Accounting Officer
		Incorporate Risk Management responsibilities into performance contracts	Q1 of 2018/2019	HR Manager
		Standard Operating Procedures must incorporate risk factors	Q1 of 2018/2019	Executive Managers
2	Risk Identification & Assessment	Introduce Incident Registers for each division or section	With effect from 1 April 2018	Risk Champions
		Identification and assessment of all enterprise risks including emerging risks	Q1 of 2018/2019	Risk Officers
		Implement an integrated Risk Management computerised system or tool	Q1 of 2018/2019	Risk Manager
3	Risk Mitigation Plans	Develop risk mitigation plans, assigning responsibilities and timeframes for implementation	Q1 of 2018/2019	Risk Officers
		Implement the risk mitigation plans	With effect from 1 April 2018	Risk Owners
4	Risk Monitoring	Regular progress reports on the mitigation of risks by Managers/ Management	Quarterly	Risk Management Committee
		Internal audit to provide assurance on the effectiveness of Enterprise Risk Management	Quarterly	Internal Audit
		Audit & Risk Committee to monitor the implementation of action plans and hold responsible parties accountable	Quarterly	Audit & Risk Committee

### 16.3 The Fraud Prevention Plan

- a) The NWDC Group commits itself to deterring and preventing fraudulent and corrupt behaviour in the performance of its business. This commitment shall be met by:

- Identifying opportunities for fraud and corruption and implementing prevention procedures in the day to day operations. The procedures will assist management, who are ultimately responsible for the prevention and detection of fraud and corruption, in the deterrence and/or timely detection of both internal and external fraud and corruption opportunities;
  - Implementing procedures to investigate all allegations of fraudulent and corrupt behaviour;
  - Reacting appropriately to situations where fraud allegations are proven to be true. This may be through reporting to relevant authorities and taking disciplinary action in accordance with the organisation's policies;
  - Providing appropriate training and promulgating relevant codes of conduct to ensure employees and stakeholders are aware of their responsibilities in combatting fraud and corruption; and
  - Fostering an environment in which fraudulent and corrupt activities are discouraged and completely eliminated.
- b) The NWDC also recognises the debilitating effects of fraud and corruption which extend beyond the loss of cash and other assets, but further result in severe negative repercussions on the ability of the organisation to achieve its objectives. Although difficult to quantify such acts, if left unchecked, fraud and corruption will seriously and adversely have an impact on:
- The quality and effectiveness of service delivery;
  - The strength of business relationships with clients, suppliers and the public;
  - Employee morale; and
  - Reputation and image of the NWDC.
- c) Thus, the overall attitude of NWDC is **Zero Tolerance** to fraud and corruption. In addition, all fraud and corruption transgressions will be investigated by applying all remedies available to the full extent of the law. Furthermore, appropriate prevention and detection internal controls will be instituted to deter future occurrences of such transgressions. All information received relating to fraud and corruption shall be treated with utmost confidentiality and in accordance to the relevant and applicable laws such as the Protected Disclosure Act, as amended.
- d) The following **minimum standards** have been adopted by the NWDC with regard to the different components/areas of the business of the NWDC:
- **Operations:** All operational activities across the organisation must be implemented in a systematic and cost effective manner to prevent fraudulent and corrupt tendencies taking root in the organisation;

- **Investigations:** Any investigation instituted within the organisation must be timely and within the ambit of set company procedures;
- **Awareness:** All employees must be aware of their responsibilities for fraud control and what constitutes acceptable behaviour;
- **Value driven:** All employees are expected to maintain absolute integrity in all their dealings carried out on behalf of the organisation and accept responsibility and accountability for their actions;
- **Corporate Culture:** Management must give exceptional focus and attention to fostering an organisational environment where fraudulent and corrupt behaviour will be abhorred while good moral behaviour is continuously promoted and recognised;
- **Protected Disclosures:** Persons and/or organisations that report suspected fraudulent and corrupt activity must be protected from occupational detriment; and
- **Fraud Hotline:** A fraud hotline must be established which any person, including employees, members of the public and stakeholders, can use to report suspected fraud and corruptible relationships, behaviour and activities.

