

FOREWORD



The Department's mandate of facilitating inclusive economic growth must be supported by the appropriate capacity and resources. The Annual Performance Plan provides insight as to how the Department will be delivering on this mandate. The key strategic goals remain the same as contained in the Strategic Plan wherein we wish to facilitate globally competitive and sustainable industries and services; support sustainable small entrepreneurs; facilitate integrated planning that ensures effective implementation of economic policies and strategies; promotion of the province as the choice destination for tourism and investment and to ensure that we manage our resources effectively and efficiently in compliance with the relevant legislation.

The recovery of the economy from the recession has had little impact on the high levels of unemployment hence the prioritisation of the creation of jobs throughout the country, based on the new 'outcomes based' approach to delivery. In order

to ensure that we have met the targets of job growth we need to enhance our partnerships with the private sector through the facilitation and provision of the necessary supportive infrastructure required to support such growth. Our focus will be on the critical sectors which drive our economy and which have a greater impact on job creation as contained in our Industrial Development Strategy (IDS). As part of our approach we will be leveraging departmental funding to partner with various stakeholders including accessing valuable resources at a national level through the proactively packaging of strategic and catalytic investment opportunities in the province. We will also look to the issue of skills development to ensure that in the long run we have the human capital to support not only growth but capacity within the research, development and innovation domain.

Our support to entrepreneurs will be guided by the recently approved SMME and Co-operative Strategy which will further enhance the impact of all departments as it provides for a co-ordinating structure and clear delineation of roles and responsibilities. We have reviewed the need for financing on two spectrums, namely the micro level financing of entrepreneurs and the equity deals wherein BEE partners struggle to gain sufficient financial support, and have allocated resources to deal with both. The rationalisation of branding material for the promotion of provinces and the country will enhance the co-ordination at various spheres of government and will lead to an increased exposure of the country and the province to the international community. This follows well after the successful boosting of the country's image during 2010.

I wish to fully endorse the 2011/12 Annual Performance Plan as the delivery tool in ensuring that the department delivers on its undertaking for the betterment of the citizens of this province and commit to supporting and monitoring the implementation thereof.

I thank you.

Mr Michael Mabuyakhúlu, MPP (Executive Authority of the KwaZulu-Natal Department of Economic Development and Tourism)



Official Sign-Off

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Department of Economic Development and Tourism under the guidance of MEC Michael Mabuyakhulu and was prepared in line with the current Strategic Plan of the Department of Economic Development and Tourism and accurately reflects the performance targets which the Department of Economic Development and Tourism will endeavour to achieve given the resources made available in the budget for the 2011/12 financial year.

Mr B. Shezi Chief Financial Officer

Signature:

Mr D. Mathfield General Manager for Executive Support & Strategy Analysis

Signature:

Ms C. Coetzee **Accounting Officer** Signature:

Approved by: Mr M. Mabuyakhulu Executive Authority

Signature:



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PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

Global economic activity increasingly gained momentum in 2010, benefiting largely from the significant monetary and fiscal stimulus that continued in most parts of the world. The year also witnessed fears of a double-dip recession brought about by the Euro Area Debt Crisis which emanated from Greece. The contagion effect of Greece's debt crisis was felt in many other countries with Spain, Portugal and Ireland being the worst affected. Despite these fears, global economic recovery continued apace in 2010 amid convincing signs that growth momentum in the global economy will remain largely sustained. In 2010, global economic growth continued to be characterised by a two-speed recovery where growth in advanced economies remained largely subdued whilst robust growth characterized emerging and developing countries. According to the IMF, global economic growth accelerated by 5% in 2010.

1.1 South African Context

Economic growth in South Africa accelerated at 4.4% in the 4th quarter of 2010. This follows a 2.7% (revised from 2.6%) growth rate in the preceding quarter. The robust 4th quarter growth rate is the 6th consecutive positive quarterly growth rate recorded since the end of recession in 2009. On an annual basis, the economy grew by 2.8% in 2010 compared to a decline of 1.7% in 2009. The major drivers of 2010 economic recovery were strong commodity prices, low interest rates and faster global growth. Although the economy grew in 2010, it is important to note that South Africa's growth trajectory lags behind other emerging countries. National Treasury expects economic growth at 3.4% in 2011, 4.1% in 2012 and 4.4% in 2013. In 2011, economic growth prospects will depend primarily on strong consumer confidence and increased investment.

1.2 KwaZulu-Natal

Estimates show that the KwaZulu-Natal (KZN) economy posted a growth rate of 3.9% in the 4th of quarter of 2010. This compares buoyantly to the 1.4% registered in the 3rd quarter. The drivers of the 3.9% quarter-on-quarter growth were mining (11.5%), agriculture (10.2%), general government services (5.4%), manufacturing (4.2%), electricity and water (4.1%) wholesale and retail trade (3.9%) and transport and communication (3.9%). In the 4th quarter, KwaZulu-Natal economic growth lagged behind South Africa. This is because the national growth rate of 4.4% was anchored largely by the mining sector which grew by 17.1% and contributed to 0.9% points to growth. The mining sector in KZN contributes an infinitesimal 1.1% to provincial GDP as compared to an average of 5.3% for South Africa as a whole. It is encouraging to note that manufacturing and electricity and water sectors recovered tremendously after posting negative growth rate of 2.6% in 2010 following a decline of 1.8% in 2009. The growth of 2.6% recorded in 2010 is typical of an economy that is recovering from the recession. Economic recovery in KwaZulu-Natal was anchored primarily by increased consumer spending, the 2010 World Cup and by growth in all sectors of the economy.

Based on this analysis there is a renewed attention on the creation of jobs through the New



Department of Economic Development and Tourism Umnyango Wezokuthuthukiswa Komnotho Nezokuvakasha

Growth Path (2010). Further new policies and strategies have been developed which provides the required direction for the province namely: The second version of the national Industrial Policy of Action Plan (IPAP 2), the revised Provincial Industrial Development Strategy, and recently developed Provincial Export and Trade Strategies which are linked to the specific outcomes relating to the creation of sustainable jobs.

1.3 Performance delivery environment

The focus of the Department has not changed in terms of its critical strategic goals and objectives. There was a need to align the Department's Annual Performance Plan to the revised format provided for late in the year. This required review of certain of the measurable objectives to ensure that the indicators are tangible and can be measured, but the strategic direction of the Department has not changed. The Department has placed increased emphasis on issues on consumer protection and providing adequate support services to drive the recently approved Provincial Informal Sector Policy. The Department continues to increase its footprint in the Province to enhance the accessibility of its services to the clients we serve. Additional services are now rendered in our established District Offices particularly in the tourism, liquor and consumer services. The enabling of the Liquor, Film Commission, Trade and Investment and Dube Trade Port Acts will ensure that these entities are well resourced to implement their legislated mandate.

1.4 Organisational environment

The measures to contain the provincial overspend, resulted in delayed implementation of the existing structure along with the challenges in recruiting appropriately skilled personnel remains within the context of specialised skills in the department. The department has a vacancy rate of 15% which must be addressed within the next 6 months of the financial year. A review of the structure has been undertaken to ensure that we have adequate capacity to implement and enforce our legislative mandate particularly around consumer protection. This has resulted in the drafting of provincial legislation in line with the national developments in this regard.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The department's mandate has not changed. There has been a need to review and revise specific legislation based on changes in the environment within which we operate and to ensure alignment with the national departments. In this regard we have finalised the Consumer Protection Bill which has been approved by Cabinet and we will be amending our Tourism Act. Furthermore we will be reviewing the Business Act and drafting BEE Ombudsman legislation to ensure that the department has the 'teeth' to affect our BEE strategy. The Agri-business Development Agency will be finalising their Bill in order to list as a public entity shortly. The DTP and TIKZN Acts were passed last year and we will now see the conversion of the entities to fully PFMA listed entities. Two additional entities will that will be established in the new 2011/12 financial year is the Liquor Entity and the Film Commission.

3. OVERVIEW OF THE 2011/12 BUDGET AND MTEF ESTIMATES

3.1 Expenditure estimates

ousand lopment Services ment 3overnance MEC remuneration: Salary: R1 32 stimates by economic classificatio	Audited Outcome 08 2008/09		Appropriation		ž	Medium-term Estimates	nates
ministration egrated Economic Development Services de and Sector Development siness Regulation and Governance siness Regulation and Governance annomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand usand t payments				Appropriation			
ministration egrated Economic Development Services de and Sector Development siness Regulation and Governance siness Regulation and Governance nomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand		2009/10	7	2010/11	2011/12	2012/13	2013/14
egrated Economic Development Services de and Sector Development siness Regulation and Governance nomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand	103,676	146,275	188,748	194,748	185,610	189,139	200,073
de and Sector Development siness Regulation and Governance onomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand usand	117,905	231,305	481,300	453,300	491,932	502,236	530,470
siness Regulation and Governance onomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand usand in payments	1,522,016	2,016,308	870,776	998,776	715,471	772,918	817,475
onomic Planning Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand usand	17,084	21,130	66,023	60,023	75,222	77,968	82,323
Programme 1 includes MEC remuneration: Salary: R1 32 nary of payments and estimates by economic classificatio usand	10,741	10,299	17,951	17,951	18,715	19,258	20,465
Note: Programme 1 includes MEC remuneration: Salary: R1 327 560 Summary of payments and estimates by economic classification R thousand Audited O 2007/08 Current payments 126,736	4 1,771,422	2,425,317	1,624,798	1,724,798	1,486,950	1,561,519	1,650,806
	Outcome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	Estimates	
	2008/09	2009/10	2010/11 0		2011/12	2012/13	2013/14
	316,660	443,043	518,517	485,717	506,149	546,912	578,655
Compensation of employees	68,918	100,183	140,117	140,217	151,915	158,203	166,905
Goods and services 83,726	247,742	342,860	378,400	345,500	354,235	388,709	411,750
Interest and rent on land	0	0	0	0	0	0	0
Transfers and subsidies to: 1,380,542	.2 1,446,763	1,971,445	1,101,531	1,230,431	977,650	1,009,243	1,066,495
Provinces and municipalities 2,800	1,626	0	0	100	0	0	0
Departmental agencies and accounts 40,670	42,000	158,355	56,637	56,637	169,731	178,643	190,212
Universities and technikons 1,274	11,574	0	28,300	0	0	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0
Public corporations and private enterprises 883,324	89,710	203,750	468,409	407,434	324,382	331,586	349,823
Non-profit institutions 452,182	1,301,824	1,609,166	548,185	766,260	483,537	499,014	526,460
Households 292	29	174	0	0	0	0	0
Payments for capital assets 3,676	7,999	10,829	4,750	8,650	3,151	5,364	5,657
Buildings and other fixed structures	0	3,261	0	0	0	0	0
Machinery and equipment 3,646	7,806	6,815	4,370	8,270	3,136	4,984	5,257
Land and sub-soil assets	0	450	0	0	0	0	0
Software and other intangible assets	193	303	380	380	15	380	400
Payments for financial assets 0	0	0	0	0	0	0	0
Total 1,510,954	1,771,422	2,425,317	1,624,798	1,724,798	1,486,950	1,561,519	1,650,807











3.2 Relating expenditure trends to strategic goals

epartment of Economic evelopment and Tourism

3.2.1 Strategic Goal: To be the centre of excellence through effective and efficient administration that promotes service delivery and good corporate governance

The above Departmental strategic goal relates to Programme 1 of the Department, Administration where the budget allocation is as follows: 2011/12 - R185, 610,000; 2012/13 - R189, 139,000 and 2013/14 - R200, 073,000. All figures in the table below are in R'000.

FINANCIAL YEAR	2007/2008	2008/2009	2009/2010	2010/11	2011/12	2012/2013	2013/2014
Compensation of Employees	15,778	21,627	40,302	48,964	59,756	60,979	64,332
Goods & Services	34,464	78,504	95,947	133,444	123,883	124,037	131,391
Transfers	292	28	168	98	0	0	0
Assets	725	3,517	9,858	6,832	1,971	4,123	4,350
Total	51,259	103,676	146,275	189,338	185,610	189,139	200,073

Administration has seen an increase over the past few years due to the establishment of a ministry which previously did not exist prior to 2009/10. A decline in the 2011/12 year is due to funding allocated in 2010/11 to the FIFA World Cup which has not been retained in the baseline of the programme.

3.2.2 Strategic Goal: To support the development of sustainable small, micro and medium and social enterprises that contributes to food security, wealth and job creation

The above Departmental strategic goal relates to Programme 2 of the Department, Integrated Economic Development Services where the budget allocation is as follows: 2011/12 - R491,932,000; 2012/13 - R502,236,000 and 2013/14 - R530,470,000. All figures in the table below are in R'000.

FINANCIAL YEAR	2007/2008	2008/2009	2009/2010	2010/11	2011/12	2012/2013	2013/2014
Compensation of	13,237	25,421	32,127	37,716	44,782	47,308	49,910
Employees							
Goods & Services	25,112	89,374	98,865	130,834	162,265	164,877	174,556
Where Projects	10,827	60,627	85,043	118,477	144,357	146,772	155,455
are							
Transfers	735,142	700	100,059	280,030	284,300	289,500	305,423
Assets	2,168	2,410	254	500	585	551	581
Total	775,659	117,905	231,305	449,080	491,932	502,236	530,470

With respect to Integrated Economic Development Services a significant portion of the funding is transferred to Ithala and the Growth Fund for onward lending. Further funding was allocated for trading centres feasibility studies as well as funding for technical training for the youth under economic empowerment. Further funding was allocated for trading centre feasibility studies as well as funding for technical training for the youth under economic empowerment. Further funding was allocated for trading centre feasibility studies as well as funding for technical training for the youth under economic empowerment. The huge allocation in 2007/08 under transfers mainly consists of the historical transfer to Ithala of R500 million as part of initial transfer for the Growth Fund; the remainder was for the Cooperatives and SMME funds. In 2008/09, under Transfers, the funding for the Co-operatives and the SMME



Funds were not transferred to Ithala due to previous funds not being fully utilised, and in 2009/10, only the SMME fund was transferred to Ithala. From 2010/11 onwards all the Fund allocations will be transferred to Ithala.

3.2.3 Strategic Goal: To facilitate globally competitive and sustainable industries and services

The above Departmental strategic goal relates to Programme 3 of the Department, Trade and Industry Development where the budget allocation is as follows: 2011/12 - R715,471,000; 2012/13 - R772,918,000 and 2013/14 - R817,475,000. All figures in the table below are in R'000.

FINANCIAL YEAR	2007/2008	2008/2009	2009/2010	2010/11	2011/12	2012/2013	2013/2014
Compensation of Employees	6,894	10,318	10,332	13,515	18,733	19,763	20,850
Goods & Services	14,245	64,425	134,403	62,260	43,385	75,409	79,860
Where Projects are	4,969	40,972	122,540	56,088	27,582	59,516	63,093
Transfers	644,410	1,446,035	1,871,212	919,970	653,268	677,657	716,672
Assets	287	1,238	361	404	85	59	93
Total	665,836	1,522,016	2,016,308	996,149	715,471	772,918	817,476

Similarly to programme two, a significant portion of the budget in Programme 3 is transferred to a number of entities namely TIKZN, TKZN, MKI, KZNSB, ADA, RBIDZ and DTP. DTP for the past three years saw a massive growth in terms of expenditure due to the initial construction phase. The entities play a strategic role in delivering on the mandate of this programme in promoting the province, developing black commercial farmers in agri-business sector and ensuring adequate skills to match the demands of the sectors as well as providing state of the art infrastructure to enhance the competiveness of our region.

3.2.4 Strategic Goal: To strengthen compliance with relevant legislation and government policies

The above Departmental strategic goal relates to Programme 4 of the Department, Business Regulation and Governance where the budget allocation is as follows : 2011/12 - R75,222,000; 2012/2013 - R77,968,000 and 2013/2014 - R82,323,000. All figures in the table below are in R'000.



FINANCIAL YEAR	2007/2008	2008/2009	2009/2010	2010/11	2011/12	2012/2013	2013/2014
Compensation of	5,040	7,850	11,894	13,690	17,440	18,332	19,340
Employees							
Goods & Services	6,025	8,977	9,014	12,100	17,281	17,043	18,048
Where Projects are	56	1,725	2,135	5,499	7,590	7,567	8,051
Transfers	0	0	0	30,439	40,082	42,086	44,401
Assets	257	257	222	510	420	507	535
Total	11,322	17,084	21,180	56,739	75,222	77,968	82,323

The programme's budget has increased seven fold over the past few years primarily due to the increased attention of this critical function of the department. A major portion will relate to the establishment of the liquor board entity as well as providing the required resources in consumer protection and enforcement as per the provincial legislation. New attention is also being brought to the informal and formal business registration.

3.2.5 Strategic Goal: To facilitate integrated planning that ensures effective implementation of sustainable economic development policies, strategies and programmes

The above Departmental strategic goal relates to Programme 5 of the Department, Economic Planning where the budget allocation is as follows: 2011/12 - R18, 715,000; 2012/2013 - R19, 258,000 and 2013/2014 - R20, 465,000. All figures in the table below are in R'000.

FINANCIAL							
YEAR	2007/2008	2008/2009	2009/2010	2010/11	2011/12	2012/2013	2013/2014
Compensation of	2,061	3,702	5,528	8,132	11,204	11,821	12,472
Employees							
Goods & Services	3,880	6,462	4,631	6,962	7,421	7,343	7,895
Where Projects are	2,120	4,583	3,068	4,902	5,623	5,454	5,902
Transfers	698	0	6	29	0	0	0
Assets	239	577	134	404	90	94	98
Total	6,878	10,741	10,299	15,527	18,715	19,258	20,465

The budget has increased three fold whilst still remaining relatively small compared to other programmes. The building of in-house capability in economic research and policy development has provided the department with an incredibly useful resource. The unit in addition has the ability to undertake monitoring and evaluation function of the department to enhance its service delivery. An amount of R152 million is allocated towards the cost of 409 personnel. The organisational structure has been reviewed and has seen an increase of personnel in the outlying service centres of the department.



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4. PROGRAMME I: ADMINISTRATION

Purpose

The programme, Administration, provides support to subject matter programmes of the Department, which in turn provide services to individuals, communities, enterprise groups or associations. Support to subject matter programmes takes the forms of administrative, financial and budgetary, and legal support, as well as human resources management and development, labour relations and information and communication technology support services. Very importantly, support from the programme includes the coordination and direction of all the subject matter programmes. Thus, most of the programme's activities are transversal in nature.

The following table depicts the structure of Programme 1 and indicates the strategic goals and objectives it pursues.

PROGRAMME I: ADMINISTRATION	SUB-PROGRAMMES
Aim/Purpose:	Sub-programme 1: Office the MEC
	Strategic Objective: To provide strategic leadership
To provide leadership and strategic management in	to the department and entities
accordance with legislation, regulations, and policies and ensure appropriate support services to all other	Sub-programme 2: Office of the HOD
programmes	Strategic Objective: To effectively manage and direct
	the departmental programmes to ensure delivery of
	the departmental goals
Strategic Goals:	Sub-programme 3: Financial Management
 To promote a culture of good corporate governance To become a learning organization 	Strategic Objective: To ensure the implementation of the PFMA and other related financial regulations and policies
	Sub-programme 4: Corporate Services
	Strategic Objective: To provide support services to the other programmes in the areas of human resource management and development; labour relations; legal services; and information technology

Specific policies, priorities, and strategic objectives

As the programme essentially supports all other programmes of the Department, it should operate as efficiently and effectively as possible. Indeed, its key role is to ensure that the Department's strategic plan is well implemented, by adequately and in a timely manner resourcing other programmes, in terms of human, technological, and financial resources. As can be expected, legislation and a number of new strategies, initiatives and policy priorities, not least the King III Report, Public Finance Management Act (PFMA) and the



priorities of the New Growth Path, IPAP 2, Provincial Outcomes Approach, the Provincial Flagship Programme, Provincial Spatial Economic Development Strategy (PSEDS) and the Provincial Growth and Development Strategy (PGDS), has influenced the emphasis of the programme.

Progress analysis

For the financial year 2010/11 the office of the MEC has provided oversight of the Department and its' nine public entities. Communication was led and co-ordinated by the Office of the MEC and key strategic events were co-ordinated by this office. The office of the MEC also ensured the implementation of an improved Departmental security system. The Office of the HOD has played a key provincial coordination role by leading/ chairing the EISD cluster and providing leadership and strategic technical support to the Departmental Programmes and the Public Entities. The Office of the HOD successfully implemented the 2010 Programme proving it effectiveness driving special projects. Performance management and service delivery reporting was also successfully managed through this office. The Financial Management and Corporate Services Sub-programmes have been working on getting systems and tools that will assist the two Sub-programmes of the Department. This also included the development of a number of policies pertaining to the administrative support functions provided by the two Sub-programmes.

Analysis of constraints and measures planned to overcome them

A key constraint facing the office of the MEC and HOD was the oversight of so many (9) public entities. The measure planned to overcome this administrative burden was to increase the capacity of the Office of the HOD employing a Manager Public Entities. Another constraint has been capacity required for the implementation of special/ cross cutting projects e.g. 2010, Dukuduku. A planned measure to overcome this has been to provide more effective co-ordination to ensure meaningful participation from other stakeholders e.g. departments and DEDT divisions. The major constraint experienced by the Financial Management and Corporate Services Sub-programmes, is around ensuring compliance amongst the whole Department, especially on government-wide improvements around financial, human and performance management. To overcome this constraint will mean constant engagement with the Provincial and National Treasuries so that all Administration staff are aware of the requirements of the new improvements on all government processes and work shopping these with all internal Departmental employees.

Description of planned quality improvement measures

The newly appointed Manager of Public Entities will be providing the required support the Public Entities the report to the Department. The departmental performance management system has been approved with detailed service delivery reports being signed by managers each quarter. The manager of Intergovernmental Relations will be implementing an international relations strategy tracking all staff within the Financial Management and Corporate Services Sub-programmes; will undergo all the necessary training on financial, human, and performance management improvement processes from the Provincial and National Treasury. After this training, where necessary, Departmental policies will be updated accordingly and work shopped to all internal employees.



