



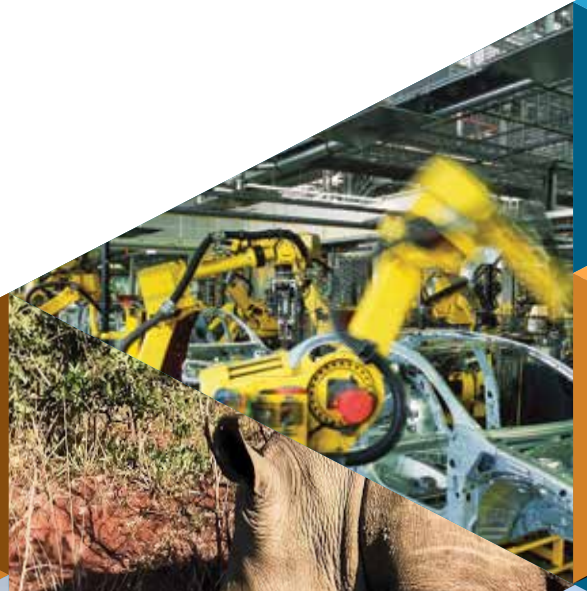
**edtea**

**Department :**  
Economic Development, Tourism and  
Environmental Affairs

**PROVINCE OF KWAZULU-NATAL**

# ANNUAL PERFORMANCE PLAN

## 2017/18







## MEC'S FOREWORD



**Mr Sihle Zikalala, MPL**  
**MEC for Economic Development,**  
**Tourism and Environmental Affairs.**

The Annual Performance Plan presents an opportunity for the Department to detail its programmes that will be implemented in the 2017/2018 financial year. This plan assumes supremacy amongst various other strategic documents of the Department as it forms the primary basis upon which, together with the Strategic Plan and Annual Report, the Department accounts to the legislature, oversight institutions and the public for the execution of its mandate.

To ensure seamless service delivery, government invests considerable amount of its resources on availing a budget, human capital and all other assets. However, there must be a cogent process to convert inputs provided to credible outputs and outcomes. The public and all our stakeholders expect to see work of the department manifest in high impact on the targeted beneficiaries.

The National Development Plan provides a blueprint for the country's growth path. It also specifies priorities which have been concretised as 14 Outcomes for this medium term. The Department is primarily expected to champion Outcomes focusing on decent employment, efficient economic infrastructure, protection of environmental assets and natural resources and an efficient, effective and development-oriented public service. Guided by the six strategic pillars of Industrial Hubs, Aeretropolis, Maritime, Tourism, Environmental Management and Radical Economic Transformation, the Annual Performance Plan provides specific details of the key activities that each programmes of the Department will implement.

Sustainable natural resource management forms primary basis upon which a thriving tourism industry can be promoted alongside efficiently managed environment. Economic growth that results in the exploitation and unsustainable environmental practise is harmful in the long term. That is why the Department endeavours to balance economic development interventions and investments with sound environmental principles. We take our statutory responsibility of environmental impact assessment and environmental control regime with all the necessary seriousness.

Over the course of this financial year, the Department will finalise the rationalisation of its family of entities in line with the national government process to streamline state-owned entities to sharpen their mandate and capacity. The relationship between the Department and entities will be subject to improved corporate governance with the intention to foster closer strategic partnerships.

Radical economic transformation will be more pronounced in the interventions of the Department to ensure delivery on various government outcomes. We can no longer be tinkering on the edges and be comfortable with small changes that have a negligible effect on our drive to reduce unemployment, poverty and inequalities. Despite all the major strides we have made to economically liberate our people, a large majority of them remain stuck in poverty.



We are convinced that the failure to reflect the country's racial and gender demographics in the structure and ownership pattern of our economy, is the core reason why poverty, inequality and unemployment persist. Radical economic transformation entails a robust shift to an economy that will benefit all including the marginalised groups of the society such as youth, women, people with disabilities and the poor.

It is for this reason enunciated above why the department intends to augment the support provided to small businesses, cooperatives and entrepreneurs. Strategic procurement with set-asides for targeted groups and BBEE will form important measures of support. We will implement the initiated Radical Agrarian Socio-Economic Transformation (RASET) programme, which aims to improve food production and supply value chain for under privileged farmers and emerging agro-businesses. We want to introduce prudent business regulations for both formal and informal economy to avoid suffocating business and entrepreneurial aspirations through unnecessary red-tape.

The Department may develop grand plans; however, if organisational capacity is not enhanced and managed efficiently, implementation will be hampered. It's with this background that the executive authority commits to ensuring organisational structure of the Department is prioritised for finalisation and all critical posts be filled to enable execution of our programmes.

The unyielding support of the executive council, legislature and its committees, oversight institutions, and the management of the Department, entities and all our stakeholders is appreciated.

The Department is on course to realise its vision and achieve the goals it has set for

Hon. SM Zikalala (MPL)

MEC: Economic Development, Tourism and Environmental Affairs.





## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan was developed by the Management of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) under the guidance of MEC Sihle Zikalala and was prepared in line with the current Strategic Plan of EDTEA and accurately reflects the performance targets which EDTEA will endeavor to achieve given the resources made available in the budget for 2017/18 financial year.

Mr. S. Mkhize  
(Acting) General Manager: Executive Support and Strategic Analysis

Date: 3rd of March 2017

Mr. S. Wüst  
(Acting) Chief Financial Officer

Date: 3rd of March 2017

Mr. S.P Myeza.  
(Acting) Head of Department

Date: 3rd of March 2017

Approved by:

Mr. S. M-Zikalala (MPL)  
Executive Authority  
Economic Development, Tourism and Environmental Affairs

Date: 3rd of March 2017





## ACRONYMS

ADR	Alternative Dispute Resolution
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CSP	Customised Sector Programme Policies
DTI	Department of Trade and Industry
DTP	Dube Trade Port
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Regional
HRM&D	Human Resource Management and Development
IDS	Industrial Development Strategy
IDZ	Industrial Development Zone
IEDS	Integrated Economic Development Services
IPAP	Industrial Policy Action Plan
KM	Knowledge Management
KZN EDTEA	KwaZulu-Natal: Department of Economic Development, Tourism and Environmental Affairs
KZNPSS	KwaZulu-Natal Wood Processing Sector Strategy
LED	Local Economic Development
MAPPSETA	Media, Advertising, Publishing, Printing, Packaging SETA
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NSDP	National Spatial Economic Development Perspective
NTSS	National Tourism Sector Strategy
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PIDS	Provincial Industrial Development Strategy
PSEDS	Provincial Spatial Economic Development Strategy
RIDS	Regional Industrial Development Strategy
RLED	Regional Local Economic Development
R&D	Research and Development
SEZs	Special Economic Zones
SMME's	Small, Medium and Micro Enterprises



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## PART A: STRATEGIC OVERVIEW

### 1. VISION

Attainment of a radically transformed, inclusive and sustainable economic growth for KwaZulu-Natal.

#### Mission

The mission of EDTEA is to:

- Provide leadership and facilitate integrated economic planning
- Be a catalyst for economic transformation and sustainable development
- Implement strategies that drive economic growth and promote sound environmental management
- Create a conducive environment for trade, investment and tourism
- Monitor and enforce sound business and consumer regulations

#### Values

The Department commits to providing a favourable environment for its employees. We believe and promote the culture of Ubuntu and subscribe to the following values:

- Caring and Supportive
- Ethics and Integrity
- Accountability and Transparency
- Commitment and Innovation

### 2. STRATEGIC OUTCOME-ORIENTED GOALS

The strategic focus for the KZN EDTEA during the 2015 -2020 planning period is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities as well as building a vibrant organisation. The table below outlines a summary of strategic goals for 2015 to 2020 as well as the strategic objectives that are key in driving each strategic intervention. These strategic goals inform the programmes of the KZN EDTEA for the afore-mentioned planning period.



# KZN EDTEA STRATEGIC OUTCOME ORIENTED GOALS



Integrated economic planning and development in the Province	
Strategic outcome oriented Goal 1	
Goal statements	<ul style="list-style-type: none"> <li>Enhanced integrated infrastructure planning and development that advance SEZ/IEH, Maritime, Aerotropolis and sustainable use of natural resources</li> <li>Improved efficiency and effective business regulation for liquor industry, consumer service, formal and informal business sector.</li> <li>Enhanced KZN global competitiveness for Trade and Investments promotion</li> </ul>
Goal indicators	<ul style="list-style-type: none"> <li>% increase in the number of bilateral strategic agreements signed with African and global partners for trade and investment initiative</li> <li>% increase in the Rand Value of investment attracted to KZN</li> <li>% increase in the number of KZN infrastructure Projects that adhere to sustainable development principles/standards</li> <li>% increase in the value of investment committed by government and the private sector in research and innovation initiatives</li> <li>% of compliance with liquor Licensing, consumer Act and business Act of KZN</li> </ul>
Links	MTSF Outcome 4 and PGDP Goal 1
Inclusive and sustainable economic growth that supports decent employment	
Strategic outcome oriented goal 2	
Goal statements	<ul style="list-style-type: none"> <li>Increased economic growth that supports decent jobs, HDI's, SMME's and social enterprises.</li> </ul>
Goal indicators	<ul style="list-style-type: none"> <li>% of Growth in GDP-R</li> <li>% increase in number of sustainable SMME's and social enterprises</li> <li>% increase in employment, income and economic opportunities for Youth, Women and People with disabilities of KZN</li> <li>% increase in skills and capable workforce to support inclusive economic growth</li> </ul>
Links	MTSF Outcome 4 and PGDP Goal 1



Strategic Outcome Oriented Goal 3	Preferred tourism destination in the country
<p>Goal statements</p>	<p>Accelerate global competitiveness of KZN as a preferred tourism destination for domestic and global tourism through:</p> <ul style="list-style-type: none"> <li>• Improved KZN Tourism product and service offering in the sector</li> <li>• Improved KZN tourism marketing and packaging</li> <li>• Improved KZN tourism compliance with tourism legislation.</li> <li>• A transformed KZN tourism sector towards inclusive growth and employment</li> </ul>
<p>Goal indicators</p>	<ul style="list-style-type: none"> <li>• % increase in the number of tourists visiting KZN</li> <li>• % Increase in Tourism spending in KZN</li> <li>• % Increase in tourism Marketing and packaging</li> <li>• % increase in tourism sector contribution to KZN GDP</li> <li>• % increase of direct and Indirect jobs created within Tourism sector</li> <li>• % increase in KZN Tourism sector adherence to Tourism sector code</li> </ul>
<p>Links</p>	<p>MTSF Outcome 4 and PGDP Goal 1</p>

Strategic Outcome Oriented Goal 4	Sustainable environmental management
<p>Goal statements</p>	<p>Promote conservation of environmental assets and natural resources to yield sustainable development through:</p> <ul style="list-style-type: none"> <li>• Enhanced governance systems and capacity</li> <li>• Sustained ecosystems and efficient natural resource use</li> <li>• An environmentally sustainable, low-carbon economy resulting from a well-managed just transition</li> <li>• An effective climate change mitigation and adaptation response</li> <li>• Improved sustainable human communities</li> </ul>
<p>Goal indicators</p>	<ul style="list-style-type: none"> <li>• % reduction in non-compliance with environmental legislation</li> <li>• % reduction of identified ecosystems under stressed</li> <li>• % reduction of greenhouse gases emitted atmosphere</li> <li>• % increase of environmental research findings incorporated into policies and strategies</li> <li>• % increase in community awareness and participation in the environmental decision making process.</li> <li>• Number of jobs opportunities facilitated through environmental management interventions</li> </ul>
<p>Links</p>	<p>MTSF Outcome 10 and PGDP Goal 5</p>



Strategic Outcome Oriented Goal 5	Achieve Institutional Excellence Responsive To the Needs of The Province
Goal statements	<ul style="list-style-type: none"> <li>Improved efficient, effective and accountable public sector Institution</li> <li>Improved corporative governance for robust business processes and systems</li> <li>Improved sound financial management practise</li> </ul>
Goal indicators	<ul style="list-style-type: none"> <li>Clean audits opinion on financial statements and performance information</li> <li>% increase in MPAT Standards Score to level 4 in all KPA's</li> <li>% of targets achieved against those planned for in the APP</li> </ul>
Links	MTSF Outcome 12 and PGDP Goal 6

### 3. LEGISLATIVE FRAMEWORK AND OTHER MANDATES

The Department operates within National and provincial legislative, policy and strategic frameworks. Some of the National Acts that are critical to the operations of the Department are the Constitution of the Republic of South Africa, particularly Schedule 4 and 5 which stipulate the competences of the provincial government on matters of economic development and the Public Finance Management Act:

B-BBEE Act;  
 Business Act of 2003  
 Labour Relation Act of 1995  
 Public Service Act of 1994  
 Public Service Regulations, 2001  
 Intergovernmental Relations Framework Act, 2005  
 B-BBEE Codes of Good Practice;  
 Cooperative Amendment Act 6 of 2013;  
 Integrated National B-BBEE Strategy and KZN B-BBEE Strategy;  
 Informal Economic Policy;  
 Industrial Policy Action Plan (IPAP);  
 National Development Plan (NDP);  
 Local Economic Development (LED) policy guideline;  
 South Africa Trade policy framework;  
 Green Economy Framework;  
 Mining Beneficiation Strategy;  
 National Spatial Economic Development Perspective (NSDP);  
 Special Economic Zones (SEZs) Act  
 National Environmental Management Act 107 of 1998;  
 National framework for sustainable development;  
 National climate change response strategy;  
 National air quality management strategy;  
 National waste management strategy;  
 Tourism Act No. 3 of 2014;  
 White Paper on the Development and Promotion of Tourism  
 National integrated coastal management strategy;  
 White Paper on Environmental Management Policy;  
 National Environmental Management: Biodiversity Act 10 of 2004 (NEMBA),  
 National Environmental Management: Protected Areas Act 57 of 2003 (NEMPAA)



The Provincial government is aligned to these Acts and policies and the Department's mandate is further guided by the following Provincial Strategies, among others:

- Ithala Development Finance Corporation Act;
- Ordinance 15 of 74, KwaZulu-Natal Nature Conservation Management Act 9 of 1997;
- KwaZulu -Natal Tourism Act;
- KwaZulu -Natal Tourism Master Plan;
- Liquor Act;
- Dube Trade Port Act;
- Film Commission Act;
- Trade and Investment Act;
- Consumer Protection Legislation;
- Provincial Growth and Development Strategy
- Provincial Spatial Economic Development Strategy
- Industrial Development Strategy;
- Investment Promotion Strategy;
- Airport Strategy;
- KZN Small Enterprise Development Strategy;
- Cooperative Developments Strategy;
- Youth Economic Empowerment Strategy;
- Informal Economic Policy.

The emphasis in most of the abovementioned policies and provincial strategies is in addressing the triple challenges of poverty, unemployment and inequality. The main policy discussions are currently centred on the following:

- Job creation
- Special Economic Zones and Industrial Economic Hubs;
- Beneficiation/Value Addition;
- Infrastructure Development;
- Rural Economic Development;
- Skills Development;
- Economic Transformation;
- The KwaZulu-Natal Beach Tourism Policy;
- Trade Policy;
- Spatial Economic Development;
- Black industrialisation and
- Revitalisation of Township and Rural Economies.

The above Acts, policies and strategies are critical to direct the vision and mandate of the Department. It is only through efficiency in the implementation of these legislations, policies and strategies that the Department can meaningfully contribute to the fight against the triple challenges of development.



## 4. SITUATIONAL ANALYSIS

The mandate of KZN EDTEA involves both economic and social aspects of development in a country. This mandate cannot be delivered by one entity in KZN. It is for this reason that EDTEA seeks to draw on the strength of partnerships to drive this endeavour. Furthermore, the role of various government departments to work together to achieve the overall objectives of economic development cannot be overemphasized.

The Department is committed to making meaningful contribution to the KwaZulu-Natal vision 2035 of a "prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world". Through the PGDS(2011), a number of catalytic projects were identified to grow the provincial economy. KwaZulu-Natal province has the strongest manufacturing and agriculture sectors in South Africa. The province boasts a highly advanced manufacturing sector, which contributes 16% of the province's GDP. Its manufacturing industry is diverse, combining strong light and heavy industries. This is because of its strategically located ports of Durban and Richards Bay which are the busiest and largest in the country.

### 4.1 PERFORMANCE ENVIRONMENT

#### 4.1.1 GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

##### 4.1.1.1 World Economic Growth

Three big global developments have occurred in recent months, first Brexit, then the U.S Elections and lastly Italy's constitutional referendum. The full impacts of these are yet to play out as much uncertainty in markets lingers around these three developments.

The United Kingdom's 24th June referendum to leave the European Union has split any notion that Europe presents a united front as bitter talks begin. Actual exit from EU will likely to be complete by 2019 and at this point it is unclear what kind of trading relationship many countries including South Africa will have with the UK following this process as new bilateral trade agreements will have to be negotiated to replace the existing EU agreements.

The United States Presidential elections on the 8th of November 2016 yielded surprise results with Donald Trump's margin victory over Hillary Clinton to become the 45th president of the US. Both the Brexit and election of Donald Trump are but two examples of a growing global trend of anti-globalisation where countries are electing to protect their own from international events (e.g Syrian refugee crisis and illegal immigrants). There is a tendency of the world seeking more protectionism, resulting in a slowdown in global trade.

Italian Prime Minister Matteo Renzi called for a referendum on constitutional reform, the crux of the referendum was to make it easier to Govern the nation and make it less costly. A "Yes" vote would have removed power from the Senate and that proposed laws would only require the approval of the lower house of parliament, as opposed to the current system which requires approval from both houses. In other words Italy often found itself in a political gridlock where both its chambers (Upper and Lower) have exactly the same powers as each other.

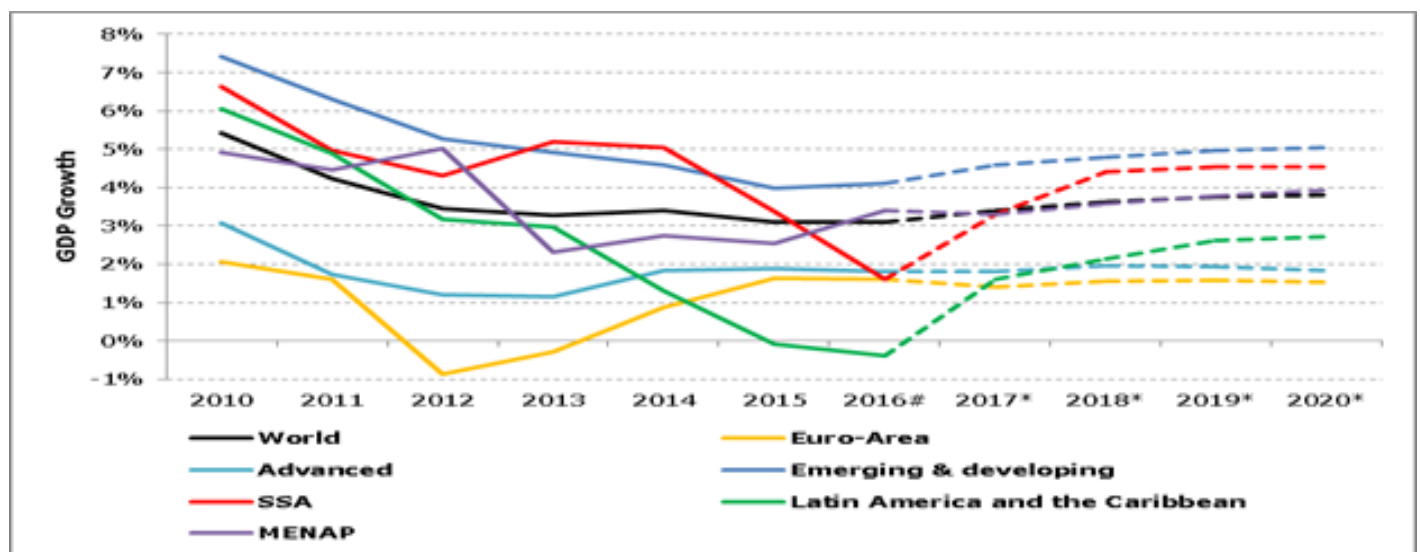
However Italy voted to reject the reform with 59.4% voting "No" to 40.6% for "Yes" resulting in Matteo Renzi quitting as Prime Minister. Fears of a fragmented government over the referendum have arisen that could lead to a call for a referendum over Italy's membership of the Eurozone signalling further possible break-up of the EU's single currency, leading to further disintegration of the European Bloc.