e) In terms of reporting the incidents of fraud and corruption, all employees who are aware, or should have been reasonably aware of or suspect that theft or fraud or corruption is or was committed, should immediately report the incident to any manager or directly to the **Fraud Hotline** using the toll free number **086 132 3469**. The hotline is completely confidential.

f) The NWDC has an approved Policy on Prevention of Fraud and Corruption, a draft Whistle Blowers Policy and is currently developing the strategy document. The implementation plan as per the table below:

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
1	<ul style="list-style-type: none"> <li>• Fraud Strategy and Fraud implementation Plan</li> <li>• Whistle blower policy</li> </ul>	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the Audit & Risk Committee (ARC)	Risk Officer / Risk Manager	4 <sup>th</sup> Quarter of 2017/18
2	Identify and assess fraud risks	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the ARC	Risk Officer/ Risk Manager	1 <sup>st</sup> Quarter of 2018/19
3	Mitigation Plans for fraud risks	Workshop and adoption by EXCO	Adoption and recommendation by the ARC	Risk Officer/ Risk Manager	1 <sup>st</sup> Quarter of 2018/19
		Achievement of mitigation plans	Signed report submitted to Risk Officer/ Risk	Division Head	Monthly

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
			Manager		
4	Fraud awareness	Create awareness amongst employees through: <ul style="list-style-type: none"> <li>• Flyers</li> <li>• Fraud hotline</li> <li>• Workshops</li> <li>• Newsletter</li> <li>• Circular</li> <li>• Website</li> </ul>	Certificate of attendance	Risk Officer/ Risk Manager	Quarterly

## 16.4 The Financial Plan

- a) **The Operating Statement:** Projected Statement of Financial Performance of the North West Development Corporation for the Year ended 31 March 2019

	2018/19 R '000	2019/20 R'000	2020/21 R '000	2020/22 R '000
<b>R thousand</b>	<b>Medium-term receipts framework</b>			
<b>Tax revenue</b>	<b>168 840</b>	<b>182 659</b>	<b>192 705</b>	<b>211 976</b>
<b>Non-tax revenue</b>	<b>120 489</b>	<b>128 924</b>	<b>148 163</b>	<b>177 707</b>
<b>Sales of goods and services other than capital</b>	<b>38 476</b>	<b>39 828</b>	<b>42 100</b>	<b>67 904</b>
<i>Bad debts recovered</i>	1 500	2 000	2 500	2 750
<i>Projects related Income</i>	20 000	20 000	21 000	45 000
<i>Interest on SMME disbursement</i>	8 675	8 975	9 569	10 250
<i>Insurance recoveries</i>	2 000	2 200	2 300	2 500
<i>Sundry Income</i>	6 301	6 653	6 731	7 404
Interest, dividends and rent on land	2 212	2 346	2 475	
Departmental transfers	<b>79 801</b>	<b>86 750</b>	<b>103 588</b>	<b>109 803</b>
<b>Other transfers (Sale of old motor vehicles)</b>				
<b>Total revenue</b>	<b>289 329</b>	<b>311 583</b>	<b>340 868</b>	<b>389 683</b>
<b>Expenses</b>				
<b>Total Current expense</b>	<b>243 756</b>	<b>262 780</b>	<b>281 133</b>	<b>300 813</b>
Compensation of employees	94 698	101 327	108 420	116 009
Use of goods and services	149 058	161 453	172 714	184 803
<b>Total expenses</b>	<b>243 756</b>	<b>262 780</b>	<b>281 133</b>	<b>300 813</b>
<b>Surplus / (Deficit)</b>	<b>45 573</b>	<b>48 803</b>	<b>59 735</b>	<b>88 870</b>
<b>Payments for capital assets</b>	<b>29 643</b>	<b>29 240</b>	<b>30 812</b>	<b>34 040</b>
Buildings and other fixed structures	16 840	18 572	20 430	22 472
FIXED ASSET - MOTOR VEHICLE	3 000	1 500	-	1 000
Machinery and equipment	935	-	1 414	1 600
Computer Equipment	1 500	1 800	1 600	1 600
DBSA Loan	7 368	7 368	7 368	7 368
<b>Profit/Loss</b>	<b>15 930</b>	<b>19 563</b>	<b>28 923</b>	<b>54 830</b>