4.1 Sub-programme 1: Office of the MEC

Purpose

This Sub-programme plays an important role with respect to the Departmental and Entity oversight. The key purpose of the office is to provide support to the Executive Authority and strategic direction to the Department. Apart from the strategic oversight the core purpose of this Sub-programme is to provide organisational leadership.

Specific policies, priorities, and strategic objectives

The principal objective and thrust 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 his mandate as prescribed by legislation. The executive support in the main refers to administration, operations, protocol, security, parliamentary liaison and communication as the 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. In pursuit of these strategic policy objectives, the Sub-programme is guided by the Ministerial Handbook as well the Constitution of the Republic of South Africa and other relevant pieces of legislation.

Progress analysis

It is envisaged that the Executive Authority will place much emphasis in continuing to create conducive economic environment as a fertile ground for investment retention and attraction and thereby, contribute immensely in creating job opportunities within the province. It is also planned that the Executive Authority would provide strategic leadership designed to intensify departmental programmes both nationally and international in an attempt to give meaning to the economic development and tourism nexus. Critical areas such as intergovernmental partnership and public private partnership are also going to be accorded the much needed support. Refining policy around the intense support to SMMEs and Co-operatives will receive continued attention. Greater interaction with the chambers and other stakeholders in various sectors of the economy and devising practical mechanisms to assist municipalities will be implemented on quarterly basis.

Analysis of constraints and measures planned to overcome them

In any operation designed to be of assistance to the citizens, there is bound to be constraints. In order to overcome constraints, measures need to be devised in consultation with the interested parties, and the way forward be crafted to ensure that opportunities are optimally exploited. The main object to overcome constraints is to ensure that the turnaround time in assisting stakeholders both internally and nationally is improved and there is constant automotive monitoring system in place to hint timeously where potential problems may arise and mechanisms to aptly attend to them before they reach a point of crisis. Essentially, technology at our disposal should be used optimally in pursuit of justifying the mandated given to the executive Authority through various pieces of legislation.



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Description of planned quality improvement measures

The Executive Authority is the face of the entire department including all the entities that report to his office. As such, communication is the cornerstone of any planned measures designed to improve quality and increase confidence in the various sectors within the mandate of the Executive Authority. This office will ensure that the Executive monitors and execute its legislative mandate and its strategic objectives are aligned to government apex priorities within the ambit of economic development and tourism. This office will also ensure that there is a seamless coordination of Executive policy announcements and communication strategies and monitor the feedback from various sectors in the economy. In line with the legislative requirements of the legislature, we will provide support in terms of cabinet, parliamentary matters and others that are attached to the Executive Authority by virtue of the mandate that legislatively empower him.

Specification of measurable objectives and performance measures or indicators

STRAT	EGIC OBJECTIV	E: TO PROVIDE	STRATEGIC LEADER	SHIP TO THE DEPARTM	ENT AND ENTIT	IES	
	AUDITED/	ACTUAL PER	FORMANCE	ESTIMATED	MEDI	UM TERM TA	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective: Provision		Support Service					
Provide Strategic leadership to the Executive through the supervision of communications, operations, security, strategic interventions, stakeholder management, international engagements and special project coordination	N/A	N/A	N/A	100%	100%	100%	100%
Provide Strategic Support to the Executive with respect to the oversight of the Public Entities through quarterly bilateral with the chairpersons and CEOs	N/A	N/A	N/A	100%	100%	100%	100%
Measureable Objective: Provision	on of Effective an	d Efficient Adm	inistratio n Supp	ort to the Office of the	e MEC		
To ensure the effective functioning of the administration systems and processes of the Office of the MEC	N/A	N/A	N/A	0	75%	90%	100%
Ensure effective parliamentary and stakeholder coordination support to the Executive	N/A	N/A	N/A	100%	100%	100%	100%
Measureable Objective: Provide	Security, Health	and Safety Su	pport Services to	the Ministry and Dep	artment		
Number of Security and OHS services policies developed and approved	N/A	N/A	N/A	2	2	2	2
Number of information sessions on Security and OHS Services regulations per year	N/A	N/A	N/A	4	4	4	4
Measureable Objective: Provide	and facilitate eff	fective Commun	nication support t	o the whole Departm	ent		
Creating Public Awareness about DEDT Services through developing media products (e.g. publications, talk shows, corporate videos etc) 0 Number of media products developed	N/A	80	105	141	141	141	141

Strategic Objective and Associated Annual Targets





STRAT	EGIC OBJECTIV	E: TO PROVIDE S	TRATEGIC LEADER	SHIP TO THE DEPARTM	ENT AND ENTITI	ES	
	AUDITED//	ACTUAL PERI	FORMANCE	ESTIMATED	MEDI	UM TERM TA	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Co-ordination of Strategic Departmental Events 0 Number of public events co- ordinated	N/A	N/A	N/A	12	12	12	12

Quarterly targets for 2011/12

			ANNUAL				
PERFORMANCE INDICATOR	REPORTING PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{TF}
Measureable Objective: Provision	n of Executive Sup	port Services th	rough the Office o	f the HOM			
Provide Strategic leadership to the Executive through the supervision of communications, operations, security, strategic interventions, stakeholder management, international engagements and special project coordination	Quarterly	N/A	100%	100%	100%	100%	100%
Provide Strategic Support to the Executive with respect to the oversight of the Public Entities through quarterly bilateral with the chairpersons and CEOs	Quarterly	N/A	100%	100%	100%	100%	100%
Measureable Objective: Provision	on of Effective and	Efficient Admin	istration Support to	o the Office of	the MEC		
To ensure the effective functioning of the administration systems and processes of the Office of the MEC	Quarterly	N/A	75%	75%	75%	75%	75%
Ensure effective parliamentary and stakeholder coordination support to the Executive	Quarterly	N/A	100%	100%	100%	100%	100%
Measureable Objective: Provide	e Security, Health a	and Safety Supp	oort Services to the	Ministry and	Department		
Number of Security and OHS services policies developed and approved	Biannually	N/A	2	0	1	0	1
Number of information sessions on Security and OHS Services regulations per year	Quarterly	N/A	4	1	1	1	1
Measureable Objective: Provide	e and facilitate effe	ctive Communic	cation support to th	e whole Depa	irtment		
Creating Public Awareness about DEDT Services through developing media products (e.g. publications, talk shows, corporate videos etc) 0 Number of media products developed	Quarterly	N/A	141	35	35	36	35
Co-ordination of Strategic Departmental Events 0 Number of public events co- ordinated	Quarterly	N/A	12	3	3	3	3



4.2 Sub-programme 2: Office of the HOD

Purpose

The purpose of the Office of the Head of Department (Office of the HOD) is to be responsible for the overall management of the Department and provides guidance concerning the required strategic direction and implementation oversight so that the Department fulfils its mandate.

Specific policies, priorities, and strategic objectives

The strategic objective of the Sub-programme, Office of the Head of Department, is to effectively manage and direct the departmental programmes to ensure delivery of the departmental goals. A key area of focus will be to strengthen the issue of integration within the Department, its entities and cluster Departments. Furthermore significant emphasis will be placed on improving service delivery information and the verification thereof.

Progress analysis

The Office of the HOD that leads the Department's executive has effectively facilitated the strategic planning of the Department and monitored its service delivery at programme and Sub-programme level. The office has been playing a significant co-ordination role both at the departmental project and provincial cluster level. At the departmental level the Office has co-ordinated Departmental planning sessions and critical departmental information for internal and external reports requiring service delivery information. The Office has also been responsible for supporting and monitoring the performance of its' nine public entities.

With the HOD as chair of the ESID Cluster the HOD's office has played a prominent role with respect to the driving and management of the Provincial Outcomes Based Plan Plan and Agenda for the Economic and Infrastructure sectors.. With the appointment of a Managers for IGR and Public Entities the office now has the capacity to manage both the intergovernmental and international relations of the Department. An International Relations Strategy will allow the Department to co-ordinate effectively with it is entities and then interface with Provincial IGR as a collective. The Manager Public Entities is providing the much needed Departmental link to the Public entities providing strategic support in key areas.

Special projects and events that are cross cutting in nature with a high impact are driven and co-ordinated through the HOD's office. Key special projects co-ordinated over the past year have been the Premier's Flagship Programme and its associated economic sector projects; the FIFA 2010 World Cup Programme (10 Public Viewing Areas, Tourism Buddies and the six 2010 International Platforms); 'Aldeia Nova'-Agri-Village Co-operative Mashav Model and the coordination of the LED component of the Dukuduku Resettlement Project. The Office of the HOD is also together with CoGTA and DEARD overseeing the implementation of Maize Mills in four municipalities in the Province with the attention of eventually ensuring maize is processed by Micro-Mills in every District. The Office also plays a key role in high level strategic projects such the proposed new Port Dig Out and N3 initiative and the proposed Macambini International Tourism Development Project to name just a few.



Analysis of constraints and measures planned to overcome them

Due to the considerable implementation, management, co-ordination and monitoring work undertaken by the Office of the HOD the vacant post of Deputy Director: Executive Support and Strategy Analysis is in the processes of being filled. To further address the capacity issue, as the department now plays oversight of over 9 public entities within the province, a Manager of Public Entities has been appointed to ensure that the oversight role of the public entities is effectively implemented. Service delivery information was a challenge to manage due to the large number of Departmental targets that need to be monitored guarterly. A Strategic Management Support Services practitioner has been appointed on contract to assist in this regard. The International and intergovernmental role of the department has previously received insufficient support but now with the appointment of a Manager of IGR there is sufficient capacity for the Office of the HOD to deal with this important role. Another constraint is in relation to the management of the Department's role in the Premier's Flagship Project. A key challenge in this regard has been with respect to effectively dealing with the demands of the programme with the existing capacity and programmes the Department. The Department is represented through the Office of the HOD on the Provincial Steering Committee for the Premier's Flagship Programme. The Office of the HOD is currently defining the Department's specific role and its response to household need through DEDT interventions which are linked to our mandate.

Description of planned quality improvement measures

With the new manager of Intergovernmental Relations and the newly appointed Manager of Public Entities there should be sufficient capacity. The vacant post of Deputy Director: Executive Support and Strategy Analysis is also in the process of being filled. Executive meetings have been planned for the Department's leadership team to ensure the effective and efficient management of the organisation. There is a system in place to ensure accurate and consistent quarterly reporting of service delivering against targets set in the APP. Quarterly reporting engagements have also been set up with all the public entities to ensure delivery targets are being met and that delivery is aligned to the Department's goals and objectives. Additional capacity is in the form of the Strategic Management Support Services practitioner who has been appointed on contract to assist in this regard. With the appointment of an IGR Manager there is now capacity to monitor all international engagements and agreements signed with Department and its entities. There is also sufficient capacity to now ensure that the Department together with its entities is sufficiently participating in and contributing to Intergovernmental relations structures. With respect the entities the Department is committed to ensuring that there is effective governance and that the Public Entities are fulfilling their manadate. The new Manager Public Entities will be providing much needed strategicsupport to the Public Entities. Board members will be trained with respect to relevant policies such as King III and the Department will be assisting the entities with respect to the development of their Strategic and Performance Plans.



Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO EFFECTIVELY MANAGE	EAND DIRECT	THE DEPAR	RTMENTAL PRO	IANAGE AND DIRECT THE DEPARTMENTAL PROGRAMMES TO ENSURE DELIVERY OF THE DEPARTMENTAL GOALS	DELIVERY OF T	THE DEPARTMI	INTAL GOALS
	AUDI	AUDITED/ACTUAI	LUAL	ESTIMATED	MEDIU	MEDIUM TERM TARGETS	RGETS
PERFORMANCE INDICATOR	PER	PERFORMANCE	ICE	PERFORMANCE			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Measureable Objective: Implementation of Spe-	of Special Projects						
Number of special projects/ initiatives	N/A	N/A	4	4	4	4	4
Measureable Objective: Integration and oversig	oversight of entities						
Compliance with reporting and SLA conditions	N/A	N/A	100%	100%	100%	100%	100%
Compliance with Corporate Governance -Number of Shareholder Compacts	N/A	N/A	8 (draft)	11	11	11	11
Number of Quarterly Reviews with all entities	N/A	N/A	4	4	4	4	4
Number of strategic sessions with CEOs	N/A	N/A	2	2	2	2	2
Measureable Objective: Strategic review and m	and monitoring of departmental programmes	lepartmen	tal programm	les			
Number of Service Delivery Reports	N/A	N/A	4	4	4	4	4
Measureable Objective: Promote Integrated Governance	overnance						
Number of Cluster meetings chaired	N/A	N/A	6	6	6	6	6
Number of engagements with private sector per N/A annum	N/A	N/A	r	4	4	4	4
Measureable Objective: Ensure Minimum Information Security Standard	mation Securi	ity Standa	rd				-
Compliance with information security requirements	N/A	N/A	%06	100%	100%	100%	100%
Measureable Objective: Professional and positive working culture	ive working cu	ulture					
Staff Satisfaction Survey completed	N/A	N/A	65%	75%	80%	80%	%06
Measureable Objective: To provide effective administrative support	ministrative s	upport					
Turnaround Time in number of days	N/A	N/A	0	4	4	4	4
Measureable Objective: To provide effective intergovernmental and international	ergovernmen	tal and int		relations support			
Report on Departmental and entity international N/A engagements	N/A	N/A	0	12	12	12	12
Number of intergovernmental relations structures participated in by the Department	N/A	N/A	0	4	4	4	4
Number of international forums participated in	N/A	N/A	2	2	4	2	2



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Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO EFFECTIVELY MANAGE AND DIRECT THE DEPARTMENTAL PROGRAMMES TO ENSURE DELIVERY OF THE DEPARTMENTAL GOALS	CTTHE DEPARTMEN	VTAL PROGRAMA	AES TO ENSURE D	DELIVERY (JFTHE DEPARTME	NTAL GOAL	S
	REPORTING				QUARTERLY TARGETS	IARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I st	2ND	3 RD	4тн
Measureable Objective: Implementation of Special Projects/ Initiatives	itives						
Number of special projects/ initiatives	Quarterly	N/A	4	1	1	1	-
Measureable Objective: Integration and oversight of entities							
Compliance with reporting and SLA conditions	Quarterly	N/A	100%	100%	100%	100%	100%
Compliance with Corporate Governance -Number of Shareholder Compacts	Quarterly	A/N	11	7	ε	e	3
Number of Quarterly Reviews with all entities	Quarterly	N/A	4	-	-	-	.
Number of strategic sessions with CEOs	Quarterly	N/A	2	0	-	0	.
Measureable Objective: Strategic review and monitoring of departmental programmes	tmental programm	les					
Number of Service Delivery Reports	Quarterly	N/A	4	1	1	1	-
Measureable Objective: Promote Integrated Governance							
Number of Cluster meetings chaired	Quarterly	N/A	24	9	6	9	6
Number of engagements with private sector per annum	Quarterly	N/A	4	1	1	1	1
Measureable Objective: Ensure Minimum Information Security Standard	andard						
Compliance with information security requirements	Quarterly	N/A	100%	100%	100%	100%	100%
Measureable Objective: Professional and positive working culture							
Staff Satisfaction Survey completed	Quarterly	N/A	75%	75%	75%	75%	75%
Measureable Objective: To provide effective administrative support	rt						
Turnaround Time in number of days	Quarterly	N/A	4	4	4	4	4
Measurable Objective: To provide effective intergovernmental and international relations support	d international rela	itions support					
Report on Departmental and entity international engagements	Quarterly	N/A	12	3	3	3	3
Number of intergovernmental relations structures participated in by the Department	Quarterly	N/A	12	ю	З	e	б
Number of international forums participated in	Quarterly	N/A	4	. 	~	÷	











Department of Economic Development and Tourism Umnyango Wezokuthuthukiswa Komnotho Nezokuvakasha

4.3 Sub-programme 3: Financial Management

Purpose

The purpose of the Financial Management Sub-programme is mainly the provision of Financial and Supply Chain Support Services to the whole Department in compliance with the PFMA, Treasury Regulations, and other Financial Management regulations and policies.

Specific policies, priorities, and strategic objectives

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

Progress analysis

It is important to note that Financial Management modified their Performance Indicators completely in 2009/2010. The emphasis was to introduce performance measures that would indicate where Financial Management was meeting turn-around times stipulated in their service charter and that Financial Management was complying with all respective legislation and policies. This is the reason why all the performance indicators for 2011/12, are reflected as 'N/A' under the Audited Performance for 2007/2008 and 2008/2009.

The focus of this Sub-programme was on doing all functions correctly the first time within the stipulated turn-around times. Of important success for Financial Management in 2010/11, has been the going 'live' on a work flow application. This work flow application was implemented so that there is a tool used to measure and record turn- around times correctly and also to ensure that processes within Financial Management are always consistent.

Analysis of constraints and measures planned to overcome them

The freezing of posts meant that the Sub-programme continued to use a number of learners and interns, where permanent staff could have been used, where the Department could have used standard incentives to drive performance. The lack of African Female with government accounting experience has also resulted in one senior management post not being filled. The required number of posts will be filled by permanent employees and the Department will look at contracting a person with the required qualification for the senior management post and then subject this individual to the necessary training for the required experience.

The other constraint for this programme is the government-wide financial management improvement programme, where each year there is a specific area around financial management where all departments must move towards. This is requiring constant training of staff on the new requirements, and the implementation of these requirements.

Description of planned quality improvement measures

With the financial management improvement programme, all affected departmental staff will undergo the necessary training, and the affected policies will be updated, and this will then be



work shopped to all Departmental staff.

Specification of measurable objectives and performance measures or indicators

Strategic Objective and Associated Annual Targets

	AUDITED/	ACTUAL PE	RFORMANCE		MEDIUN	1 TERM TA	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective: Turnaround times for all Su Service Charter	ipply Chain N	lanagement a	ctivities to be in	line with times in the	e Financial I	Manageme	nt
Percent compliance with number of days taken for all SCM Activities in line with the annual Financial Management Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Effective adherence to deli Financial Management Service Charter.	very targets o	off all SCM ac	tivities in line wi	th the Service Delive	ery targets ir	n the annua	al
Percent compliance with the effective adherence to delivery targets of all SCM activities in line with the Service Delivery targets in the annual Financial Management Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Compliance with all SCM r related SCM policies	egulations, in	cluding the tir	neous submissi	on of legislative repo	orts and the	developme	ent of
Percent compliance with all SCM regulations and procedures	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective : Innovativeness and proce	ss improvem	ent culture		<u>.</u>		·	
Number of innovative activities and or process improvements	N/A	N/A	1	1	1	1	1



Quarterly Targets for 2011/2012

STRATEGIC	OBJECTIVE: TO I	ENSURE THE IMPLEM	ENTATION OF THE PFMA A	AND OTHER RELATED	FINANCIAL REGU	JLATIONS AND POLI	CIES
PERFORMANCE	REPORTING	DISTRICTS	ANNUAL TARGET		QUARTERLY	TARGETS	
INDICATOR	PERIOD	DISTRICTS	2011/12	Is⊥	2 ND	3 RD	4 ^{тн}
-			tivities to be in line with	1			
Percent compliance	Quarterly	All	100%	100%	100%	100%	100%
with number of days taken for all SCM							
activities in line with							
the annual Financial							
Management'							
Service Charter							
			argets of all SCM activi	ties in line with the	Service Delivery	y targets in the ann	nual
Financial Managemen		1	r	ľ	r	Γ	
Percent compliance	Quarterly	All	100%	100%	100%	100%	100%
with the effective adherence to							
delivery targets of							
all SCM activities in							
line with the Service							
Delivery targets in							
the annual Financial							
Management' Service Charter							
			tions, including the time	oue submission of	logiclotivo ropor	to and the doubler	montof
related SCM policies	ve: Compliance	with all SCIM regula	tions, including the time		legislative repor	ts and the develop	oment of
Percent compliance	Quarterly	All	100%	100%	100%	100%	100%
with all SCM							
regulations and procedures.							
Measureable Objecti	vo: Innovativono	se and process imp	provement culture	<u> </u>		<u> </u>	
Number of	Annually	All		0	1	0	0
innovative activities	Amuany						0
and or process							
improvements							



4.4 Sub-programme 4: Corporate Services

Purpose

Corporate Services is primarily responsible for assisting the Department to successfully implement its Strategic Plan by ensuring the provision of efficient and cost-effective services which include the following: Information Technology (IT), Legal, Auxiliary, Human Resource Management and Development Services.

Specific policies, priorities, and strategic objectives

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

Progress analysis

It is important to note that Corporate Services have changed their Performance Indicators completely in 2009/10. The emphasis was to introduce performance measures that would indicate whether Corporate Services was meeting turn around times stipulated in their service charter and that Corporate Services was complying with all respective legislation and policies. This is the reason why all the performance indicators for 2011/12, are reflected as 'N/A' under the Audited Performance for 2007/2008 and 2008/2009.

With the new Ministry for the Department, and Tourism Development, these have now been included in the Departmental structure. A number of District offices issues have been finalised, including offices for the Tourism Development unit, with the exception of Newcastle and Stanger. There is also work in progress for the eThekwini office and the new Ministry offices in Pietermaritzburg. The finalisation of these has been the focus for Auxiliary and IT Services. The Department's structure is under review. All bills including the Liquor Bill are now close to finalisation with the Legislature.

Analysis of constraints and measures planned to overcome them

Delivery of services from the Human Resource Management directorate has been slow with the absence of a HRM&D Manager. The Department of Public Works has been slow in assisting this Department with the sourcing of office accommodation. All required personnel issues are being addressed and meetings are being held with the Public Works to finalise office accommodation.

Description of planned quality improvement measures

Documentation of turn-around times for Corporate Services functions is an issue for attention, especially with the upcoming auditing of performance information.