To assist in analysing the economic performance and outcomes for a number of countries globally, the World Bank's 14th Edition of the Ease of Doing Business Report has assessed 190 countries to investigate the regulations that enhance business activity and those that constrain it. The Report measures aspects of regulation affecting 11 areas of the life of a business including starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

Another renowned report used to measure global economic performances is the Ashish J. Thakkar Global Entrepreneurship Index used to benchmark global entrepreneurship out of 85 economies. The Report is a unique tool that measures entrepreneurial environments around the world, assessing each country against a set of criteria that spans cultural, educational, administrative, infrastructural, financial and policy factors.

Figure 1 Average GDP Growth Rates



Source: IMF, 2016

Note: MENAP- Middle East, North Africa, Afghanistan and Pakistan.

Growth has been hampered by subdued demand particularly in investment. Central Banks introduced Quantitative Easing following the Global Financial Crisis but with all this printing of money, little has found its way into infrastructure development. A lack of fixed investment spending globally has plateaued below its historical average despite record low interest rates.

On the contrary to lack of global fixed investment, China's focus on investment to grow its economy has worked phenomenally well in the past, but the country now has spare capacity and has had to slow down fixed investment while encouraging consumption spending. China's single biggest import item is commodities. The decline in commodity imports put pressure on commodity prices and emerging economies, many of them significant commodity exporters.

#### 4.1.2 GROSS DOMESTIC PRODUCT GROWTH TRENDS

The country's Gross Domestic Product (GDP) slowed significantly in the third quarter of 2016. Economic growth remains subdued at a rate that is insufficient to address the country's developmental needs. The three main credit rating agencies recently spared the country's investment grade status; temporary abating down-grade concerns in 2016.

The country is sitting at the bottom notch of investment grade category which is just above the non-investment grade or 'junk status' grade. The credit ratings are an indication of economic, financial and political situation

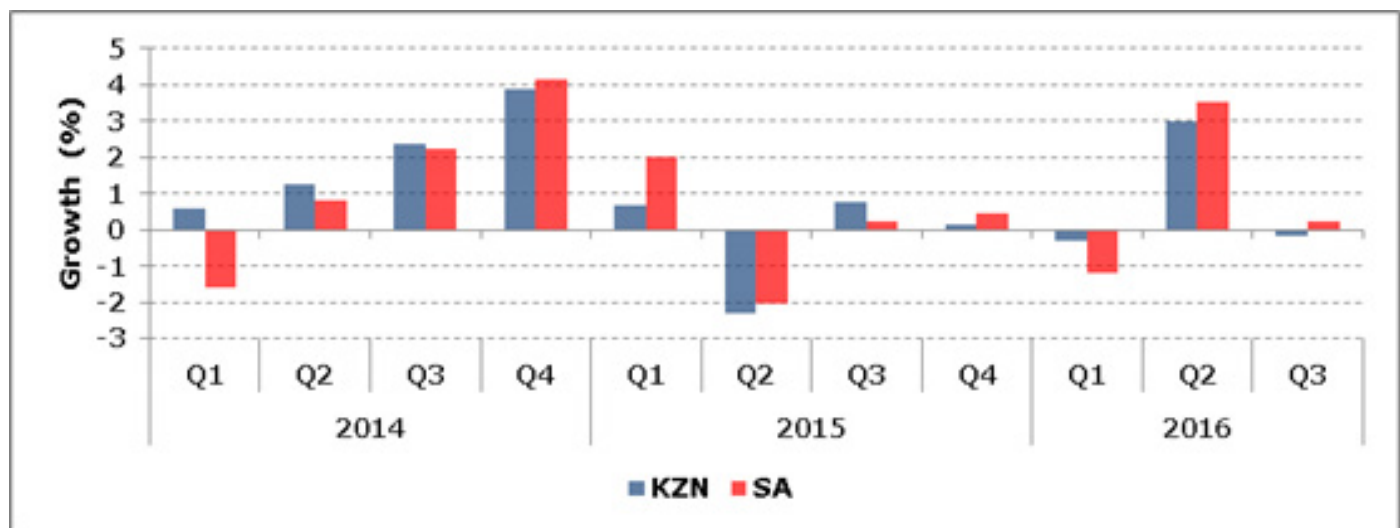


of an economy and signals important information regarding a country’s broad development progress. The ratings were, chief among other things, supported by the assumption that South Africa will experience continued broad political and institutional stability as well as macroeconomic policy continuity.

GDP increased by mere 0.2% quarter-on-quarter (q-o-q) annualised rate in the third quarter of 2016, a continuation of the more volatile performance characterising the domestic economy in recent times. This comes after an increase of 3.5% in the second quarter of 2016. Slow growth in the third quarter was mainly brought about by a contraction in manufacturing output, with the most pronounced declines registered in the subsectors producing petroleum, basic iron and steel and motor vehicles.

Viewed from the expenditure side, the main reason for the deterioration in the rate of growth in GDP in the third quarter of 2016 was a sharp decline in real net exports, reversing the strong positive contribution that this component had made in the preceding quarter.

Figure 2: GDP Quarter-on-Quarter



Source: Stats SA and Quantec Research, 2016

#### 4.1.2 Sectoral Drivers of GDP Growth

The real value added by the primary sector increased at a slower pace in the third quarter of 2016. Following an increase of 12% in the second quarter of 2016, growth in real output of the primary sector moderated to an annualised rate of 3.8% in the third quarter due to the weaker performance of the mining sector over the period.

Having increased firmly in the second quarter of 2016, the real value added by the secondary sector contracted at an annualised rate of 2.5% in the third quarter. Real output of the manufacturing as well as the electricity, gas and water subsectors declined, whereas activity in the construction sector increased over the period while growth in the real value added by the tertiary sector consequently moderated from an annualised rate of 1.9% in the second quarter of 2016 to 0.5% in the third quarter.







Figure 3: Sectorial GDP contribution

Industry	South Africa			KwaZulu-Natal		
	2016:Q1	2016:Q2	2016:Q3	2016:Q1	2016:Q2	2016:Q3
Agriculture, forestry and fishing	-6.5	-0.8	-0.3	-6.0	-0.4	0.2
Mining and quarrying	-17.5	16.1	5.1	-17.7	15.8	4.6
Manufacturing	0.6	8.1	-3.2	0.6	8.1	-3.1
Electricity and water	-2.8	-1.8	-2.9	-2.4	-1.4	-2.6
Construction	0.4	-0.2	0.3	0.5	0.0	0.7
Wholesale & retail trade; hotels & restaurants	1.3	1.4	-2.1	1.5	1.6	-1.9
Transport and communication	-2.7	2.9	0.3	-2.7	3.0	0.4
Finance, real estate and business services	1.9	2.9	1.2	1.8	2.9	1.2
Community, social and other personal services	0.5	0.8	0.6	0.5	0.8	0.6
General government services	1.1	1.0	1.8	1.1	1.0	1.8
All industries at basic prices	-1.1	3.6	0.2	-0.2	3.0	-0.2
Taxes less subsidies on products	-1.8	2.8	0.4	-1.8	2.8	0.4
GDP R at market prices	-1.2	3.5	0.2	-0.3	3.0	-0.2

Source: Stats SA and Quantec Research, 2016



The largest positive contributor to growth for South Africa in the third quarter was mining and quarrying, general government services and finance, real estate and business services. Mining and quarrying increased by 5.1% and contributed 0.4 of a percentage point to GDP growth. General government services increased by 1.8% and contributed 0.3 of a percentage point to GDP growth while finance, real estate and business services increased by 1.2% and contributed 0.2 of a percentage point to GDP growth.

Industries contracted in the third quarter, namely agriculture, forestry and fishing; manufacturing; electricity, gas and water; and trade, catering and accommodation, contracting by 0.3%, 3.2%, 2.9% and 2.1% respectively.

### KwaZulu-Natal's comparative advantage

KwaZulu-Natal is a premier tourist destination, recording 718,624 foreign tourist visits in 2016, and has one of the best hotel occupancy rates in the country. The province boasts the iconic Moses Mabhida Stadium as well as two World Heritage Sites in the form of the Drakensberg Mountains and the Isimangaliso Wetland Park

- KwaZulu-Natal is second only to Gauteng in terms of percentage contribution to South Africa's GDP.
- The province boasts a highly advanced manufacturing sector, which contributes close to 16% of the province's GDP.
- It also boasts of a highly diversified agricultural sector. The province is the country's leading producer of timber (processing over half of all timber used in the country, and accounting for a significant percentage of the country's wood exports) and Sugar cane (with some of the country's largest sugar processing plants).
- The Province has the highest export propensity, as well as the highest level of industrialization (as measured by the size of the manufacturing sector as a percentage of GDP) in the country.
- The ports of Durban (Largest port in Africa in terms of container handling and volume of vessels) and Richards Bay, together, handle over 60% of South Africa's cargo tonnage.
- KwaZulu-Natal also boasts the growing King Shaka International Airport (KSIA) which is poised for growth, handled over 4.7 million passengers in 2016 and the Dube Trade Port, aimed at stimulating and promoting exports from KSIA. A new route by Air Namibia between Durban to/from Windhoek via Gaborone in Botswana has started strengthening trade ties with the Province.
- Plans are afoot to develop the Durban Aerotropolis to be the first post-1994 city driven by King Shaka international airport.
- Two Special Economic zones are being developed at Dube Trade Port and Richards Bays Industrial Developments Zones.
- The province has a number of regional airports and air strips ready for development.
- Plans are afoot to develop an automotive supply park south of Durban as part of EDTEAs drive to re-industrialise the provincial economy.
- Richards Bay is the centre of the country's aluminium industry operations, producing over 4% of the world's export of aluminium. It is also the seat of the world's largest sand mining and mineral-producing operations.

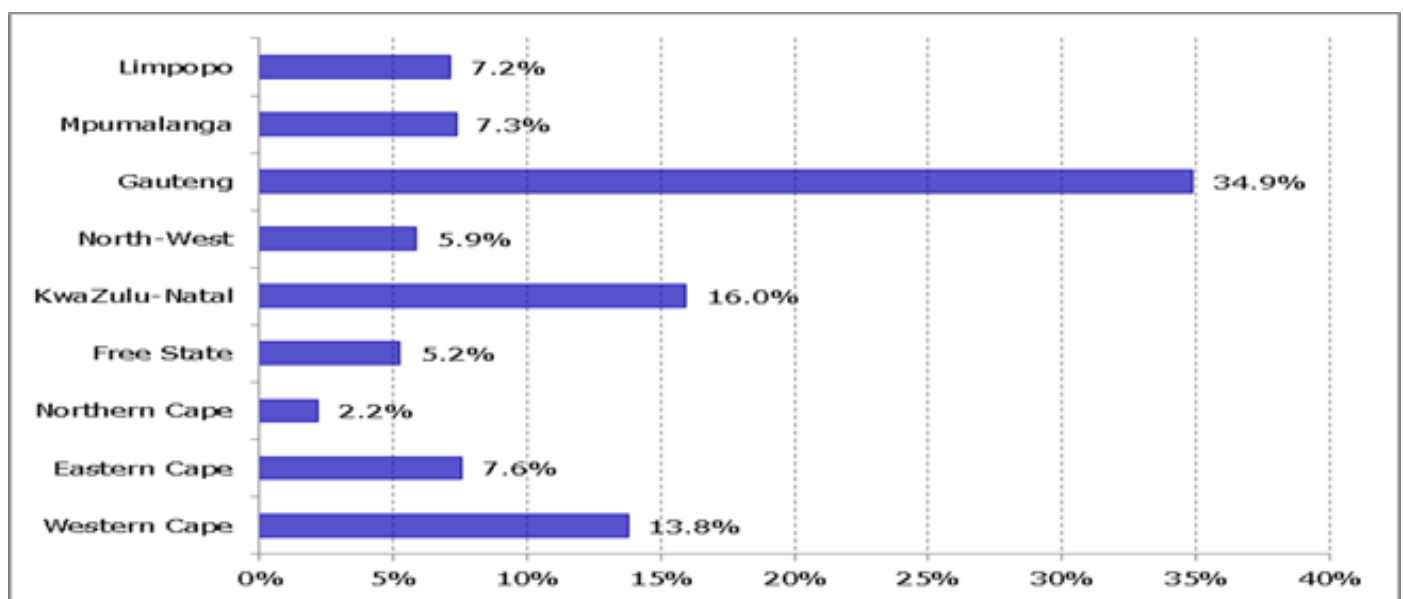


**Figure 4: Various Economic Indicators**

Indicator	KwaZulu-Natal	South Africa
GDP (R'000s) at 2010 constant prices Seasonally Adjusted & Annualised- 3rd quarter 2016 (R' mil)	490 355	3 073 916
GDP Growth (3rd quarter 2016)	-0.2%	0.2%
Population (000s) (2016)	11 079	55 908
Working Age Population (000s) (15-64 years)	6 815	36 750
Unemployment (000s) (QLFS, 3rd quarter 2016)	766	5 873
Unemployment Rate (3rd quarter 2016)	23.5%	27.1%
Labour Force (000's) (3rd quarter 2016)	3 262	21 706
Absorption Rate (employed/population ratio)(3rd quarter 2016)	36.6%	43.1%
Gini Coefficient (2015)	0.63	0.63
Human development Index (HDI)- (2015)	0.61	0.65
Functional literacy (2015)	80.5%	83.3%
Inflation (November 2016)	7.50%	6.60%
Foreign tourists per annum (2015)	718 624	8 903 773
Cargo tonnage handled at ports (000s)-(3rd quarter 2016)	33 164 941	53 736 284
Number of containers handled at ports -(3rd quarter 2016)	686 245	1 151 777
Total Air Passenger Movements at King Shaka International- (3rd quarter of 2016)	1 313 314	

Source: Stats SA, IHS Global Insight, Quantec Research, Transnet, 2016

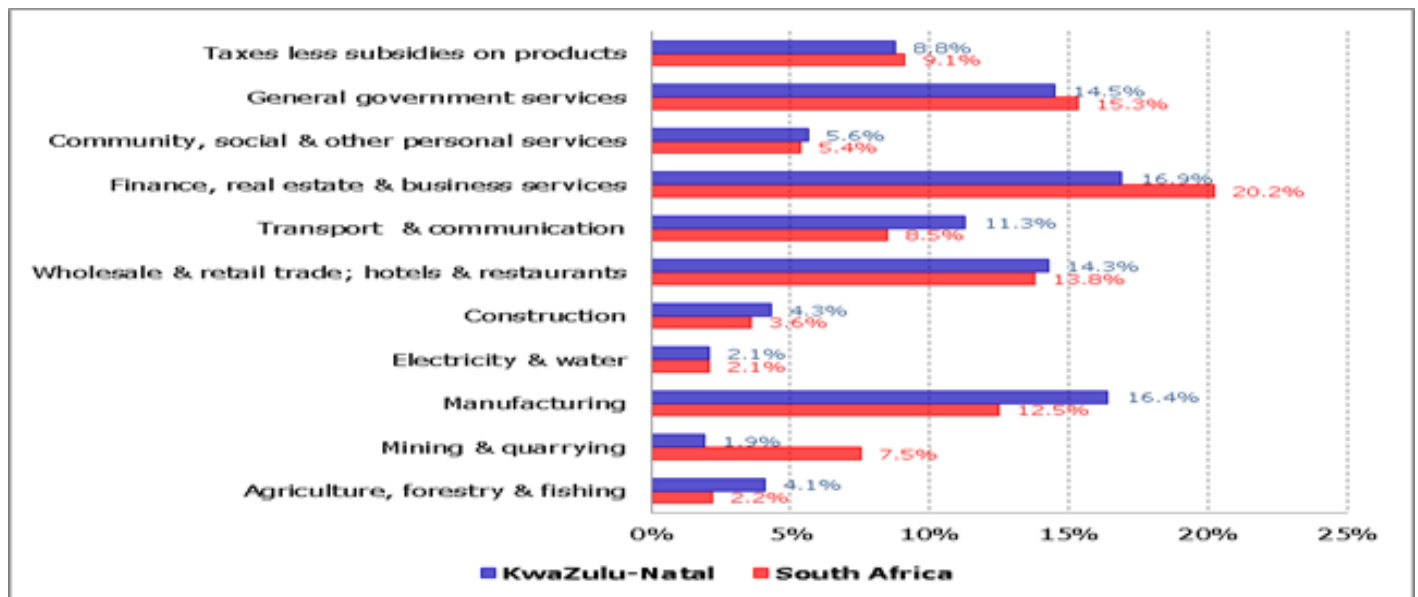
**Figure 5: Provincial Contribution (%) to South African GDP, 3rd Quarter 2016**



Source: Quantec Research, 2016



Figure 6: Sectoral Contribution (%) to GDP-R, 3rd Quarter 2016



Source: Quantec Research, 2016

While the country’s growth was somewhat positive, the KZN GDP growth on the other hand mildly contracted by 0.2% in the third quarter of 2016 compared to 3% recorded in the second quarter of 2016. This was primarily due to a decline in the province’s manufacturing sector which is the main economic sector in the province due to its significant contribution to provincial GDP. Of note, this is the second contraction of the provincial growth in one year, having contracted by 0.3% in the first quarter. On an annual basis, the third quarter provincial GDP was estimated at 0.7%.

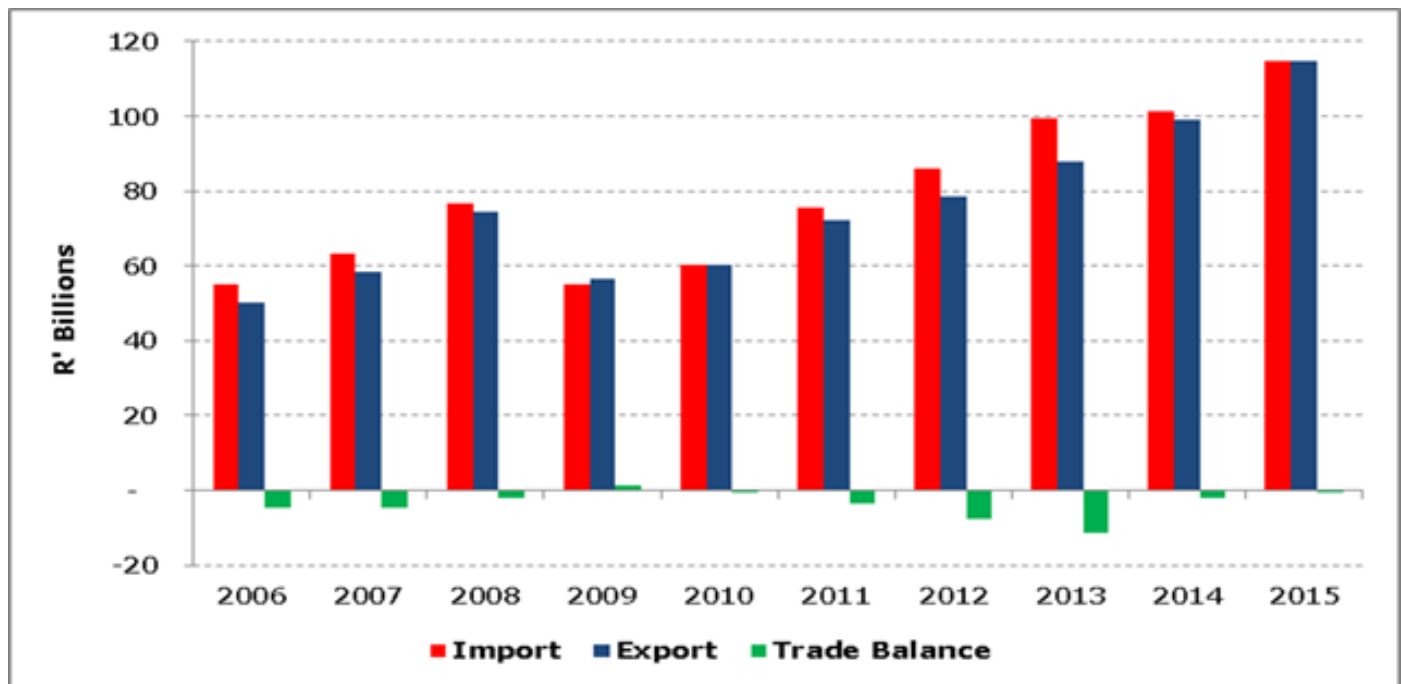
### 4.1.3 KZN Trade

Post the 2008-2009 financial crisis KwaZulu-Natal’s trade has been on a gradual rise, although export growth has lagged behind imports for the entire period under review except for the year 2009. In the 10 year period under review the province has recorded a negative in its trade balance except for the year 2009. The province’s trade performance has in many respects been a reflection of the national trade performance.