## b) The Balance Sheet

### Balance Sheet

North West Development Corporation for the year ended 31 March 2019

STATEMENT OF FINANCIAL POSITION							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Audited outcome R'000			Adjusted Estimates R'000	Medium-term estimate R'000		
<b>Carrying Value of Assets</b>	<b>980 590</b>	<b>1 017 971</b>	<b>1 031 022</b>	<b>930 689</b>	<b>967 043</b>	<b>1 027 367</b>	<b>1 117 179</b>
Land	8 380	8 380	8 380	8 380	8 380	8 380	8 380
Investment Property	707 214	750 594	762 046	762 594	808 976	871 784	969 962
Other Structures (Infrastructure Assets)	259 867	253 718	253 718	152 726	143 663	141 702	133 702
Computer equipment	1 210	987	987	1 070	1 134	1 201	1 273
Furniture and Office equipment	1 659	1 210	1 162	1 312	1 350	1 310	1 315
Other Machinery and equipment		1 963	1 810	1 721	1 681	1 530	1 379
Transport Assets	2 120	1 052	2 852	2 852	1 825	1 460	1 168
Other Intangibles	140	67	67	34	34	-	-
<b>Cash and Cash Equivalents</b>	<b>93 216</b>	<b>81 934</b>	<b>69 413</b>	<b>15 327</b>	<b>33 841</b>	<b>37 833</b>	<b>39 681</b>
Bank	93 216	81 934	69 413	15 300	33 814	37 806	39 654
Cash on Hand	-	-	-	27	27	27	27
<b>Receivables and Prepayments</b>	<b>62 395</b>	<b>69 759</b>	<b>74 643</b>	<b>74 466</b>	<b>102 566</b>	<b>102 001</b>	<b>50 938</b>
Trade Receivables	46 040	40 808	42 889	49 467	54 355	49 898	5 873
Other Receivables	15 311	27 951	30 746	23 820	47 202	50 923	44 015
Prepaid Expenses							
Accrued Income	1 044	1 000	1 008	1 179	1 009	1 180	1 050
<b>Inventory</b>	<b>-</b>	<b>13 972</b>	<b>13 972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade							
Other		13 972	13 972				
<b>Total Assets</b>	<b>1 136 201</b>	<b>1 183 636</b>	<b>1 189 050</b>	<b>1 020 482</b>	<b>1 103 450</b>	<b>1 167 201</b>	<b>1 207 798</b>
<b>Capital and Reserves</b>	<b>850 628</b>	<b>864 364</b>	<b>887 589</b>	<b>869 637</b>	<b>961 489</b>	<b>1 032 596</b>	<b>1 079 229</b>
Share Capital and Premium	303 854	303 854	303 854	303 854	303 854	303 854	303 854
Reserves	301 237	301 237	323 612	283 612	323 612	334 526	358 987
Accumulated Reserves	245 537	259 273	260 123	282 171	334 023	394 216	416 388
<b>Borrowings</b>	<b>105 100</b>	<b>98 128</b>	<b>98 128</b>	<b>90 748</b>	<b>83 380</b>	<b>76 099</b>	<b>68 644</b>
Current	105 100	98 128	98 128	90 748	83 380	76 099	68 644
<b>Trade and Other Payables</b>	<b>180 473</b>	<b>221 144</b>	<b>203 333</b>	<b>60 097</b>	<b>58 581</b>	<b>58 506</b>	<b>59 925</b>
Trade Payables	59 084	97 793	80 035	60 097	58 581	58 506	59 925
Other		53					
Deferred Income	121 389	123 298	123 298	-	-	-	-
<b>Total Assets</b>	<b>1 136 201</b>	<b>1 183 636</b>	<b>1 189 050</b>	<b>1 020 482</b>	<b>1 103 450</b>	<b>1 167 201</b>	<b>1 207 798</b>