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Specification of measurable objectives and performance indicators

4.4.1 Component: Human Resource Management and Development

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO PROVIDE SUPPORT SERV DEVELOPMENT; LABOU						MANAGEME	NT AND
PERFORMANCE INDICATOR	AUDITED/A	CTUAL PERF	ORMANCE	ESTIMATED PERFORMANCE	MEDIUI	MTERMTAR	GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Measureable Objective: Turnaround times for all HRM & D	activities to be in	line with times i	n the Corporate	e Services' Service Cl	narter		
Percent compliance with number of days taken for all HRM & D and activities in line with the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Effective adherence to delivery tar Service Charter	gets of all HRM &	D activities in li	ne with the Ser	vice Delivery targets	in the annual C	Corporate Serv	vices'
Percent compliance with the effective adherence to delivery targets of all HRM & D activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Compliance with all HRM & D regulation policies	ulations, including	the timeous sul	bmission of legi	slative reports and the	e development	of related HR	M & D
Percent compliance with all HRM & D regulations and procedures	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Innovativeness and process impro	vement culture	•			·		
Number of innovative activities and or process improvements	N/A	N/A	1	1	1	1	1



Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO PROVID RESOURCE MANAGEMENT AN			ELATIONS; I				
	REPORTING		ANNUAL		QUARTERLY	TARGET	5
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{тн}
Measureable Objective: Turnaround t Charter	imes for all HRM a	& D activities to	o be in line wi	th times in t	he Corporate	Services' S	Service
Percent compliance with number of days taken for all HRM & D and activities in line with the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
2. Measureable Objective: Effective a targets in the annual Corporate Service			all HRM & D a	ictivities in li	ne with the S	ervice Deliv	/ery
Percent compliance with the effective adherence to delivery targets of all HRM & D activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Compliance development of related HRM & D polici		regulations, inc	cluding the tin	neous subm	ission of legi	slative repo	rts and the
Percent compliance with all HRM & D regulations and procedures	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Innovativene	ss and process im	provement cu	lture				
Number of innovative activities and or process improvements	Annually	All	1	0	1	0	0



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4.4.2 Component: Auxiliary Services

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIV RESOURCE MANA				R RELATIONS; LEG			
PERFORMANCE	AUDITED/A	CTUAL PERF	ORMANCE	ESTIMATED	MEDI	UMTERMTAI	RGETS
INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective Service Charter	Turnaround ti	mes for all Aux	iliary Services	activities to be in line	e with times in	the Corporate	Services'
Percent compliance with number of days taken for all Auxiliary Services activities in line with the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective targets in the annual Cor				all Auxiliary Services	activities in line	e with the Serv	vice Delivery
Percent compliance with the effective adherence to delivery targets of all Auxiliary Services activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter		N/A	100%	100%	100%	100%	100%
Measureable Objective and the development of r				ulations, including the	e timeous subr	nission of legis	slative reports
Percent compliance with all Auxiliary Services regulations and procedures.	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective	: Innovativene	ess and process	s improvemen	t culture			
Number of innovative activities and or process improvements	N/A	N/A	1	1	1	1	1



Quarterly targets for 2011/12

PERFORMANCE	REPORTING		ANNUAL		QUARTER	LY TARGET	S
INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I s⊤	2 ND	3 RD	4 ^{тн}
Measureable Objective: ⁻ Service Charter	Furnaround times	for all Auxiliary	Services activities	s to be in line	with times in	the Corporate	e Services'
Percent compliance with number of days taken for all Auxiliary Services activities in line with the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: I targets in the annual Corpo			rgets of all Auxilia	ry Services a	ictivities in line	e with the Sei	rvice Delivery
Percent compliance with the effective adherence to delivery targets of all Auxiliary Services activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: (and the development of re			vices regulations,	including the	timeous subn	nission of leg	islative repor
Percent compliance with all Auxiliary Services regulations and procedures	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective:	nnovativeness an	d process impro	ovement culture				
Number of innovative activities and or process mprovements	Annually	All	1	0	1	0	0



4.4.3 Component: Legal Services

Strategic Objective and Associated Annual Targets

	DEVELOPMENI	;LABOUR RELATIO	JNS; LEGAL SERVI	CES;AND INFORMATION	NTECHNOLOGT		
PERFORMANCE	AUDITED	ACTUAL PER	FORMANCE	ESTIMATED PERFORMANCE	MED	DIUM TERM TA	RGETS
INDICATOR	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Measureable Objective: Turna	round times for	all Legal Service	es activities to b	e in line with times in	the Corporate	Services' Servic	e Charter
Percent compliance with number of days taken for all Legal Services activities in ine with the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Effect Corporate Services' Service Ch		o delivery target	s of all Legal Se	ervices activities in line	e with the Servi	ce Delivery targ	ets in the annu
Percent compliance with the effective adherence to delivery argets of all Legal Services activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Comp development of related Legal So		egal Services re	egulations, inclue	ding the timeous subr	nission of legis	ative reports an	d the
Percent compliance with all _egal Services regulations and procedures	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Innov	ativeness and p	rocess improver	ment culture				
Number of innovative activities and or process improvements	N/A	N/A	1	1	1	1	1

Quarterly targets for 2011/12

PERFORMANCE	REPORTING		ANNUAL		QUARTERL	Y TARGETS	
INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{тн}
Measureable Objective: Turnar	ound times for a	II Legal Services	activities to be	in line with times i	n the Corporate	Services' Servi	ce Charter
Percent compliance with number of days taken for all Legal Services activities in line with the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Effection annual Corporate Services' Services (Services) Servic		delivery targets of	of all Legal Ser	vices activities in li	ne with the Serv	ice Delivery tar	gets in the
Percent compliance with the effective adherence to delivery targets of all Legal Services activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Compl development of related Legal Se		gal Services regu	ulations, includi	ng the timeous sul	omission of legis	lative reports a	nd the
Percent compliance with all Legal Services regulations and procedures	Quarterly	All	100%	100%	100%	100%	100%





STRATEGIC OBJECTIVE: TO				AMMES IN THE AREAS S;AND INFORMATION		OURCE MANAGE/	MENT AND
PERFORMANCE	REPORTING		ANNUAL		QUARTERLY	TARGETS	
INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{тн}
Measureable Objective: Innova	tiveness and pro	ocess improveme	nt culture				
Number of innovative activities and or process improvements	Annually	All	1	0	1	0	0

4.4.4 Component: Information Technology

Strategic Objective and Associated Annual Targets

PERFORMANCE	AUDITED	ACTUAL PER	FORMANCE	ESTIMATED PERFORMANCE	MED	IUM TERM TA	RGETS
INDICATOR	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
fleasureable Objective: Turna Charter	around times for	all Information	Technology activ	vities to be in line with	times in the Co	orporate Service	s' Service
Percent compliance with number of days taken for all Information Technology activities in line with the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
Measureable Objective: Effective between the annual Corporate Services			ets of all Informat	tion Technology activi	ties in line with	the Service Del	very targets in
Percent compliance with the effective adherence to delivery argets of all Information Fechnology activities in line with the Service Delivery argets in the annual Corporate Services' Service Charter	N/A	N/A	100%	100%	100%	100%	100%
leasureable Objective : Com levelopment of related Information			hnology regulation	ons, including the tim	eous submissio	n of legislative i	eports and the
Percent compliance with Il Information Technology egulations and procedures	N/A	N/A	100%	100%	100%	100%	100%
leasureable Objective: Innov	ativeness and p	process improve	ement culture				
lumber of innovative activities nd or process improvements	N/A	N/A	1	1	1	1	1

Quarterly targets for 2011/12

	REPORTING	l .	ANNUAL	NATION TECHNOLOGY QUARTERLY TARGETS			
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET	IST	2 ND	3 RD	4 TH
Charter							
Charter				1			
Percent compliance with number of days taken	Quarterly	All	100%	100%	100%	100%	100%
Percent compliance with number of days taken for all Information Technology activities in line	Quarterly	All	100%	100%	100%	100%	100%
Charter Percent compliance with number of days taken for all Information Technology activities in line with the annual Corporate Services' Service	Quarterly	All	100%	100%	100%	100%	100%



STRATEGIC OBJECTIVE: TO PROVIDE SUPPORT SERVICES TO THE OTHER PROGRAMMES IN THE AREAS OF HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT; LABOUR RELATIONS; LEGAL SERVICES; AND INFORMATION TECHNOLOGY							
PERFORMANCE INDICATOR	REPORTING	DISTRICTS	ANNUAL	QUARTERLY TARGETS			
PERIORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET	^{s⊤}	2 ND	3 RD	4 ^{тн}
Measureable Objective: Effective adherence to the annual Corporate Services' Service Charter	delivery targets	of all Informatic	n Technology a	activities in I	ine with the S	ervice Delivery	r targets in
Percent compliance with the effective adherence to delivery targets of all Information Technology activities in line with the Service Delivery targets in the annual Corporate Services' Service Charter	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Compliance with all In development of related Information Technology p		ology regulation	s, including the	e timeous su	bmission of le	egislative repor	ts and the
Percent compliance with all Information Technology regulations and procedures	Quarterly	All	100%	100%	100%	100%	100%
Measureable Objective: Innovativeness and process improvement culture							
Number of innovative activities and or process improvements	Annually	All	1	0	1	0	0

Summary of payments and estimates - Programme 1: Administration

Audited (ited Outcome		Main Adjusted Appropriation Appropriation		Medium-term Estimates		
	2007/08	2008/09	2009/10	2	010/11	2011/12	2012/13	2013/14	
Office of the MEC	0	0	15,793	25,253	21,553	26,678	28,050	29,709	
Office of the HOD	12,701	28,890	37,741	60,044	47,044	49,640	46,180	48,658	
Financial Management	16,035	12,908	20,551	23,428	22,928	24,752	26,022	27,561	
Corporate Services	22,523	61,878	72,190	80,023	103,223	84,540	88,887	94,145	
Total	51,259	103,676	146,275	188,748	194,748	185,610	189,139	200,073	

Economic classification

R thousand		Audited Outcom	e	Main Appropriation	Adjusted Appropriation	Medium-term Estimates		
Renousand	2007/08	2007/08 2008/09 2009/10 2010/11)10/11 -	2011/12	2012/13	2013/14	
Current payments	50,242	100,131	136,249	185,008	187,408	183,639	185,016	195,723
Compensation of employees	15,778	21,627	40,302	53,964	54,064	59,756	60,979	64,332
Goods and services	34,464	78,504	95,947	131,044	133,344	123,883	124,037	131,391
Transfers and subsidies to:	292	28	168	0	100	0	0	0
Provinces and municipalities	0	0	0	0	100	0	0	0
Households	292	28	168	0	0	0	0	0
Payments for capital assets	725	3,517	9,858	3,740	7,240	1,971	4,123	4,350
Buildings and other fixed structures	0	0	3,261	0	0	0	0	0
Machinery and equipment	709	3,324	5,922	3,430	6,930	1,971	3,781	3,989
Land and sub-soil assets	0	0	450	0	0	0	0	0
Software and other intangible assets	16	193	225	310	310	0	342	361
Total	51,259	103,676	146,275	188,748	194,748	185,610	189,139	200,073



5. PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

The purpose of the Integrated Economic Development Services (IEDS) Branch is to implement policies and programmes aimed at supporting and promoting enterprises owned by previously disadvantaged individuals, groups, or communities in order to bring them into the mainstream of the economy.

The IEDS Branch comprises of the following Sub-programmes; (i) Enterprise Development, (ii) Local Economic Development (LED), and (iii) Economic Empowerment, as well as the Growth Empowerment Funds. The following table presents the structure of the IEDS Branch and its aim or purpose, strategic goals and objectives:

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES (IEDS)	SUB-PROGRAMMES
 Aim/ purpose: To implement policies and programmes aimed at supporting and promoting enterprises owned by previously disadvantaged individuals, groups, or communities in order to bring them into the mainstream of the economy Strategic goals : Create a business environment conductive to the creation of sustainable jobs Facilitate skills development Facilitate access to the asset base for the poor 	Sub-programme 2: Local Economic Development Strategic Objective: To develop a pipeline of sustainable LED projects that are partnership-based and leverage public and private resources to fund them, as well as build the capacity of municipalities and other local stakeholders to plan and manage local economic development
 Promote SMMEs and Social Enterprises (Co-operatives) Promote Black Economic Empowerment 	<i>Strategic Objective:</i> To facilitate the process of empowerment and the creation of an enabling business environment for previously disadvantaged individuals

Specific policies, priorities, and strategic objectives

The IEDS Branch derives its mandate mainly from the Broad-Based Black Economic Empowerment Act, the National Small Business Act, the Co-operatives Act and the Skills Development Act. In addition to these pieces of legislation, the provincial policies and strategies, notably the Provincial Growth and Development Strategy (PGDS), the Provincial Spatial Economic Development Strategy (PSEDS), the national Co-operatives Strategy (draft), Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, 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 program also has oversight over the provincially established Empowerment Funds i.e. the SMME Fund, Co-operative Fund, the European Union Funded Gijima KZN Fund, and the BEE



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Equity / Empowerment Fund and fulfilling 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 historically disadvantaged individuals (with specific focus on the priority groups women and youth)
- 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 and local economic development
- The creation of sustainable employment opportunities

Progress analysis

In terms of progress for the 2009/2010 Financial Year the following achievements were made:

The Enterprise Development Sub-programme finalised the provincial Co-operative and SMME Development Strategies. Through the service level agreement that the Department has with Further Education and Training Colleges (FETs), a total of 488 small enterprises were offered training in Business Management and Basic Computer Skills. The Technology Demonstration-cum Training Centres (TDTCs) continued operating within the uMgungundlovu and Coastal KZN FE T Colleges. A total of 34 small enterprises in the TDTCs were offered training in wire nails, wire drawing, barbed wire, exercise notebook manufacturing, business management skills and basic computer skills.

The Co-operative Development Unit continued implementing the resolutions of the International Co-operative Conference. In this regard, seven Savings and Credit Co-operatives (SACCOs) were established mainly in uMgungundlovu, and eThekwini Municipality areas. Furthermore, progress was made with regards to the establishment of the KZN Co-operative Development Academy and the Co-operative Bank as key institutional vehicles and mechanisms to develop sustainable Co-operatives in the Province.

Through the Local Economic Development (LED) sub-program there was a net creation/saving of 828 jobs (of which 264 are permanent, 115 have been saved and 449 are temporary/seasonal). A cumulative total of 1740 people have been trained through various formal and informal means. Two high impact special projects including the Richmond Special Development Initiative, Partnership with Tongaat Hulett to support Small Cane Growers became fully operational.

In addition the following are some of the achievements as at July 2010:

- A total of 24 in-service LED stakeholders from government and civil society were registered and participating in the post graduate LED Program operated through the UKZN's Faculty of Management Studies. A total of 145 in-service public servants from Local and District Municipalities and civil society organisations received LG SETA accredited LED training. A total of 30 were trained to levels 0 NQF 4 and 5.
- A total of 12 Business Enabling Fund projects were completed in the first quarter of 2010/11 financial year. Four Trading Centre Feasibility Studies and 3 LCF competitiveness actions plans were also completed. Three LCF Implementation projects were also completed in the 2010/11 financial year.



With regards to the Economic Empowerment Sub-programme, the B-BBEE Implementation Team comprising of members from all Provincial Government Departments is now fully operational. In keeping with the requirement of the B-BBEE legislation the EEP Sub-programme has trained 350 individuals on the B-BBEE Codes of Good Practice. The verification of four government departments and eight public entities has been completed. This will help give a baseline and an indication as to how government is implementing the B-BBEE policy. A number of BEE complaints relating to late payments and fronting have been successfully handled and handed over to the SAPS Commercial Crime Unit for further investigation and possible prosecution.

To date, more than 5 000 young people from previously disadvantaged communities were trained in various technical skills and 95% of them were successfully placed in employment. The partnership between the DEDT and the International Labour Organisation (ILO) has led to an investment of R9 million solely aimed at empowering women in both the Tourism and the Construction sectors in the Province. This partnership has also resulted in the implementation of the train the trainer Capacity Building Programme for the Women Entrepreneurs Association, as well as conducting research on value chains within the Tourism sector and employment opportunities therein.

Analysis of constraints and measures planned to overcome them

The Enterprise Development Sub-programme experienced challenges resulting from the dynamic and complex environment which small enterprises operate under which demands the integrated intervention by all stakeholders. Similarly, the skills level in the province does not match the demands and dynamics of various sectors. The demand by SMMEs and Co-operatives for business support services remained high, putting pressure on Government's resources to deliver quality services. The mitigation measure has been and will continue to be, for some time into the future, the implementation of an integrated business development strategy. In line with the above, the recommendations in the KZN Co-operative and SMME Development Strategies will continue to be implemented.

The key constraint for the LED Sub-programme was the poor work quality of service providers. Seeing that this was becoming an issue, it was then addressed through the introduction of a quality control measures within LED in the 2009/2010 financial year. The LED Manager now has a responsibility to examine all written work in order to ensure quality before payments are made. These measures will be strengthened in the 2011/12 financial year. Simultaneously, the skills of beneficiaries and of project monitoring and evaluation will be further developed. Three interventions have been developed to mitigate possible fraudulent activity risks. The first is the introduction of a Project Risk Management function and team that will perform tasks linked to project audits (e.g. Financial Verification and Audits). The second one involves training beneficiaries on their contractual responsibilities, while the third one is improving spot checks on the projects.

The continued lack of enforcement of the B-BBEE policy presents constraints in the successful implementation of the said legislation. The legislation is silent on measures to deal with non-compliance and transgression of the Act e.g. fronting. In an endeavour to encourage compliance the Department is currently in discussions with institutions that have the mandate of enforcing laws.

Description of planned quality improvement measures

In the 2011/12 financial year, the Enterprise Development Sub-programme will continue to implement the recently approved Co-operative and SMME Development Strategies. The close management of district offices as well as of the satellite business support centres will be of priority. The programme will



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further establish a facility aimed at providing business premises for small enterprises in the province, for example the warehouses, Luwamba Wellness Centre, Co-operative Business Centre in Pietermaritzburg and Frozen vegetables facility in Richmond. In addition and in conjunction with other Sub-programmes the Enterprise Development Sub-programme will undertake the feasibility study of the Dukuduku Micro Business and Factory Hub.

With regards to improving the Co-operative Movement and the culture of saving, the KZN Co-operative Development Academy and the Co-operative Bank will assist in improving access to quality Co-operative development training and education. The LED Sub-programme will further improve and refine its quality control and monitoring and evaluation systems already introduced in the programme, and will be further institutionalised in 2011/12. This will entail further experiential training of internal LED Project Managers in order to build quality at source (i.e. at the point of contract management) and improve in situ monitoring. A project Risk Management Team will also be introduced in 2011/12 financial year. In the previous years the Economic Empowerment Sub-programme was focussing on the establishment of structures and systems. Most of the structures are now in place and the focus will now be on strengthening these institutions and making sure that all stakeholders remain on board and work towards achieving the planned objective.

5.1 Sub-programme 1: Enterprise Development

Purpose

To support the development of sustainable, small, micro and medium and social enterprises that contributes to food security, wealth and job creation.

Specific policies, priorities, and strategic objectives

The State of the Population of KwaZulu-Natal (Demographic Profile and Development Indicators, March 2010) recommends that the KZN Province should pay particular focus on reducing the unemployment levels, vulnerable households and increase the provision of key social services. In line with these recommendations, the Enterprise Development Sub-programme has structured its projects and programme to address the above priorities.

The Enterprise Development Sub-programme comprises two components: the Small Business Development and the Co-operatives Development. The Small Business Development and Co-operative Development components provide an appropriate environment for the establishment and promotion of self-sustaining enterprises. This is achieved through the provision of integrated business support services to start-ups and existing small enterprises. The above intervention seeks to enhance the capacity of small enterprises to improve their socio-economic conditions and subsequently contribute to economic growth in the province. The activities of the Enterprise Development Sub-programme are informed and guided by the requirements of various legislative, policy and strategic frameworks. Key among these are the National Small Business Act, Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, the Co-operative Act, the Co-operatives Bank Act the BEE Act, Skills Development Act, Annual National and Provincial Budget Speeches and the PSEDS. The strategic objectives of the Enterprise Development Sub-programme are to:

Create a framework to facilitate the provision of integrated business support services to existing and new SMMEs and Co-operatives.



- Support the establishment of effective small business support institutions (SMME Support Service Delivery Network).
- Facilitate the creation of competitive SMME and Co-operatives sectors in the province.
- Support and promote skills development and entrepreneurship.

Supporting the activities of the Small Business Development and the Co-operatives Development components are the SMME Fund and the Co-operatives Fund, which are briefly explained as follows:

SMME and Co-operative Funds

The Funds are an intervention by the Enterprise Development Sub-programme to facilitate access to finance and improve efficacy of financial services. The funds assist the KZN Government to promote the growth of SMMEs and Co-operatives in the province in pursuit of its priority objective of stimulating economic growth, employment creation and reduction of poverty levels. Funding is made available to entrepreneurs through Ithala, Standard Bank and ABSA.

Progress analysis

The Enterprise Development Sub-programme continues to provide integrated business support services to small enterprises in the province. In this regard, the District Managers (SMMEs and Co-operatives) continued operating from the district offices for the delivery of enterprise development support services and the dissemination of information to communities in their respective districts. The Technology Demonstration-cum Training Centres (TDTCs) continued operating within the uMgungundlovu and Coastal KZN Further Education and Training Colleges. These Centres provided business and technical skills training to thirty four (34) small enterprises focusing on wire nails, wire drawing, barbed wire, exercise notebook manufacturing, business management skills and basic computer skills. Furthermore, a total of 219 loans were approved by the KZN Joint SMME Fund (ABSA and Standard Bank) which is committed to assisting SMMEs in the province. The total loan amount is R337, 51 million and was utilized to support businesses in the priority sectors within the Province.

The Co-operative and SMME Development Strategies for the Province were completed and approved by the KZN Provincial Cabinet. Through the service level agreement that the Department has with all Further Education and Training Colleges (FET), a total of 433 small enterprises were offered training in business management and basic computer skills. The Co-operative Development Unit continued implementing the resolutions of the International Co-operative Conference. In this regard, seven Savings and Credit Co-operatives (SACCOs) were established mainly in uMgungundlovu, and eThekwini Municipality areas. Furthermore, progress was also made with regards to the establishment of the KZN Co-operative Development Academy and the Co-operative Bank as key institutional vehicles and mechanisms to develop sustainable Co-operatives in the Province.