Figure 7: Imports and Exports KZN, 2006-2015



Source: Quantec Research, 2016

#### 4.1.4 KZN Investment and Facilitation

The quest to attract and facilitate new fixed investment in KwaZulu-Natal by Trade and Investment KwaZulu-Natal has successfully executed a total of 4 projects during the second quarter of the 2016/17 financial year. Some of these projects reflect technological knowledge and skills transfer type of Foreign Direct Investments, while Zimbali Resorts provide a significance impact on property development and Tourism growth in KwaZulu-Natal. The following table depicts a Rand value of R610m and potential job creation of 1665.

Table 8. Committed Projects, Q2:2016/17

No	Project Name	Location	Rand Value	Potential Jobs
1.	Amarula Processing Plant	Mkhanyakude District	R35m	15
2.	Bhambanana Abattior	Mkhanyakude District	R85m	50
3.	Inoxa Manufacturing	Ethekwini Municipality	R270m	600
4.	Primetalk	Ethekwini Municipality	R220m	1000
<b>Totals</b>			<b>R610m</b>	<b>1665</b>



Over the past financial years TIKZN has successfully implemented investment projects in 2 different districts of KwaZulu-Natal from concept stage, feasibility plans, funding and operational level.

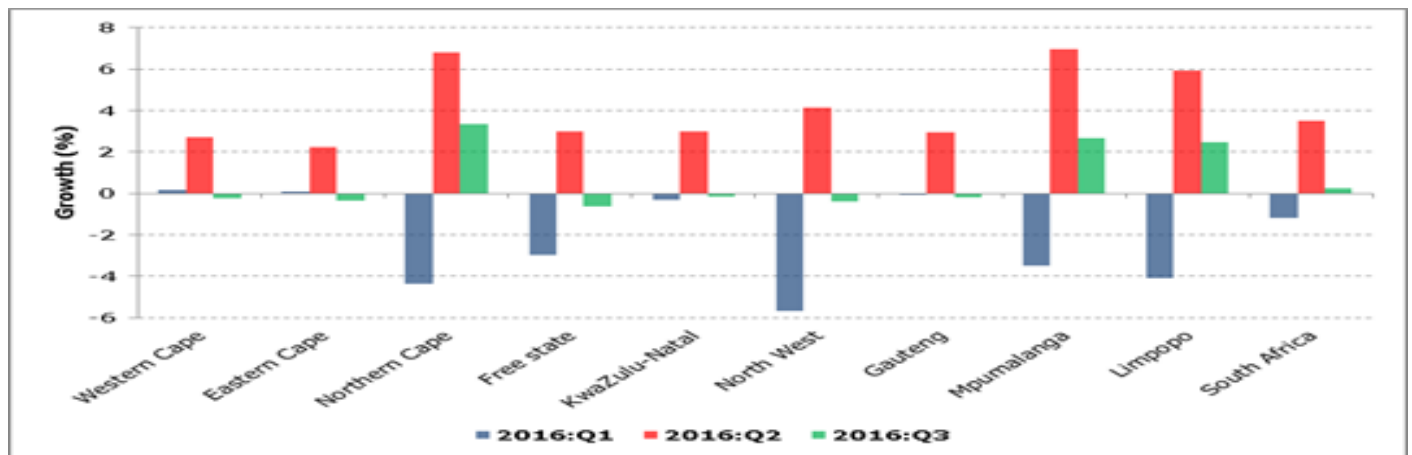
**J Strickland Africa** - Strickland Africa currently services over 1,500 customers in South Africa, southern Africa on an account basis and into Africa on export cash-on-demand (COD) basis and plans to expand even further into the African market. The ethnic hair and cosmetics manufacturer, warehousing and distribution takes place in a 2,400m<sup>2</sup> factory at Strickland House in Westmead Durban. This location is in a prime industrial area, with close proximity to the harbour, which supports the business import and export activities. Distribution to the rest of South Africa has been outsourced with a 48-hour lead time to main centre and hubs benefiting both customers and consumers and giving a leading edge over competitors.

**Tongaat Hulett** - has committed to invest R50 billion in the next 15 years in the development of the Sibaya Coastal Precinct in a move that will boost the local economy and create jobs.

#### 4.1.5 Regional Growth Comparison

In the third quarter, the country's economic growth was amongst other sectors characterised mainly by the performance in the manufacturing and mining sectors. Provinces whose economic performance is buttressed by mining (such as Northern Cape, Mpumalanga and Limpopo) recorded positive growth in the respective economies due to better performance in the mining sector while those buttressed by manufacturing recorded meagre growth in the third quarter of 2016.

Figure 9: Regional Economic Growth



Source: Quantec Research, 2016





The third quarter growth rate suggests that the country’s economy is likely to be feeble in 2016. The South African Reserve Bank (SARB) growth forecast remains unchanged at 0.4% for 2016, and 1.2% and 1.6% for the next two years while IMF projects the country’s growth to be just 0.1% in 2016 and 0.8% in 2017. On the other hand, the Minister of Finance in his Medium Term Budget Policy Statement (MTBPS) in October 2016 lowered South Africa’s growth projection for 2016 to 0.5%, somewhat lower than the February estimates of 0.9%.

#### 4.1.6 Tourism

Over the last ten years, tourism in South Africa has emerged as a leading economic growth sector. It is now one of the largest contributors to Gross Domestic Product (GDP), and offers significant employment and enterprise development opportunities. Tourism is the fastest growing economic sector in South Africa, contributing close to 7.1% of the GDP. It is a labour-intensive industry that brings in foreign revenue and stimulates a broad range of other industries.

Table 10: Purpose of visit, September 2016

Region	September		Purpose: 2016		
	2015	2016	Business	Holiday	Study
Overseas	166 053	196 098	6 481	188 362	1 255
Europe	92 552	107 125	3 611	102 815	699
North America	29 411	34 827	885	33 683	259
Central and South America	4 797	5 906	123	5 755	28
Australasia	11 833	14 860	203	14 640	17
Middle East	4 677	4 852	205	4 600	47
Asia	22 783	28 528	1 454	26 869	205
Africa	549 625	596 548	13 843	578 030	4 675
SADC	534 815	581 252	12 868	564 372	4 012
Other’ African	14 810	15 296	975	13 658	663
East and Central Africa	5 827	6 393	484	5 586	323
West Africa	7 760	7 317	335	6 718	264
North Africa	1 223	1 586	156	1 354	76
Unspecified	1 072	964	76	887	1

Source: Stats SA, 2016

A total number of 196,098 overseas tourists visited our country during September 2016 compared to 166,053 in September 2015; they visited for different reasons which include business, holiday and studying purposes. The majority of tourists across regions visited the country for holiday purposes with a total number of 188,362 overseas tourists. There were 107,125 European tourists visiting South Africa in September 2016 and 102,815 of those were on holiday. In terms of other regions, North America contributed 34,827 tourists in total while Central & South America contributed 5,906 tourists.

#### 4.1.7 Environmental Management

The general public is often concerned about the possibility of unforeseen environmental effects of particular developments. Environmental Impact Assessment (EIA) is an essential tool employed for the protection of the natural environment; EIA allows the likely significant environmental effects of a project to be identified and to be avoided at an early stage. The Department received forty-six (46) EIA applications for the third quarter of 2016; forty-two applications were finalized within the legislated timeframes specified in the EIA Regulations. The total number of EIA applications that were pending on the 31st of December 2016 was one-hundred and seventy-five (175).



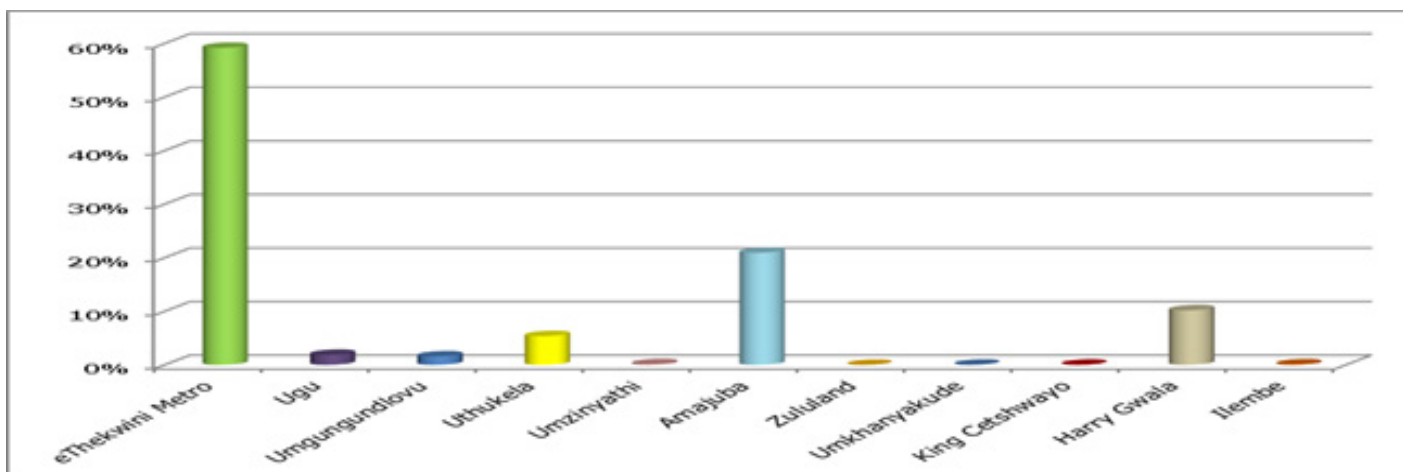


Table 11: EIA Investment Information for Applications Finalised, KZN, Q3:2016/17

District Municipality	Number of EIA applications finalized	Total Investment Capital Value (R million) of all EIA applications finalized.	Total expected number of construction phase jobs created for EIA applications finalized	Total expected number of operational phase jobs created for EIA applications finalized
Amajuba	3	798 000 000	560	203
EThekweni	10	2 205 000 000	9618	1275
Harry Gwala	1	380 000 000	50	0
ILembe	2	4 000 000	4	0
King Cetshwayo	1	1 800 000	12	0
Ugu	11	70 000 000	150	2
UMgungundlovu	7	59 300 000	13	99
UMkhanyakude	1	1 500 000	20	0
UMzinyathi	2	5 500 000	40	0
UThukela	4	200 000 000	80	2
Zululand	0	0	0	0
<b>Total</b>	<b>42</b>	<b>3 725 100 000</b>	<b>10547</b>	<b>1581</b>

A total investment value of over R3.7 billion was approved and cleared for the third quarter of 2016’s projects after the procurement of necessary environmental authorisation from the Department. In addition, a total of 12,128 jobs were created resulting from both construction and operational phase jobs.

Figure 12: EIA Investment Information for Applications Finalised, KZN, Q3:2016/17



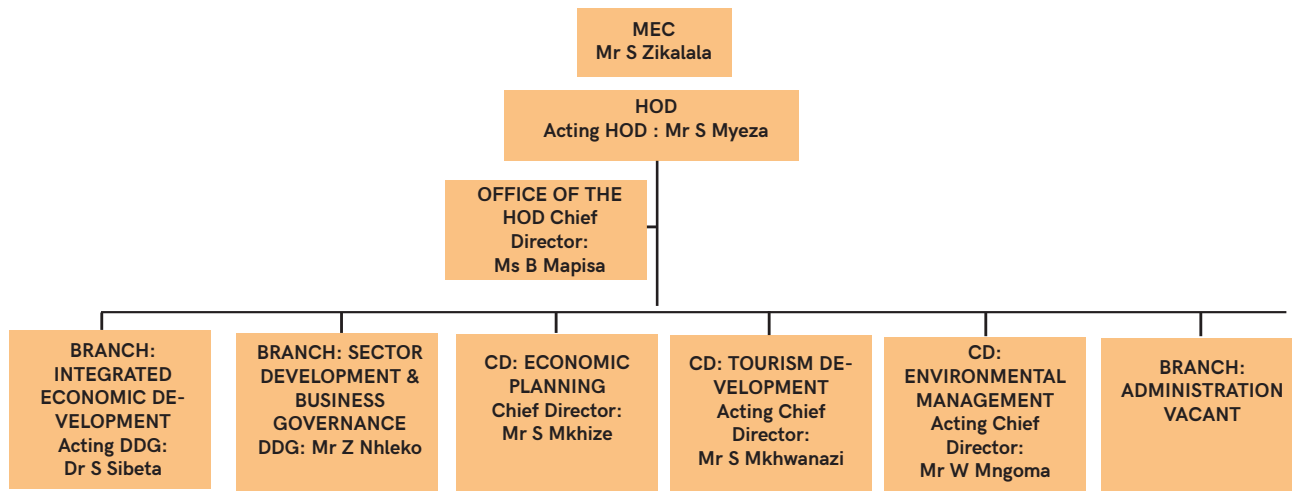
The bulk of development projects via finalisation of the EIA process are from the eThekweni Municipality with a total share of 60% followed by Amajuba (21%), Harry Gwala (10%) and Uthukela (5%). There are many development projects that are occurring in the eThekweni Municipality as well as surrounding areas which are attracting investments thus achieving their Integrated Development Plans.





## 4.2 ORGANIZATIONAL ENVIRONMENT

### HIGH LEVEL ORGANISATIONAL STRUCTURE FOR EDTEA



In 2016, the MEC for Economic Development, Tourism and Environmental Affairs identified a need for the department to undergo a review of its existing structure to ensure that it is properly aligned to deliver on the priorities articulated in the National Development Plan. To this end, the department has undergone a process of re-alignment. EDTEA has a staff complement of 705, With 701 full time employees, 4 Contract employees and 121 Interns. Various positions have been earmarked to be filled in the next few months after approval by the Premier of filling of critical vacant positions. The position of the Head of Department is vacant due to the resignation of the current HOD in December 2016 and the office of the Premier has started a process of filling the position.

The implementation of this alignment will evolve throughout the 2017/18 financial year, culminating in full implementation in the next cycle. EDTEA has also finalising the process of reviewing the functionality of operational structure in order to accurately respond to its mandate and the challenges facing the provincial economy, tourism industry and environmental sector. Specific changes will be effected amongst others, including the alignment of programme 1 to the generic functional structure, relocation of the Chief Directorate Communication from the Ministry to the Department, and having all the programmes catered for in the organogram of the Department. The EDTEA is striving to ensure that the organizational structure responds to its mandate.

Meanwhile, the Department has developed a proposal for a new structure that encompasses the Six (6) main strategy pillars that include:

- I) Industrial Hubs and Special Economic Zones,
- II) Aerotropolis,
- III) Maritime,
- IV) Tourism Development and
- V) Environmental Management and
- VI) Radical Economic Transformation

In the proposed structure, Economic Planning, Tourism Development and Environmental Affairs will be headed by General Managers. This proposed structure is currently in the consultative phase with various stakeholders including but not limited to organised labour. Once the consultations have been completed, the structure will be tabled to the Office of the Premier and the Department of Public Service & Administration after being tabled to the KZNGPSSBC for ratification.



### 4.2.1 Training and development

The challenges of technical skills required in the Department have continued to be of concern. In response to these challenges, EDTEA has developed a Workplace Skills Development Plan (WSP). Based on the training needs on individual employees and their managers. As part of the review of the organogram and the implementation of the WSP, a number of training and development interventions to be further identified and be implemented.

The training interventions are targeting at least 420 employees. New bursaries (approximately 15-20 employees) to serving employees of the Department, effective from the beginning of 2017 academic year. In its quest to improve and bring service delivery closer to the people, EDTEA has permanent district offices in the province. The review of the organogram will address the challenges faced by the district offices in their operations.

## 5. ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS

### National Development Plan:

The National Development Plan is South Africa's long-term vision to be achieved by 2030. In relations to EDTEA mandate, Department is expected to contribute to the following outcomes

- Decent employment through inclusive growth;
- An efficient, competitive and responsive economic infrastructure network;
- Protecting and enhancing our environmental assets and natural resources; and
- An efficient, effective and development oriented public service;

### KwaZulu-Natal's Provincial Growth and Development Plans:

By 2035 KZN will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World.

The following Four long-term goals have been identified as the compass to guide policy-making and resource allocation to 2030: (the 4 being more relevant to EDTEA)

- Inclusive economic growth;
- Strategic infrastructure development
- Environmental sustainability
- Effective governance and policy



Outcome 4: Decent employment through inclusive economic growth		
MTSF High impact Indicator	Provincial Indicator	EDTEA aligned Indicator
GDP growth (annualised and quarterly)	GDP per capita within the provincial economy	% of GDP Growth.
Employment creation	Total employment in all sectors within the provincial economy	Number of decent employment opportunities facilitated by EDTEA interventions
Investment rate (% of GDP)	Unknown	Rand Value of investment attracted to KZN by 2020

Outcome 6: An efficient, competitive and responsive economic infrastructure network		
MTSF High impact Indicator	Provincial indicator	EDTEA aligned indicator
Increased broadband penetration	Number of kilometres of backbone Fibre Optic cables rolled out	Number of broadband initiative coordinated by EDTEA
Increased public and private ICT investment in telecoms networks	% of provincial budget allocated to new capital infrastructure	Number of Open Access POPS coordinated by EDTEA

Outcome 10: Protect and Enhance our Environmental Assets and Natural Resources		
MTSF High impact Indicator	Provincial Indicator	EDTEA aligned Indicator
Percentage of area of state managed protected areas assessed with a METT score above 67%	Percentage (%) protection of High Risk Biodiversity Planning Units.	% of area of state managed protected areas assessed with a METT score above 67%
% of coastline with full protection	Unknown	% of coastline with full protection
Reduced vulnerability and risks associated with climate change impacts	Reduction in Greenhouse gas emissions	% reduction of greenhouse gases emitted atmosphere

Outcome 12: An efficient, effective and development-oriented public service		
MTSF High impact Indicator	Provincial Indicator	EDTEA aligned Indicator
% of national and provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle	Percentage of provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle	Achieve and maintain MPAT Score level 4 in all KPA by 2020
Funded vacancy rate (average % of posts on PERSAL which are vacant over a quarter, for all national and provincial departments)	Percentage of vacant funded posts in provincial departments, municipalities and public entities	% of funded posts in PERSAL which are vacant per quarter (vacancy rate)
Average number of days taken to resolve disciplinary cases (all national and provincial departments)	Unknown	% of Disciplinary & grievances cases finalized within 60 days
Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments	Number of municipalities, provincial departments, public entities achieving clean audits	% of Departmental Entities with Clean Audit Outcome on Financial and Performance information
% of legitimate invoices from suppliers reported as not paid within 30 days in monthly reports from departments to Treasury	Unknown	% of valid invoice paid within 30 days



## 7. OVERVIEW OF 2017/18 BUDGET AND MTEF ESTIMATES

KZN Department of Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome		Audited Outcome	Main appropriated	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Indicative Baseline
	2013/14	2014/15							
1. Administration	226 097	195 975	185 577	226 179	250 177	253 791	243 655	247 930	261 813
2. Integrated Economic Development Services	1 073 730	502 886	427 599	414 345	320 394	321 983	357 891	420 571	447 827
3. Trade and Sector Development	753 992	832 777	939 786	769 338	798 632	799 665	842 563	911 736	962 791
4. Business Regulation and Governance	68 114	104 536	96 704	111 786	105 122	103 432	112 662	117 006	123 559
5. Economic Planning	20 566	23 186	29 492	38 525	38 225	37 193	39 507	41 787	44 126
6. Tourism	345 251	362 705	375 674	285 323	264 518	262 951	231 711	272 303	308 454
7. Environmental Affairs	823 604	933 738	928 753	857 496	827 543	825 596	956 414	994 223	1 032 124
<b>Total</b>	<b>3 311 354</b>	<b>2 955 803</b>	<b>2 983 585</b>	<b>2 702 992</b>	<b>2 604 611</b>	<b>2 604 611</b>	<b>2 784 403</b>	<b>3 005 556</b>	<b>3 180 694</b>



## Summary of provincial payments and estimates by economic classification: Economic Development, Environmental Affairs And Tourism

	Audited Outcome			Audited Outcome 2015/16	Main appropriation	Adjusted Appropriation 2016/17	Revised Estimate	Medium-term estimates		
	2013/14	2014/15	2015/16					2017/18	2018/19	2019/20
<b>R thousand</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>				
Current payments	757 711	626 825	650 090	823 031	758 899	741 523	9 464 429	10 364 440	1 116 313	
Compensation of employees	233 977	264 793	276 699	346 398	306 174	301 144	363 365	388 321	414 729	
Goods and services	523 727	362 032	373 391	476 633	452 725	440 379	583 064	648 119	701 584	
Transfers and subsidies to:	7	-	-	-	-	-	-	-	-	
Provinces and municipalities	2541637	2295860	2329045	1 871 620	1 837 535	1852296	1835130	1968306	2 063 526	
Departmental agencies and accounts	11 109	17 029	9 552	6 050	8 550	8 500	562	65	69	
Higher education institutions	1 442 896	1 544 482	1 543 700	1 315 649	1 343 116	1 343 116	1 456 676	1 542 763	1 611 384	
Non-profit institutions	-	3 030	2 000	8 500	14 617	14 617	10 450	10 973	11 587	
Households	406 935	551 961	540 534	281 740	269 966	283 966	183 109	224 961	240 703	
Payments for capital assets	669 159	164 515	222 421	254 334	195 108	195 108	181 673	188 077	199 169	
Buildings and other fixed structures	11 538	14 843	10 838	5 347	6 178	6 989	2 660	1 467	614	
Machinery and equipment	12 006	33 107	3 843	8 341	8 171	10 786	2 844	810	855	
Software and other intangible assets	-	28	17	-	-	-	-	-	-	
Payments for financial assets	5 584	10 079	3 826	4 141	7 971	10 045	2 844	810	855	
<b>Total</b>	<b>3311354</b>	<b>2955803</b>	<b>2983585</b>	<b>2 702 992</b>	<b>2 604 611</b>	<b>2604611</b>	<b>2784403</b>	<b>3005556</b>	<b>3 180 694</b>	





## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

### PROGRAMME 1: ADMINISTRATION

The Administration Programme consists of the following sub-programmes:

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#### OFFICE OF THE MEC

The principal objective of this sub-programme is to oversee the management of the executive office and to render executive support to ensure that the Executive Authority is able to fulfil the mandate as prescribed by legislation. The executive support refers to administration, operations, protocol, parliamentary liaison and communication as the public face of the Department.