## c) Cash Flow Statements

## Statement of Cash Flows

North West Development Corporation for the year ended 31 March 2019

STATEMENTS OF CASHFLOWS							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/22
	Audited Outcome		Projected outcome	Main appropriation	Medium-term receipts estimate		
R thousand							
<b>Cash flow from operating activities</b>							
Cash receipts from customers	171 400	180 629	232 807	318 342	260 536	286 590	289 590
Cash paid to suppliers and employees	-132 136	-183 992	-235 311	-289 374	-244 185	-275 602	-273 660
<b>Cash generated from operations</b>	<b>39 264</b>	<b>-3 363</b>	<b>-2 504</b>	<b>28 968</b>	<b>16 351</b>	<b>10 988</b>	<b>15 930</b>
Interest income	4 318	1 511	2 181	2 263	2 346	2 487	2 212
Interest paid	-664	-400	-426	-450	-472	-480	-
<b>Net Cash from operating activities</b>	<b>42 918</b>	<b>-2 252</b>	<b>-749</b>	<b>30 781</b>	<b>18 225</b>	<b>12 995</b>	<b>18 142</b>
<b>Cash flow from investing activities</b>							
Acquisition of Property Plant and Equipment	-4 988	-2 889	-3 206	-2 414	-5 239	-2 000	-16 840
Acquisition of Investment Property	-32 976	-	-2 415	-2 500	-2 650	-2 817	-
Acquisition of Biological Assets	-3 007	-	-	-	-	-	-
Sale of Property Plant and Equipment	-	-	50	27	36	50	50
Sale of Investment Property	273	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-
Other Cashflows from investing activities	-	-	-40 413	200 000	210 000	220 000	225 000
<b>Net Cash flow from investing activities</b>	<b>-40 698</b>	<b>-2 889</b>	<b>-45 984</b>	<b>195 113</b>	<b>202 147</b>	<b>215 233</b>	<b>208 210</b>
<b>Cash flow from financing activities</b>							
Deferred Income	-	-	-	-	-	-	-
Borrowing Activities	-6 972	-7 380	-7 380	-7 380	-7 380	-7 380	-7 379
Other - Financing of Subsidiary	-6 529	-	72 700	-78 000	-180 000	-189 000	-198 000
<b>Net Cash flow from financing activities</b>	<b>-13 501</b>	<b>-7 380</b>	<b>65 320</b>	<b>-85 380</b>	<b>-187 380</b>	<b>-196 380</b>	<b>-205 379</b>
Total cash movement for the year	-11 281	-12 521	18 587	140 514	32 992	31 848	20 973
Cash at the beginning of the year	93 215	81 934	69 413	88 000	228 514	261 506	293 354
<b>Total cash at the end of the year</b>	<b>81 934</b>	<b>69 413</b>	<b>88 000</b>	<b>228 514</b>	<b>261 506</b>	<b>293 354</b>	<b>314 327</b>

### d) Capital expenditure programmes

#### Capital Expenditure Statement

North West Development Corporation for the year ended 31 March 2019

Payments for capital assets	29 643	29 240	30 812	34 040
Buildings and other fixed structures	16 840	18 572	20 430	22 472
FIXED ASSET - MOTOR VEHICLE	3 000	1 500	-	1 000
Machinery and equipment	935	-	1 414	1 600
Computer Equipment	1 500	1 800	1 600	1 600
DBSA Loan	7 368	7 368	7 368	7 368

### e) Dividend Policies

No dividend policy applicable.

## 16.5 The Borrowing Plan

### Borrowing Plan

Date of borrowing	Total Borrowing in Rand value	Foreign Portion		Domestic Portion	
		Short Term	Long Term	Short Term	Long Term
01/04/2017 to 30/06/2017	0				
01/07/2017 to 30/09/2017	0				
01/10/2017 to 31/12/2017	0				
01/01/2018 to 31/03/2018	0				
<b>Total Borrowing – Current Financial year</b>	<b>9,333,000,000</b>				<b>9,333,000,000</b>
Total Borrowing – Previous Financial Year	0				
Total Borrowing Prior Financial Year (two years ago)	0				

## 16.6 Materiality & Significance Framework

### a) Background

Treasury Regulation Section 28.3.1 – “For purposes of material [sections 55(2) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the Board of NWDC and for submission to and approval by the executive authority.

ISA 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as a basis for calculating materiality.