Analysis of constraints and measures planned to overcome them

The dynamic and complex environment, in which small enterprises operate, necessitates the integrated intervention by all stakeholders. Similarly, the skills level in the province does not match the demands and dynamics of the various sectors. The demand by SMMEs and Co-



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operatives for business support services remained high, putting pressure on Government's resources to deliver quality services. The mitigation measure has been and will continue to be, for some time into the future, the implementation of an integrated business development strategy. In line with the above, the recommendations in the KZN Co-operative and SMME Development Strategies will continue to be implemented. Furthermore, the KZN Provincial Co-ordination workshop was convened and resolutions were made towards coordinating the development of Co-operatives amongst the provincial and local government.

Description of planned quality improvement measures

In the 2011/12 financial year, the programme will continue to implement the programmes and its recommendations as outlined in the KZN Co-operative and SMME Development Strategies. It will also continue with the management of the SMME and Co-operative district offices and management of satellite business support centres. Furthermore, the programme will establish facilities aimed at providing necessary skills and business premises for small enterprises, for example, the TDTCs, warehouse, Luwamba Wellness Centre, Co-operative Business Centre in Pietermaritzburg and Frozen vegetables facility in Richmond. Once approved by the Cabinet, the resolutions of the KZN Provincial Co-ordination workshop will be implemented.









20

20

30

53

175

196

Number of SMMEs assisted to access markets at the Royal Show 2011

Measurable Objective: Facilitate access to markets by SMMEs

Specification of Objectives, Performance Indicators and Targets Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO SUPPORT AND DEVELOP BUSINESSES AND SOCIAL ENTERPRISES

	AUDITE	AUDITED/ACTUAL PERFORMANCE	ORMANCE	ESTIMATED	MEDIU	MEDIUM-TERMTARGETS	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	01/6007	PERFORMANCE 2010/11	2011/12	2012/13	2013/
Measurable Objective: Create and Develop Infrastructure for Integrated Business Support Service Delivery to SMMEs	ess Support Ser	vice Delivery to Sh	MMEs				
Number of SMMEs supported through the institutions: TDTC Technical training; Business management and technical skills training (FET Colleges); business management, basic computer and sewing skills (Luwamba); pre- finance and business support programme; SMMEs assisted to access finance	A/N	N/A	06	2195	2604	2604	2604
Number of SMMEs trained in TDTC Technical programme (wire nails, barbed wire, exercise notebook manufacturing and wire drawing)	N/A	0	34	60	60	60	60
Number of SMMEs trained in business management, basic computer and sewing skills (Luwamba Wellness Centre)	N/A	1.644	198	0	150	150	150
Number of SMMEs trained in business management and technical skills (FET Colleges)	200	N/A	N/A	1045	1842	1842	1842
Number of SMMEs trained in pre-financing and business support programme	N/A	N/A	N/A	0	336	336	336
Number of One-Stop-Shop and Satellite Business Information Centres supported	N/A	N/A	15	0	15	15	15
Measurable Objective: Facilitate access to finance by SMMEs							
Number of Ioan applications forwarded to SMME Funds:	n/a	587	147	350	552	552	552
Ithala Other financial institutions				294 56	400 152	400 152	400 152
Number of SMMEs assisted to access finance:	170	108	6	250	410	410	410
Ithala Other financial institutions				217 33	300 110	300 110	300 110
Number of jobs created	N/A	N/A	N/A	1746	1746	1746	1746

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KWAZULU-NATAL PROVINCIAL GOVERNMENT

		TO ELIBBORE AND DEVELOP BLIENESSES AND SOCIAL ENTERBRIES	NTEBBBICEC				
			ANNUAL		QUARTE	QUARTERLY TARGETS	ETS
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4тн
Measurable Objective: Create and Develop Infrastructure for Integrated Business Support Service Delivery to SMMEs	ess Support Serv	vice Delivery to SN	AMEs				
Number of SMMEs supported through the institutions: TDTC Technical training; Business management and technical skills training (FET Colleges); business management, basic computer and sewing skills (Luwamba); pre-finance and business support programme; SMMEs assisted to access finance	Quarterly	All	2604	443	710	770	681
Number of SMMEs trained in business management, basic computer and sewing skills (Luwamba Wellness Centre)	Quarterly	Uthungulu	150	30	40	40	40
Number of SMMEs trained in business management and technical skills (FET	Quarterly	Total	1842	330	506	506	500
Colleges)		Amajuba	167	30	46	46	45
	1	eThekwini	167	30	46	46	45
	1	llembe	167	30	46	46	45
		Sisonke	167	30	46	46	45
	1	Ugu	167	30	46	46	45
		uMgungundlovu	167	30	46	46	45
		uMkhanyakude	168	30	46	46	46
		uMzinyathi	168	30	46	46	46
		uThukela	168	30	46	46	46
		uThungulu	168	30	46	46	46
		Zululand	168	30	46	46	46
Number of SMMEs trained in TDTC Technical Training (wire nails, barbed wire, exercise note book and wire drawing machine)	Quarterly	Total	60	30	0	30	0
	Quarterly	uMgungundlovu	30	15	0	15	0
		eThekwini	30	15	0	15	0
Number of SMMEs trained in pre-financing and business support programme	Quarterly	Total	336	84	84	84	84
		Amajuba	48	12	12	12	12
		Ugu	64	16	16	16	16
	1	uMgungundlovu	64	16	16	16	16
		uThukela	48	12	12	12	12
	1	uThungulu	64	16	16	16	16
		Sisonke	48	12	12	12	12
Measurable Objective: Creation and Development of Infrastructure for Integrated Business Support Service Delivery to SMME's	ed Business Sup	pport Service Deliv	/ery to SMM	Е's			
Number of One-Stop-Shop and Satellite Business Information Centres supported	Quarterly	Total	15	Э	4	4	4
	<u> </u>	uMgungundlovu	7	-	7	2	7
		eThekwini	80	7	7	7	7



Quarterly targets for 2011/12

PERFORMANCE INDICATORS Measurable Objective: Facilit Number of Ioan applications orwarded to SMME Funds Ithala Ioan applications and other financial institutions)	REPORTING PERIOD ate access to fir Quarterly	DISTRICTS	TARGET 2011/12	I st	2 ND	3 RD	4 ^{тн}
Number of loan applications orwarded to SMME Funds Ithala loan applications and		Total					
orwarded to SMME Funds Ithala loan applications and	Quarterly						
orwarded to SMME Funds Ithala loan applications and		Amaiuba	552	20	191	174	167
Ithala loan applications and		Апајира	47	0	15	16	16
		eThekwini	42	10	12	10	10
		llembe	47	0	15	16	16
		Sisonke	55	0	19	19	17
		Ugu	47	0	15	16	16
		uMgungundlovu	47	10	15	12	10
		uMkhanyakude	63	0	32	15	16
		uMzinyathi	55	0	19	19	17
		uThukela	47	0	15	16	16
		uThungulu	47	0	15	16	16
		Zululand	55	0	19	19	17
Number of SMMEs assisted to	Quarterly	Total	410	6	123	149	132
access finance		Amajuba	35	0	12	12	11
		eThekwini	31	3	10	10	8
Ithala loan applications and		llembe	35	0	12	12	11
other financial institutions)		Sisonke	41	0	10	20	11
		Ugu	35	0	12	12	11
		uMgungundlovu	35	3	10	12	10
		uMkhanyakude	46	0	13	17	16
		uMzinyathi	41	0	10	15	16
		uThukela	35	0	12	12	11
		uThungulu	35	0	12	12	11
		Zululand	41	0	10	15	16
Number of sustainable jobs	Quarterly	Total	1746	50	653	545	498
created		Amajuba	150	0	54	48	48
		eThekwini	126	24	54	24	24
		llembe	150	0	54	48	48
		Sisonke	174	0	60	60	54
		Ugu	150	0	54	48	48
		uMgungundlovu	144	26	50	50	24
		uMkhanyakude	198	0	99	51	48
		uMzinyathi	174	0	60	60	54
		uThukela	150	0	54	48	48
		uThungulu	150	0	54	48	48
		Zululand	174	0	60	60	54
Measurable Objective: Facilit	tate access to m						
Number of small enterprises	Quarterly	uMgungundlovu	30	30	0	0	0



Strategic Objective and Associated Annual Targets

PERFORMANCE	AUDIT	ED/ACTUAL PI	RFORMANCE	ESTIMATED	MED	IUM-TERM TA	RGETS
INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Fa	acilitate access	to funding					
Number of Co-operatives supported	N/A	N/A	723	456	390	200	200
Number of Co-operatives unded	N/A	4	150	100	80	50	50
Number of SACCO's/ FSC's	N/A	N/A	4	8	10	11	11
Measurable Objective: F	acilitate acces	s to skills develo	pment and mentors	ship			
Number of primary Co- operatives trained	N/A	N/A	150	100	80	50	50
Number of Co-operatives mentored	N/A	0	150	100	80	50	50
Number of existing Co- operatives rehabilitated	N/A	N/A	273	156	150	50	50
Number of students and staff	N/A	N/A	15	96	96	96	96
Measurable Objective: Pr	ovide institutio	nal structures at	a district level				
Number of economic nfrastructure to support Co-operatives	N/A	N/A	4	7	9	11	11
Number of sector specific secondary Co-operatives established	N/A	N/A	11	11	11	11	11
Number of savings Co- operatives established and operational	N/A	N/A	N/A	8	10	11	11
Measurable Objective: Fa	acilitate creatio	n of sustainable	jobs				
Number of jobs created	N/A	518	750	500	400	250	250
Measurable Objective: Fa	acilitate access	to market					
Number of Co-operative exhibitions conducted	N/A	12	5	2	2	2	2
Access to markets created (private and public)	N/A	N/A	10	10	10	10	10



Quarterly targets for 2011/12

PERFORMANCE		REPORTING	ANNUAL		QUARTE	RLY TARGET	S
INDICATOR	DISTRICT	PERIOD	TARGET 2011/12	Is⊥	2 ND	3 RD	4 ^{тн}
Measurable Objective:	Facilitate access to	skills development	and mentorship)			
Numbers of primary	Total	Quarterly	80	1	33	23	23
Co-operative trained	Amajuba	Quarterly	7	0	3	2	2
	eThekwini	Quarterly	10	1	3	3	3
	llembe	Quarterly	7	0	3	2	2
	Sisonke	Quarterly	10	3	3	3	1
	Ugu	Quarterly	7	0	3	2	2
	uMgungundlovu	Quarterly	7	0	3	2	2
	uMkhanyakude	Quarterly	7	0	3	2	2
	uMzinyathi	Quarterly	7	0	3	2	2
	uThukela	Quarterly	7	0	3	2	2
	uThungulu	Quarterly	7	0	3	2	2
	Zululand	Quarterly	7	0	3	2	2
Number of Co-	Total	Quarterly	80	0	1	46	33
operatives mentored	Amajuba	Quarterly	7	0	0	4	3
	eThekwini	Quarterly	10	0	1	6	3
	llembe	Quarterly	7	0	0	4	3
	Sisonke	Quarterly	7	0	0	4	3
	Ugu	Quarterly	7	0	0	4	3
	uMgungundlovu	Quarterly	7	0	0	4	3
	uMkhanyakude	Quarterly	7	0	0	4	3
	uMzinyathi	Quarterly	7	0	0	4	3
	uThukela	Quarterly	7	0	0	4	3
	uThungulu	Quarterly	7	0	0	4	3
	Zululand	Quarterly	7	0	0	4	3
Number of existing Co-	Total	Quarterly	150	43	43	43	21
operatives rehabilitated	Amajuba	Quarterly	14	4	4	4	2
	eThekwini	Quarterly	14	4	4	4	3
	llembe	Quarterly	14	4	4	4	2
	Sisonke	Quarterly	10	3	3	3	1
	Ugu	Quarterly	14	4	4	4	2
	uMgungundlovu	Quarterly	14	4	4	4	2
	uMkhanyakude	Quarterly	14	4	4	4	2
	uMzinyathi	Quarterly	14	4	4	4	2
	uThukela	Quarterly	14	4	4	4	2
	uThungulu	Quarterly	14	4	4	4	2
	Zululand	Quarterly	14	4	4	4	2
Number of students and staff trained	Uthungulu	Quarterly	96	24	24	24	24

E PLAN 2011/2012



ST	RATEGIC OBJECTIVE	: TO SUPPORT AN	ID DEVELOP BUSIN	ESSES AND SO	OCIAL ENTERP	RISES	
PERFORMANCE		REPORTING	ANNUAL		QUARTER	RLY TARGETS	5
INDICATOR	DISTRICT	PERIOD	TARGET 2011/12	Is⊥	2 ND	3 RD	4 ^{тн}
Measurable Objective:	Facilitate access to a	ppropriate fundir	ng by Co-operativ	es			
Number of Co- operatives supported	All	Quarterly	390	45	110	135	100
Number of Co-	Total	Quarterly	80	1	33	23	23
operatives funded	Amajuba	Quarterly	7	0	3	2	2
	eThekwini	Quarterly	10	1	3	3	3
	llembe	Quarterly	7	0	3	2	2
	Sisonke	Quarterly	7	0	3	2	2
	Ugu	Quarterly	7	0	3	2	2
	uMgungundlovu	Quarterly	7	0	3	2	2
	uMkhanyakude	Quarterly	7	0	3	2	2
	uMzinyathi	Quarterly	7	0	3	2	2
	uThukela	Quarterly	7	0	3	2	2
	uThungulu	Quarterly	7	0	3	2	2
	Zululand	Quarterly	7	0	3	2	2
Number of SACCOs/	Total	Quarterly	10	0	0	0	10
FSCs established and	Amajuba	Quarterly	1	0	0	0	1
operational	Zululand	Quarterly	1	0	0	0	1
	llembe	Quarterly	1	0	0	0	1
	uThungulu	Quarterly	1	0	0	0	1
	Ugu	Quarterly	1	0	0	0	1
	uMgungundlovu	Quarterly	1	0	0	0	1
	uMkhanyakude	Quarterly	1	0	0	0	1
	uMzinyathi	Quarterly	1	0	0	0	1
	uThukela	Quarterly	1	0	0	0	1
	Sisonke	Quarterly	1	0	0	0	1





	STRATEGIC OBJECTIVE: 1	O SUPPORT AND D		AND SOCIAL I			
PERFORMANCE	DISTRICT	REPORTING	ANNUAL		QUARTER	LY TARGETS	
INDICATOR	DISTRICT	PERIOD	TARGET 2011/12	I ST	2 ND	3 RD	4 ^{тн}
	ovide institutional structures a	1			tion	1	
Number of economic	Total	Quarterly	9	0	0	0	9
infrastructure to support	Amajuba	Quarterly	1	0	0	0	1
Co-operatives	Zululand	Quarterly	1	0	0	0	1
	llembe	Quarterly	1	0	0	0	1
	uThungulu	Quarterly	1	0	0	0	1
	Ugu	Quarterly	1	0	0	0	1
	uMgungundlovu	Quarterly	1	0	0	0	1
	uMkhanyakude	Quarterly	1	0	0	0	1
	uMzinyathi	Quarterly	1	0	0	0	1
	uThukela	Quarterly	1	0	0	0	1
Number of sector specific	Total	Quarterly	11	0	0	11	0
secondary Co-operatives	Amajuba	Quarterly	1	0	0	1	0
established	eThekwini	Quarterly	1	0	0	1	0
	llembe	Quarterly	1	0	0	1	0
	Sisonke	Quarterly	1	0	0	1	0
	Ugu	Quarterly	1	0	0	1	0
	uMgungundlovu	Quarterly	1	0	0	1	0
	uMkhanyakude	Quarterly	1	0	0	1	0
	uMzinyathi	Quarterly	1	0	0	1	0
	uThukela	Quarterly	1	0	0	1	0
	uThungulu	Quarterly	1	0	0	1	0
	Zululand	Quarterly	1	0	0	1	0
Number of savings Co- operatives established and operational	All	Biannually	10	0	5	5	0
· ·	ilitate creation of sustainable	iobs			1		1
Number of jobs created	Total	Quarterly	400	5	165	115	115
· · · · , · · · · · · · · · ·	Amajuba	Quarterly	35	0	15	10	10
	eThekwini	Quarterly	50	5	15	15	15
	llembe	Quarterly	35	0	15	10	10
	Sisonke	Quarterly	35	0	15	10	10
	Uqu	Quarterly	35	0	15	10	10
	uMgungundlovu	Quarterly	35	0	15	10	10
	uMkhanyakude	Quarterly	35	0	15	10	10
	uMzinyathi	Quarterly	35	0	15	10	10
	uThukela	Quarterly	35	0	15	10	10
	uThungulu	Quarterly	35	0	15	10	10
	Zululand	Quarterly	35	0	15	10	10
Measurable Objective: Fac	cilitate access to markets	Quarterly					
Number of Co-operative	Total	Quarterly	2	1	1	0	0
exhibitions conducted	uMgungundlovu	-	1	1	0	0	0
	uThungulu	Quarterly Quarterly	1	0	1	0	0
Access to markets created (private and public)	All	Quarterly	1	2	2	2	3



5.2 Sub-programme 2: Regional and Local Economic Development (RLED)

Purpose

Department of Economic Development and Tourism

To develop, support and implement sustainable risk sharing Regional and Local Economic Development (RLED) projects that are partnership based and create sustainable local employment as well as building the capacity of RLED stakeholders to better plan and manage RLED.

Specific policies, priorities, and strategic objectives

The Regional and Local Economic Development (RLED) Sub-programme is shaped by the national LED policy guidelines, the national small business policy, trade and industry policies as well as the PGDS. It also takes into account the policies and regulations related to district and local government. As the implementing agent for the European Union (EU) funded Gijima KZN LED Support Programme, the Sub-programme is also guided by the provisions of the Financing Agreement between the EU and RSA government.

The two main strategic objectives of the programme are:

- To develop a pipeline of sustainable partnership-based LED projects that leverage public and private resources.
- Institutional development and capacity building of municipalities and other local stakeholders to plan and manage RLED.

The 2011/12 financial year will prove to be yet another challenging year. Five priorities have been identified and include:

- Closing out the EU funded Gijima KZN LED support programme culminating in an information sharing close out workshop.
- Continuing to implement the successor funding scheme to the Local Competitiveness Fund Implementation as operated through Gijima KZN.
- Institutionalizing the customized Graduate and Post-graduate LED education programmes at tertiary level.
- Continuing to develop, support and implement high impact partnership-based LED projects.
- Improving our technical services to municipalities (including technical assistance projects, in-house support for the development of LED strategies and support for LED forums)

Progress analysis

In terms of progress for the 2010/11 financial year as at December 2010, the following achievements may be noted:

- A total of 174 permanent and more than 400 seasonal jobs were created through the partnership project between the Department and Tongaat Hulett Sugar Ltd in support of 286 small scale cane growers.
 - Although Number further employment opportunities were created through European





Union Funded Gijima KZN Local Competitiveness Fund (LCF), a new LCF scheme was launched in May 2010. As at December 2010, 1 project (out of 40) was awarded funding.

- A total of 399 people were trained through the LED Leadership course while 23 attended post graduate courses in LED and Leadership offered through the UKZN. Of those who attend the LED Leadership course it is expected that 30 will be accredited at NQF 4/5. Of those attending the customised Masters of Commerce (Leadership) an 80% pass rate was recorded in 2010, while a more than 60% pass rate was recorded for those attending the Post Graduate Diploma in LED.
- In terms of infrastructure development the Lamontville Multimedia Centre renovations were completed. For various reasons the construction of the Okhahlamba and uMlalazi Trading Centres stalled in the course of the year. It is expected that these would be completed in the 2011/12 financial year.
- In terms of outputs, a total of 15 feasibility studies, 15 LED implementation projects and 44 LED Planning projects were completed.

Analysis of constraints and measures planned to overcome them

Several constraints exist in the implementation of the Sub-programme. These include: the poor quality of written outputs produced by service providers; ineligible project related expenditure and weak systems for the collection and analysis of data for reporting. Poor quality written outputs and process outputs produced by service providers remain a challenge. This problem arises as a result of in cases a lack of skills of the service provider, a poor understanding of a project brief, and or poor active contract management by managers. With regard, to identifying poor quality outputs, internal systems of quality control have been implemented and need to be continuously improved. Greater attention will be paid to improving contract management through a more active collection of data and reporting systems.

Ineligible expenditure on projects arises either through intentional fraudulent claims or ignorance or poor understanding of contractual obligations of project beneficiaries or service providers. Learning from the past, three interventions will be made in the 2011/12 financial year. These include: introducing a project risk management function focused on the verification and audit of project related expenditure, training beneficiaries and our own staff on their contractual responsibilities and obligations, improving project monitoring systems. Although the Sub-programme has relatively good systems for the collection and analysis of data, these must be further improved in 2011/12. Specifically, project or contract managers will be required to report on both outputs and outcomes on a monthly basis. This information will be verified by the Sub-programme through the Deputy Manager: Planning as well as through the audit and verification provided through the M&E Sub-programme of the Department.

Description of planned quality improvement measures

In the 2011/12 financial year, the RLED Sub-programme will continue to improve its quality control systems as well as its monitoring and evaluation systems. Besides introducing a Project Risk Management function, further experiential learning by programme staff will enable more effective contract management.