The Executive Authority is expected to practically express both the vision and the mission of the Department and in particular key policy directives for the preceding financial year. In pursuit of these policy directives and the aligned strategic objectives, each of the programmes and their respective sub-programme are guided by the Ministerial Handbook as well the Constitution of the Republic of South Africa and other relevant pieces of legislation. With the National Development Plan (NDP) adopted both in public and private sectors, it is prudent that key strategic directives will be informed by and aligned to the said plan.

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#### OFFICE OF THE HEAD OF DEPARTMENT

The Office of the Head of Department is responsible for the provision of strategic leadership, risk management, strategic planning, administration and effective management of the Department's programmes in order to fulfil its mandate.

Central to the functions of the HOD's office is the oversight responsibility for the implementation of the Department's programmes and the related public entities, key strategic interventions and flagship projects. The office is also responsible for the fostering and maintaining of strategic partnerships outside and within the province that will make a positive contribution towards the economic growth of the province.

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#### FINANCIAL MANAGEMENT

The strategic objective of the sub-programme is to ensure the effective implementation of the PFMA and other related financial regulations and policies. The financial management unit, which manages the financial aspects of each the sub-programmes, oversees the full financial cycle of budgeting, procurement, processing of expenditure, and recording of financial transactions.

For the upcoming MTEF period, the Department will focus on three key administration indicators. These indicators are improving the audit opinion, risk management and fraud prevention initiatives.

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#### CORPORATE SERVICES

The Corporate Services sub-programme comprises five units, namely: (i) Human Resources Management (HRM), ii) Information Technology and Communication (IT and Communication), iii) Legal Services, iv) Auxiliary Services. These units provide support services across the Department. Accordingly, the strategic objective of the sub-programme is to provide department-wide effective and efficient support services in Human Resources (HR), Legal Services, IT and Communication and Auxiliary Services management.

Strategic Goals: Achieve institutional excellence responsive to the needs of the Province  
 Goals Statement: Improved efficient, effective and accountable public institution

**STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: OFFICE OF THE HOD**

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To provide strategic leadership, risk management, strategic planning, executive support and effective management of the Department's programmes in order to fulfil its mandate.	Improve compliance level of strategic Planning with the MPAT standards	Achieve and maintain a Level 4 Score on MPAT KPA 1.1 annually	New	New	MPAT level 1 score on KPA 1.1	MPAT level 2 score on KPA 1.1	Improve compliance level of management with the MPAT standards for KPA 1.1 to score level 4		
	Improve compliance level of EDTEA Management structures with MPAT standards	Achieve and maintain a Level 4 Score on MPAT KPA 2.2 annually	New	New	MPAT level 1 score on KPA 2.2	MPAT level 1 score on KPA 2	Improve compliance level of Management structures with MPAT standards for KPA 2.2 to score level 4		





**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance				Estimated Performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
To provide strategic leadership, risk management, strategic planning and executive support for effective management of the Department's programmes in order to fulfil its mandate								
Approved Annual Performance Plan	Approved APP	Approved APP	Approved APP 2016/17	Approved 2017/18 APP	2018/19 APP	2019/20 APP	2020/21 APP	
Number of assessment conducted to establish the effectiveness and functionality of EDTEA Management structures	New	New	New	New	2	2	2	2
Approved Quarterly Performance Report (QPR) by the AO	4	4	4	4	4	4	4	4
Approved Audited Annual Report	Annual Report	Annual Report	Annual Report	Produced 2015/16 Annual Report	Produced Annual Report and submitted to AG and PT as well as Provincial Legislature within legislated time			
% implementation of internal and external audits recommendation	New	100%	100%	100%	100%	100%	100%	100%



## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To provide strategic leadership, risk management, strategic planning, executive support and effective management of the Department's programmes in order to fulfil its mandate.							
Approved Annual Performance Plan	Signed off APP by the AO and EA	Quarterly	Conduct Annual review of the APP as prescribed in the relevant planning framework	-	Review and produce 1st draft and submitted to OPT	Review and produce 2nd draft and submitted to OPT	Final APP is tabled to the Provincial Legislature and submitted to OPT
Number of assessments conducted to establish the effectiveness and functionality of EDTEA Management/ Committee structures	Signed off Assessment Report by the AO	Biannual	2	1	1	1	1
Approved Quarterly Performance Report (QPR) by the AO	Signed off QPR by the AO	Quarterly	4	1	1	1	1
Audited Annual Report	Signed off AR by the EA and AO	Annually	Produce AR and submitted to AG, OTP as well as Legislature	AR submitted to AG and PT by 31 May 2017	AR submitted to Provincial Legislature by due date	-	-
% implementation of risk mitigation strategies	Updated Risk Register and progress report on the implementation of risk mitigation strategies	Quarterly	100%	100%	100%	100%	100%
% implementation of internal and external audits recommendation	Approved Audits improvement strategy	Quarterly	100%	100%	100%	100%	100%



**Strategic goal:** achieve institutional excellence responsive to the needs of the province.  
**Goal statements:** Improved corporate governance for robust business process and system.

### STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: HUMAN RESOURCE MANAGEMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance				Estimated Performance	Medium-term targets		
			2013/14	2014/15	2015-16	2016/17		2017/18	2018/19	2019/20
To implement effective, efficient and compliant Human Resources practise	Status of MPAT level score on KPA 3	Achieve and maintain a Level 4 Score on MPAT KPA 3 annually	New	MPAT level 1 score on KPA 3	MPAT level 1 score on KPA3	MPAT level 1 score on KPA 3	Ensure effective implementation of HR management practices to ensure that adequate and appropriately skilled human resources are in place			

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance				Estimated Performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
<b>To implement effective, efficient and compliant Human Resources practise</b>								
% of funded posts in PERSAL which are vacant per quarter (Vacancy rate)	16.5%	10%	10%	10%	10%	10%	10%	10%
% of Staff turnover rate	New	8%	5%	5%	5%	5%	5%	5%
% Targets of workplace skills plan achieved	New	New	New	New	New	80% Targets of workplace skills plan achieved over MTEF		
% of performance agreement signed and submitted on time	New	New	New	90%	90%	90%	90%	100%
% of Disciplinary & grievances cases finalised within timeframe	New	New	New	60%	60%	80%	90%	100%
% of SMS members submitting financial disclosures on time	New	New	New	60%	60%	80%	90%	100%



## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
<b>To implement effective, efficient and compliant Human Resources practise</b>							
% of funded posts in PERSAL which are vacant per quarter (Vacancy rate)	Persal report	Quarterly	10%	10% or less	10% or less	10% or less	10% or less
% of Staff turnover rate	Persal and EE report	Quarterly	5%	5%	5%	5%	5%
% of performance agreement signed and submitted on time	Performance agreement reports	Quarterly	90%	90% performance agreement concluded by 31 May 2017	90% of previous assessment moderated by due date	90% of performance review	90% of final draft performance agreement submitted to HR by 31 March 2018
% Targets of workplace skills plan achieved	Signed Training Reports	Annual	80%	0	0	0	80%
% of Disciplinary & grievances cases finalised within timeframe	Signed Disciplinary & grievance Report	Quarterly	80%	80%	80%	80%	80%
% of SMS members submitting financial disclosures	Signed SMS Financial Disclosures Report	Annually	100%	100%			



Strategic Goals: Achieve institutional excellence responsive to the needs of the Country

Goal Statement: Improves sound financial management practice

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance				Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
To ensure effective implementation of the PFMA and other related financial regulations and policies	Status of MPAT level score on KPA 4	Achieve and maintain at least a Level 4 Score on MPAT KPA 4 annually	New	Level 1 MPAT Score on KPA 4	Level 1 MPAT Score on KPA 4	Level 1 MPAT Score on KPA 4	Full compliance with PFMA relating to finances and supply chain management			
	Clean Audit opinion on financial statements					Obtain an unqualified Audit opinion and no material findings on compliance and performance				

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance				Estimated Performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
<b>To ensure effective implementation of the PFMA and other related financial regulations and policies</b>								
Number of monthly Financial Management Reports	New	New	12	Monthly Financial Management report information	12	12	12	12
% of valid invoice paid within 30 days	New	New	New	80%	90%	100%	100%	100%
% of total procurement spent on BBBEE service providers	New	New	New	New	90%	90%	100%	100%



## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To ensure effective implementation of the PFMA and other related financial regulations and policies							
Number of monthly Financial Management Reports	Monthly Financial Management Reports	Quarterly	12	3	3	3	Monthly Financial Management report
% of valid invoices paid within 30 days	BAS payment reports	Quarterly	90%	90 % of valid invoices paid within 30 days	90 % of valid invoices paid within 30 days	90% of valid invoices paid within 30 days	90% of valid invoices paid within 30 days
% of total procurement spent on BBBEE service providers	Annual Procurement Plan	Quarterly	90%	90%	90%	90%	90%

## RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

### Expenditure estimates

#### Administration - Summary of payment sub-programme

R thousand	Outcome				Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Office Of The MEC	30 670	29 125	24 172	25 984	28 279	29 112	27 300	28 991	30 614	
2. Office Of The HOD	65 640	29 191	29 316	31 676	50 156	53 392	32 528	24 682	26 064	
3. Financial Management	24 598	31 293	33 381	39 976	41 866	40 678	42 799	45 474	48 020	
4. Corporate Services	105 189	106 366	98 708	128 543	129 876	130 609	141 028	148 783	157 115	
<b>Total payments and estimates</b>	<b>226097</b>	<b>195 975</b>	<b>185 577</b>	<b>226 179</b>	<b>250 177</b>	<b>253 791</b>	<b>243 655</b>	<b>247 930</b>	<b>261 813</b>	



Summary of payments and estimates by economic classification Administration

	Outcome					Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	2013/14	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20		
<b>R thousand</b>												
Current payments	215968	185522	181171	223 916	244 218	246734	241954	246970	260 798			
Compensation of employees	61 343	70 809	71 157	88 281	78 128	77 171	97 461	104 088	111166			
Goods and services	154 625	114 713	110 014	135 635	166 090	169 563	144493	142882	149 632			
Interest and rent on land	44	1 804	1 297	578	2 376	2 900	620	655	693			
Transfers and subsidies to:	33	24	52	50	50		62	65	69			
Provinces and municipalities	548	7	7	5	9	9	9	9	10			
Departmental agencies and accounts			256									
Public corporations and private enterprises	129											
Non-profit institutions	11	1 103	982	523	2 317	2 891	549	581	614			
Households	10085	8638	2977	1 685	3 577	4 151	1 081	305	322			
<b>Payments for capital assets</b>	<b>3 669</b>	<b>8 610</b>	<b>2 960</b>	<b>1 685</b>	<b>3 577</b>	<b>3 610</b>	<b>1 081</b>	<b>305</b>	<b>322</b>			
Buildings and other fixed structures	6 416			-		541						
Machinery and equipment		11	132		6	6						
Software and other intangible assets	215968	185522	181171	223 916	244 218	246734	241954	246970	260 798			
Payments for financial assets	61 343	70 809	71 157	88 281	78 128	77 171	97 461	104 088	111 166			
<b>Total economic classification</b>	<b>226 097</b>	<b>195 975</b>	<b>185 577</b>	<b>226 179</b>	<b>250 177</b>	<b>253 791</b>	<b>243 655</b>	<b>247 930</b>	<b>261 813</b>			





## PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### Purpose

The purpose of the Integrated Economic Development Services (IEDS) Branch is to advance economic growth and job creation initiatives that prioritize historically disadvantaged individuals and groups through:

- Enterprise Development
- Economic Empowerment
- Regional and Local Economic Development.

The following table presents the structure of the Branch and its aim or purpose, as well as its strategic goals and objectives:

Programme 2 Integrated Economic Development Services	Sub-programmes
<p><b>Purpose:</b></p> <p>The purpose of IEDS Branch is to advance economic growth and job creation initiatives that prioritize historically disadvantaged individuals and groups through:</p> <ul style="list-style-type: none"> <li>• Enterprise Development</li> <li>• Economic Empowerment</li> <li>• Regional and Local Economic Development.</li> </ul>	<p><b>Sub-Programme 1: Enterprise Development</b></p> <p><b>Purpose:</b> The purpose of Enterprise Development sub - programme is to coordinate the support and development of sustainable SMMEs and Cooperatives/Social enterprises that contribute to wealth and job creation.</p>
	<p><b>Sub-programme 2: Economic Empowerment</b></p> <p><b>Purpose:</b> To create enabling environment for economic development and empowerment of the previously disadvantaged individuals and groups (especially youth, women and the disabled) to participate in the mainstream economy</p>
	<p><b>Sub-programme 3: Regional and Local Economic Development</b></p> <p><b>Purpose:</b> To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders.</p>

### Specific Policies, Priorities, and Strategic Objectives

The Programme 2 derives its mandate mainly from the Broad-based Black Economic Empowerment Act, the National Small Business Act, the Cooperatives Act and the Skills Development Act. In addition to these pieces of legislation, provincial policies and strategies, notably the Provincial Growth and Development Strategy and Plan (PGDS & P), the Provincial Spatial Economic Development Strategy (PSEDS), Integrated National B-BBEE Strategy, KZN B-BBEE Strategy, B-BBEE Codes of Good Practice, KZN Youth Economic Empowerment Strategy, Draft KZN Women Economic Empowerment Strategy, the National Cooperatives Strategy (draft), Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, the KZN Small Enterprise Development Strategy, the National LED Policy guidelines and provincial policy measures as articulated in the annual Provincial Budget Speeches, together, determine and shape the branch's strategies and objectives. The programme also has oversight over the provincially established Small Enterprise Development Fund, and the Swiss Funded LED Programme at iLembe District Municipality, and fulfills its mandate in terms of structured legal agreements.





The priorities of the programme include:

- Institutional development and capacity building support to SMME's, social enterprises and local government with a specific focus on the economic empowerment of the poor, women, youth and the physically challenged;
- Facilitating access to finance for SMME's, social enterprises and partnership groups;
- Formulating and implementing strategies that support economic empowerment, SMME's and social enterprises as well as regional and local economic development;
- Co-ordination and facilitation of economic transformation structures to promote empowerment of youth, women, people with disabilities and B-BBEE compliance in the province,
- The creation of wealth and sustainable jobs opportunities.

#### RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Enterprise Development	981 378	418 037	367 978	337 417	211 294	214 612	269 732	327 642	349 694
2. Regional And Local Economic Development	52 245	39 892	18 004	43 724	34 505	27 482	45 195	47 689	50 359
3. Economic Empowerment	40 107	44 957	41 617	33 204	74 595	79 889	42 964	45 240	47 774
<b>Total payments and estimates</b>	<b>1073730</b>	<b>50 886</b>	<b>42 599</b>	<b>414 345</b>	<b>320 394</b>	<b>321 983</b>	<b>35 891</b>	<b>42 571</b>	<b>447 827</b>





### Summary of payments and estimates by economic classification: Integrated Economic Development Services

	Outcome				Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	116 180	113 698	115 832	148 506	163 210	150 197	250 356	263 995	279 715	
Compensation of employees	45 606	51 482	54 286	66 339	57 863	56 649	65 304	69 744	74 488	
Goods and services	70 574	62 216	61 546	82 167	105 347	93 548	185 052	194 251	205 227	
Transfers and subsidies to:	957 358	388 776	311 575	265 764	156 747	171 294	107 085	156 145	167 657	
Provinces and municipalities	2 414	992	2 000	-	2 000	2 000	-	-	-	
Higher education institutions	-	2 780	-	6 000	6 000	6 000	6 000	6 300	6 653	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	323 426	317 190	206 480	121 600	80 767	95 267	45 074	94 559	102 998	
Non-profit institutions	620 102	55 000	95 000	133 440	64 400	64 400	54 400	54 400	58 006	
Households	11 416	12 814	8 095	4 724	3 580	3 627	1 611	886	-	
Payments for capital assets	192	412	82	75	437	492	450	431	455	
Machinery and equipment	192	412	82	75	437	492	450	431	455	
Payments for financial assets	-	-	110	-	-	-	-	-	-	
<b>Total economic classification</b>	<b>1073730</b>	<b>502886</b>	<b>427 599</b>	<b>414 345</b>	<b>320 394</b>	<b>321 983</b>	<b>357 891</b>	<b>420 571</b>	<b>447 827</b>	



## SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

### Purpose

The purpose of Enterprise Development sub - programme is to coordinate the support and development of sustainable SMMEs and Cooperatives/Social enterprises that contribute to wealth and job creation.

### Specific policies, priorities, and strategic objectives

The Enterprise Development sub-programme comprises of two components, i.e. the Small Business Development and the Cooperatives Development. The sub-programme provides an appropriate environment for the establishment and promotion of self-sustaining enterprises. This is achieved through the provision of integrated business support services to emerging enterprises. The provision of integrated business support services is intended to enhance the capacity of the small enterprises to improve their socio-economic conditions and thereby contributing to economic growth, employment and job creation.

The activities of the Enterprise Development sub-programme are informed and guided by various legislative requirements, policy and strategic frameworks. Key among these are the National Small Business Act 102 of 1996 as amended , Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, Cooperatives Act 6 of 2013 as amended, Cooperatives Bank Act 40 of 2007, Skills Development Act 97 of 1998, Annual National and Provincial Budget Speeches, PSEDS, KZN Cooperatives Development Strategy, KZN Small Enterprise Development Strategy, New Growth Path, Industrial Policy Action Plan (IPAP 2), National Development Plan, Provincial Growth and Development Strategy & Plan, B -BBEE Act 53 of 2003 and KZN B - BBEE Strategy.

The strategic objective of the Enterprise Development Sub-programme is to promote small enterprises and entrepreneurial development of SMMEs and Cooperatives/Social enterprises. In pursuit of the strategic objective, the sub - programme prioritizes the following key focal areas:

- Skills development and capacity building for small enterprises;
- Facilitation of access to finance and markets for small enterprises;
- Promotion and support of competitive sector-based SMME and Cooperatives in the province; and
- Support and promotion of entrepreneurship.