Basis	Acceptable Percentage Range	Audited Results 2015/2016	NWDC Materiality percentage	NWDC Materiality value
Gross revenue	0.25 – 1%	R 263 965 000	1%	R 2 639 650
Gross profit	1 – 2%	R 13 736 000	1%	
Net income	2.5 – 10%		-	
Equity	2 – 5%		-	
Total assets	0.5 – 2%	R 1 103 450 000	1%	R 11 034 500
Current Assets		R 136 407 000		R 1 364 070
Non-Current Assets		R 967 043 000		R 9 670 430

## b) Quantitative Aspects

### Materiality level for consideration:

The NWDC Group will use 1% of total assets to determine materiality. In determining the materiality value as 1% we have considered the following factors:

#### ➤ Nature of the NWDC business

NWDC is a Government Business enterprise registered as a schedule 3D public entity in terms of the PFMA. The main business of the NWDC is property management and revenue is derived from rental of the property. In the main, the revenue generated is used to finance the expenditure of the organisation.

#### ➤ Statutory requirements

As a schedule 3D public entity, the NWDC is subject to requirement of the PFMA, Treasury regulation and the Companies Act.

#### ➤ The control and inherent risks associated with the NWDC.

In assessing the control risk of the NWDC, and concluding on a materiality level of 1% based on a good control environment being present, cognisance was given to amongst others:

- ◆ Proper and appropriate governance structures have been established;
- ◆ An audit and risk committee that closely monitors the control environment of the NWDC has been established;
- ◆ The function of internal audit was outsourced to a firm that is independent and has appropriate experience;

- ◆ A three year internal audit plan, based on annual risk assessments being performed, is annually reviewed and agreed by the audit committee;
- ◆ The function of financial management is under the control of experienced and qualified individuals with the assistance of independent and experienced firm of auditors.
- ◆ The entity obtained a qualified opinion in the prior year audit

### c) Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a “reasonable” user’s judgement. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- Irregular and Fruitless expenditure
- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof; e.g. related party transactions to subsidiaries.
- Transactions entered into that could result in reputational risk.
- Any fraudulent or dishonest behaviour of an officer or staff of NWDC
- Any infringement of NWDC Group’s agreed QMS performance levels.
- Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations)

### d) Statutory Application

#### Section 55(2)

<p>The annual report and financial statements ... must -</p> <p>(b) include particulars of –</p> <p style="padding-left: 40px;">(i) any <b>material</b> losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p>	<p>Both quantitative and qualitative aspects as referred to in sections 2.1 and 3 define materiality for purposes of losses through criminal conduct. All losses relating to irregular and fruitless and wasteful expenditure are regarded as material due to the application of the nature of these losses (qualitative aspects).</p>
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#### Section 54(2)

#### Information to be submitted by accounting authorities

(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction	Specific level of significance defined per subsection
(a) establishment or participation in the establishment of a company;	Any transaction to establish a company
(a) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement	Where participation exceeds 20% of voting rights
(b) acquisition or disposal of a significant shareholding in a company	Any transaction to acquire or dispose of shareholding in a company
(c) acquisition or disposal of a significant asset	The cost of the asset acquired or disposed exceeds 15% of the total cost of assets
(d) commencement or cessation of a significant business activity; and	Any transaction where the income from or the investment in the business activity exceeds the amount determined in section 2.1 and section 3.
(e) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Where the change in the interest results in a change in the accounting treatment of the arrangement.

## 16.7 The Environmental Plan

- a) The NWDC adheres to environmental management principles of the National Environmental Management Act no 107 of 1998 (NEMA) that places people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.
- b) Development will be socially, environmentally and economically sustainable considering all relevant factors including the following:
- c) The disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied in terms of pollution and degradation, disturbance of landscapes and sites that constitute the nation's cultural heritage, waste, use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource.
- d) A risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and negative impacts on the environment and on people's environmental rights is anticipated and prevented or remedied.