Strategic Objective and Associated Annual Target

STRATEGIC OBJECTIVE: TO DEVELOP A PIPELINE OF SUSTAINABLE LED PROJECTS THAT ARE PARTNERSHIP-BASED AND LEVERAGE PUBLIC AND PRIVATE RESOURCES TO FUND THEM AS WELL AS BUILD THE CAPACITY OF MUNICIPALITIES AND OTHER LOCAL STAKEHOLDERS TO PLAN AND MANAGE LOCAL ECONOMIC DEVELOPMENT	SUSTAINABLE LED PR UNICIPALITIES AND C	ROJECTS THAT AH DTHER LOCAL ST	RE PARTNERSHIP. TAKEHOLDERSTC	DE SUSTAINABLE LED PROJECTS THAT ARE PARTNERSHIP-BASED AND LEVERAGE PUBLIC AND PRIVATE RESOURCES MUNICIPALITIES AND OTHER LOCAL STAKEHOLDERS TO PLAN AND MANAGE LOCAL ECONOMIC DEVELOPMENT	E PUBLICAND	PRIVATE RESOUR MIC DEVELOPME	CES TO FUND
	AUDITED/ACTUAL PERFORMANCE	FUAL PERFO	RMANCE	ESTIMATED	MEDIL	MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective: Facilitation of pro-poor inv	investment at local level	vel					
Number of partnership based LED projects implemented	£-	~	7	24	4	12	12
Number of sustainable local employment opportunities created	472	1946	500	500	272	300	300
Number of feasibility studies completed	19	16	33	30	0	10	10
Measureable Objective: To improve the alignment	nt of LED plans between provincial and local spheres	een provincial	and local spher	es			
Number of LED planning projects completed (includes all LED Planning and technical Assistance projects)	18	11	41	49	0	10	10
Measurable Objective: Improvement in the capacities of LED institutions and stakeholders	ties of LED institutio	ons and stakeh	olders				
Number of Capacity Building Interventions	0	3	2	2	2	Ţ	
Number of people trained	377	112	247	320	131	200	200

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO DEVELOP A PIPELINE OF SUSTAINABLE LED PROJECTS THAT ARE PARTNERSHIP-BASED AND LEVERAGE PUBLIC

AND MANAGE LOCAL ECONOMIC DEVELOPMENT	AND MANAGE LOCAL ECONOMIC DEVELOPMENT	DCAL ECONON	AIC DEVELOPM	ENT	QUARTERLY TARGETS	TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ιsτ	2 ND	3 RD	4 ^{тн}
Measurable Objective: Facilitation of pro-poor investment at local level	ment at local leve						
Irtnership based LED projects	Annually	llembe	2	2	0	0	0
Implemented		uThungulu	-	0	0	0	~
		uThukela	-	0	0	0	-
Number of sustainable local employment Biannually opportunities created	Biannually	All	272	0	55	0	217
Number of feasibility studies completed	Quarterly	All	0	0	0	0	0



3JECTIVE: TO DEVELOP A PIPELINE OF SUSTAINABLE LED PROJECTS THAT ARE PARTNERSHIP-BASED AND LEVERAGE PUBLIC	ESOURCES TO FUND THEM, AS WELL AS BUILD THE CAPACITY OF MUNICIPALITIES AND OTHER LOCAL STAKEHOLDERS TO PLAN	AND MANAGE LOCAL ECONOMIC DEVELOPMENT
STRATEGIC OBJECTIVE: TO	AND PRIVATE RESOURCES TO	

	AND MANAGE LOCAL ECONOMIC DEVELOPMENT	CAL ECONOI	<i>NIC DEVELOPM</i>	IENT			
	DINILaCada				QUARTERLY TARGETS	TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I ST	2 ND	3 RD	4тн
Measurable Objective: Improvement in the capacities of LED institutions and stakeholders	es of LED institutio	ns and stakeho	olders				
Number of Capacity Building Interventions implemented	Annually	IIA	N	N	0	0	0
Number of people trained	Biannually	AII	131	0	20	0	111
Measurable Objective: To improve the alignment of LED plans between provincial and local spheres for 61 local municipalities	f LED plans betwee	en provincial ar	id local spheres	for 61 local munic	cipalities		
Number of LED planning projects completed (includes all LED Planning and technical Assistance projects)	Quarterly	AII	0	0	0	0	0

5.3 Sub-programme 3: Economic Empowerment

Purpose

To create an enabling environment for the economic development and empowerment of the previously disadvantaged individuals and groups with specific focus on the priority groups such as women and youth.

Specific policies, priorities, and strategic objectives

and transformation of the country's economy. To fulfil its mandate and meet its strategic objective, the Sub-programme Codes of Good Practice provide. The objective of the Sub-programme is among others to ensure that Women and the Employment Equity Act Number 55 of 1998, and the B-BBEE Act Number 53 of 2003, as well as the recent B-BBEE Youth Entrepreneurs in both urban and rural areas contribute and benefit from the economic growth, development The Sub-programme derives its mandate from the Preferential Procurement Policy Framework Act Number 5 of 2000, continues to pursue the following priorities:

- Disseminating B-BBEE information and provide training on B-BBEE legislations, strategies and the codes of good practice.
 - Facilitating the implementation of B-BBEE strategy and policies in KZN.
 - Ensuring empowerment of women and youth in KZN.
- Facilitating access to resources by Women and Youth Entrepreneurs especially those from rural areas.
 - Facilitating access to identified market opportunities.
- Encouraging ownership and control of businesses by Women and Youth.
 - Facilitating entrepreneurial skills development.







- Facilitating access to identified market opportunities.
- Influencing government procurement to benefit BEE companies.
- Ensuring and monitoring compliance with BBBEE legislation and policies.
- Verifying and encouraging B-BBEE compliance in the province.
- Handling B-BBEE complaints in the province.

Progress analysis

In terms of progress made in the 2010/11 financial year the Sub-programme successfully dealt with complaints backlog relating to government departments' non-payment of suppliers, mediating between conflicting parties, and providing complaints advisory services to individual complainants. It further undertook BEE Verification of four KZN Government Departments, and 8 Public Entities. 5 B-BBEE Training Workshops were done, and the KZN Black Businesses Data Base was established. The component further facilitated the meeting of KZN B-BBEE Advisory Council and the uMyezane BEE Seminar. The Sub-programme also concluded a partnership agreement the ILO for training and empowerment of women in Tourism and Construction sectors. Another partnership agreement was concluded with South African Women in Construction and NAFCOC Women in Construction.

In the first quarter of the financial year, 250 Women attended a workshop on "Access to Finance", with 32 Women Entrepreneurs trained in Corporate Governance. In the second quarter 86 SAWIC members had a Breakfast workshop at the ICC in Durban, and 220 DEDT women attended women Conference. In the third quarter of 2010, 700 Women from both Women in Tourism (WIT) and NAFCOC Women attended further training workshops with WIT. In the forth quarter of the financial year, 70 Women entrepreneurs were trained.

Analysis of constraints and measures planned to overcome them

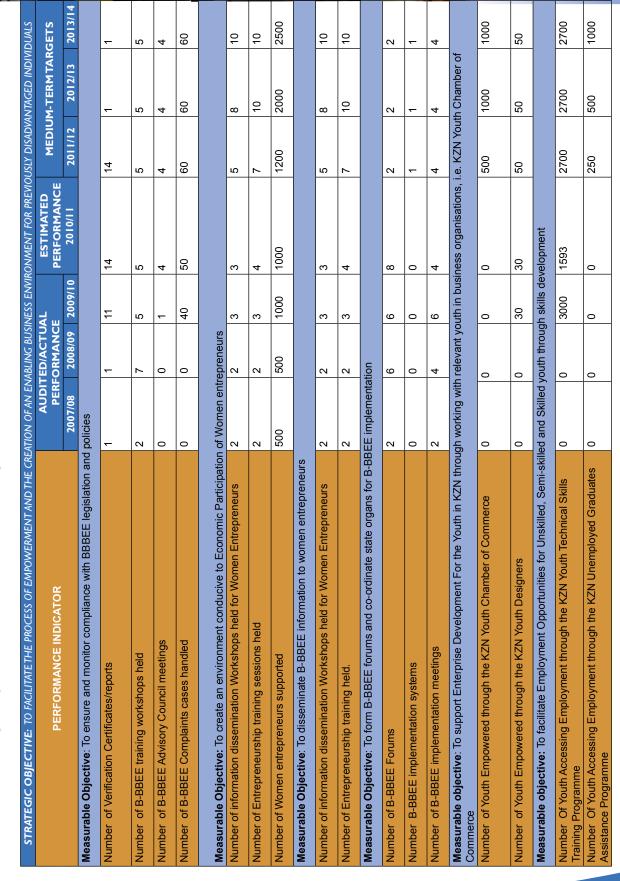
The component continued to encounter challenges around B-BBEE compliance. The continued lack of enforcement of the B-BBEE policy presents constraints in the successful implementation of the said legislation. The legislation is silent when it comes to action taken against non-compliance and transgression of the Act e.g. fronting. In the 2011/12 financial year, the programme will continue to engage the Council regarding key strategies to improve B-BBEE implementation in the province as well as the improvement of the Council operations.

Description of planned quality improvement measures

In an endeavour to encourage compliance the Department is currently in discussions with institutions that have the mandate of enforcing laws. In past financial year the Economic Empowerment Sub-programme was focusing more on the establishment of structures and systems. Now that the most of the required structures are now in place the focus will now be on strengthening these institutions and making sure that all stakeholders remain on board and work towards achieving the planned objective.



Strategic Objective and Associated Annual Targets











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	ALL A

Department of Economic Development and Tourism Umnyango Wezokuthuthukiswa Komnotho Nezokuvakasha

STRATEGIC OBJECTIVE: TO FACILITATE THE PROCESS OF EMPOWERMENT AND THE CREATION OF AN ENABLING BUSINESS ENVIRONMENT FOR PREVIOUSLY DISADVANTAGED INDIVIDUALS	ATION OF AN EN	IABLING BUSIN	VESS ENVIR	ONMENT FOR PREVIO	USLY DISADVA	NTAGED INDIVIE	
PERFORMANCE INDICATOR	AUDI PERF	AUDITED/ACTUAL PERFORMANCE	NL	ESTIMATED PERFORMANCE	MEDIUI	MEDIUM-TERM TARGETS	iETS
	2007/08	2008/09 2009/10	2009/10	2010/11	2011/12	2012/13 2013/14	2013/14
Measurable Objective: To facilitate Skills Development and training for the Unskilled, semi-skilled and skilled youth	emi-skilled and	l skilled yout	ے				
Number of Youth Trained through the KZN Youth Technical Skills Training Programme	0	0	3230	1770	3000	3000	3000
Number of Youth Trained through the KZN Unemployed Graduates Assistance Programme	0	0	0	0	500	1000	2000
Measurable Objective: To facilitate information dissemination and Capacity Building for the youth	· the youth						
Number Of youth Events Hosted	2	3	e	4	3	4	4
Number of youth reached and impacted	3000	3000	4000	6000	10 000	10 000	10 000

Quarterly targets for 2011/12

	REPORTING				QUARTERLY TARGETS	TARGETS	
PERFORMANCE INDICATOR	PERIOD		TARGET 2011/12	١st	2 ND	3 RD	4тн
Measurable: To ensure B-BBEE compliance with relevant legislations and strategies	evant legislations a	nd strategies					
Number of Verification Certificates/reports	Annually	all	14	0	0	0	14
Number of B-BBEE training workshops held	Quarterly	Total	5	0	2	2	-
		eThekwini	-	0	-	0	0
		Ugu	-	0	0	-	0
		uMzinyathi	~	0	-	0	0
		Amajuba	~	0	0	-	0
		uThungulu	-	0	0	0	-
Number of B-BBEE Advisory Council meetings	Quarterly	All	4	÷	.	÷	.
Number of B-BBEE Complaints cases handled	Quarterly	All	60	14	15	15	16









STRATEGIC OBJECTIVE: TO FACILITATE THE PROCESS OF EMPOWERMENT AND THE CREATION OF AN ENABLING BUSINESS ENVIRONMENT FOR PREVIOUSLY DISADVANTAGED INDIVIDUALS	SS OF EMPOWERMEN	UT AND THE CREATIC	DN OFAN ENABLING B ANNUAL	USINESS ENVIRONN	IENT FOR PREVIOUSLY DISADVAN OUARTERLY TARGETS	ily disadvantaged Targets	INDIVIDUALS
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	ST	2ND	3 RD	4 TH
Measurable Objective: To disseminate B-BBEE information to women entrepreneurs	ormation to women	entrepreneurs					
Number of information dissemination Workshops held for Women Entrepreneurs	Quarterly	Total	ß	-	-	7	-
		eThekwini	7	0	0	2	0
		uThungulu	-	0	-	0	0
		Ugu	~	0	o	0	~
		Sisonke	~	~	0	0	0
Number of Entrepreneurship training sessions held	Quarterly	Total	7	۲	2	2	2
		eThekwini	2	0	0	.	-
		uThungulu	2	0	1	1	0
		Ngu	2	0	1	0	1
		Sisonke	۲	τ .	o	o	0
Number of Women entrepreneurs supported	Quarterly	All	1200	300	300	300	300
Measurable Objective: To form B-BBEE forums and	d co-ordinate state organs for B-BBEE implementation	organs for B-BBEE	E implementation				
Number of BEE Implementation Team meetings	Quarterly	IIA	4	1	1	1	1
Number of B-BBEE forums	Quarterly	Zululand	1	0	1	0	0
		Sisonke	+	0	0	0	



Department of Economic
Development and Tourism
Umnyango Wezokuthuthukiswa
Komnotho Nezokuvakasha

STRATEGIC OBJECTIVE: TO FACILITATE THE PROCESS OF EMPOWERMENT AND THE CREATION OF AN ENABLING BUSINESS ENVIRONMENT FOR PREVIOUSLY DISADVANTAGED INDIVIDUALS	SS OF EMPOWERMEN	T AND THE CREATIC	ON OF AN ENABLING B	USINESS ENVIRONA	MENT FOR PREVIOUS	LY DISADVANTAGED	INDIVIDUALS
	REPORTING	STOLETSIG	ANNUAL		QUARTERLY TARGETS	TARGETS	
	PERIOD		TARGET 2011/12	ا st	2ND	3 RD	4 TH
Number of B-BBEE Implementation System	Annually	All	1	0	0	0	-
Measurable Objective: To facilitate information dissemination and Capacity Building for the youth	emination and Capa	acity Building for th	he youth				
Number of Youth Empowered through the KZN Youth Chamber of Commerce	Quarterly	All	200	50	50	50	50
Number of Youth Empowered through the KZN Youth Designers	Quarterly	All	50	10	15	15	10
Number Of Youth Accessing Employment through the KZN Youth Technical Skills Training Programme	Annually	All	2700	0	0	0	2700
Number Of Youth Accessing Employment through the KZN Unemployed Graduates Assistance Programme	Annually	AII	250	0	0	0	250
Number of Youth Trained through the KZN Youth Technical Skills Training Programme	Quarterly	All	3000	500	1000	1000	500
Number of Youth Trained through the KZN Unemployed Graduates Assistance Programme	Quarterly	All	500	100	150	150	100
Number Of youth Events Hosted	Quarterly	AII	3	2	0	1	0
Number of youth reached and impacted	Quarterly	AII	10000	0006	0	0	1000









R thousand	Audited Outcome	ome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	ו Estimates	
	2007/08	2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Current payments	38,349	114,795	130,992	200,800	172,800	207,047	212,185	224,466
Compensation of employees	13,237	25,421	32,127	41,866	41,866	44,782	47,308	49,910
Goods and services	25,112	89,374	98,865	158,934	130,934	162,265	164,877	174,556
Transfers and subsidies to:	735,142	200	100,059	280,000	280,000	284,300	289,500	305,423
Provinces and municipalities	0	200	0	0	0	0	0	0
Public corporations and private enterprises	735,142	0	100,000	280,000	280,000	284,300	289,500	305,423
Non-profit institutions	0	0	59	0	0	0	0	0
Payments for capital assets	2,168	2,410	254	500	500	585	551	581
Machinery and equipment	2,154	2,410	206	480	480	585	529	558
Software and other intangible assets	14	0	48	20	20	0	22	23
Total	775,659	117,905	231,305	481,300	453,300	491,932	502,236	530,470



6. PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

epartment of Economic evelopment and Tourism

The Trade and Industry Development programme provides customised support services to prioritised sectors of the provincial economy. The strategic objective is to transform the provincial economy, to ensure job creation and long term sustainable growth. The programme is made up of three Sub-programmes: Trade and Investment Promotion, Sector Development and Tourism Development Sub-programmes. The following table presents the structure of the programme and its aim or purpose, as well as its strategic goals and objectives.

PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT	SUB-PROGRAMMES
Aim/Purpose:	Sub-programme 1: Trade and Investment Promotion
To stimulate economic growth through trade and investment promotion, development of selected sectors, and industry development	
Strategic goals:To improve global competitiveness of priority	<i>Strategic Objective</i> : To facilitate the implementation of strategic programmes that will stimulate the competitiveness of priority sectors
 sectors and the industrial sector To promote the inflow of FDIs 	Sub-programme 3: Tourism Development Strategic Objective: The development and transformation of the tourism sector, and
	packaging of KZN as the destination of choice

6.1 Sub-programme 3: 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, logistics 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 White Paper on Transport Policy, the National Freight Logistics Strategy, the KZN White Paper on Freight Transport, and the Export Development and Promotion Strategy provide the policy context for the Sub-programme.



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

- Implementing an accelerated Trade Gateway programme that capitalises on the province's position as a province endowed with two of the nation's leading seaports
- Providing support to strengthen the international competitiveness of selected sectors
- Promoting investment in required infrastructure through strategic partnerships
- Improving access to trade

Progress analysis

This financial year saw the Trade Point creating market access and product exposure for an additional 203 SMME's mainly in the Reunion Island and the future the plan is to penetrate European markets. The rollout of the Trade Point model to other districts is also underway. In the Industrial upgrading programme, material and immaterial investments on the 20 SMME's diagnosed in the past financial year has been provided and Technical Support Institutions have been identified and upgraded. In the area of Logistics a provincial skills audit has been undertaken and a strategy for addressing the skills gap developed. The department is currently engaging tertiary institutions on the establishment of a Logistics Centre of Excellence. A pilot on the provision of logistics support to consolidation points in rural areas has been initiated in uMkhanyakude's Makhathini Flats.

Analysis of constraints and measures planned to overcome them

Experienced by Trade and Investment Sub-programme continue to face the following challenges:

- The recruitment of SMME's/businesses in other sectors other than craft and agribusiness
- Infrastructure is necessary to create efficiencies in freight transportation continues to be deficient, particularly in rural areas
- The level of transformation in the Logistics and Freight Transport industry remains inadequate, thwarting government's efforts to create opportunities for new entrants into the industry
- SMME's in the Logistics and Freight Transport industry continue to lack the skills to identify and exploit opportunities that exist in the industry
- There has been a general difficulty with respect to leveraging additional funding due to the economic recession

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will continue to intensify its efforts in:

- Engaging relevant departments and stakeholders on joint planning and implementation of strategic responses to the above challenges
- Increasing export awareness for SMME's.
- Providing relevant accredited training in consultation with THETA in the short to medium term, and through the Centre of Excellence in the long term.
- In working jointly with other departments such as DoT, Agriculture and Municipalities in addressing rural logistics challenges



Specification of Objectives, Performance Indicators and Targets

Strategic Objective and Associated Annual Targets

STRATEG	IC OBJECTIVE: T	O FACILITATE TRAD	F PROMOTION AN	STRATEGIC OBJECTIVE: TO FACILITATE TRADE PROMOTION AND TO ATTRACT INVESTMENT	TMENT			
		AUDITED/ACTUAL PERFORMANCE	DRMANCE	ESTIMATED		IEDIUM	MEDIUM-TERM TARGETS	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	NCE 2011/12	112	2012/13	2013/14
Measurable Objective: To promote the competitiveness of various industries and increase export potential	of various indust	tries and increase	export potential					
Number of SMMEs and emerging enterprises exporting due to the Trade Point Durban initiative	4	20	25	500	510		600	0
Number of overseas promotional agents/distributors engaged	~	~	-		0		0	0
Number of international trade exhibitions	2	4	5	8	0		0	0
Number of local exhibitions emerging enterprises participated in	-	2	4	e	0		0	0
Number of emerging enterprises participating in local exhibitions	12	39	148	196	0		0	0
Measurable Objective: Number of rural logistics infrastructure projects initiated/supported and successfully completed	ucture projects in	iitiated/supported	l and successfully	y completed				
Number of SMMEs benefiting from rural logistics infrastructure development projects	o	0	0	0	25		50	100
Value of logistics costs (% of current costs) saved as a result of supported logistics infrastructure projects	0	0	0	0	5%		10%	15%
Measurable Objective: Number of logistics skills develo	pment interventio	lopment interventions implemented						
Number of logistics skills programmes offered	0	0	0	0	2	-	4	6
Number of SMMEs who received and completed accredited training	0	0	0	0	25		100	200





Quarterly targets for 2011/12

S	TRATEGIC OBJECTI	VE: TO FACILITATE	RADE PROMOTION	AND TO ATTRACT	INVESTMENT		
	REPORTING		ANNUAL		QUARTERL	Y TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	1 st	2 nd	3 rd	4 th
Measurable Objective: To prom	ote the competitiver	ness of various inc	lustries and increas	se export poten	tial		
Number of SMMEs and emerging enterprises exporting due to the Trade Point Durban initiative	Quarterly	All	20	5	5	5	5
Number of overseas promotional agents/distributors engaged	Quarterly	eThekwini	5	1	2	1	1
Number of international trade exhibitions	Quarterly	All	14	2	5	2	5
Number of local exhibitions emerging enterprises participated in	Quarterly	All	6	2	2	1	1
Number of emerging enterprises participating in local exhibitions	Quarterly	All	220	45	55	60	60
Measurable Objective: Number	of rural logistics infr	astructure project	s initiated/supporte	d and successf	ully completed		
Number of SMMEs assisted	Biannually	llembe	25	0	0	10	15
Value (percentage) of logistics costs savings	Annually	llembe	5%	0	0	0	5%
Measurable Objective: Number	of logistics skills de	velopment interve	ntions implemente	d			
Number of learning programmes	Biannually	Province Wide	2	0	0	1	1
Number of certificated SMMES	Annually	Province Wide	25	0	0	0	25

6.2 Sub-programme 2: Sector Development

6.2.1 Component: Agribusiness

Purpose

The purpose of the Agribusiness unit is to provide customized support services to the agribusiness sector in the province, with a view to meeting its strategic objective, which is to strengthen the international competitiveness and position the sector as a key contributor to economic growth and development. The unit's activities consist in the main on facilitating and implementing strategies and agribusiness projects that improve the competitiveness of the sector as provided for in the PIDS and agroprocessing strategy.