Supporting the small enterprise funding activities of the Small Business Development and the Cooperatives Development components is the Small Enterprise Development Fund which is briefly explained below:

### Small Enterprise Development Fund

The Fund, administered through Ithala Development Finance Corporation, is an intervention by the Enterprise Development Sub-programme to facilitate access to finance and improve efficacy of financial services for SMMEs and Co-operatives. The Fund assists the KZN Provincial Government to promote the growth of SMME's and Co-operatives in the province in pursuit of the priority objective of stimulating economic growth, employment creation and reduction of poverty levels.

Strategic Goals: Sustainable and inclusive economic growth for job creation

Goal Statement: Increased economic growth that supports decent jobs, HDI's, SMME's and social enterprises.

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - ENTERPRISE DEVELOPMENT

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015-16		2017/18	2018/19	2019/20
To promote small enterprises (SMMEs and Cooperatives)	Number of SMMEs and Cooperative supported with (training, mentorship, funding, incubation and business advisory service)	3498 SMME and Cooperative supported	936	1829	2119	2119	1166	1166	1166
		4333 SMMEs/ Cooperatives surviving over a two year period	New	New	New	New	New	2000	2333
Number of jobs created through supported SMMEs and Cooperatives		Annual employment growth of 3700 over MTSF	New	New	New	New	1000	1200	1500





Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To promote small enterprises (SMMEs and Cooperatives)							
Number of groups and individuals registered with CIPC as Cooperative entities or Business entities	936	1829	2119	2119	1166	1166	1166
Number of interventions implemented to support SMMEs/ Cooperatives	New	New	New	New	5	5	5
Number of interventions implemented to support RASET	New	New	New	New	3	4	5

QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sept)	3rd (Oct-Dec)	4th (Jan-March)
To promote small enterprises (SMMEs and Cooperatives)							
Number of groups and individuals registered with CIPC as Cooperative entities or Business entities	CIPC Registration Certificates, CIPC Registration Reports, EDTEA Small Enterprise Database Reports	Quarterly	1166	291	291	291	293
Number of interventions implemented to support SMMEs/Cooperatives	Attendance Registers, Mentorship/incubation/training reports, Compliance certificates, Acknowledgement Register to financial institutions	Quarterly	5	1	1	1	2
Number of interventions implemented to support RASET	Progress report on RASET	Quarterly	3	1	1	1	0



## SUB-PROGRAMME: ECONOMIC EMPOWERMENT

### Purpose

The strategic objective of the sub-programme is to create enabling environment for economic development and empowerment of the previously disadvantaged individuals and groups (especially youth and women) to participate in the mainstream economy.

### Specific policies, priorities, and strategic objectives

The Sub-programme derives its mandate from the Employment Equity Act 55 of 1998 and the B-BBEE Act 46 of 2013 (Act 53 of 2003), as well as B-BBEE Codes of Good Practice (as amended on 7th February 2007).

The objective of the Sub programme, among others, is to ensure that Women and Youth Entrepreneurs in both urban and rural areas contribute and benefit from the economic growth, development and transformation of the country's economy. To ensure B-BBEE Policy Advocacy, Information dissemination and compliance across all sectors of economy.

To fulfil its mandate and meet its strategic objective, the Sub- programme continues to pursue the following strategic objectives in KZN:

- Facilitating the implementation of the B-BBEE Strategy and empowerment policies;
- Co-ordinate key stakeholders for B-BBEE strategy implementation;
- Ensuring empowerment of women and youth;
- Facilitating or handle B-BBEE complaints and compliance in the Province;
- Verification and monitoring of B-BBEE implementation





**Strategic Goals:** Sustainable and inclusive economic growth for job creation

**Goal Statement:** Increased economic growth that supports decent jobs, HDI's, SMME's and social enterprises.

**STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - ECONOMIC EMPOWERMENT**

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015-16		2017/18	2018/19	2019/20
To facilitate the implementation of economic transformation strategies and policies	% of Youth and Women participating in economic mainstream of KZN	100% over MTSF	New	New	New	New	85%	90%	100%
	Level of B-BBEE compliance in the Province of KZN	B-BBEE compliance Level 3 over MTSF	New	New	New	Level 8	Level 5	Level 3	Level 3

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To facilitate the implementation of economic transformation strategies and policies							
Number of training intervention implemented to support women and youth empowerment	3	1	1	3	3	3	3
Number of awareness and stakeholder partnership coordinated	New	New	New	5	5	5	5
Number of women and youth enterprise interventions implemented	New	5	3	3	5	5	5
Number of interventions implemented to support Black Industrialist Programme	New	New	New	New	3	4	5
Number of interventions implemented to support Operation Vula	New	New	New	New	3	4	5

## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To facilitate the implementation of economic transformation strategies and policies							
Number of training intervention implemented to support women and youth empowerment	Signed attendance registers or reports	Quarterly	3	1	1	1	1
Number of awareness and stakeholder partnership coordinated	Signed attendance register or records of joint projects implemented.	Quarterly	5	2	1	1	1
Number of women and youth enterprise interventions implemented	Progress Report on intervention implemented	Quarterly	5	1	1	1	2
Number of interventions implemented to support black industrialist programme	Progress Report on black-industrialist programme	Quarterly	3	0	1	1	1
Number of interventions implemented to support Operation Vula	Progress Report on Operation Vula	Quarterly	3	0	1	1	1







## SUB-PROGRAMME: REGIONAL AND LOCAL ECONOMIC DEVELOPMENT (RLED)

### Purpose

To implement regional and local economic development initiatives that support employment opportunities and builds the capacity of RLED stakeholders.

### Specific policies, priorities, and strategic objectives

The Regional and Local Economic Development sub-programme is shaped by the National LED Policy guidelines, the National Small Business Policy, trade and industry policies, the PGDS (Strategic Goal 1) and Outcome 4 of the National Development Plan. It also takes into account the policies and regulations related to district and local government.

The overall strategic objective of the sub-programme is to facilitate risk sharing partnership based RLED projects that stimulate competitiveness and sustainable employment opportunities. The sub-programme also seeks to build and strengthen institutions of regional and local economic development through education and training.



Four(4) priorities have been identified for the 2017/18 financial including:

- Activating Operation Sakhinzuzo, a project to support small scale sugar cane growers
- Improving contract administration and project related expenditures;
- Supporting the implementation the Swiss Funded LED Programme in Illembe District.
- Implementing the agreement with UKZN for education and training on RLED

**Strategic Goal:** Sustainable and inclusive economic growth for job creation

**Goal Statement:** Increased economic growth that supports decent jobs, HDI's, SMME's and social enterprises.

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To implement RLED initiatives that support employment opportunities and build the capacity of RLED stakeholders	Number of employment opportunities supported	1080 employment opportunities supported over MTSF period	131	50	309	80	300	200	141
	Number of people trained	540 people trained over the MTSF	190	140	165	100	100	100	100

#### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To implement RLED initiatives that support employment opportunities and build the capacity of RLED stakeholders	New	New	New	New	4	6	8
Number of projects implemented that support employment opportunities	New	New	New	New	5	9	9
Number of training interventions implemented	New	New	New	New	5	9	9



**QUARTERLY TARGETS FOR 2017/18**

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To implement RLED initiatives that support employment opportunities and builds the capacity of RLED stakeholders							
Number of projects implemented that support employment opportunities	Contracts and/or Monitoring Reports	Quarterly	4	3	0	1	0
Number of training interventions implemented	Contracts, Monitoring Reports and/or Attendance Registers	Quarterly	5	2	1	1	1



## PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

### Purpose

The Trade and Industry programme comprises of two Sub-directorate – Trade Promotion and Logistics. In the area of Trade Promotion the objective is to assist largely SMME's with accessing local and international markets. With regards to logistics the primary objective is to address logistics challenges such as infrastructure and development of logistics skills. An emphasis is placed on improving rural logistics and supporting SMME's.

Programme 3: Trade and Industry Development	Sub-programmes
<p><b>Purpose:</b> To stimulate economic growth through trade and investment promotion, development of selected sectors, and industry development</p>	<p><b>Sub-programme 1: Strategic Industrial Interventions</b> <b>Purpose:</b> To provide and facilitate the development of strategic industrial interventions</p> <p><b>Sub-programme 2: Trade and Investment Promotion</b> <b>Purpose:</b> To facilitate trade promotion and to attract investment</p> <p><b>Sub-programme 3: Sector Development</b> <b>Purpose:</b> To facilitate the implementation of strategic programmes that will stimulate the competitiveness of priority sectors</p>



**RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET**  
**Programme 3: Trade and Industry Development**

	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>R thousand</b>									
1. Trade And Investment Promotion	658 347	599 746	580 705	477 461	484 447	484 812	513 615	549 127	579 880
2. Sector Development	70 481	164 861	160 134	165 507	187 815	188 483	201 343	233 079	246 127
3. Strategic Industrial Intervention	25 164	68 170	198 947	126 370	126 370	126 370	127 605	129 530	136 784
<b>Total payments and estimates</b>	<b>753 992</b>	<b>832 777</b>	<b>939 786</b>	<b>769 338</b>	<b>798 632</b>	<b>799 665</b>	<b>842 563</b>	<b>911 736</b>	<b>962 791</b>

**Summary of payments and estimates by economic classification: Trade and Sector Development**

	Outcome				Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
<b>R thousand</b>										
Current payments	29 463	36 136	34 261	39 983	53 757	54 790	89 043	117 968	124 572	
Compensation of employees	6 639	8 344	10 673	15 934	12 105	11 962	17 969	19 191	20 496	
Goods and services	22 824	27 792	23 588	24 049	41 652	42 828	71 074	98 777	104 076	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies to:</b>	<b>724 515</b>	<b>773 513</b>	<b>905 455</b>	<b>729 355</b>	<b>744 831</b>	<b>744 831</b>	<b>753 520</b>	<b>793 768</b>	<b>838 219</b>	
Provinces and municipalities	-	-	500	-	4 500	4 500	-	-	-	
Departmental agencies and accounts	650 486	596 851	573 975	466 643	469 643	469 643	495 922	537 840	567 959	
Public corporations and private enterprises	30 164	79 442	214 664	149 070	148 655	148 655	136 705	129 530	136 784	
Non-profit institutions	43 830	97 159	116 316	113 642	122 033	122 033	120 393	126 398	133 476	
Households	35	61	-	-	-	-	500	-	-	
<b>Payments for capital assets</b>	<b>14</b>	<b>23 128</b>	<b>55</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	14	128	55	44	44	44	-	-	-	
Land and sub-soil assets	-	23 000	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>753 992</b>	<b>832 777</b>	<b>939 786</b>	<b>69 338</b>	<b>798 632</b>	<b>799 665</b>	<b>842 563</b>	<b>911 736</b>	<b>962 791</b>	





## SUB-PROGRAMME: STRATEGIC INDUSTRIAL INTERVENTIONS

### Purpose

The purpose of this sub-programme is to unlock KwaZulu-Natal's economic potential through the implementation of provincial strategic initiatives that include Maritime, Durban Aerotropolis, Industrial Economic Hubs (IEHs) and Special Economic Zones. These initiatives form part of the Department's strategic pillars identified as instruments for economic development in the province

### Specific policies, priorities, and strategic objectives

The Sub-programme derives its mandate from national policies: the New Growth Path, the National Development Plan, the National Industrial Policy Framework and the Industrial Policy Action Plan (IPAP) which is consistent with the Provincial Industrial Development Strategy, Provincial Growth and Development Strategy, and the KZN Investment Strategy. Over and above these strategies, the Following policies and strategies are applicable to the Oceans Economy - KwaZulu-Natal Integrated Maritime Strategy Operation Phakisa Draft National Maritime Transport Policy, and African Integrated Maritime Strategy.

To fulfil its mandate and meet its strategic objective, the Sub- programme pursues the following strategic priorities in KZN:

- Promote the development and implementation of Marine Sub-sectors; Marine Manufacturing, Aquaculture, Oil and Gas, amongst other sub-sectors;
- Promote the development of the Aerotropolis and implementation of the Master Plan;
- Promote the development and implementation of the Industrial Economic Hubs;
- Promote skills development, education and research for the development of the Maritime Industry, Aerotropolis and Industrial Economic Hubs;
- Promote transformation through the involvement of the previously disadvantaged individuals, women, youth, into the Maritime Industry, Aerotropolis and Industrial Economic Hubs (IEHs);
- Promote and support Special Economic Zones (RBIDZ, DTP) through the implementation of SEZs strategies;
- Promote Public and Private Partnership to effect the implementation of Trade and Investment Policies; and
- To support and provide impetus to the aims of the Economic Council.



**Strategic Goal:** Integrated economic planning and development in the Province

**Strategic Objectives:** Enhanced integrated infrastructure planning and development that advances SEZ/IEH, Maritime, Aerotropolis and sustainable use of natural resources

**STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME: STRATEGIC INDUSTRIAL INTERVENTIONS**

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance				Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
To provide and facilitate the development of strategic industrial interventions	Rand value of investment committed in strategic Infrastructure projects (SEZ and IEHs) over MTSF	Rand Value of 4.422 billion of investment projects committed to strategic Infrastructure over MTSF period	New	New	New	New	R 1.102bn	R 1.160bn	R2.160bn	
	% of resolutions adopted and implemented with Social Partners	Ensure 95% implementation of adopted resolutions over MTSF	New	New	New	60%	70%	80%	95%	
		11 Investment/infrastructure projects are facilitated through Aerotropolis, IEHS and SEZs over MTSF	New	New	New	3	3	3	2	
	Annual employment opportunities created through Industrial Economic Hubs, Aerotropolis and Maritime	509 jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	New	New	New	50	54	140	265	
		609 people trained within Aerotropolis, Maritime, Industrial Economic Hubs and SEZ	New	New	New	70	134	195	210	

**PROGRAMME PERFORMANCE INDICATORS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
	<b>To provide and facilitate the development of strategic industrial interventions</b>						
Number of Infrastructure Investments projects facilitated to support Aerotropolis, and Industrial Hubs	New	New	New	3	9	10	11
Number of resolution adopted by Social Partners	New	New	New	1	1	1	1
Number of jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	New	New	New	50	54	140	265
Number of people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones	New	New	New	70	134	195	210
Number of incubators established within the Aerotropolis and industrial economic hubs	New	New	New	0	0	0	3
Number of clusters supported	New	New	New	0	0	1	1
Number of feasibility studies and business plans or master plans completed	New	New	New	4	6	2	3







Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
<b>To provide and facilitate the development of strategic industrial interventions</b>							
Number of Infrastructure Investments projects facilitated to support Aerotropolis, and Industrial Hubs	Business plans, MOU's and progress reports	Annual	9	0	0	0	9
Number of resolution adopted by Social Partners	TOR's Minutes attendance register and progress reports	Annual	1	0	0	0	1
Number of jobs opportunities facilitated through Aerotropolis, Maritime, and Industrial Economic Hubs Initiative	Monitoring report with a signed Payroll records	Annual	54	0	0	0	54
Number of people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones	Signed attendance register or certificate of attendance	Annual	134	0	0	0	134
Number of feasibility studies and business plans or master plans completed	Business or Feasibility report	Annual	6	0	0	0	6



## SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION

### Purpose

The Trade and Investment programme comprises two sub-units – Trade Promotion and Logistics. In the area of Trade Promotion the objective is to assist largely SMME's with accessing local and international markets. With regards to logistics the primary objective is to address logistics challenges such as infrastructure and development of logistics skills. An emphasis is placed on improving rural logistics and supporting SMME's

### Specific policies, priorities, and strategic objectives

The Trade and Investment Promotion sub-programme provides trade and logistics support services to economic role players within the province to strengthen the provincial economy's international competitiveness. The National Development Plan, The New Growth Path, The Provincial Growth and Development Plan, The KwaZulu-Natal Investment Strategy and the draft KwaZulu-Natal Export Strategy, provide the policy context for the sub-programme

The sub-programme's policy priorities include the following:

- Identification, promotion and utilisation of opportunities for trade and investment within the province;
- Investment attraction and export growth in order to develop and grow the economy as well as create jobs;
- Policy development and implementation in the area of trade and investment;
- Provision of trade and investment support in the development of the provincial growth sectors and priority sectors; and
- Positioning of KwaZulu-Natal province as Africa's trade gateway.



**Strategic Goals:** Integrated economic planning and development in the Province

**Goal Statement :** Enhanced KZN global competitiveness for Trade and Investments promotion

### STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: TRADE AND INVESTMENT PROMOTIONS

Strategic Objective	Strategic objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To stimulate inclusive growth through trade and investment promotion	Rand Value of exports and investment attracted to KZN	R4,5bn value of exports and investment facilitated over MTSF	New	New	New	New	R1,5bn	R1,5bn	R1,5bn

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Number of intervention implemented to support exports and investment	New	New	New	New	1	1	1
Number organization supported with trade and investment initiatives	New	New	New	New	10	11	12
Number of investment and export (trade) strategies developed	5	7	3	4	0	0	4





Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To stimulate inclusive growth through trade and investment promotion							
Number of intervention implemented to support exports and investment	Progress Report	Annual	1	0	0	0	1
Number of organizations supported with trade and investment initiatives	Progress Reports, SLA, attendance register	Annual	10	0	0	0	10

### SUB-PROGRAMME: SECTOR DEVELOPMENT

#### Purpose

This programme is based on an understanding that economic growth and job creation has to be premised on a sound macroeconomic framework and prudent fiscal discipline. National economic policy framework, especially both trade and industrial policies inform provincial and sectoral priorities in stimulating the growth and development of priority sectors.

#### Specific policies, priorities, and strategic objectives

Sector Development is aligned with the national policy in terms of the National Industrial Policy Framework and the Industrial Policy Action Plan; which is consistent with the Provincial Policy in terms of the Provincial Industrial Development Strategy, Provincial Growth and Development Strategy and other relevant provincial policies. The identified sectors have been prioritized as:

- Some of the lead sectors identified in the Industrial Policy Action Plan that provide substance to the framework for implementation of National Industrial Policy Framework;
- Where potential exists for sustainable growth, employment generation, the diversification and growth of exports and broad economic participation;
- Some leading sectors in respect of Research and Development.

Economic growth and job creation require a sound macro-economic framework and prudent fiscal discipline. The national economic policy framework, including both trade and industrial policies, continues to inform provincial and sectoral priorities.

Specific policies relating to the development of the different priority sectors also include the New Growth Path, Customized Sector Programme Policies, Regional Industrial Development Strategy, National Planning Development Plan, Provincial Growth and Development Plan, Provincial Growth and Development Strategy, Provincial Spatial Economic Development Strategy, Media, Advertising, Publishing, Printing and Packaging SETA, Information Society and Provincial BPO Strategy and the KZN Wood Processing Sector Strategy.

**Strategic Goal:** Sustainable and inclusive economic growth for job creation

**Goal Statement:** Enhanced KZN global competitiveness for Trade and Investments promotion

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To implement existing productive and service sector strategies and plans	Number of employment opportunities created and sustained	180 employment opportunities created and sustained over MTSF period	0	20	50	60	10	30	30
		1340 people benefited from capacity building over MTSF period	410	265	300	300	90	300	350

#### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance					Estimated Performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	
<b>To implement existing productive and service sector strategies and plans</b>									
Number of projects implemented that support employment opportunities	New	New	New	New	New	New	1	3	3
Number of Business Plans Completed	5	0	2	2	2	2	3	3	2
Number of strategic interventions implemented	19	20	20	20	20	20	14	20	22
Number of people trained on sector based skills	410	265	300	300	300	300	90	300	350
Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	5	5	5	5	5	5	3	5	5
Number of Industry review report	New	New	New	New	New	New	2	2	2



## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To implement existing productive and service sector strategies and plans							
Number of projects implemented to support employment opportunities	Progress Reports	Annual	1	0	0	0	1
Number of Business Plans Completed	ToRs, SLA, Feasibility study , Situational Analysis , business plan and reports	Quarterly	3	0	0	2	1
Number of strategic interventions implemented	ToRs, SLA, Feasibility study , Situational Analysis , business plan and reports	Quarterly	14	0	3	11	0
Number of people trained on sector based skills	ToRs, SLA, Attendance register, reports and attendance certificates	Quarterly	90	0	15	25	50
Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	Progress Reports and SLA	Quarterly	3	0	1	1	1
Number of Industry review report	Industry Review report	Biannual	2		1		1





## PROGRAMME 4: BUSINESS REGULATIONS

### Purpose

The purpose of Business Regulations is to manage and implement the Constitution and legislative mandate of the Province in relation to liquor (policy and legislation function only), consumer and regulation services (formal and informal businesses) in terms of applicable liquor, consumer and business legislation. The Business Regulation Programme comprises of three sub-programmes, namely the Consumer Protection Sud-directorate, Regulation Services (formal and Informal trade) and the Policy and Legislation Sud-directorate. The following table presents the structure of the Business Regulations Programme and its aim or purpose, as well as its strategic goals and objectives:

Programme 4: Business Regulations	Sub-programmes
<b>Purpose:</b> The overall objective of this programme is to develop an equitable and socially responsible business environment	<b>Sub-programme 1: Consumer Protection</b> <b>Purpose:</b> To promote, protect and further the rights of consumers in the Province
	<b>Sub-programme 2: Regulation Services</b> <b>Purpose:</b> To create an enabling environment for the sustained development and support to the formal and informal trade sector
	<b>Sub-programme 3: Policy and Legislation</b> <b>Purpose:</b> To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services

### Specific Policies, Priorities, and Strategic Objectives

This programme functions primarily within the realm of prescribed legislation. Consumer protection is a function accorded to the Provinces in terms of Schedule 4 of the Constitution of SA, Act 108 of 1996, wherein this is a functional area of concurrent National and Provincial Legislative competence.