- e) Environmental management is integrated and acknowledges that all elements of the environment are linked and interrelated; therefore best practice environmental options are pursued.
- f) Environmental justice is pursued so that adverse environmental impacts shall not be distributed in such a manner as to unfairly discriminate against any person, particularly vulnerable and disadvantaged persons.
- g) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.
- h) Responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle.
- i) The participation of all interested and affected parties in environmental governance is promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, while participation by vulnerable and disadvantaged persons must be ensured.
- j) The vital role of women and youth in environmental management and development is recognised.
- k) The environmental impact plan:
  - Identifies mechanisms to monitor and upgrade the continuous development and upgrading of the physical environment within which the entity operates.
  - Implements measures to adhere to and prepares plans to guide the entity to comply with environmental legislation and regulation affecting the entity.
  - Supplies information regarding the entity's contribution to the advancement of a healthy, safe and sound environment.
- l) The plan will form part of the shareholder's compact and is included in the corporate plan to ensure that all aspects of the environment in which the entity operates have been considered.

## 16.8 Marketing & Communication Plan

### 16.8.1 Marketing of the NWDC Brand

<b>Objective</b>	To expand the NWDC Brand within the North West Province among Business, Industry, SMMEs, VTSDs and the Public.
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	To create an awareness of the NWDC amongst potential investors outside of the North West Province.
<b>Principles</b>	<p>a) All communication that reaches internal and external audiences shapes the perception about the NWDC &amp; therefore establishes a Corporate Identity. The principle is that all marketing material and promotional events must reflect and communicate the commitment towards and capacity to assist business development in support of economic growth in the North West Province</p> <p>b) Consistent, uniform and accurate Corporate Signage must be used as far as possible and dependent upon budget availability.</p>
<b>Requirements/Conditions</b> <b>PROMOTION ACTIVITIES</b>	<p>Planning for promotion activities must provide for the following:</p> <ul style="list-style-type: none"> <li>• Branding</li> <li>• Promotion message must be linked to the NWDC Corporate Plan</li> <li>• Desired Impact</li> <li>• Desired Audience</li> <li>• Promotional media and promotional Items</li> <li>• Timeframe</li> <li>• Cost</li> <li>• Contact details of appropriately briefed NWDC employees</li> </ul> <p>Corporate Promotion to acknowledge Batho Pele Principles</p> <p>Promotion activities must convey the developmental role of the NWDC in context of:</p> <ul style="list-style-type: none"> <li>• Business Support</li> <li>• Properties Provision</li> <li>• SMME Development</li> <li>• Recognising Investment Promotion</li> </ul> <p>All promotional materials produced must comply with the following:</p> <ul style="list-style-type: none"> <li>• Clarity, simplicity, consistency in order to be understood by and accessible by the audience.</li> <li>• Reflect values of NWDC and reflect a positive image of NWDC</li> <li>• Be sensitive to the audience nuances and avoid stereotypes whilst acknowledging diversity</li> </ul>
<b>Requirements/Conditions</b> <b>NWDC LOGO</b>	<ul style="list-style-type: none"> <li>• The NWDC logo may not be modified or altered in any way.</li> <li>• The NWDC logo may only be furnished to external agencies and service providers by Marketing &amp; Communication in order to ensure correct resolutions and formats.</li> <li>• The NWDC logo, when used for purposes of co-branding with other entities must be of similar size of any other logo used.</li> </ul>

## 16.8.2 Marketing Communication

<b>Objective</b>	The Objective of Marketing & Communication is to regulate information flow within, into, and from the NWDC in a manner supportive to the NWDC's Corporate Plan and Mandate.
<b>Principles</b>	a) The Marketing & Communication Procedure sets key communication