Specific policies, priorities, and strategic objectives

In order to meet its strategic objectives, the Sub-programme intends to:

- Leverage resources through strategic partnerships, for implementing economic agribusiness projects
- Enable the retention and creation of sustainable quality jobs through productivity training, technology, and investments
- Facilitate the implementation of high strategic impact agribusiness projects that

stimulate the international competitiveness of the agribusiness sector

Progress analysis

epartment of Economic evelopment and Tourism

> Implementation of the Tembe Honey project where hundred (100) beekeepers have been established and were provided with start up inputs to become successful beekeepers: Implementation of goat commercialisation projects situated at Msinga, Ulundi and Mbhazwana. 40 goat farmers have benefited from this initiative. Together with its stakeholders, the unit has facilitated a training of about 100 agribusiness SMMEs on Export Readiness in support of the Dube Trade Port. The implementation of the cut-flower exporting projects has commenced with 4 agribusiness Co-operatives, with a total of about 20 people benefiting from the initiative.

Analysis of constraints and measures planned to overcome them

In pursuit of achieving our objectives, the Sub-programme has experienced the following challenges:

- Coordination and integration between stakeholders for the various projects and programmes still remains a challenge
- Lack of commitment and slow delivery from partners in the implementation of joint projects
- Gate keeping by established industry role players

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will continue to:

- Facilitate stakeholder fora and clusters to assist in addressing the challenges relating to co-ordination and integration
- Sign MOUs with partners prior to engagement
- Pursue collective objectives/ initiatives to the benefit of both emerging and established agribusinesses



Specification of Objectives, Performance Indicators and Targets

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO FACIL	ITATE THE IMPLEME	ENTATION OF ST	RATEGIC PROGR	AMMES THAT WILL STIML	ILATE THE COM	PETITIVENESS O	F PRIORITY
	AUDITED/AC	CTUAL PERF	ORMANCE	ESTIMATED	MEDIU	JM-TERM TAP	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: To impleme	ent interventions to	support the g	rowth of the ag	ribusiness and agro-pro	ocessing secto	r	
Number of industry clusters supported	2	2	1	0	2	3	4
Number of projects supported	5	5	5	5	13	15	15
Number of agribusiness entrepreneurs trained	100	100	100	390	180	200	200

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO FACILI	TATE THE IMPLEMEN	TATION OF STRATEG		HAT WILL STIMULATE	THE COMPETITIVEN	IESS OF PRIORITY
PERFORMANCE INDICATOR	REPORTING	ANNUAL		QUARTERI	LY TARGETS	
FERFORMANCE INDICATOR	PERIOD	TARGET 2011	I ^{s⊤}	2 ND	3 RD	4 ^{тн}
Measurable Objective: To implement	nt interventions to s	support the growth	of the agribusines	s and agro-proces	sing sector	
Number of industry clusters supported	Quarterly	2	0	0	0	2
Number of projects supported	Quarterly	13	0	0	0	13
Number of agribusiness entrepreneurs trained	Quarterly	180	0	60	60	60

6.2.2 Component: Automotives

Purpose

The purpose of this programme is to stimulate the automotives industry through the development of supplier parks

Specific policies, priorities, and strategic objectives

This programme is based on an understanding that economic growth and job creation in relation to the automotive industry. The focus on of this component is the positioning of the automotive sector as a core contributor to economic growth and development. The component considers objectives relating to the automotive sector in the Regional Industrial Development Strategy (RIDS), National Industrial Policy Framework (NIPF), Industrial Policy Action Plan (IPAP), Provincial Growth and Development Strategy (PGDS), and the Provincial Spatial Economic Development Strategy (PSEDS).

Progress analysis

The component has not achieved the desired results due to the fact that Number funding or resources were allocated to it for the 2010/11 financial year.



Analysis of constraints and measures planned to overcome them

The funding and resource constraints will be mitigated through the allocation of the required budget and the appointment of appropriate resources to execute the planned interventions.

Description of planned quality improvement measures

In the 2011/12 financial year, the establishment of a project office is planned for this component that will:

- Conduct a viability study for the establishment of an Auto Supplier Park and BEE Incubation Centre
- Train and provide accreditation to SMME's on Quality Management Systems

Strategic Objective and Associated Annual Targets

	AUDITE	D/ACTUAL PERF	ORMANCE	ESTIMATED	MED	IUM-TERM TARG	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Number of	interventions imp	lemented in Key Se	ectors				
Number of supplier development programmes completed	N/A	1	2	2	5	5	5
Completion of a Automotive Supplier Park master plan and business plan	N/A	0	0	1	1	0	0
The developement of a Automotive Supplier Park construction framework	N/A	0	0	0	1	0	0

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO	FACILITATE THE IMPL	EMENTATION OF STR	RATEGIC PROGRAMM	ES THAT WILL STIMU	ATE THE COMPETITI	VENESS OF PRIORITY	SECTORS
	REPORTING		ANNUAL		QUARTERL	Y TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I s⊥	2 ND	3 RD	4 ^{тн}
Measurable Objective: Number of i	nterventions impler	nented in Key secto	ors				
Number of supplier development programmes completed	Biannually	all	5	0	0	4	1
Completion of a Automotive Supplier Park master plan and business plan	Annually	eThekwini	1	0	0	1	0
The developement of a Automotive Supplier Park construction framework	Annually	eThekwini	1	0	0	0	1

6.2.2 Component: Chemicals

Purpose

The Chemicals sector has a central role to play in labour absorbing industrialization path with particular emphasis on tradable goods and services and economic linkages that catalyze employment creation. Furthermore the Chemicals sector is highly



integrated into almost all the other sectors of the economy and the basis of every manufacturing activity in South Africa. In order to achieve its strategic objective, the Chemicals programme looks to:

- Leverage resources through strategic partnerships, for implementing economic projects.
- Facilitates the retention and creation of sustainable quality jobs through productivity training, technology and investments.
- Supports the implementation of strategic high impact projects that stimulate the international competitiveness of industries within the sector.

Specific policies, priorities, and strategic objectives

The Chemicals sector is aligned with the national policy in terms of National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP); which is consistent with the Provincial Policy in terms of the PGDS and other relevant provincial policies. The chemicals sector has been prioritized as:

- One of the four major lead sectors identified in the Industrial Policy Action Plan(IPAP), which provides substance to the framework for implementation of NIPF.
- Where potential exist for sustainable growth, employment generation and the diversification and growth of exports;
- The sector that promotes the participation of Historically Disadvantaged Individuals(HDI) and marginalized regions in the mainstream of the industrial economy;
- A leading sector in respect or Research and Development (R&D)

Progress analysis

Number progress has been made is this sector as this sector has recently been introduced to the programme. In the 2011 financial year, the intention is to prioritise the undertaking of a feasibility study for the establishment of Chemical Industry Parks in the province.

Analysis of constraints and measures planned to overcome them

Some of the challenges experienced by the Chemical sector are:

- The hazardous nature of chemical production
- Stringent Environmental Impact Assessment(EIA) scrutiny which is costly and time consuming;
- A shortage of suitably qualified personnel capable of developing and implementing competitive fine chemical technologies and;
- Finance



evelopment and Tourism

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will commission a feasibility study on the establishment of Chemical Industry Parks to alleviate some of the processes to be followed prior to establishing a chemical plant as the EIA studies would have been carried out. Engagements are taking place with industry champions to continue the skills shortage within this sub-sector.

Specification of Objectives, Performance Indicators and Targets

		PRIORITY SE			мег	UM-TERM TAR	CETS
	AUDITED/ACT	UAL PERFORMA	NCE	ESTIMATED	MEL		GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
leasurable Objective: To develop programme	s to facilitate growth of	the Chemicals Sec	ctor				
			1		1	1	
Number of Clusters established	0	0	0	0	1	0	0

Strategic Objective and Associated Annual Targets

Quarterly targets for 2011/12

PERFORMANCE INDICATOR	REPORTING	DISTRICTS	ANNUAL		QUARTERL	Y TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I ST	2 ND	3 RD	4 TH
Measurable Objective: To develop program	nes to facilitate growth o	f the Chemicals S	ector				
Measurable Objective: To develop programme	nes to facilitate growth o	f the Chemicals S	ector				
Measurable Objective: To develop program	Annually	eThekwini,	ector	0	1	0	0
	-	1	1	0	1	0	0

6.2.3 Component: Clothing and Textiles

Purpose

The purpose of the Clothing and Textile component is to implement policies and programmes aimed at supporting and promoting the sector. The sector is supported through clusters.

Specific policies, priorities, and strategic objectives

Specific policies related to clothing and textiles include IPAP2, New Growth Path, Customised Sector Programme Policies (CSP's). The Clothing and Textile Subprogramme priorities comprise interventions along the value-chain such as industry clusters, fashion and design interventions, capacity building and skills development initiatives.



Progress analysis

In terms of progress for the 2010/11 Financial Year the following was achieved:

KZN Fashion Council

- Postgraduate Certificate in Fashion Entrepreneurship in collaboration with the University of KwaZulu-Natal Business School
- Three designers fused with crafters showcased their designs during SA Fashion Week summer collection show

KZN Clothing and Textile Cluster

- 20 benchmarks were undertaken
- 20 local benchmark presentations and 14 international benchmarks were undertaken
- 4 Executive World Class Manufacturing (WCM) training sessions were held

MSC: Textile Technology

- 8 MSC Textile students graduated from Technical University of Liberec
- 7 MSC Textile Students currently in second year of studies whilst 12 MSC: Textile students have been enrolled in first year of studies.

Analysis of constraints and measures planned to overcome them

Constraints

- Delays in implementing projects due to partnership arrangements.
- Unclear definition of roles and responsibilities within the various units within the department hampers service delivery

Mitigation Measures

- Timeous submission of SLA's and MOU's including swift turn-around times for signing by principals
- Clear definition of roles and responsibilities within the various units within the department

Description of planned quality improvement measures

In the 2011/12 financial year, the programme will continue to support the sector through the clusters and skills development. Sector specialist forums will be strengthened in order to improve communication and partner with both private sector and Public.



Strategic Objective and Associated Annual Targets

	AUDITED/	ACTUAL PERF	ORMANCE	ESTIMATED	MED	IUM-TERM TARG	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Number of strat	egic sector prog	grammes implem	ented				·
Number of clusters supported	1	1	2	2	2	2	2
Number of industry skills development programmes	0	3	3	2	3	1	1
Measurable Objective: Number of skills	s development	programmes imp	lemented			·	
Number of MSC: Textile beneficiaries supported	0	8	12	19	19	0	0
Number of Continuous Professions Development programme beneficiaries	0	0	50	22	28	0	0

Quarterly targets for 2011/12

STRATEGIC OBJECTIV	E: TO FACILITATE THE IMPLEME	ENTATION OF STRAT	EGIC PROGRAMMES THAT	WILL STIMULATE TH	E COMPETITIVENES	S OF PRIORITY SEC	CTORS
PERFORMANCE INDICATOR	REPORTING PERIOD	DISTRICTS	ANNUAL		QUARTERLYT	ARGETS	
PERFORMANCE INDICATOR	REPORTING PERIOD	DISTRICTS	TARGET 2011/12	I ST	2 ND	3 RD	4 ^{тн}
Measurable Objective: Number	er of strategic sector program	mmes implemente	d				
Number of clusters supported	Annually	all	2	2	0	0	0
Number of industry skills development programmes	Quarterly	all	3	1	1	1	0
Measurable Objective: Number	r of skills development prog	grammes impleme	nted				
Number of MSC: Textile beneficiaries supported	Annually	All	19	0	19	0	0
Number of Continuous Professions Development programme beneficiaries	Annually	All	28	0	28	0	0

6.2.4 Component: Creative Industries

Purpose

To promote and support the development of the Creative Industries (Arts and Craft, Indigenous Music and Film) in KwaZulu-Natal

Specific policies, priorities, and strategic objectives

Specific policies linked to the strategic Sub-programme are NIPF, IPAP2, CSP for Creative Industries and in KZN KwaZulu-Natal Industrial Development Strategy (KIDS), PSEDS, as well as MAPPPSETA.



Progress analysis

In terms of progress for the 2010/11 Financial Year the following achievements were made:

- One Village One Product (OVOP) trained 60 crafters in two villages i.e. Ilembe and uMgungundlovu with products ranging from lamp-shades and home baskets to office accessories
- R2.3 million worth of sales and orders secured by crafters during the 2010 FIFA World Cup
- 90 crafters mentored in craft production and enterprise development across the province
- 37 musicians recorded and CD's were distributed to various distribution agencies through the KZN Music House;

Analysis of constraints and measures planned to overcome them

Limited resources were available for project implementation has resulted in partial implementation of projects

Description of planned quality improvement measures

The intention has been to leverage resources from bodies/institutions with the same objectives in mind.

Specification of Objectives, Performance Indicators and Targets

	AUDITI	D/ACTUAL PERFO	DRMANCE	ESTIMATED	ME	DIUM-TERM TA	RGETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: To implement strat	egies to suppo	t the development of	the KZN Arts an	d Craft Sector	•	-	-
Number of OVOP initiated and supported	0	0	0	2	6	3	11
Number of crafters exposed to markets	200	200	200	400	400	400	400
Number of integrated hubs established	0	0	1	2	2	2	2
Measurable Objective: To develop and pro	omote the KZN	indigenous music ind	lustry	1		-1	
Number of film offices established	0	0	0	1	1	1	1
Number of film festivals staged	3	3	3	2	2	2	2
Measurable Objective: To develop and pro	omote the KZN	indigenous music ind	lustry	•		-1	-1
Number of musicians recorded	0	4	12	24	24	24	24
Number of musicians mobilized for sluter	0	50	0	200	200	200	300
Number of integrated Music hubs	0	0	0	1	0	0	0

Strategic Objective and Associated Annual Targets



Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO FA	CILITATE THE IMPLE		TEGIC PROGRAMME ECTORS	ES THAT WILL STI.	MULATE THE COM	1PETITIVENESS	OF PRIORITY
	REPORTING		ANNUAL		QUARTERL	Y TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{тн}
Measurable Objective: To imple	ment strategies to	support the develop	oment of the KZN	Art and Crafts	Sector		
Number of OVOP initiated and	Annually	Total	6	0	0	0	6
supported		Amajuba	1	0	0	0	1
		uThungulu	1	0	0	0	1
		uThukela	1	0	0	0	1
		uMzinyathi	1	0	0	0	1
		uMkhanyakude	1	0	0	0	1
		Zululand	1	0	0	0	1
Number of crafters exposed to markets	Quarterly	All	400	100	100	100	100
Number of Integrated Hubs established	Annually	uThungulu	1	0	0	0	1
		Sisonke	1	0	0	0	1
Measurable Objective: To devel	lop and promote th	e KZN indigenous r	nusic industry				
Number of film offices established	Annually	eThekwini	1	0	0	0	1
Number of film festivals staged	Quarterly	eThekwini	2	0	1	0	1
Measurable Objective: To devel	lop and promote K	ZN indigenous mus	ic industry		· ·	·	÷
Number of musicians recorded	Quarterly	all	24	6	6	6	6
Number of musicians mobilized for cluster	Quarterly	all	200	50	50	50	50
Number of Integrated Music Hubs established	Annually	Ladysmith	0	0	0	0	0

6.2.5 Component: ICTE and BPO

Purpose

To facilitate the growth of the ICTe and BPO sector with regard to competitiveness by developing and implementing appropriate strategies.

Specific policies, priorities, and strategic objectives

The ICTe sector formulates and implements strategies that are within the framework of the NIPF and Information Society and Provincial BPO strategy. Priorities are to roll out a comprehensive broadband programme to provide access to previously marginalized communities that will bridge the digital divide. The province also concentrates its efforts on facilitating the creation on a flourishing technological innovation landscape. The Sub-programme aims to grow the industry by 8% and reduce poverty.



Progress analysis

In terms of progress for the 2010/11 financial year the following achievements were made: A new Software Engineering Centre was established in Pietermaritzburg at the Imbali campus of DUT. Students from Pietermaritzburg in the areas of Edendale and surrounding areas are now afforded the opportunity to learn software engineering skills. In the 2010/11 financial year three hundred students completed their skills development programme in Software Engineering at the Software Engineering centres established by the department in uThungulu, Amajuba, eThekwini and Ugu. A further five hundred students commenced Software Engineering training in the 2010/11 financial year at these Software Engineering Centres established by the department. Twelve digital community hubs were established in KZN in the areas of Chesterville, Hammarsdale, Umsumbe, Mandini, Ladysmith, Vryheid, Chatsworth, Edendale, KwaMashu and Maphumulo. New ICT SMMEs called 'infropreneurs' received specialised training on how to manage and run these digital community hubs.

Analysis of constraints and measures planned to overcome them

Just like in the rest of the real economy, measures to support all sectors were hampered by the sudden emergence of a recession. In all our attempts to minimize sectoral challenges, we had to confront diverging approaches on how best to soften the blow for the KwaZulu-Natal province, ranging from a call for immediate stimulus funding, to calls for extending short-term aid that can be dispensed quickly to mitigate against the impact of the crisis.

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will continue to the ICTe sector that is intimately linked to the Business Processing and Outsourcing (BPO) sector which is touted as a key contributor to the global economic growth in modern times. The department is also taking this claim seriously and this is demonstrated through the establishment of a call centre in Newcastle with 20 seats that will provide jobs for 48 agents with a prospect of growth to 120 seats and providing 200 jobs as the economy turns around.



Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO FACILITATE THE IN	IPLEMENTATION C	DF STRATEGIC PROGR	AMMES THAT WILL S	ITE THE IMPLEMENTATION OF STRATEGIC PROGRAMMES THAT WILL STIMULATE THE COMPETITIVENESS OF PRIORITY SECTORS	SS OF PRIORITY SECTO	ORS	
		AUDITED/ACTUAL PERFORMANCE	RMANCE	ESTIMATED	MEDIUI	MEDIUM-TERM TARGETS	
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: To facilitate the formation of strategic industry partnerships	artnerships						
Number of ICTe sub-clusters formed	0	e	-	-	-	-	-
Number of international engagements	0	-	-	e	2	2	2
Number of cluster forum workshops	+	2	з	2	2	7	-
Measurable Objective: To promote SMME & BEE							
Number of new ICTe incubators established	-	0	0	0	-	-	-
Measurable Objective: To enable job creation					-	_	
Number of incubator /technology park/software feasibility studies completed	0	0	0	-	-	-	-
Number of software engineering centres/ICT Manufacturing plants established	0	0	ĸ	~	-	-	-
Measurable Objective: To facilitate the implementation of high impact projects	rojects						
Number of high impact projects facilitated	e	4	8	3	3	e	e
Number of broadband workshops held	2	-	e	e	2	2	2
Number of digital community hubs established	0	0	-	12	10	10	10
Measurable Objective: To facilitate skills development							
Number of infopreneurs personnel trained	0	0	0	12	10	10	10
Number of Software Engineers trained	0	0	0	375	200	200	200
Measurable Objective: To promote technology innovation							
Number of Technology Roadmaps formulated.	-	2	3	-	0	2	-
Measurable Objective: To develop and implement programmes to facilitate	tate growth of th	growth of the KZN BPO sector					
Number of BPO Training Centres established	0	0	3	-	0	2	-
Number of BPO provincial strategies developed	0	£	0	0	0	0	0
Number of BPO agents trained	1000	0	0	200	250	250	250
Number of BPO Management Training Programs	0	0	0	0	-	.	7
Number of BPO Park Feasibility Studies completed	0	0	0	0	-	0	0



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Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO FACILITATET	TATE THE IMPLEMEN	HE IMPLEMENTATION OF STRATEGIC PROGRAMMESTHAT WILL STIMULATETHE COMPETITIVENESS OF PRIORITY SECTORS	PROGRAMMES THAI		IE COMPETITIVENESS	OF PRIORITY SECTO	JRS
	DILIQUE		ANNUAL		QUARTERLY TARGETS	I TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	اءت	2ND	αuΣ	4 ^{тн}
Measurable Objective: To facilitate the formation of strategic industry partnerships	of strategic industr	ry partnerships					
Number of ICTe sub-clusters formed	Annually	eThekwini and uMgungundlovu	~		0	o	o
Number of international engagements	Biannually	N/A	2	÷	-	0	0
Number of cluster forum workshops	Biannually	all	2	÷	~	0	0
Measurable Objective: To promote SMME & BEE							
Number of new ICTe incubators established	Annually	Ugu	1	0	0	0	F
Measurable Objective: To enable job creation							
Number of incubator /technology park/software Annu feasibility studies completed	Annually	all	-	0	0	0	F
Number of software engineering centres/ICT Manufacturing plants established	Annually	nMgungundlovu	+	0	0	0	7











STRATEGIC OBJECTIVE: TO FACILITATE THE IMPLEMENTATION OF STRATEGIC PROGRAMMES THAT WILL STIMULATE THE COMPETITIVENESS OF PRIORITY SECTORS	TATE THE IMPLEMEN	ITATION OF STRATEGIC	PROGRAMMES THA	TWILL STIMULATE TH	HE COMPETITIVENES	S OF PRIORITY SECT	ORS
	BEPORTING				QUARTERL	QUARTERLY TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I ST	2ND	3rD	4 TH
Measurable Objective: To facilitate the implementation of high impact projects	intation of high imp	act projects					
Number of high impact projects facilitated	Quarterly	All	с	0	-	-	~
Number of broadband workshops held	Biannually	AI	2	-	-	0	0
Number of digital community hubs established	Biannually	Total	10	0	0	5	5
		Umzinyathi	2	0	0	2	0
		Zululand	3	0	0	0	e
		Umkhanyakude	F	0	0	0	-
		Uthungulu	-	0	0	-	-
		Sisonke	2	0	0	2	0
Number of infopreneurs personnel trained	Annually	Total	10	0	0	10	0
		uMzinyathi	-	0	0	-	0
		Zululand	-	0	0	-	0
		uMkhanyakude	-	0	0	-	0
		uThungulu	Ŧ	0	0	-	0
		Sisonke	-	0	0	-	0
		uMzinyathi	-	0	0	-	0
		Zululand	-	0	0	-	0
		uMkhanyakude	-	0	0	-	0
		uThungulu	Ŧ	0	0	-	0
		Sisonke	t	0	0	-	0
Number of Software Engineers trained	Biannually	Total	200	0	0	20	20
		eThekwini	40	0	0	20	20
		Ngu	40	0	0	20	20
		nMgungundlovu	40	0	0	20	20
		uThungulu	40	0	0	20	20
		Amajuba	40	0	0	20	20









STRATEGIC OBJECTIVE: TO FACILIT	TATE THE IMPLEMEN	ATETHE IMPLEMENTATION OF STRATEGIC PROGRAMMESTHAT WILL STIMULATETHE COMPETITIVENESS OF PRIORITY SECTORS	PROGRAMMES THA	TWILL STIMULATE TH	HE COMPETITIVENESS	OF PRIORITY SECTO	DRS
	REPORTING				QUARTERLY TARGETS	I TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	αu£	4 ^{тн}
Measurable Objective: To promote technology innovation							
Number of Technology Roadmaps/ Provincial Strategies formulated.	Annually	all	1	1	0	0	0
Measurable Objective: To develop and implement programmes to facilitate growth of the KZN							
Number of BPO agents trained.	Biannually	nvolbnugnugMu	100	50	50	0	0
		eThekwini	100	50	50	0	0
		uThungulu	50	0	50	0	0
Number of BPO Management Training Programs	Annually	eThekwini	-	0	~	0	0
Number of BPO Park Feasibility Studies completed	Annually	eThekwini	-	0	0	0	-



6.2.6 Component: Wood and Wood Products

Purpose

epartment of Economic evelopment and Tourism

The Wood and Wood Products component provides customised support services to KwaZulu-Natal's emerging timber growers and furniture manufactures to enable them to be globally competitive and contribute to KwaZulu-Natal's Economy. The strategic objective is to transform the provincial economy, to ensure job creation and long term sustainable growth.