In addition to this legislative competence, Consumer protection also functions in terms of other applicable consumer related legislation for example, The National Credit Act, Unfair Business Practices Act 1988, Trade Metrology Act, and National Consumer Protection Act being the most important.

KZN as a province has its own specific legislation relating to consumer protection .viz., the KZN Consumer Protection Act of 2013. It is expected that the KZN Consumer Protection Act of 2013 will be fully implemented during the financial year 2017/18.

Whilst awaiting the full implementation of this new Act, the province will continue to utilise the provisions of the Unfair Business Practices Act of 1988 as well as the National Consumer Protection Act where applicable, in so far as it relates to attending and resolving consumer complaints.



## RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Regulation Services	3 595	4 398	6 872	5 879	5 609	5 618	6 303	6 680	7 054
2. Consumer Protection	20 264	22 856	19 824	32 154	25 760	24 061	30 369	30 137	31 825
3. Liquor Regulation	44 255	77 282	70 008	73 753	73 753	73 753	75 990	80 189	84 680
<b>Total payments and estimates</b>	<b>68 114</b>	<b>104 536</b>	<b>96 704</b>	<b>111 786</b>	<b>105 122</b>	<b>103 432</b>	<b>112 662</b>	<b>117 006</b>	<b>123 559</b>

## Summary of payments and estimates by economic classification: Business Regulation And Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	24 173	26 904	26 519	38 033	31 201	29 512	36 672	36 817	38 879
Compensation of employees	14 871	16 716	16 794	21 241	18 890	18 525	22 646	24 186	25 831
Goods and services	9 302	10 188	9 725	16 792	12 311	10 987	14 026	12 631	13 048
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	43 932	77 407	70 065	73 753	73 891	73 890	75 990	80 189	84 680
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	43 920	77 282	70 008	73 753	73 753	73 753	75 990	80 189	84 680
Households	12	125	57	-	138	137	-	-	-
Payments for capital assets	9	225	49	-	30	30	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9	225	49	-	30	30	-	-	-
Payments for financial assets	-	-	71	-	-	-	-	-	-
<b>Total economic classification</b>	<b>68 114</b>	<b>104 536</b>	<b>96 704</b>	<b>111 786</b>	<b>105 122</b>	<b>103 432</b>	<b>112 662</b>	<b>117 006</b>	<b>123 559</b>







## SUB-PROGRAMME: CONSUMER PROTECTION

### Purpose

The unit is divided into three sections, complaints handling, education and awareness as well as the enforcement and compliance. The complaints handling section is responsible for the investigation and resolution of consumer complaints using the Alternative Dispute Resolution (ADR) mechanisms.

Complaints that cannot be resolved internally are then referred to the Tribunal for final determination and resolution. The education and awareness section is responsible for the dissemination of information to consumers about their rights and responsibilities.

The enforcement and compliance section is responsible for ensuring that there is compliance with relevant statutory obligations, including legislations as well as prohibitions.

### Specific policies, priorities, and strategic objectives

Common law, the Constitution, the National Consumer Protection Act as well as the KZN Consumer Protection Act provide the necessary policy and legislation framework to protect and promote an effective consumer protection regime in the province.

These pieces of legislation provide the Sub-directorates with the required mandates to represent aggrieved consumers and ensure that their rights are protected and realised.



**Strategic Goal:** Integrated economic planning and development in the Province

**Goal Statement:** Improve efficiency and effective business regulation for liquor industry, consumer service, formal and informal business sector.

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – CONSUMER PROTECTION

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To promote, protect and further the rights of consumers in the Province	% of community members reflecting improved knowledge and awareness about consumer rights	100%	New	New	New	New	80%	90%	100%
	% of business complying with consumer protection Act of KZN	100%	New	New	New	New	80%	90%	100%

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets			
	2013/14	2014/15	2015/16		2017/18	2018/19	2019//20	
To promote, protect and further the rights of consumers in the Province								
Number of consumer education programmes conducted	1333	1400	1450	1177	1179	1250	1300	
Number of inspections conducted	192	192	384	400	400	400	450	
%consumer complaints resolved	New	New	New	New	80%	90%	100%	
Number of consumer surveys conducted	New	New	New	New	2	2	2	





Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
<b>To promote, protect and further the rights of consumers in the Province</b>							
Number of consumer education programmes conducted	Signed Attendance Register and invitations	Quarterly	1179	295	295	295	294
Number of inspections conducted	Signed inspection Reports and Attendance register	Quarterly	400	100	100	100	100
% of Consumer complaints resolved	Closed cases report	Quarterly	80%	80%	80%	80%	80%
Number of consumer surveys conducted	Consumer surveys report	Biannual	2	1	1	1	1

**SUB-PROGRAMME: REGULATION SERVICES (FORMAL AND INFORMAL)**

**Purpose**

The specific priorities of this sub-programme is to provide a regulatory framework for the functioning of both formal and informal trade in a manner that advances the agenda of economic development and growth in the province. The Sub-directorates also strives to ensure that compliance in terms of formal and informal trade is adhered to. The Strategic objective is to create a conducive regulatory environment for the sustained development and support to the formal and informal business sector.

**Specific policies, priorities, and strategic objectives**

The sub-programme Regulation Services, consists of both formal and informal businesses and derives its legislative mandate from the Business Act 71 of 1991, together with the KZN Policy on the Informal Economy which was adopted by cabinet in 2010.

**Strategic Goal:** Integrated economic planning and development in the Province

**Goal Statement:** Improve efficiency and effective business regulation for liquor industry, consumer service, formal and informal business sector.

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets			
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20	
To create a conducive regulatory environment for sustained development and support the formal and informal business sectors	Number of local municipalities effectively implementing business regulatory policies	54 municipalities are implementing business regulatory policies	New	New	New	New				
							Ensure effective implementation of business regulatory across 54 municipalities of KZN			

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors							
Number of Municipalities Monitored with the Implementation of Business Legislation	31	31	31	31	31	31	31
Number of Municipalities monitored with the implementation of the Informal Economy Policy	11	11	20	20	20	20	20
Number of barriers identified	2	1	1	3	4	4	4
Number of barriers addressed	2	1	1	3	4	4	4
Number of Business Inspections conducted to ensure compliance with Business legislation	New	New	New	New	12	18	24





Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors							
Number of Municipalities Monitored with the Implementation of Business Legislation	Attendance Registers and Reports	Quarterly	31	7	8	8	8
Number of Municipalities monitored with the implementation of the Informal Economy Policy	Attendance Registers And Reports	Quarterly	20	5	5	5	5
Number of barriers identified	Assessment report	Quarterly	4	0	1	1	2
Number of barriers addressed	Progress report	Quarterly	4	0	1	1	2
Number of Business Inspections conducted to ensure compliance with Business legislation for Business Compliance	Inspection reports with findings	Quarterly	12	3	3	3	3

## SUB-PROGRAMME: POLICY AND LEGISLATION

### Purpose

- To develop and maintain an efficient regulatory and governance framework for sustained economic development. This objective is also linked to the strategic objective relating to "Influencing the policy direction for economic development and infrastructure development";
- To establish organisational capacity to enable delivery of mandate;
- To retain specialist expertise to deliver on core functions of the Department.

### Specific policies, priorities, and strategic objectives

This Sub-directorate derives its legislative mandate from the Schedule 4 and 5 constitutional legislative mandates in relation to Liquor, Consumer Protection and Regulation Services.

This programme functions within the prescripts of a regulatory framework and in particular the constitution. Functions mandated in terms of the constitution are regulating the liquor industry, consumer protection and formal and informal businesses. The policy and legislation business unit is proposed in terms of the draft structure which unit will have a cross cutting and transversal function relating to policy and legislation developments across the programme.

**Strategic Goal:** Integrated economic planning and development in the Province

**Goal Statement:** Improve efficiency and effective business regulation for liquor industry, consumer service and formal and informal business sector.

#### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - POLICY AND LEGISLATION

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To promote and maintain effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services	% of Business compliance with Liquor Licensing, Consumer Act and Business Act	KZN Business Industry fully adhere to Business Act by 2020	New	5%	5%	10%	KZN has an enabled Business Environment through sound and progressive policy and legislation on those mandatory sectors vested by the constitution of SA viz the liquor industry, consumer sector and formal and informal sector.		

#### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets				
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20		
To promote and maintain effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services									
Number of Liquor Authority monitoring reports (tracking the effectiveness of the KZNLA in regulating the Industry)	New	4	4	4	4	4	4	4	
Number of initiatives undertaken to review effectiveness of Business Regulatory Environment relating to Consumer, Liquor and Regulation Services	New	3	4	4	4	4	4	4	
Number of industry review report	New	New	New	New	2	2	2	2	





Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services							
Number of Liquor Authority monitoring reports (tracking the effectiveness of the KZNLA in regulating the Industry)	Progress Report form KZNLA	Quarterly	4	1	1	1	1
Number of initiatives undertaken to re-view effectiveness of Business Regulatory Environment relating to Liquor, consumer and Regulation services;	Progress Report	Quarterly	4	1	1	1	1
Number of industry review report	Industry review report	Biannual	2	1			1



## PROGRAMME 5: ECONOMIC PLANNING

### Purpose

The Economic Planning Programme provides key input into economic development through gathering economic data, conducting micro and macroeconomic analyses and economic modelling to inform economic policies and strategies. Furthermore, policy research ensures that the province’s economic policy direction adequately responds to national and global economic and policy trends. The Economic Planning programme is comprised of four sub-programmes namely Policy and Planning; Research and Development; Knowledge Management, as well as Monitoring and Evaluation. The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

Programme 5: Economic Planning	Sub-programmes
<b>Purpose:</b> To develop provincial economic policies and strategies to achieve and measure sustainable economic development	<b>Sub-programme 1: Research and Development</b> <b>Purpose:</b> To provide cutting edge and authoritative research on the provincial economy. This unit is the custodian of all research activities in the department
	<b>Sub-programme 2: Knowledge Management</b> <b>Purpose:</b> To develop the knowledge base to enhance the knowledge economy
	<b>Sub-programme 3: Monitoring and Evaluation</b> <b>Purpose:</b> To strengthen monitoring and evaluation capabilities for measuring impact of economic development strategies within the Department and across its entities
	<b>Sub-programme 4: Policy and Planning</b> <b>Purpose:</b> To provide macro-economic analysis and develop provincial economic policies/strategies

### Specific Policies, Priorities, and Strategic Objectives

The policy context for the economic planning programme is provided by provincial strategies such as the PGDS, PSEDS and the PIDS, as well as national strategies and policies such as the National Industrial Policy Framework (NIPF), Industrial Policy Action Plan (IPAP), New Growth Path (NGP) and National Development Plan (NDP). Its strategic objective is to facilitate and promote integrated economic development planning as well as monitor and evaluate economic development policies, strategies, and programmes. It also aims to provide leadership in economic knowledge generation and management.

The aim of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development. The economic planning function is very crucial as it ensures that service delivery programmes are designed to appropriately respond to the social and economic development priorities of the citizens.

The Economic Planning Programme is critical to the enhanced efficiency and effectiveness of the Department as it facilitates and promotes integrated economic development policies, strategies and programmes, and provide leadership in economic policy development and knowledge management, most of which feeds into other programmes.

The strategic priorities of the programme are to monitor and track macro-economic developments and disseminate such economic information regarding the province to key stakeholders in the public and private sectors. The programme continually access, store in a readily retrievable manner, and disseminate process and strategic information required for the efficient and effective management of the Department, to all members of the Department’s management team.





## RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

### Summary of payments and estimates by sub-programme: Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Policy And Planning	4 897	4 348	5 240	7 445	7 145	7 001	7 967	8 441	8 914
2. Research And Development	8 538	10 688	15 384	15 499	20 015	19 668	15 841	16 709	17 645
3. Knowledge Management	1 978	2 626	2 689	7 419	3 265	3 185	7 613	8 040	8 490
4. Monitoring And Evaluation	5 153	5 524	6 179	8 162	7 800	7 339	8 086	8 597	9 077
<b>Total payments and estimates</b>	<b>20 566</b>	<b>23 186</b>	<b>29 492</b>	<b>38 525</b>	<b>38 225</b>	<b>37 193</b>	<b>39 507</b>	<b>41 787</b>	<b>44 126</b>

### Summary of payments and estimates by economic classification: Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	20 455	22 667	27 348	32 000	25 528	24 487	30 727	32 567	34 390
Compensation of employees	10 538	13 031	14 281	16 938	15 522	14 997	16 877	18 025	19 251
Goods and services	9 917	9 636	13 067	15 062	10 006	9 490	13 850	14 542	15 139
Transfers and subsidies to:	-	266	2 031	2 500	12 617	12 617	8 780	9 220	9 736
Provinces and municipalities	-	-	-	-	500	500	-	-	-
Departmental agencies and ac-counts	-	-	-	-	3 500	3 500	3 500	3 675	3 881
Higher education institutions	-	250	2 000	2 500	8 617	8 617	4 450	4 673	4 934
<b>Payments for capital assets</b>	<b>111</b>	<b>253</b>	<b>70</b>	<b>4 025</b>	<b>80-</b>	<b>89-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	111	253	70	25	80	89	830	872	921
Software and other intangible assets	-	-	-	4 000	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>20 566</b>	<b>23 186</b>	<b>29 492</b>	<b>38 525</b>	<b>38 225</b>	<b>37 193</b>	<b>39 507</b>	<b>41 787</b>	<b>44 126</b>





## SUB-PROGRAMME: RESEARCH AND DEVELOPMENT

### Purpose

The purpose of Research and Development is to use resources for the deliberate discovery of new information with innovative ways of presenting insightful value-added information. Currently this is arguably the most important time to have real-time access to relevant, up to date and forward thinking research that will enable better decision making on an economic planning level. It is the purpose of this sub-programme to produce such research through in-house research as well as engaging in partnerships and collaborations with relevant stakeholders in the province. The need for research emanating from this sub-programme has increased as globally, nationally and provincially policy makers will need to start looking at different ways and opportunities to further economic development.

### Specific policies, priorities, and strategic objectives

The principal focus of the Research and Development sub-programme is to conduct or commission research on the provincial economy and engage in regular economic analysis of developments of importance to the provincial economy. The net result of this research will be to inform provincial economic policy and strategy development and to provide the required advice to the MEC for economic and tourism development. Finally, it is hoped that the cumulative research output will result in the generation of economic information on those opportunities that exist in the province's industrial value-chains for the domestic and international investor communities.

The sub-programme's research activity is also enhanced by its position as a chair of the departmental research committee which will ensure that it is kept abreast of developments regarding national economic policies and strategies as well as to ascertain through research, their implications for the province's implementation strategies and scope for policy-making.



**Strategic Goal:** Integrated economic planning and development in the Province

**Goals Statement:** Enhanced integrated infrastructure planning and development that advances SEZ/IEH, Maritime, Aerotropolis and sustainable use of natural resources

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - RESEARCH AND DEVELOPMENT

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To conduct economic research	Number of research findings and improvements produced	39 research reports and improvements plans produced	5	13	13	11	5	5	5
		9 research partnerships established	New	New	New	New	3	3	3

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To conduct economic research	5	13	13	11	5	5	5
Number of research reports	New	New	New	New	3	3	3



## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To conduct economic research							
Number of research reports produced	Research reports	Quarterly	5	0	1	2	2
Number of research partnerships established and maintained	MOUs	Quarterly	3	0	1	1	1

## SUB-PROGRAMME: KNOWLEDGE MANAGEMENT

### Purpose

The main purpose of the Knowledge Management (KM) sub-programme is to develop the knowledge base to enhance the knowledge economy.

### Specific policies, priorities, and strategic objectives

The knowledge management sub-programme's parameters are defined by policies, which include but not limited to: Innovation Towards Knowledge-based Economy - Ten year (2008 - 2018) Plan for South Africa, Millennium Development Goals (MDGs), Promotion of Access to Information Act (PAIA), Public Finance Management Act, Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Economic Development Strategy (PSEDS), Batho Pele and Medium Term Expenditure Framework.

A strategic objective of the Knowledge Management sub-programme is to develop the knowledge base to enhance the knowledge economy. The available information should enable EDTEA staff to create knowledge that meets challenges of economic development, in particular the development of economic policies and programmes that is aligned to developmental state agenda of the national government. The information should be relevant to investors and economic participants in the province in order to achieve accelerated economic growth and reduction of poverty.

For the Knowledge Management sub-programme to be effective in managing information and knowledge for the department, it must continuously improve the systems used for gathering, storing and the dissemination of information. Also important is gathering and storage of information that will assist EDTEA personnel to have broader understand of socio-economic challenges and build capacity to respond to these challenges in the most appropriate manner.

- As part of capacity building the KM sub-programme will undertake workshops to:
- Provide capacity development sessions to the departmental staff including District Municipality officials about the importance of KM and how to manage knowledge;
- Provide capacity to entities and other stakeholders about the importance of KM and how they can manage their knowledge.





**Strategic Goal:** Integrated economic planning and development in the Province  
**Goal Statement:** Enhanced integrated infrastructure planning and development that advance SEZ/IEH, Maritime, Aerotropolis and sustainable use of natural resources

**STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - KNOWLEDGE MANAGEMENT**

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To develop and maintain an effective knowledge management system to support management decision	Effective and functional knowledge management system	Fully Operational Integrated statistical database by 2020	New	New	New	1	Stage 1 of the development is completed	Stage 2 of the development is completed	Integrated statistical database is fully Operational
		Produced 12 reports tracking provincial knowledge base indicators over MTSF period	New	New	New	New	4	4	4
		12 learning platforms conducted over MTSF	New	New	New	New	4	4	4

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To develop and maintain an effective knowledge management system to support management decision							
Number of reports on the development of an Integrated statistical database	0	0	New	New	1	1	Fully Operational
Number of reports tracking provincial knowledge base indicators	New	New	New	4	4	4	4
Number of learning platforms conducted	0	1	4	4	4	4	4

## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To develop and maintain an effective knowledge management system to support management decision							
Number of reports tracking provincial knowledge base indicators	Progress Report on provincial knowledge base indicators	Quarterly	4	1	1	1	1
Number of reports on the development of an Integrated statistical database	Progress Report on provincial Integrated statistical database	Annual	1	0	0	0	1
Number of learning platforms conducted	Progress report on learning platforms conducted	Quarterly	4	1	1	1	1

## SUB-PROGRAMME: MONITORING AND EVALUATION

### Purpose

The purpose of the Monitoring and Evaluation sub-programme is to ensure continuous performance improvement and effectiveness in the implementation of economic development and environmental policies, strategies and projects, through the monitoring and evaluation of outputs, outcomes and impacts realised in the implementation of the EDTEA Strategic Plan and the APP. Monitoring and evaluation provides an opportunity for assessing, reflection, learning and improvement in the delivery of services.

### Specific policies, priorities, and strategic objectives

The core purpose of a monitoring and evaluation function is to ensure performing organizations, or departments and public entities in the case of government. Primary, it is embedded within the constitution, and underpinned by key principles of good governance, accountability, transparency, efficiency, effectiveness and service delivery improvement.