	themes, including the objectives and operational principles.
	b) Management co-ordinates roles & responsibilities of NWDC employees and facilitate the effective flow of communication and must be implemented in congruence with the Corporate Plan.
	c) Professional ethics in respect of interpretation, analysis, dissemination and use of information must be maintained at all times.
	d) Transparent, honest and open communication must be pursued.
	e) Confidentiality must be managed in support of the NWDC Corporate Image
	f) Meaningful and reciprocal communication must be pursued and encouraged with respect to all stakeholders.
<b>Requirements/Conditions</b>	Communications may conduct environmental scans at annual (or other) intervals to inform the NWDC of mandate-impacting within its operating environment, and to communicate these issues to the Executive Management of the NWDC.
	Communication must coordinate and facilitate the communicating of identified issues that present potential reputational risks to the NWDC to the Executive Management.
<b>Requirements/Conditions</b> <b>INTERNAL DIALOGUE</b>	<p>Every employee has the right to, without fear of victimisation, limitation of opportunity, express in a responsible manner opinion, seek, receive and impart information and ideas within the parameters of NWDC governance, protocols, and employment contracts.</p> <p>All information sought and distributed within and outside the NWDC by authorised employees on behalf of the NWDC must:</p> <ul style="list-style-type: none"> <li>• relate to the business of the NWDC</li> <li>• be factual</li> <li>• not unfairly damaging and prejudicial to the NWDC, individuals and groups within the NWDC.</li> <li>• Be non-propagandist</li> <li>• Not advocate and/or incite discrimination, hostility, racism, and/or ethnicity</li> </ul>
<b>Requirements/Conditions</b> <b>ACCESS TO INFORMATION</b>	Subject to the NWDC governance and protocols every employee will have access to information contained in documents and records of the NWDC insofar as such information has a direct bearing on the well-being and interests of the requesting employee at an operational level.
<b>Requirements/Conditions</b> <b>EXTERNAL COMMUNICATION</b>	<p>a) Information disseminated to the NWDC's stakeholders should be supportive of and promote the interest of the NWDC, its mandate, vision and values as well as its policies/procedures.</p> <p>b) Inbound information received by any party within the NWDC shall have been meant for that party or parties in their capacities as employees of the NWDC. If not, such information must, without delay or disclosure to third parties, be passed on to the intended recipient.</p> <p>c) The receiving employee must procure that all information received from external sources by any party within the NWDC, should be verified for authenticity, accuracy and desirability before dissemination within and/or outside the NWDC.</p>
<b>Requirements/Conditions</b>	a) The Chief Executive Officer (CEO) is the Information Officer (IO) of the NWDC and therefore its principal spokesperson as required by the

<b>MANAGEMENT AND COORDINATION</b>	<p>Public Access to Information Act (PAIA).</p> <p>b) The CEO may, from time to time appoint subject spokesperson/s in accordance with the specific needs of the NWDC, and/or specialised communication contents/knowledge requirements of the NWDC stakeholders.</p> <p>c) The CEO may delegate information and communication roles to various levels within the NWDC</p>
<b>Requirements/Conditions</b> <b>ROLES AND RESPONSIBILITIES</b>	<p>The CEO, as the principal spokesperson is accountable to communicate to the stakeholders the following:</p> <ul style="list-style-type: none"> <li>• The decisions, priorities and policy/procedure issues as articulated by the Board of Directors and the Management of the NWDC</li> <li>• The strategy, policies/procedures and goals of the NWDC</li> <li>• Strategic areas of the NWDC's Corporate Plan</li> <li>• Issues of sensitive and strategic nature that only the CEO can communicate</li> </ul>
<b>Requirements/Conditions</b> <b>MARKETING &amp; COMMUNICATION ACTIVITIES</b>	<p>Marketing &amp; Communication is responsible for and coordinates the following communication activities:</p> <ul style="list-style-type: none"> <li>• Packaging and dissemination of corporate public information, promotional and public relations activities of the NWDC</li> <li>• NWDC projects, events and programme information</li> <li>• Provides advice and support to communication activities of the NWDC</li> <li>• Prepares and produces information materials for general and specific strategic audiences,</li> <li>• Utilise existing and develop new media/communications platforms</li> <li>• Provides guidance and support in the preparation and production of information materials</li> <li>• Ensures that all NWDC communication and information media meet professional standards that reflect a consistent and identifiable corporate image in compliance with the Corporate Plan.</li> <li>• Responsible for planning and executing communication campaigns encompassing all media and information channels</li> <li>• Ensure that all communication and information dissemination reflects key messages that promote the Corporate Plan priorities and the strategic agenda of the NWDC</li> <li>• Is the information and communication clearing house of the NWDC</li> </ul>
<b>Requirements/Conditions</b> <b>STAKEHOLDER PROTOCOL</b>	<p>All opinions on any NWDC, National and the North West Provincial Government policies, procedures, processes and practices, solicited and unsolicited, expressed by any employee, will be subject to the communication procedure and the employment contract between employees and the NWDC.</p> <p>Managers will, in consultation with Marketing and Communication, ensure that:</p> <ul style="list-style-type: none"> <li>• stakeholder communication forms an integral part of business plans and initiatives</li> <li>• views and needs of all stakeholders are assessed and responded</li> </ul>