Specific policies, priorities, and strategic objectives

This programme is based on an understanding that economic growth and job creation has to be based on a sound macro economic framework and prudent fiscal discipline. The national economic policy framework, including both trade and industrial policies continues to inform provincial priorities and sectoral priorities. The component considers objectives set by the Regional Industrial Development Strategy (RIDS), National Industrial Policy Framework (NIPF), Industrial Policy Action Plan (IPAP), Provincial Growth and Development Strategy (PGDS), and the Provincial Spatial Economic Development Strategy (PSEDS) in relation to wood and wood products.

Progress analysis

During the 2010/11 financial year the Wood and Wood Products Component focused largely on implementation of the KwaZulu-Natal Wood Processing Sector Strategy (KZNWPSS). It has also registered the KwaZulu-Natal Forestry Cluster which intends to benefit more than 150 emerging forestry businesses.



Analysis of constraints and measures planned to overcome them

One of the major challenges that the component experienced last financial year was securing of funding to pursue other niche projects which have a potential of contributing massively to KwaZulu-Natal's economy. The lack of active participation from stakeholders delays implementation of projects.

Description of planned quality improvement measures

The intention has been to secure joint funding from industry and national government. Another improvement measure will to engage more stakeholders to be co-partners in the implementation of the KwaZulu-Natal Wood Processing Sector Strategy in order to yield better results in the implementation of the project.

Specification of measurable objectives and performance measures or indicators, and performance targets

	AUDITED	ACTUAL PERFC	RMANCE	ESTIMATED	MED	UM-TERM TARG	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Implement com	ipetitiveness progra	petitiveness programmes/projects for wood and wood products by 2014		oducts by 2014			
Number of cluster development programmes implemented	N/A	N/A	1	1	0	0	0
Number of projects implemented projects for Wood and Wood Products	N/A	N/A	2	2	3	4	4
Number of business plans completed	N/A	N/A	2	2	0	0	0
Number of furniture manufacturers trained	N/A	N/A	0	20	0	0	0

Strategic Objective and Associated Annual Targets

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO	FACILITATE THE IMPLEA	MENTATION OF ST	RATEGIC PROGRAI SECTORS	MMES THAT WILL	STIMULATE THE O	COMPETITIVENESS	OF PRIORITY
	REPORTING		ANNUAL		QUARTER	LY TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 ^{тн}
Measurable Objective: Implem	ent competitiveness	programmes/pro	ojects for wood a	ind wood produ	cts by 2014		
Number of cluster development programmes implemented	Annually	All	0	0	0	0	0
Number of projects implemented projects for Wood	Quarterly	Total	3	1	1	1	0
and Wood Products	Annually	Sisonke	1	0	1	0	0
	Biannually	Ugu	1	1	0	0	0
	Annually	uThungulu	1	0	0	1	0
Number of business plans completed	Quarterly	All	0	0	0	0	0
Number of furniture manufacturers trained	Quarterly	All	0	0	0	0	0



6.2.7 Component: KwaZulu-Natal Tooling Initiative

Purpose

evelopment and Tourism

The KwaZulu-Natal Tooling Initiative (KZNTI) is a Public-Private Partnership between the Department of Economic Development and Tourism (DEDT) and industry represented by the Tool-making Association of South Africa (TASA): KZN. The SA Tool making industry experienced a loss in skills and expertise over the last 20 years. This initiative is aimed at revitalizing this industry in terms of skills, technology, transformation and competitiveness.

Specific policies, priorities, and strategic objectives

The KZNTI is linked to the National Tooling Initiative (NTI) and as such aligns to the programmes of the national structure. However using this as the broad guideline we have aimed at alignment towards the regional priority sectors as would be defined in the Regional Industrial Development Strategy (RIDS). The NTI is also a programme that is contained within IPAP 2 and therefore the strategic objectives and priorities of the KZNTI are based on the IPAP objectives for this sub sector.





COMPONENT: KWAZULU-NATAL TOOLING INITIATIVE	COMPONENT FOCUS AREAS
Aim/ purpose:	Focus Area 1: Skills Development
To revitalize the tool making industry in the province as key service industry to the manufacturing industry.	<i>Strategic Objective:</i> To deliver skills and expertise into industry that are relevant to industry needs with short, medium and long-term objectives
Strategic goals :	Focus Area 2: Technology Recapitalization
 Skills and expertise development Technology recapitalization SMME capacity expansion Competitiveness improvement and export development BBBEE structuring 	Strategic Objective: To facilitate the process of technology recapitalization based on results from benchmarking of companies and to encourage the use of centres of excellence for smaller companies Focus Area 3: SMME capacity expansion Strategic Objective: To identify companies that can exist within a cluster to aid with capacity and knowledge sharing, identify areas where capacity does not exist and aid the introduction of new SMME entrants Focus Area 4: Competitiveness improvement and export development Strategic Objective: To introduce the management and quality systems into tool rooms that will lend themselves towards World Class Manufacturing (WCM) and to link tool rooms to international partners Focus Area 5: BBBEE structuring Strategic Objective: To introduce BEE entrants to the tool making industry either via partnerships or within a cluster group

Progress analysis

In terms of progress for the 2010/11 Financial Year the following achievements were made:

- Benchmarking 25 companies
- Short course curriculum development for industry relevant courses
- Development of three cluster groups
- Employment of a project manager for industry support
- Development of a pilot programme for Quality Management Systems

Analysis of constraints and measures planned to overcome them

Our current constraints relate to funding to implement the technology requirements. In order to compete with China, India and Europe we need to use cutting edge technology that will provide us with the edge in terms of lead time and quality. Also in terms of skills to operate this equipment, we would need to fast track the process or import certain critical skills.

In terms of identifying measures to overcome these constraints, the following have been identified:

- We have engaged with UNIDO and DST to benchmark companies and then identify their technology needs for their niche markets
- DST will determine the viability of Technology Assistance Packages for these companies based on the results of the benchmarking
- We have also engaged with the DTI to understand the grants and funding available to fund technology or infrastructure development
- The IDC has also been identified for potential funding
- The Institute for Advanced Tooling has been approached for joint co-operation to aid with training and development issues
- We are also undertaking a study trip to India to indentify the potential in the institutes that provide training for tool making via the Indian government. This was an offer from the Indian Consulate General

Description of planned quality improvement measures

We will be facilitating a course for tool making companies to introduce Quality Management Systems to them. The course will cover the following areas:

• Kaizen

epartment of Economic evelopment and Tourism

- Waste management
- Problem Solving



Specification of Objectives, Performance Indicators and Targets

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO				1			
	AUDITE	D/ACTUAL PERF	ORMANCE	ESTIMATED	MED	IUM-TERM TARG	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Apprentices i	into tool making i	ndustry					
Number of courses developed	N/A	N/A	N/A	1	5	3	1
Number of students trade tested	N/A	N/A	N/A	3	15	25	35
Number of students completing programme successfully	N/A	N/A	N/A	8	25	50	75
Measurable Objective: Centre of exe	cellence for tool n	naking industry		•			
Number of centre introduced	N/A	N/A	N/A	0	1	1	14
Number of companies using the centre	N/A	N/A	N/A	0	10	15	25
Jobs created at centre of excellence	N/A	N/A	N/A	8	5	7	12

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: TO	FACILITATE THE IMPLEME	NTATION OF STRATE	EGIC PROGRAMMES TH	AT WILL STIMULATE	THE COMPETITIVEN	ESS OF PRIORITY	SECTORS
PERFORMANCE INDICATOR	REPORTING	DISTRICTS	ANNUAL		QUARTERLY	TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	I s⊥	2 ND	3 RD	4 ^{тн}
Measurable Objective: Skills into to	ol making industry						
Number of courses developed	Biannually	All	5	3	2	0	0
Number of students trade tested	Quarterly	All	15	0	5	5	5
Number Of students completing programme successfully	Annually	All	25	0	0	0	25
Measurable Objective: Centre of ex	cellence for tool making	industry					
Number of centre's introduced	Annually	All	1	0	0	1	0
Number of companies using the centre	Biannually	All	10	0	0	5	5
Jobs created at the centre of excellence	Annually	All	5	0	0	5	0



6.3 Sub-programme 3: Tourism Development

Purpose

epartment of Economic evelopment and Tourism

Over the past two decades, tourism has emerged as fast growing and valuable non-traditional, tradable services sector. It is an important driver of both domestic consumer spending and foreign exchange earnings, underpinned by a sustainable resource base, labour intensive and relatively low barriers to entry for emerging entrepreneurs. 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. Tourism is a demand driven sector where nature, volume and value of demand determine investment opportunities therefore it is important that the demand is grown to achieve economic growth and job creation. The purpose of this Sub-programme is thus to provide guidance, support and direction in terms of policies, legislation and strategies aimed at promoting tourism to benefit the majority of KwaZulu-Natal.

Specific policies, priorities, and strategic objectives

The province derives its tourism mandate from the Constitution of the Republic of South Africa, Act Number 108 of 1996 which stipulates that the tourism function is a concurrent function between the national sphere and the province. Relevant Acts and policies are:

- Constitution of the Republic of South Africa (Act Number 108 of 1996)
- Tourism Act, Number 72 of 1993
- KwaZulu-Natal Tourism Act Number 11 of 1996 as amended in 2002
- Broad Based Black Empowerment Act (Act Number 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:

- Provincial Spatial Economic Development Strategy (PSEDS)
- National Tourism Sector Strategy (Draft)
- Strategy on the Professionalization of Tourist Guides;
- Destination Global Competitiveness Final Report;
- Industrial Policy Action Plan (IPAP)
- Service Excellence Strategy
- National and Provincial Tourism White Paper on the Development and Promotion of Tourism in the Country

After having considered all available strategies, provincial Cabinet Lekgotla Resolutions and directives, the Sub-programme will, over the next financial year focus mainly on the following areas:

Finalisation and implementation of the Provincial Tourism Master Plan, Tourism Act, Transformation Plan and Framework/Guidelines on responsible Tourism;





- Implementation of the Global Competitiveness Study recommendations particularly with respect to product development and tourism information dissemination campaigns;
- Implementation of the National Tourism Sector Strategy with emphasis on service excellence, rural development, tourism sector code.
- Establish and strengthen partnerships with Agencies like Ezemvelo KZN Wildlife and others to improve community beneficiation;
- Develop and implement programmes aimed at capacitating local government as it has been discovered that in some municipalities there are few dedicated tourism personnel coupled with limited experience and in some instances with Number budget for tourism
- Review of tourism legislation and policies
- Identification and development of niche markets particularly in rural areas as per the recommendations of IPAP

Progress analysis

Over the past few years Tourism Development has offered various programmes including but not limited to tourism mentorship which has seen more than 45 small business enterprises being partnered with well established businesses. As part of the transformation drive about 60 tourists guides have either upgraded their skills and knowledge or entered the profession through tourist guide development programme, a partnership that was fostered with eight Further Education and Training Institutions (FET) with a view to provide tourism and hospitality skills training programme to more 270 employees of the B&B's, guesthouses and other emerging enterprises.

As part of strengthening the collaboration and engagements between the private and public sector, various structures have been established which include the Tourism Business Forum (TBF) and Destination Global Competitiveness Steering Committee aimed at ensuring that the province becomes globally competitive when compared with other destinations as well as ensuring that there are coordinated efforts on issues of tourism development. The Provincial Tourism Committee (PTC) chaired by the MEC has played a significant role in ensuring the dissemination of information to relevant public sector stakeholders as well as being the vibrant engagement forum on issues relating to tourism policies and strategies. This includes engaging on strategies concerning investment facilitation and discussing the establishment of community tourism organisations and association aimed at ensuring that rural communities participate and benefit from tourism development in their areas.

The past financial year has seen the Sub-programme leading a collaborative effort between various stakeholders to provide the most needed support to municipalities in the likes of information sharing workshops which targeted employees and councillors dealing with tourism function; development of tourism strategies and the establishment of District and Local Tourism Forums aimed at supporting municipalities to deliver on their mandate. This included supported given to Umhlabuyalingana and Jozini Local Municipalities whereby they were assisted through the development of their Tourism Sector strategies aimed at ensuring the both municipalities are able to plan for tourism development in their areas which has the potential to grow.

Constraints and measures planned to overcome them

Tourism is a complex and multifaceted industry that requires partnerships among a number of



role players. The industry therefore needs an integrated approach that is based on a proper enabling legislation and guiding strategies. The Sub-programme has identified a number of constraints that need urgent attention. These constraints are due to the fact that:

- Tourism development is presently solely driven by private sector with government playing in some instances minimal and uncoordinated role even between government levels. The development of the Provincial Tourism Master Plan will hopefully address these challenges as the intention is that all tourism planning and development will be coordinated and properly managed;
- There is a low level of knowledge on potential opportunities for the SMME sector. The integrated approach in working with other departments and the private sector will assist in identifying and unlocking potential opportunities through programmes like mentorship.
- The dissemination of tourism information to interest groups is also a challenge; however, tourism awareness programmes have been incorporated in the plans for the next two years and these workshops have proven to address the challenge and they are in great demand.
- Funding for product development including community-based projects remains a huge challenge. There is a need to leverage funding within the department and from various funding agencies and other sector departments. There are plans to work closely with the National Department of Tourism (NDT) to leverage from the newly established Tourism Fund.
- Safety of tourists is one of the provincial challenges. Workshops on safety awareness will be intensified as part of the implementation of the provincial tourism safety awareness strategy.
- The delay in filling vacant posts within the Sub-programme impacts negatively on service delivery.

Planned quality improvement measures

The Sub-programme will ensure that tourism activities are conducted professionally, effectively and efficiently through alignment of National, Provincial and Local Plans. The alignment between the Sub-programmes and other sector departments will also be ensured to leverage and streamline programmes geared towards tourism development. In addition to this, the following quality improvement measures will be undertaken:

- As part of measures to drive transformation in the industry, the Sub-programme will work collaboratively with our BBBEE Sub-programme to develop and implement programmes aimed at contributing more to previously disadvantaged groups acquiring bigger stakes within the sector.
- Work closely with the Legal Services unit to finalise the Tourism Act although this process is depended on the national process
- The sector is presently prioritising responsible tourism hence the need for the development of Responsible Tourism Guidelines for the province.





- Collaborate with key industry role-players and provide the necessary inputs to national strategies and legislation of the like of National Tourism Sector Strategy (NTSS) and National Tourism Act etc.
- The focus will be on community beneficiation out of community based products hence an agreement has been signed with Ezemvelo KZN Wildlife to ensure that this objective is achieved.
- The Sub-programme has been providing bursaries to students studying tourism at a tertiary level but this has been discontinued and replaced with a Graduate Development Programme aimed at offering experiential training to students who have completed their studies but lacks experience. Those students who are unable to graduate because they have to undergo in-service training will receive a stipend for the duration of their training and placement.

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: THE DEVELOPME	NT AND TRANS	FORMATION OF 1	THE TOURISM SE	ctor, and packagi	VT AND TRANSFORMATION OF THE TOURISM SECTOR, AND PACKAGING OF KZN AS THE DESTINATION OF CHOICE	ESTINATION OF CH	HOICE
		AUDITED/ACTUAL PERFORMANCE	ORMANCE	ESTIMATED		MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	CE 2011/12	2012/13	2013/14
Measurable Objective: To create conducive con	ditions for sus	stainable growth	ditions for sustainable growth and development	ent	-		
Number of targeted public and private sector engagements to promote, prioritise and grow tourism	N/A	A/N	14	16	~	16 16	16
Number of Provincial Tourism Committee meetings held to improve intergovernmental relations	4	4	e	2 I		4	4
Number of Global Competitiveness Programme meetings held to improve the provinces' competitiveness	0	0	4	4		4	4
Number of Tourism Business Forum meetings held to enhance intersectoral relations	0	4	4	4		4	4
Number of BEE Forums held to promote tourism transformation and compliance within the province	0	0	4	4		4	4
Measurable Objective: To build awareness and chain		ommunities and	d other tourism (stakeholders to br	capacitate communities and other tourism stakeholders to broaden participation within the tourism value	vithin the tourism	ı value
Number of delegates attending awareness, safety workshops/campaign and trainings for knowledge and information dissemination.	0	0		290	680	0 750	800
Number of unemployed tourism graduates placed for the purposes of job creation and local government support.	25	51	49	27	2	27 122	130
Number of delegates attending the Careers Expo for purposes of exposure to potential employers, different careers within the sector.	N/A	15 000	12 000	20 000	10 000	0 00 8 000	8 000
Number of tourism and hospitality establishments participating in up- skilling of service standards	N/A	N/A	N/A	150	1330	0 1440	1550
Number of trained business owners and managers to increase hospitality business skills.	N/N	N/A	78	75	6	06 06	06
Number of tourist guides trained and skilled.	N/A	30	20	30	4	40 40	40



Strategic Objective and Associated Annual Targets

AUDITED/ACTUAL PERFORMANCE ESTIMATED MEDIUM-TERMTARGETS		ACTUAL PER	AUDITED/ACTUAL PERFORMANCE	ESTIMATED	MEDIL	MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: To capacitate local governme	ent to deliver o	mment to deliver on their mandate	e e				
Number of municipal employees, councillors and Community Tourism Organisations workshops	0	0	61	61	300	340	360
Measurable Objective: Rate of adherence and com	pliance by tou	rism enterprise	es, public entiti	compliance by tourism enterprises, public entities, municipalities and other tourism role players	other tourism	role players	
Number of provincial legislation, sector strategies / guidelines developed	0	-	n	9	ى ک	4	4
Measurable Objective: To empower local communities through diversified product development	es through div	rersified produ	ct development				
Number of community projects facilitated	0	3	10	0	3	2	2
Measurable Objective: Number of tourism HDE busi	inesses suppo	businesses supported through mentorship	nentorship				
Number of strategic partnerships established	10	15	18	15	15	15	15
Measurable Objective: Number of tourist guides and	and businesses registered	egistered					
Number of tourist guides and businesses registered for compliance	0	0	0	0	300	350	400







Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: THE DEVELOPMENT AND TRANSFORMATION OF THE TOURISM SECTOR, AND PACKAGING OF KZN AS THE DESTINATION OF CHOICE	LOPMENT AND TRA	NSFORMATION OF TH	IE TOURISM SECTO	IR, AND PACKAGIN	G OF KZN AS THE	DESTINATION O	: CHOICE
	DEPOPTINC				QUARTERL	QUARTERLY TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	اعد	dN2	З RD	4тн
Measurable Objective: Number of targeted public and private sector engagements to promote, prioritise and grow tourism	ed public and prive	ate sector engagem	ents to promote,	prioritise and gr	ow tourism		
Number of targeted public and private sector engagements to promote, prioritise and grow tourism	Quarterly	All	16	4	4	4	4
Number of Provincial Tourism Committee meetings held to improve intergovernmental relations	Quarterly	AII	4	Ł	~	-	~
Number of Global Competitiveness Programme meetings held to improve the provinces competitiveness	Quarterly	All	4	£		~	
Number of Tourism Business Forum meetings held to enhance intersectoral relations	Quarterly	All	4	₽	~	~	~
Number of BEE Forums held to promote tourism transformation and compliance within the province	Quarterly	AII	4	٦	.	7	7

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Quarterly targets for 2011/12

STRATEGIC OBJECTIVE: THE DEVELOPMENT AND TRANSFORMATION OF THE TOURISM SECTOR, AND PACKAGING OF KZN AS THE DESTINATION OF CHOICE	EVELOPMENT AND TR	ANSFORMATION OF TH	HE TOURISM SECTC	R, AND PACKAGING (JF KZNASTHE DEST	INATION OF CHOIC	E
	REPORTING		ANNUAL		QUARTERL	QUARTERLY TARGETS	
PERFORMANCE INDICATORS	PERIOD	DISTRICTS	TARGET 2011/12	lsт	2ND	3rD	4тн
Measurable Objective: To build awareness and capacitate communities and other tourism stakeholders to broaden participation within the tourism value chain	d capacitate commur	ities and other touri	sm stakeholders	to broaden particip	ation within the tou	rism value chain	
Number of delegates attending awareness, safety workshops/campaign and trainings for	Quarterly	Total	680	272	136	136	136
knowledge and information dissemination	Annually	uThukela	136	136	0	0	0
	Annually	uMzinyathi	136	136	0	0	0
	Annually	uThungulu	136	0	136	0	0
	Annually	uThungulu	136	0	136	0	0
	Annually	Zululand	136	0	0	136	0
	Annually	ILembe	136	0	0	0	136
Number of unemployed tourism graduates placed for the purposes of job creation and local government support	Annually	All	27	0	0	0	27
Number of delegates attending the career expo for purposes of exposure to potential employers, different careers within the sector	Annually	All	10000	0	10000	0	0
Number of tourism and hospitality establishments participating in up skilling of service standards	Quarterly	AII	1330	260	60	30	260
Number of trained business owners and	Biannually	Total	06	0	0	0	0
	Annually	uThukela	30	0	30	0	0
	Annually	Amajuba	30	0	30	0	0
	Annually	uMkhanyakude	30	0	0	30	0
Number of tourist guides trained and skilled	Annually	AII	40	0	0	0	40
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Department of Economic Development and Tourism Umnyango Wezokuthuthukiswa Komnotho Nezokuvakasha
KWAZULU-NATAL PROVINCIAL GOVERNMEN