Applicable policy frameworks implicitly include the Public Service legislation and its regulations, Public Finance Management Framework and legislations pertaining to auditing of public institutions. Specific policies include Government Wide Monitoring and Evaluation and Improving Government Performance: Our outcome-based approach is based on the National Evaluation Policy Framework, and Framework on Managing Performance Information.



**Strategic Goal:** Achieved institutional excellence that is responsive to the needs of the Province  
**Goal Statement:** Improved efficient, effective and accountable public sector Institution

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – MONITORING AND EVALUATION

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To determine effectiveness of EDTEA policies, programmes and strategies	Improve M&E MPAT standards	Achieve Level 4 on M&E MPAT standards	New	New	M&E MPAT score level 3	M&E MPAT score level 2	M&E MPAT standard 3	M&E MPAT standard 4	M&E MPAT standard 4

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To determine effectiveness of EDTEA policies and strategies							
Number of monitoring and evaluation plans/ tools developed or reviewed	New	New	New	1	1	1	1
Number of Monitoring reports	New	4	4	4	4	4	4
Number of Evaluation Reports	New	5	5	5	5	5	5
Number of performance verification reports	New	New	New	4	4	4	4





Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To determine effectiveness of EDTEA policies and strategies							
Number of monitoring and evaluation plans/ tools developed or reviewed	Reviewed M&E plans/ Tools	Annually	1	0	0	0	1
Number of Monitoring reports	Monitoring reports	Quarterly	4	1	1	1	1
Number of Evaluation Reports	Evaluation reports	Annually	5	0	0	0	5
Number of performance verification reports	Performance verification reports	Quarterly	4	1	1	1	1

## SUB-PROGRAMME: POLICY AND PLANNING

### Purpose

The Policy and Planning directorate is charged with the responsibility of developing, reviewing and implementing appropriate policies and strategies to assist the department in attaining sustainable economic development in the province.

The unit achieves this mandate through undertaking detailed spatial economic planning, macroeconomic and policy analysis in the province. The sub-programme, therefore, acts as an advisory arm of the Department of Economic Development and Tourism on matters of economic policy and the macro and micro economy in general.

### Specific policies, priorities, and strategic objectives

In executing its mandate, the Policy and Planning tracks macroeconomic economic developments and policy pronouncements in the province and in South Africa. Provincial and national economic policy frameworks that guide the unit in discharging its mandate include, inter-alia, National Industrial Policy Framework, Industrial Policy Action Plan, New Growth Path, KZN IDS, PSEDS, PGDS, SMME Strategy and National Development Plan.





The Policy and Planning unit endeavours to provide valuable services through:

- Provision of policy briefs;
- Conducting policy awareness and stakeholders workshops;
- Undertaking policy dialogues;
- Collaboration with other economic policy units in KwaZulu-Natal and South Africa;
- Providing continuous capacity building to stakeholders in the province to improve implementation of provincial policy frameworks; and
- Providing critical statistical information for potential investors and other stakeholders for decision making purposes.

### Objectives

- To formulate policies and strategies for socio-economic development;
- Develop a data base on provincial macroeconomic indicators including a statistical portal;
- Produce Quarterly Statistical and Economic Overview Reports;
- Provide input into the medium and long-term plans of the Department;
- Advise the Department on economic issues;
- Initiate and undertake necessary Policy Research- Reports on key economic developments (provincial, national, global);
- Provide leadership in the implementation of policies; and to
- To provide capacity building to stakeholders on macroeconomic analysis and economics in general including skills transfer.

**Strategic Goal:** Integrated economic planning and development in the Province

**Goal Statement:** Enhanced integrated infrastructure planning and development that Advances SEZ/IEH, Maritime, Aerotropolis and sustainable use of natural resources

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - POLICY AND PLANNING

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To enhanced economic policy environment in KwaZulu-Natal	Policy and strategy alignment report produced	4 Policy/strategy alignment reports	New	New	New	1	1	1	1

## PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance				Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16	2017/18		2018/19	2019/20	
To enhanced economic policy environment in KwaZulu-Natal								
Number of Policies/strategies formulated/reviewed	1	0	1	2	0	2	2	1
Number of Implementation of strategies tracking report	0	0	0	0	1	0	0	1
Number of Economic publications	6	6	6	6	6	6	6	6
Number of Policy analysis/advocacy reports	0	2	2	2	2	2	2	2

## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st April-June	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To enhanced economic policy environment in KwaZulu-Natal							
Number of economic strategies reviewed/ developed	Progress report on economic Strategy reviewed/ developed	Biannually	2	0	1	0	1
Number of economic publications	Publication report	Quarterly	6	2	1	1	2
Number of Policy analysis/ advocacy reports	Policy brief reports	Biannually	2	1	1		1





## PROGRAMME 6: TOURISM DEVELOPMENT

### Purpose

Tourism is a concurrent function between the national and provincial government. The province is mandated with functions relating to planning and policy making, regulation and monitoring, facilitation and implementation, coordination as well as development promotion of tourism in line with national imperatives.

The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

Programme 6: Tourism Development	Sub-programmes
<p><b>Purpose:</b> To develop provincial tourism policies, strategies and ensure their implementation thereof. To ensure that the industry is properly managed through proper regulations To create conducive environment for tourism to flourish thus contribute to economic growth and job creation</p>	<p><b>Sub-programme 1: Tourism Planning</b> <b>Purpose:</b> To ensure coordinated tourism planning and policy making</p>
	<p><b>Sub-programme 2: Tourism Growth and Development</b> <b>Purpose:</b> To drive tourism growth and development in the province</p>
	<p><b>Sub-programme 3: Tourism Sector Transformation</b> <b>Purpose:</b> To drive tourism sector transformation</p>

### Specific Policies, Priorities, and Strategic Objectives

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act, Act No. 3 of 2014
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996);

The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- National and Provincial Spatial Economic Development Strategy;
- National Tourism Sector Strategy;
- KZN Tourism Master Plan Vision 2030
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in South Africa;
- New Growth Path;
- National Development Plan;
- Provincial Growth and Development Plan;
- Human Resource Development Strategy for the Tourism Sector;
- National Skills Audit 2007 & Provincial Skills Audit 2008;
- Tourism Sector Skills Plan; and the
- National Skills Development Strategy III.

## RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

### Summary of payments and estimates by sub programme: Tourism

R thousand	Outcome		Main appropriation			Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	
1. Tourism Sector Transformation	1 687	4 724	3 010	11 579	8 298	7 763	12 213	12 939	13 664	
2. Tourism Planning	3 224	6 209	4 722	12 183	9 619	10 053	13 107	13 126	13 861	
3. Tourism Growth And Development	340 340	351 772	367 942	261 561	246 601	245 135	206 391	246 238	280 929	
<b>Total payments and estimates</b>	<b>345 251</b>	<b>362 705</b>	<b>375 674</b>	<b>285 323</b>	<b>264 518</b>	<b>262 951</b>	<b>231 711</b>	<b>272 303</b>	<b>308 454</b>	

### Summary of payments and estimates by economic classification: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	121 840	26 057	72 760	96 452	39 505	39 938	57 106	88 691	114 560
Compensation of employees	9 283	8 743	10 546	17 412	13 565	13 324	19 382	20 699	22 106
Goods and services	112 557	17 314	62 214	79 040	25 940	26 614	37 724	67 992	92 454
<b>Transfers and subsidies to:</b>	<b>223 379</b>	<b>336 648</b>	<b>302 678</b>	<b>188 791</b>	<b>224 933</b>	<b>222 933</b>	<b>174 535</b>	<b>183 538</b>	<b>193 816</b>
Provinces and municipalities	8 062	14 113	2 500	6 000	1 500	1 500	500	-	-
Departmental agencies and accounts	161 968	166 906	180 744	171 021	182 589	182 589	173 535	183 538	193 816
Public corporations and private enterprises	53 345	155 329	118 834	11 070	40 544	38 544	500	-	-
Non-profit institutions	-	300	600	700	300	300	-	-	-
Households	4	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>70</b>	<b>74</b>	<b>78</b>
Machinery and equipment	26	-	-	80	80	80	70	74	78
Software and other intangible assets	6	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>345 251</b>	<b>362 705</b>	<b>375 674</b>	<b>285 323</b>	<b>264 518</b>	<b>262 951</b>	<b>231 711</b>	<b>272 303</b>	<b>308 454</b>





## SUB-PROGRAMME: TOURISM PLANNING

### Purpose

To provide guidance, support and direction in terms of policies, legislation and strategies aimed at promoting tourism to benefit the majority of KwaZulu-Natal communities. To clearly guide spatial development of tourism and define clear role of the private sector at all levels in tourism planning. The continuous development of the tourism sector will assist in diversifying South Africa's economy and contribute immensely towards achieving the overall objectives of the National Tourism Sector Strategy and the Provincial Tourism Master Plan.

The province derives its tourism mandate from the Constitution of the Republic of South Africa, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 3 of 2014;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad-Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996); and the
- The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (2008).

### Specific policies, priorities, and strategic objectives

The sub-programme will ensure that the tourism activities are conducted professionally, effectively and efficiently through alignment of National, Provincial and Local Plans.

The sub-programme also serves to enhance the capacity of the research and knowledge management within the unit and the tourism industry. The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- National and Provincial Spatial Economic Development Strategy;
- National Tourism Sector Strategy ;
- Provincial Growth and Development Strategy;
- Strategy on the Professionalization of Tourist Guides;
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in the Country;
- New Growth Path;
- Provincial Growth and Development Plan.



<b>Strategic Goal:</b> Preferred tourism destination in the country									
<b>Goal Statement:</b> Improved KZN tourism compliance with tourism legislation									
Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To Provide guidance, support and direction in terms of tourism knowledge management, policies and strategies.	Percentage of resolutions adopted and implemented through engagements with Social Partners.	Ensure 100% implementation of adopted resolutions over MTSF period	New	New	90%	95%	95%	100%	100%
		9 policy advocacy and awareness initiatives coordinated	New	New	New	New	2	3	4

#### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To Provide guidance, support and direction in terms of tourism knowledge management, policies and strategies.	New	New	New	New	12	12	12
Number of strategic partnership (forums) established and sustained between Public, Private and communities.	4	3	6	7	7	7	7
Number of Tourism Research reports, policies, strategies and frameworks identified and developed.	New	New	New	New	2	3	4



Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To provide guidance, support and direction in terms of tourism knowledge management, policies and strategies.							
Number of strategic partnership (forums) established and sustained between Public, Private and communities.	TORs, Minutes, attendance registers, reports	Quarterly	12	3	3	3	3
Number of advocacy and awareness initiatives on Tourism policies and legislation coordinated	Attendance registers and progress reports on Tourism policies and legislation coordinated	Biannual	2	1	0	1	0
Number of Tourism research, policies, strategies and frameworks identified and developed	Progress on research, policy, strategy and framework	Quarterly	7	-	-	2	5

## SUB-PROGRAMME: TOURISM GROWTH AND DEVELOPMENT

### Purpose

The sub-programme aims to provide a long sustainability of tourism growth and development through identification and stimulation of demand-led products, facilitate and develop appropriate tourism infrastructure, and inspire innovation to guide development of tourism over time to achieve geographic and rural spread. In addition the sub-programme is responsible for registration of tourist guides and tourism businesses in the province to ensure the tourism industry is regulated and enforce compliance with the legislation.

### Specific policies, priorities, and strategic objectives

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 72 of 1993;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad Based Black Empowerment Act (Act No. 53 of 2003).

The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

**Strategic Goal** Preferred tourism destination in the country

**Goal Statement:** Improved KZN Tourism product and service offering in the sector

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – TOURISM GROWTH AND DEVELOPMENT

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings	% of Tourism product and service supported in KZN	100%	New	New	New	New	100%	100%	100%
	% Increase in Tourism establishments that are in compliance with tourism sector legislation	80%	New	New	New	New	50%	60%	80%
	Number of people employed in the Tourism sector	140	New	New	New	New	30	50	60

### PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings							
Number of niche and diverse tourism products identified and supported.	New	New	New	New	1	1	1
Number of Tourist Guides accredited.	New	New	New	New	150	150	150
Number of Tourism interventions implemented towards growth and employment creation.	New	New	5	5	6	6	6







Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To drive tourism growth and development in the province							
Number of niche and diverse tourism products identified and supported.	Progress Report on niche and diverse tourism products identified and supported.	Annually	1	-	-	-	1
Number of Tourist Guides accredited.	Progress report on Tourist Guides accredited (Database)	Quarterly	150	37	38	38	37
Number of Tourism interventions implemented towards growth and employment creation.	Reports/SLA/minutes of meetings	Annually	6	-	-	-	6

## SUB-PROGRAMME: TOURISM SECTOR TRANSFORMATION

### Purpose

Skills development plays a major role in ensuring the effective and sustainable transformation and development of the tourism industry in developing countries. Tourism is an exceptionally competitive industry and the level of service and professionalism are key variables in determining the country's success in attracting and growing its share of the tourism market and efficient service delivery. The provision of training to tourism businesses and local communities help to provide the trainees with better opportunities to increase tourism work-related performances. Well-developed capacities and capabilities within the private sector and local community members involved in tourism businesses, will enable them to contribute positively towards the growth of the tourism industry.

The tourism BEE Charter and Scorecard were developed to advance the objectives of the Broad-Based Black Empowerment Act and its implementation while contributing to the transformation of the tourism sector, as part of creating an inclusive tourism economy. The provision of tourism education and awareness has made a significant contribution in addressing the level of skills and knowledge at schools and also at tertiary education levels. Furthermore, this area of capacity building is extended through creating opportunities for career exposure and placement of young tourism graduates in experiential training roles.



### Specific policies, priorities, and strategic objectives

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act no. 108 of 1996, schedule 4 sets out the functional areas of concurrent national and provincial legislative competence:

- Tourism Act No. 72 of 1993;
- KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002;
- Broad-Based Black Empowerment Act (Act No. 53 of 2003);
- The White Paper on the Development and Promotion of Tourism in South Africa (1996);
- The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (2008).

The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

- Human Resource Development Strategy for the Tourism Sector;
- National Skills Audit 2007 & Provincial Skills Audit 2008;
- Tourism Sector Skills Plan;
- National Skills Development Strategy III;
- National Tourism Sector Strategy;
- Service Excellence Strategy;
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in the Country; and the
- New Growth Path

**Strategic Goal:** Preferred tourism destination in the country

**Goal Statement:** A transformed KZN tourism sector towards inclusive growth and employment

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – TOURISM SECTOR TRANSFORMATION

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To identify and drive implementation of targeted interventions aimed at transforming the sector	Number of Tourism enterprises complying with the Tourism Sector Codes	Ensure 165 Tourism enterprises are complying with the Tourism Sector Codes	45	50	0	0	50	55	60
	Number of Service Excellence initiatives designed and implemented	9 Service Excellence initiatives implemented	New	New	New	New	2	3	4
	Number of people capacitated within the Tourism sector	Ensure 6800 people are capacitated within the Tourism sector	New	New	New	New	2000	2300	2500
	Number of people assisted with employment opportunities in the Tourism sector	165 employment opportunities over MTFS period	New	New	New	New	50	55	60



## PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To identify and drive implementation of targeted interventions aimed at transforming the sector							
Number of tourism enterprises complying with the Tourism Sector Codes	45	50	50	50	50	55	60
Number of Service Excellence initiatives implemented.	New	New	New	New	2	3	4
Number of sector transformation, Capacity building and skills development interventions implemented	New	New	New	New	15	15	15
Number of Tourism interventions implemented towards growth and employment creation.	New	New	New	New	1	1	1

## QUARTERLY TARGETS FOR 2017/18

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
<b>To identify and drive implementation of targeted interventions aimed at transforming the sector</b>							
Number of tourism enterprises complying with the Tourism Sector Codes	BEE Certificates of tourism enterprises	Quarterly	50	-	25	15	10
Number of Service Excellence Initiatives implemented	Workshops, concept documents, programmes, attendance registers, reports	Biannual	2	1	-	1	-
Number of sector transformation, capacity building and skills development interventions implemented	Workshops, concept documents, programmes, attendance registers, reports	Quarterly	15	3	5	4	3
Number of Tourism interventions implemented towards growth and employment creation.	Progress report on interventions implemented	Annually	1	0	0	0	1



## PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

### Purpose

To advance environmental sustainability for socio-economic development, through the promotion of sustainable use of a safe and healthy environment.

The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

### Specific Policies, Priorities, and Strategic Objectives

The strategic goal for the Environmental Management Programme is ensuring that there is sustainable use of the natural resources within the Province and secondly to ensure that development occurs in a responsible and environmentally sustainable manner. The programme also manages and controls environmental impacts to promote a safe and healthy environment. The programme also undertakes capacity building programmes that are aimed at creating awareness on issues of the environment.

### RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

Summary of payments and estimates by sub-programme: Environmental Affairs

R thousand	Outcome				Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Environmental Policy Planning And Co-Ordination	3 666	3 764	10 943	8 711	12 997	11 896	9 423	9 987	10 546	
2. Compliance And Enforcement	32 373	32 593	32 818	37 934	33 839	37 631	39 831	42 141	44 501	
3. Environmental Quality Management	27 989	28 098	32 536	49 643	42 137	41 903	52 912	56 289	59 442	
4. Biodiversity Management	725 716	823 924	811 305	720 253	694 204	687 510	811 587	840 514	869 808	
5. Environmental Empowerment Services	32 150	35 567	33 970	34 323	32 799	33 961	36 656	38 935	41 117	
6. General Manager: Environmental Affairs	1 710	9 792	7 181	6 632	11 567	12 695	6 005	6 357	6 710	
<b>Total payments and estimates</b>	<b>823604</b>	<b>933 738</b>	<b>928 753</b>	<b>857 496</b>	<b>827 543</b>	<b>825 596</b>	<b>956 414</b>	<b>994 223</b>	<b>1032124</b>	





R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	229 632	215 841	192 199	244 141	201 480	195 865	240 571	249 432	263 399
Compensation of employees	85 697	95 668	98 962	120 253	110 101	108 516	123 726	132 388	141 391
Goods and services	143 928	120 173	93 237	123 888	91 379	87 349	116 845	117 044	122 008
Interest and rent on land	7	-	-	-	-	-	-	-	-
Transfers and subsidies to:	592 409	717 446	735 944	610 879	622 140	623 831	714 600	744 791	768 725
Provinces and municipalities	600	1 900	4 500	-	-	-	-	-	-
Departmental agencies and accounts	586 522	702 895	718 966	604 227	613 622	613 622	707 720	737 512	761 038
Public corporations and private enterprises	-	-	300	-	-	1 500	-	-	-
Non-profit institutions	5 227	11 927	10 505	6 552	8 375	8 375	6 880	7 279	7 687
Households	60	724	1 673	100	143	334	-	-	-
Payments for capital assets	1 563	451	610	2 476	3 923	5 900	1 243	1 563	451
Machinery and equipment	1 563	451	610	2 276	3 723	5 700	1 243	1 563	451
Software and other intangible assets	-	-	-	200	200	200	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total economic classification</b>	<b>823604</b>	<b>933 738</b>	<b>928 753</b>	<b>857 496</b>	<b>827 543</b>	<b>825 596</b>	<b>956 414</b>	<b>994 223</b>	<b>1032124</b>

## SUB-PROGRAMME: POLICY COORDINATION AND ENVIRONMENTAL PLANNING

### Purpose

The purpose of the Policy Coordination and Environmental Planning sub-programme is to develop instruments, mechanisms and institutions to ensure sound cooperative environmental governance, during the implementation of sustainable development frameworks. The sub-programme also conducts environment research in order to generate knowledge to support sound decision making and innovative approaches to the management of the environment.

Furthermore the Programme ensures provincial sustainability monitoring and reporting through the generation, management and dissemination of environmental information for improved decision making and on-going strategy development.