	<p>to at all stages of all initiatives</p> <ul style="list-style-type: none"> <li>all communication and information to stakeholders reflect key strategic messages of the NWDC</li> </ul>
<b>Requirements/Conditions</b> <b>COPYRIGHT, LICENSING AND INTELLECTUAL PROPERTY</b>	All copy, text, content and symbols disseminated under/in the name of the NWDC will adhere and be subjected to the South African laws with regards to copyright, licensing and intellectual property
<b>Requirements/Conditions</b> <b>CRISIS RISK COMMUNICATION</b>	<p>a) Marketing &amp; Communication is responsible for coordination of a crisis risk communication plan.</p> <p>b) In an event of a crisis, the CEO, together with his Executive team comprising of the Corporate Services Manager, Marketing &amp; Communications Manager and the Communications Specialist will facilitate a multi-disciplinary task team consisting of various relevant stakeholders who have a role to play in the handling of the crises.</p> <p>c) In an event of a crisis and on the basis of its scale, Marketing &amp; Communications must facilitate the briefing of the Chief Executive Officer on a daily basis (or at the frequency reflecting the scale of the crises), on all issues pertaining to the crisis, including the remedial steps being taken to mitigate the crisis.</p>

### 16.8.3 Corporate Image Management amongst Stakeholders

<b>Objective</b>	To provide consistent and accurate information to all stakeholders in order to maintain and improve the Corporate Image of the NWDC
<b>Principles</b>	<p>The various categories of stakeholders must be acknowledged as follows:</p> <ul style="list-style-type: none"> <li>The Public Sector</li> <li>The Government of the North West Province (Refer to the PGDS)</li> <li>The Political Leadership</li> <li>Industrialists</li> <li>Business/Trade</li> <li>SMME</li> <li>Organised Business</li> <li>Business Support Entities (Banks, DBSA, etc.)</li> <li>North West Urban &amp; Rural Communities</li> <li>Suppliers and Contractors</li> <li>Clients</li> <li>Media</li> <li>NWDC Board of Directors</li> <li>NWDC Employees</li> </ul> <p>Stakeholder groups must be analysed in terms of their:</p> <ul style="list-style-type: none"> <li>Economic role</li> <li>Social role</li> <li>Public role (political)</li> <li>Information needs with respect to NWDC's economic role and mandate</li> </ul> <p>Protocol</p> <ul style="list-style-type: none"> <li>Marketing &amp; Communication protocol must be observed at all times</li> </ul>
<b>Requirements/Conditions</b>	<p>The Chief Executive Officer is accountable for Stakeholder Information</p> <p>Marketing &amp; Communications must assist and advise CEO with respect to:</p> <ul style="list-style-type: none"> <li>Opportunities for enhancement of NWDC Corporate Image</li> </ul>

	<ul style="list-style-type: none"> <li>• In terms of threats to the NWDC Corporate Image which need to be responded to</li> <li>• Screening of any external stakeholder communication</li> </ul>
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#### 16.8.4 Corporate Social Responsibility

<b>Objective</b>	To visibly demonstrate the NWDC values & portray the Batho Pele Principles
<b>Principles</b>	<ul style="list-style-type: none"> <li>a) Marginalised groups must be targeted (Youth, Disabled, Aged, Women) etc</li> <li>b) Benefit of Corporate Social Responsibility must accrue to society</li> <li>c) Corporate Social Responsibility Outreach may not create or constitute a dependency upon NWDC</li> <li>d) Beneficiaries should reside within the NWDC area of jurisdiction</li> </ul>
<b>Requirements/Conditions</b>	<ul style="list-style-type: none"> <li>a) In the event of monetary assistance – such assistance may only be made in instances where there is a Bank Account that is opened to public scrutiny; a receipt must be obtained where possible</li> <li>b) In the instance of a donation of any goods, proof must be submitted of receipt hereof (i.e. photographs, emails etc.)</li> <li>c) Corporate Social Responsibility assistance may only be considered after budgetary allocation for this purpose has been confirmed.</li> <li>d) Appropriate promotional material must be displayed/accompany any Corporate Social Responsibility Programme</li> </ul>