**Strategic Goal:** Sustainable Environmental management

**Goal Statement:** Enhanced governance systems and capacity

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - POLICY COORDINATION AND ENVIRONMENTAL PLANNING

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance		Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15		2015/16	2017/18	2018/19
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity	Number of development policies, programmes, plans and processes compliant with sustainable development principles	284 Intergovernmental sector tools reviewed over MTSF period	New	61	61	54	54	54
		10 environmental legislative tools developed over MTSF period	2	2	2	2	2	2
		Produced 10 environmental research projects over MTSF period	Green economy research and development	Green economy research and development	2	2	2	2
		Ensure 12 functional environmental information management system	12	12	12	12	12	12



**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity							
Number of intergovernmental sector tools reviewed	80	80	61	61	54	54	54
Number of environmental legislative tools developed	16	16	14	4	2	2	2
Number of environmental research projects completed	New	New	New	2	2	2	2
Number of functional environmental information management systems	12	12	12	12	12	12	12
Number of climate change response tools developed	1	1	1	1	1	1	1







Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity							
Number of intergovernmental sector tools reviewed	Review reports approved and signed off by delegated authority	Annually	54	0	0	0	54
Number of environmental legislative tools developed	Approved Tools (Signed off by the delegated authority)	Annually	2	0	0	0	2
Number of environmental research projects conducted	Final research and scientific project reports approved by delegated authority.	Annually	2	0	0	0	2
Number of functional environmental information management systems	Reports approved by delegated authority with attached records of operational environmental information management systems that are maintained	Annually	12	0	0	0	12
Number of climate change response tools developed	Implementation reports approved by delegated authority (as per target)	Annually	1	0	0	0	1

## SUB-PROGRAMME: COMPLIANCE AND ENFORCEMENT

### Purpose

The purpose of Compliance and Enforcement is to achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.

### Specific Policies, Priorities, and Strategic Objectives

**Strategic Goal:** To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental

**Goal Statement:** An effective climate change mitigation and adaptation response

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME – COMPLIANCE AND ENFORCEMENT

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To ensure effective integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.	Number of development projects that are in compliance with environmental legislation	Finalised 1440 enforcement actions for non-compliance with environmental legislation over MTSF period	4	376	360	300	280	260	240
			700	750	770	800	800	850	900
			24	20	20	25	25	30	35



**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.							
Number of administrative enforcement notices issued for non-compliance with environmental legislation	4	376	360	300	280	260	240
Number of completed criminal investigation handed to NPA for prosecutions	New	New	New	New	4	4	4
Number of compliance inspections conducted	700	750	770	800	800	850	900
Number of S24G applications finalised	24	20	20	25	25	25	25

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province.							
Number of administrative enforcement notices issued for non-compliance with environmental legislation	Quarterly statistics submitted on a register of applications finalised	Quarterly	280	70	70	70	70
Number of completed criminal investigation handed to NPA for prosecutions	Quarterly statistics submitted on a register of applications finalised	Quarterly	4	1	1	1	1
Number of compliance inspections conducted	Signed complete inspection Report	Quarterly	800	200	200	200	200
Number of S24G applications finalised	Quarterly statistics submitted on register of applications finalise	Quarterly	25	6	6	6	7



## SUB-PROGRAMME: ENVIRONMENTAL QUALITY MANAGEMENT

### Purpose

The purpose of this sub-programme is to promote and regulate the application of appropriate environmental management instruments to ensure integrated environmental management in all media (land, coast and atmosphere) and facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities.

### Specific Policies, Priorities, and Strategic Objectives

- To facilitate environmental impact mitigation and promote sustainable development;
- To develop an integrated plan for sustainable air quality management;
- To provide support to other spheres of government' stakeholders both internal and external;
- To promote the waste management hierarchy (waste minimization, cleaner production, reuse/recycling, treatment);
- To provide management, strategic and specialist support and direction for pollution and waste management programmes in KZN;
- To process applications for permits and emission licenses related to air quality management; and to Coordinate, facilitate and promote effective coastal management (including coastal resource use).

**Strategic Goal:** A sustainable environmental management

**Goal Statement:** An environmentally sustainable, low-carbon economy resulting from a well-managed just transition

### STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - ENVIRONMENTAL QUALITY

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities	Improved integrated environmental management through regulation and Impact mitigation management	100% waste licence applications finalised within legislated timeframes	New	39%	75%	85%	90%	100%	100%
		98% EIA applications finalized within legislated timeframes	New	94%	98%	98%	98%	98%	98%
	5 designated organs of state with approved AQMPs	New	New	1	1	1	1	1	1





Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance				Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
	100% air emissions licence applications finalised within legislated timeframes	New	50%	70%	100%	100%	100%	100%	100%	

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance				Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
To facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities								
% waste licence applications finalised within legislated timeframes	New	39%	75%	85%	90%	100%	100%	100%
% EIA applications finalized within legislated timeframes	New	94%	98%	98%	98%	98%	98%	98%
Number of designated organs of state with approved AQMPs	New	New	1	1	1	1	1	1
% Atmospheric Emission Licenses with complete applications issued within legislated timeframes	New	New	New	100%	100%	100%	100%	100%
% of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS)	New	50%	70%	75%	80%	90%	100%	100%



Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
Replace this with: To facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution and listed activities							
% of waste license applications finalised within legislated timeframes	NEAS Reports, District Pollution and Waste quarterly reports	Quarterly	90%	90%	90%	90%	90%
% of EIA applications finalised within legislated timeframes	NEAS reports, quarterly Impact Management Reports and district registers	Quarterly	98%	98%	98%	98%	98%
Number of designated organs of state with approved AQMP's	Completed Air Quality Management Plan	Annually	1	0	0	0	1
% Atmospheric Emission Licences with complete applications issued within legislated timeframes	Atmospheric Emission Licence Issued to Facility	Annually	100%	0	0	0	100%
% of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS)	Information acquired from DEA in Graph Form	Annually	80%	0	80%	0	0

## SUB-PROGRAMME: BIODIVERSITY MANAGEMENT

### Purpose

To control and manage the spread of invasive alien species and increase awareness of the impact of the invasive alien species in a manner that enables job creation and provides social development and training opportunities for the beneficiaries.

### Specific Policies, Priorities, and Strategic Objectives

To control the spread of invasive alien plants in communal, public and private terrestrial biomes as well as to develop and implement community based natural resource management and action projects to manage sustainable development.



**Strategic Goal:** A sustainable environmental management

**Goal Statement:** Sustained ecosystems and efficient natural resource use

Strategic Objective	Strategic Objective indicator	Strategic Target	Audited/Actual performance			Estimated Performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To control and manage the spread of invasive alien species	Improved integrated Biodiversity planning that safeguard ecosystems, species and genetic diversity	8 coastal management programmes adopted	New	New	New	2	2	2	2
	40 500 work opportunities created through environmental programmes	720 000 hectares cleared of invasive alien species	New	16 000	7 000	7 500	8 500	8 500	9 000
			160 000	160 000	160 000	160 000	120 000	140 000	140 000

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2017/18**

Programme Performance indicator	Audited Performance			Estimated Performance 2016/17	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
To control and manage the spread of invasive alien species							
Number of coastal management programmes developed	New	2	2	2	2	2	2
Number of work opportunities created through environmental programmes	New	16 000	7 000	7 500	8 500	8 500	8 500
Number of hectares cleared of invasive alien species	New	160 000	160 000	160 000	120 000	140 000	140 000
Number of fulltime equivalence /created FTE's	New	New	New	New	2 608	2 608	2 608

Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
To control and manage the spread of invasive alien species							
Number of coastal management programmes developed	Implementation report on coastal management programmes	Annual	2	0	0	0	2
Number of work opportunities created through environmental programmes	Persal report and Beneficiaries copy of ID, signed contract, daily time sheets	Quarterly	8 500	0	1 500	3 000	4 000
Number of hectares cleared of invasive alien species	Progress report on hectares cleared	Quarterly	120 000	0	40 000	40 000	40 000
Number of fulltime equivalence /created FTE's	Progress report on full-time equivalence /created FTE's	Quarterly	2 608	0	652	1 200	756

## SUB-PROGRAMME: ENVIRONMENTAL EMPOWERMENT SERVICES

### Purpose

To empower the citizens of KwaZulu-Natal to participate in environmental matters and decision making so as to ensure the sustainable use and protection of the environment of KwaZulu-Natal through appropriate capacity building and empowerment mechanisms.

### Specific Policies, Priorities, and Strategic Objectives

To: Promote a culture of environmental rights and responsibilities through awareness programmes; Promote and implement Environmental Education learnerships for youth; Implement Environmental Education programmes to assist with the integration of EE into formal education structures; and to Develop and implement capacity building empowerment policy / strategy.







**Strategic Goal:** A sustainable environmental management

**Goal Statement:** Improved sustainable human communities

**STRATEGIC OBJECTIVES AND ANNUAL TARGETS: SUB-PROGRAMME - ENVIRONMENTAL EMPOWERMENT**

Strategic Objective	Strategic Objective Indicator	Strategic Target	Audited/Actual performance			Estimated Performance	Medium-term targets		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
To improved community empowerment through environmental awareness and educational programmes	Number of Environmental Education programmes integrated within formal education structures	259 environmental capacity building activities conducted over MTST period	33	New	44	50	50	50	65
			950	1000	1000	1000	1000	1000	1200
	Number of institutions reflecting improved knowledge, awareness and commitment towards Environmental management practise	5200 environmental awareness activities conducted over MTSF period							

Programme Performance indicator	Audited Performance			Estimated Performance	Medium-term targets		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
<b>To improved community empowerment through environmental awareness and educational programmes</b>							
Number of environmental capacity building activities conducted	33	New	44	50	50	50	65
Number of environmental awareness activities conducted	950	1000	1000	1000	1000	1000	1200
Number of quality environmental resources -material developed	New	New	New	New	0	1	2



Performance indicator	Means of Verification	Reporting Period	Annual target 2017/18	Quarterly targets			
				1st (April-June)	2nd (July-Sep)	3rd (Oct-Dec)	4th (Jan-March)
<b>To improved community empowerment through environmental awareness and educational programmes</b>							
Number of environmental capacity building activities conducted	Activity reports and attendance registers	Quarterly	50	13	12	13	12
Number of environmental awareness activities conducted	Attendance registers of commemorative day and participation certificates for school programme; participation certificates for community programme	Quarterly	1 000	300	200	300	200
Number of quality environmental resources - material developed	Progress report on quality environmental resources - material developed	Quarterly	0	0	0	0	0

## PART C: LINKS TO OTHER PLANS

### PUBLIC ENTITIES REPORTING TO THE DEPARTMENT

As part of a strategy to find new and creative ways of improving service delivery, the Department established eleven Public Entities to drive the implementation of economic development initiatives.

It is believed that the establishment of public entities is an innovative model that would accelerate the delivery of services in an efficient and effective manner. Furthermore, this model ensures the separation of policy-making and implementation functions, thus, enabling the Department to focus on developing policies and providing strategic direction while entities are tasked with the implementation of such policies and the direct provision of services to citizens.

A Public Entity Oversight Unit has been established within the Department to ensure strong monitoring and alignment of public entities in achieving departmental objectives.

It is acknowledged that a precise clarification of roles and effective oversight are key necessities for a successful operation of this arrangement. In line with that acknowledgement, key indicators that the Department expects the public entities to achieve during the 2015-2020 political term are outlined below

Public Entity	Trade and Investment KwaZulu-Natal	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	<ul style="list-style-type: none"> <li>To attract foreign and domestic investments. To retain and encourage business expansions</li> <li>To generate KwaZulu-Natal business exports capability and to develop export capacity</li> </ul>	R 80 105	<ul style="list-style-type: none"> <li>Rand value of new fixed investment attracted to KZN Province</li> <li>Rand value of export promoted by KZN Province</li> <li>Number of jobs opportunities facilitated through investment projects</li> <li>% of total procurement spent on BBBEE service providers</li> <li>% of Valid Invoice paid within 30 days</li> <li>Achieve a clean audit on financial and performance information</li> <li>Annual percentage increase in own revenue/funding outside of the Provincial Grant</li> </ul>
Enabling Legislation	KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 05 of 2010)		



Public Entity	Richards Bay Industrial Zone	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	<p>The company's purpose summarised, ultimately guides the strategic direction of the organisation. The purpose of the RBIDZ is to develop a Special Economic Zone in order to:</p> <ul style="list-style-type: none"> <li>• Attract local and foreign investors who will benefit South Africa's raw materials;</li> <li>• Create production capacity;</li> <li>• Provide services; and</li> <li>• Create employment and improve the skills base.</li> </ul>	R 127 605	<p>No. of Infrastructure Investments facilitated to support Special Economic Zone</p> <p>Number of RBIDZ infrastructure Projects that adhere to environmental principles/ standards</p> <p>Rand value of investment projects attracted to RBIDZ</p> <p>% of total procurement spent on BBBEE service providers</p> <p>% of Valid Invoice paid within 30 days</p> <p>Number of jobs opportunities facilitated through investment projects</p> <p>Annual percentage increase in own revenue/funding outside of the Provincial Grant</p> <p>Achieve a clean audit on financial and performance information</p>
Enabling Legislation	<p>Manufacturing Development Act, 1993( Act No. 187 of 1993)</p> <p>Special Economic Development Act, 2014 (Act No. 16 of 2014)</p> <p>Customs Control Act, 2014 (Act No. 21 of 2014)</p> <p>Special Economic Zones Act</p>		





Public Entity	Tourism Authority	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	Directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal	R 116 980	Number of tourists visiting KZN
Enabling Legislation	<p>KwaZulu-Natal Tourism Act, Act 11 of 1996</p> <ul style="list-style-type: none"> <li>Provincial Tourism Policy, Approved in March 2008</li> <li>National Tourism Sector Strategy, Approved in March 2011 There are three further important documents which will have an impact on the role of TKZN in the future. These are :               <ul style="list-style-type: none"> <li>The National Tourism Sector Strategy</li> <li>The Provincial Tourism Master Plan</li> </ul> </li> </ul>		% increase in Tourism spending in KZN % increase in tourism Marketing and packaging % increase in tourism sector contribution to KZN GDP % increase of direct and Indirect jobs created within Tourism sector Achieve a clean audit on financial and performance information Annual percentage increase in own revenue/funding outside of the Provincial Grant % of total procurement spent on BBBEE service providers % of Valid Invoice paid within 30 days

Public Entity	Sharks Board	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.	R 66 079	Annual number of shark attacks at protected beaches Annual percentage increase in own revenue/funding outside of the Provincial Grant Percentage of Maritime graduates placed in employment annually Achieve a clean audit on financial and performance information % of total procurement spent on BBBEE service providers % of Valid Invoice paid within 30 days
Enabling Legislation	KwaZulu-Natal Sharks Board Act, 2008 (No. 05 of 2008)		

Public Entity	Dube Trade Port Corporation	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	To develop the Dube TradePort; to undertake or invest in projects associated with it and facilitate economic growth in the Province by attracting long term private and public investment and facilitating export and import through the Dube TradePort	R 415 167	<p>Rand value of Private sector investment committed to Dube TradePort</p> <p>Number of DTPC infrastructure Projects that adhere to environmental principles/standards</p> <p>Annual percentage increase in own revenue/funding outside of the Provincial Grant</p> <p>Number of direct jobs created</p> <p>% Increase in international / regional passengers through KSIA</p> <p>Number of new international/ regional routes (additional frequency or new route) using KSIA</p> <p>Value of goods sold to other countries (exports)</p> <p>% of total procurement spent on BBBEE service providers</p> <p>% of Valid Invoice paid within 30 days</p> <p>Achieve a clean audit on financial and performance information</p>
Enabling Legislation	KwaZulu-Natal Dube TradePort Corporation Act no. 2 of 2010		



Public Entity	Moses Kotane Institute	Budget transfer in Rand Value(000)	Strategic Indicators
<b>Core Mandate</b>	To empower individuals through specialist education and training in mathematics, science, engineering, technology and business process outsourcing that will assist them to become employable, enhance service delivery and create employment opportunities for others.	R 47 550	Achieve a clean audit on financial and performance information. % of total procurement spent on BBBEE service providers Rand value raised for STEM skills training Rand Value of STEM Fund % of Valid Invoice paid within 30 days Number of learners supported financially in STEM interventions.
<b>Enabling Legislation</b>	The Institute was established in 2009 by the Kwazulu-Natal Department of Economic Development in terms of Public Service Amendment Act No. 30 (2007).		

Public Entity	Liquor Authority	Budget transfer in Rand Value(000)	Strategic Indicators
<b>Core Mandate</b>	To regulate the retail sale and micro-manufacture of liquor in the province	R 75 990	Level of Business compliance with KZN liquor Act % contribution of KZN liquor industry to KZN GDP % of total procurement spent on BBBEE service providers Annual percentage increase in own revenue/funding outside of the Provincial Grant Achieve a clean audit on financial and performance information % of Valid Invoice paid within 30 days



Public Entity	Ithala Development Finance Corporation	Budget transfer in Rand Value(000)	Strategic Indicators
<b>Core Mandate</b>	Mobilize financial resources and provide financial and supportive services to persons domiciled, ordinarily resident, or carrying on business within KZN.	R 45 074	<ul style="list-style-type: none"> <li>Number of new businesses financed</li> <li>Number of direct jobs created through SMME development</li> <li>Annual percentage increase in own revenue/funding outside of the Provincial Grant</li> <li>% of total procurement spent on BBBEE service providers</li> <li>Achieve a clean audit on financial and performance information</li> <li>% of Valid Invoice paid within 30 days</li> </ul>
<b>Enabling Legislation</b>	Ithala Development Finance Corporation Act No. 2 of 1999		

Public Entity	Growth Fund Trust	Budget transfer in Rand Value(000)	Strategic Indicators
<b>Core Mandate</b>	To support sustainable growth by financing private sector projects that drive economic success, stimulate job creation, promote broad based black economic empowerment (B-BBEE) and reduce inequality.	R 54 400	<ul style="list-style-type: none"> <li>Value of funding disbursed to catalytic projects</li> <li>Value of repayment from funded catalytic projects</li> <li>Number of GFT infrastructure Projects that adhere to environmental principles/ standards</li> <li>% of procurement spend on B-BBEE</li> <li>Annual percentage increase in own revenue/funding outside of the Provincial Grant</li> <li>% of Valid Invoice paid within 30 days</li> <li>Achieve a clean audit on financial and performance information</li> <li>Number of jobs created by private sector projects</li> </ul>
<b>Enabling Legislation</b>	The KZN Growth Fund Trust (KGFT) was established in terms of a Trust Deed which is legally governed by the Trust Property Control Act, 57 of 1998 and in terms of the Public Finance Management Act, 1 of 1999 (PFMA).		







Public Entity	Film Commission	Budget transfer in Rand Value(000)	Strategic Indicators
<p><b>Core Mandate</b></p>	<p>To promote and market the Province as a global destination for film production;</p>	<p>R 71 843</p>	<p>Number of film Production facilitated through KZN Film commission</p> <p>Number of audience development initiatives with HDI groups</p> <p>% of total procurement spent on BBBEE service providers</p> <p>Achieve a clean audit on financial and performance information</p> <p>% of Valid Invoice paid within 30 days</p> <p>Annual percentage increase in own revenue/funding outside of the Provincial Grant</p> <p>% contribution of KZN Film industry to KZN GDP</p> <p>Number of direct and indirect jobs created within Film industry KZN</p>
<p><b>Enabling Legislation</b></p>	<ul style="list-style-type: none"> <li>• KwaZulu-Natal Film Commission Act No. 3 of 2010.</li> <li>• The National Film and Video Foundation Act 1997</li> </ul>		

Public Entity	Ezemvelo Wildlife	Budget transfer in Rand Value(000)	Strategic Indicators
Core Mandate	<p>(a) To direct the management of nature conservation within the province protected areas</p> <ul style="list-style-type: none"> <li>the development and promotion of ecotourism facilities within the protected areas</li> </ul> <p>b) To ensure the proper efficient and effective management of the Conservation Service</p>	R 707 720	<p>To improve the state of conservation within the province</p> <p>% of total procurement spent on BBBEE service providers</p> <p>Annual percentage increase in own revenue/funding outside of the Provincial Grant</p> <p>% of Valid Invoice paid within 30 days</p>
Enabling Legislation	KwaZulu-Natal Conservation Management Act (No. 9 of 1997) National Environmental Management: Protected Areas Act, No. 57 Of 2004 Ordinance 15 of 1974 Achieve a clean audit on financial and performance information		<p>Number of jobs created through Wildlife initiatives</p>

## ANNEXURE 1

### TECHNICAL INDICATOR DESCRIPTIONS (UPLOADED IN EDTEA WEBPAGE)







**edtea**

**Department :**  
Economic Development, Tourism and  
Environmental Affairs

**PROVINCE OF KWAZULU-NATAL**

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