STRATEGIC OBJECTIVE: THE DEVELOPMENT AND TRANSFORMATION OF THE TOURISM SECTOR, AND PACKAGING OF KZN AS THE DESTINATION OF CHOICE	DEVELOPMENT AND 7	RANSFORMATION O						
	REPORTING		ANNUAL	AL	QL	QUARTERLY TARGETS	RGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12			2 ND	3 RD	4тн
Measurable Objective: To capacitate local government	ernment to deliver o	to deliver on their mandate						
Number of municipal employees, councillors and Community Tourism Organisations workshops	Quarterly	AII	300	75	75	75		75
Measurable Objective: Rate of adherence and	I compliance by tou	rism enterprises, p	ublic entities,	municipalities a	and compliance by tourism enterprises, public entities, municipalities and other tourism role players	le players	-	
	Quarterly	Total	S	0	0	m		7
Number of provincial tourism legislation developed	Quarterly	AII	-	0	0	0		-
Number of sector strategies developed	Annually	Zululand	-	0	0	-		0
		uMzinyathi	-	0	0	-		0
Number of Responsible Tourism Guidelines developed	Annually	AII	~	0	0	0		÷
Number of Tourism Master Plan developed	Annually	AII	-	0	0	~		0
Measurable Objective: To empower local communities through diversified product development	nunities through div	ersified product de	evelopment			-		
Number of community projects facilitated	Quarterly	Total	e	0	0	0		
	Annually	nMgungundlovu	-	0	0	0		-
	Annually	uMzinyathi	-	0	0	0		-
	Annually	uMkhanyakude	-	0	0	0		-
Measurable Objective: Number of tourism HDE businesses supported through Mentorship	E businesses suppo	irted through Ment	orship	-	_	-	-	
Number of strategic partnerships established	Annually	AII	15	0	0	15		0
Measurable Objective: Number of tourist guides and businesses registered	s and businesses r	egistered	-	-	-	-	-	
Number of tourist guides and businesses registered for compliance	Annually	AII	300	0	0	0		300
Summary of payments and estimates - Programme 3: Trade and Sector Development	Trade and Sector De	velopment						
R thousand	Audited Outcome	ome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	Estimates	
	2007/08	2008/09 2	2009/10	2010/11 -		2011/12	2012/13	2013/14
Trade & Investment Promotion	516,983	1,351,231	1,661,483	594,534	594,534	436,969	487,626	514,624
Sector Development	12,868	63,505	133,062	98,709	126,709	84,252	81,509	86,022
Industry Development	45,000	0	103,754	56,975	156,975	59,636	62,618	66,062
Tourism Development	90,985	107,280	118,009	120,558	120,558	134,614	141,165	150,767

817,475

772,918

715,471

998,776

870,776

2,016,308

1,522,016

665,836

Total









Summary of payments and estimates by economic classification - Programme 3: Trade and Sector Development	sification - Progran	nme 3: Trade an	d Sector Developme	nt			
R thousand	Audited Outcome	ome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	Estimates
	2007/08	2008/09	2009/10	2010/11 -		2011/12	2012/13
Current payments	21,139	74,743	144,735	85,684	78,484	62,118	95,172
Compensation of employees	6,894	10,318	10,332	17,568	17,568	18,733	19,763

	2007/08	2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Current payments	21,139	74,743	144,735	85,684	78,484	62,118	95,172	100,711
Compensation of employees	6,894	10,318	10,332	17,568	17,568	18,733	19,763	20,850
Goods and services	14,245	64,425	134,403	68,116	60,916	43,385	75,409	79,860
Interest and rent on land	0	0	0	0	0	0	0	0
Transfers and subsidies to:	644,410	1,446,035	1,871,212	785,092	919,892	653,268	677,657	716,672
Provinces and municipalities	2,800	926	0	0	0	0	0	0
Departmental agencies and accounts	40,670	42,000	158,355	56,637	56,637	169,731	178,643	190,212
Universities and technikons	1,274	11,574	0	28,300	0	0	0	0
Public corporations and private enterprises	148,182	89,710	103,750	151,970	96,995	0	0	0
Non-profit institutions	451,484	1,301,824	1,609,107	548,185	766,260	483,537	499,014	526,460
Households	0	-	0	0	0	0	0	0
Payments for capital assets	287	1,238	361	0	400	85	89	93
Machinery and equipment	287	1,238	361	0	400	70	73	77
Software and other intangible assets	0	0	0	0	0	15	16	16
Total	665,836	1,522,016	2,016,308	870,776	998,776	715,471	772,918	817,476

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7. PROGRAMME 4: BUSINESS REGULATIONS

The purpose of Business Regulations Programme is to manage and implement the Constitutional legislative mandate of the province in relation to liquor, consumer and regulation services (formal and informal businesses) in terms of applicable liquor, consumer and business legislation. The Business Regulation Programme comprises of three pillar Sub-programmes, namely the Consumer Protection, Liquor Licensing and Administration, and Regulation Services (formal and Informal trade). The following table presents the structure of the Business regulations Programme and its aim or purpose, as well as its strategic goal and objectives:

PROGRAMME 4: BUSINESS REGULATIONS	SUB-PROGRAMMES
Aim/Purpose:	Sub-programme 1: Consumer Protection
The overall objective of this programme is to	<i>Strategic Objective</i> : To promote, protect and further the rights of consumers in the Province
develop an equitable and socially responsible business environment	Sub-programme 2: Liquor Licensing and Administration
Strategic goal:	<i>Strategic Objective</i> : To regulate the effective and efficient liquor licensing functions within the context
To regulate business practices and ensure compliance with relevant legislation whilst	of the socio economic conditions prevalent within the
optimising revenue collection and monitoring departmental agencies	Sub-programme 3: Regulation Services
	Strategic Objectives: To create an enabling environment for the sustained development and
	support to the formal and informal trade sector

The Consumer Protection Unit gives effect, at the provincial level, to the Constitutional mandate to safeguard the rights of citizens to be protected from unfair and irregular business practices as well as the right to access information which is to be exercised through awareness creation and promotion. The Liquor Licensing and Administration Unit perform a constitutionally enshrined (Schedule 4) mandate. The specific requirement in terms of this mandate is to provide an administrative framework for the administration and the regulation of the liquor trading licensing in a manner that ensures a structured approach to such licensing, without ignoring the potential psycho-social effects of trading in and consuming liquor and related substances. The unit also needs to ensure monitoring compliance in terms of legislation and creating education and awareness around responsible liquor trade.

The Regulation Services sub program which consists mainly of formal and informal trade is still a relatively new sub program within the business regulations component. The primary legislation governing this sector is the Business Act of 1991, which needs to be reviewed in terms of capacitating the province in terms of attending to this constitutional mandate. It is anticipated to regulation Services Sub-programme will be fully operational once the proposed Departmental structure for 2011/12 is finalized. Interim investigations by this Sub-programme has indicated that regulation services have been poorly neglected over the years by the province which has resulted in a number of non compliant businesses and municipalities in terms of statutory obligations. Through the operation of regulation services Sub-programme it is intended that many shortcomings that have thus far been investigated will



be systematically addressed given the required resources. Service offerings in terms of this programme are currently rendered at both head office and in some District offices.

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 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 etc. In the absence of Provincial specific legislation relating to Consumer protection, the Province utilises 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. The Province has already developed its own provincial Bill, which has been approved in principle by the Provincial Executive Cabinet, and will be undergoing the applicable legislative processes during the course of the 2011/12 financial year. This Bill has been aligned to the provisos of the National Consumer Protection Act.

The liquor licensing function is also a constitutional competence in terms of Schedule 5 of the Constitution of South Africa. In terms of Schedule 5, this is a functional area of exclusive provincial Legislative competence. During the latter part of the 2010/11 financial year, the KZN Liquor Bill was passed by the full sitting of the Provincial legislature and is currently waiting the gazetting of the Act. It is anticipated that this Act once gazetted will be implemented in two parts. The first part will relate to the enactment of those provisions of the Act which will facilitate the establishment of the Provincial Liquor entity and commence with the operations of the entity and the second part will relate to the retail licensing which is anticipated to be effective on the expiry of twelve months from date of commencement of the Act. This deferred implementation of the legislation is for the express purpose of facilitating the transition and handover of current licences to the new regime provisions. In the interim, the department will continue to derive its legislative functions from the Liquor Act (1989). The Regulation Services Sub-programme functions in terms of the Business Act 1991.

Progress analysis

The programme over the three quarters of the 2010/11 financial year had met and surpassed many of its targets. The internal review of the Programmes service offering undertaken in the last financial year made it possible to adopt a more focused approach to service delivery to its stakeholders. Within the last financial year, Consumer Protection division had accepted that one of its major challenges was ensuring that the education and outreach programmes were not reaching the entire province. To this end the approach was adopted to foster and engage with various partnerships with NGOs, Municipalities and other Government Departments in terms of outreach programmes to ensure that the different target populations across the KZN province was accessed. These partnerships have ensured that the outreach programmes reach all consumers throughout the province. The targets achieved in terms of the complaints handling and resolution unit has thus indicated that the many outreach programmes are effective as consumers are now active in terms of their rights and are thus enforcing those rights.

Partnership engagement with the Law enforcement agencies viz SAPS and SARS have opened up the doors to ensure that root causes of consumer dissatisfaction are identified and addressed at the root level. The introduction of a fully fledged enforcement and compliance unit within the Division will



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greatly contribute to compliance by the various businesses. The establishment of District and provincial Consumer forums have ensured that consumers needs and issues have a right of redress through the district structures.

Operational efficiency within the Liquor licensing and Administration sub program has also been improved in so far as administrative processes are concerned. The identification of the shortcomings within the Sub-programme as the result of the Liquor Audit conducted during early 2010, had given the Subprogramme an opportunity to address the shortcoming in terms of improving on Business processes. Although the turnaround times of applications within the Sub-programme is still a challenge, there are plans underway to improve this through the effective monitoring of performance levels of both staff and the targets set. Arising out of the review process relating to liquor administration systems the department has established that one of the factors affecting the turnaround times of the Sub-programme was use of dual IT systems viz MS DOS and the LLS. Arising out of this finding, steps were taken to ensure the consolidation of all data into a single system that all staff can use when processing licence applications. It is hoped that this single system will greatly contribute to improving the unit's objective to ensuring that the licencing processes are executed efficiently. Further the outcomes of the licensing audit are currently in the process of being implemented.

The unit was actively involved during the implementation of the 2010 World Cup Regulations in that 24 new licences were issued to traders in order for them to be given economic trading opportunities during the course of the World Cup. Total unexpected revenue in the sum of R165 000 was raised for the Province through these licences. The liquor staff were also actively engaged and participated in regulatory control over these licensed outlets at the stadiums, Public Viewing Areas and Fan Parks which resulted in an alcohol incident free world cup.

During the last financial year a number of interventions had been initiated to improve operational efficiency of the liquor Licensing and Administration Sub-programme and this had resulted in a new business processes and mapping being initiated for development with SITA in the coming financial year. The Sub-programme had also undertaken investigations to establish the best revenue collection agent in order to commence with the collection of Liquor revenue internally without the involvement of SARS. The Sub-programme also commenced with a different approach to the annual renewals of licences with the express purpose of reviewing and amending the current database. The Liquor Board is now fully constituted with all Board members.

In terms of the Regulation Services subprogram, temporary contractual capacity has been procured in the 2010/11 financial year. With the introduction of these new contract employees, huge inroads were made in terms of identifying some of the challenges that were being experienced in both the formal and informal sector. Some of the identified interventions will be implemented in the coming financial year. The Informal Trade Policy had been developed and approved by Cabinet. The department together with municipalities are in the process of developing a guideline implementation document for use by all municipalities with regards to the implementation of the policy. It is anticipated that this guideline document will be rolled out during the forthcoming financial year. In the meanwhile, municipalities have been engaged with, in order to ensure alignment of the Policy to their IDP processes.

Some district Informal traders' chambers have been established with a view to ensuring that the inclusion of the informal traders into the economic mainstream is effective and inclusive of a consultative process with the traders themselves. An extensive evaluation with regard to the status of the implementation by municipalities with respect to business licensing has been conducted and the outcomes will be addressed in the 2011/12 financial year. Municipalities had also been given training on the provisions of



the Business Act and their reciprocal duties.

Analysis of constraints and measures planned to overcome them

The following constraints have been identified:

- Recognising that provincial legislation is a necessary tool to capacitate the Province to provide protection services for its consumer, the Division had commenced the development of a KZN Consumer protection Bill which to a large extent totally aligned to the National Consumer Protection Act. This Bill is currently undergoing the legislative processes within the Department and its relevant stakeholders. In the meanwhile the division is gearing itself up to be in a position to render consumer protection services to the KZN consumers and businesses through the provisions of the National Consumer protection Act. As such emphasis will be given to the enforcement and compliance operations of the Unit and we are of the belief that effective enforcement and compliance will address the root causes many consumer complaints.
- Human resource capacity continues to remain a problem within Liquor Licensing and Administration Sub-programme due to the fact that we are still awaiting the outcomes of the KZN Liquor Bill / Act processes. The unit has therefore been unable to engage the services of a fully appointed manager who could assist with the oversight processes for the transition of the current unit into that of the Liquor entity, and also play a role with regard to the oversight of the unit's current operations. The HOD had recently approved the appointment of a project manager who will be responsible for ensuring that there is a smooth transition from the department's operations into that of the Liquor entity. The Sub-programme is currently finalizing the recruitment process.
- A significant constraint for the entire Business Regulations programme has been the absence of relevant research and availability of empirical data in order to influence the strategic direction of the programme within the province. Thus in the financial year 2011/12, most of the projects identified were geared towards the development of research with a view to assist the Department in terms of understanding the economic contribution and impact of particularly liquor and the formal and informal sector on the KZN economy. However due to budget constraints these projects may not be possible, however the programme will be exploring private public partnerships with outside stakeholders in order to pursue these projects.
- There appears to be a lack of support from Municipalities in terms of the compliance with statutory obligations particularly with regards to the Business Act. In the absence of sufficient departmental budget, the unit will attempt to undertake projects and training through partnerships for LED Municipal officials and the development and establishment of business databases for the Municipalities and Province where possible.
- Lack of adequate revenue collection in terms of the liquor licences is a problem. The Liquor Licensing and Administration Sub-programme had undertaken various investigations into the best model for revenue collection. The identified model will be implemented in the current financial year with a view to maximising revenue collection. Further emphasis will be placed on the establishment of the Liquor entity which will also fast track the improvement of efficiency and businesses process in anticipation of the enactment of the KZN liquor Bill.

Description of planned quality improvement measures

The following quality improvement measures are planned for the 2011/12 financial year:

 Continuation of the roll out and implementation of a model for administering e-licensing within the Province



- Facilitating exposure of the service offerings of the programme through intensified education and awareness programs, and location of our services within departmental district offices. Exposure will also be facilitated through the hosting of district and provincial consumer forums, and through the establishment of partnerships with law enforcement agencies and municipalities
- Ensuing the establishment of the KZN Liquor Entity
- Expediting KZN Provincial Consumer Protection through the legislative processes
- Undertaking various research projects within liquor and the formal and informal business units
- Implementation of the Informal trade Framework policy
- Establishment and maintenance of Regional and Provincial representative structures for Liquor, consumer and informal trade
- To make inroads into the establishment of an appropriate and resourced organizational structure in terms of appropriate budgets and human capacity within the programme, in order to deliver on the programme's mandate
- Implementation of the audit findings with regards to Business licensing
- Implement the outcomes of the Regulatory impact assessment study, in order to address some of the barriers that restrict business compliance



7.1 SUB-PROGRAMME 1: CONSUMER PROTECTION

Purpose

The main purpose of this Sub-programme is to implement and enforce the consumer protection legislation and policies in the province thereby ensuring that they protect, promote, and further the rights of consumers.

Specific policies, priorities, and strategic objectives

Common law, the Constitution, the National Consumer Protection Act as well as the Provincial Consumer Protection Bill (once it is enacted) will 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 unit with the required mandates to represent aggrieved consumers and ensure that their rights are protected and realised. 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 could not be resolved will then be referred to the Tribunal for final determination. 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 legislation as well as prohibitions. To discharge this responsibility effectively, the Sub-programme will need to have the necessary capacity and expertise to implement both the National as well as the Provincial legislation. The Provincial Consumer Protection Bill has been aligned with the Consumer Protection Act, which once enacted will see the establishment of the Consumer Tribunal in the Province for the greater protection and realization of consumer rights in the Province.

In the coming financial year, the unit has developed specific Consumer Information and Education programmes to sensitise and empower consumers on their rights and responsibilities in all the eleven Districts in the Province. The unit will work closely with the District consumer Protection forums as well as the Provincial forum to ensure that education campaigns are geared towards addressing specific problems of a particular district. These awareness campaigns comprise sector specific workshops enabling consumers to make informed choices in the market place that contributes towards developing a consumer rights culture in the province of KwaZulu-Natal. The complaints handlers will continue to investigate and resolve complaints within 30 days and provide consumers with access to redress. Once the Tribunal has been established all complaints that could not be resolved using ADR mechanisms will be referred to the Tribunal for determination. The enforcement and compliance section has already established partnerships with other enforcement agencies like the South African Police Services, National Prosecuting Authority, SARS customs as well as the Department of Trade and Industry to ensure that all goods imported and entering the Country through the Province complies with the law. The unit will also be involved in random inspections of businesses in the whole Province. The Sub-programme's strategic objective is to develop, implement, and promote measures that protect the rights and interests of consumers.

Progress analysis

In terms of progress for the 2010/11 financial year the following achievements were made:

• To date in 2010/11 we have dealt with 3841 telephonic queries and 928 walk-in complaints with an average success rate of 83%. We further provided redress to consumers by finalizing 820 written



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complaints of the1173 (867 new complaints and 306 brought forward from the previous year) and recovered R 2 574 486.00 for consumers with an average turn-a-round time of 56 days

- We conducted enforcement and compliance campaigns throughout the Province and ensured that business within the Province comply with existing legislations
- There has been a significant increase in Consumer awareness due to the Sub-programme's effective handling of complaints. This can be largely attributable to increased human recourse capacity and the decentralising of some of our Consumer protection offices throughout the Province. The implementation of an effective consumer education outreach programme has played a significant role in creating consumer awareness.
- We have conducted five major workshops, 178 minor workshops, 48 exhibitions and road shows on consumer related topics throughout the Province focusing on the woman, youth, the elderly/ pensioners and the general consumers. Some of the workshops were done as joint ventures with our partners including the Department of Trade and Industry, National Credit Regulator, the Financial Services Board, Credit Information Ombudsman, Council for Medical Aid Schemes, Competition Commission, Long term and Short term Insurance Ombudsman as well as the Motor Industry Ombudsman. The aforesaid campaigns covered all the district municipalities within the Province. The unit has also managed to create new partnerships with a number of municipalities around the Province and has since provided basic training on consumer rights to municipality officials as well as attending workshops arranged by the municipalities. This will go a long way in ensuring that the District Consumer Forums are effective. To date we have conducted about 36 workshops at municipalities around the Province.
- We have also been involved with other government department by providing debt counselling services to officials and thereby assisting them with the restructuring of their debt.
- Our relationships with other Provinces and Regulators with respect to the implementation of the programmes of the Consumer Protection Forum are sound. The Consumer Protection Forum has Committees reporting to it, which includes the Policy and Strategy, The Education as well as Compliance Committee. The Sub-programme is represented in all these Committees as well as in the Forum. These relationships allow for uniformity and consistency in terms of messages being sent to Consumers throughout South Africa.
- The Sub-programme has been involved in joint compliance drives with other enforcement agencies like the South African Police Services, National Prosecuting Authority, SARS customs as well as the Department of Trade and Industry.
- The Sub-programme has also been involved in joints blitz with SASSA, SAPS, NCR and the FSB in addressing the current conduct of 'loan sharks' and some insurance companies.
- The partnership in the 2010/11 financial year between the Department and National Consumer Forum proved to be very successful. This is due to the fact that a number of articles were published which highlighted various Consumer Protection issues that sensitized the consuming public enabling them to make informed choices in the market place. This partnership has increased our visibility in terms of improving our department's Consumer protection Sub-programme's profile, thus creating increased public awareness for consumers. This partnership will continue over the current financial year.

Analysis of constraints and measures planned to overcome them

The Sub-programme over the last financial year had experienced challenges with regards to the
establishment of regional offices and the successful redeployment of Consumer staff from Head
office to the districts. It a committee has been established to oversee the relocation of staff to
district offices. The placement of compliance officers within Districts will improve compliance by
Business within the Districts.





- The absence of a Consumer Tribunal impacts negatively on the efforts to try and uphold the enforcement of consumer protection in the Province. Once the Provincial Consumer Protection Bill has been enacted, then the Consumer Tribunal will be established to make a determination on all matters that could not be resolved amicably using ADR mechanisms.
- Another constraint is the absence of a computer case management system that will ensure that we produce accurate trend reports, fast track complaints handling and promote a monitoring and evaluation mechanism. This project will be initiated in the 2012/2013 financial year.

Description of planned quality improvement measures

- In the 2011/12 financial year, the Sub-programme will continue to ensure that:
- The support to be rendered to consumer provincial and district offices will I ensure that consumer protection becomes a functional obligation within municipalities and thereby ensure that consumer protection services are accessible across all municipal boundaries.
- Use of cell phone alerts will increase our outreach programmes to approximately 3 million cell phone users across the province
- The role out of district offices will improve access to consumers throughout the province of KZN
- Improved overall efficiency and access to all consumer services will greatly contribute to the extended life span of most effected businesses and ensure that they do not shut down prematurely, due to irregular/unfair business practices.
- The establishment of a fully-fledged compliance section within the consumer affairs directorate and throughout the districts will ensure that enforcement of consumer legislation is regularly monitored and that there is the appropriate compliance.
- Our envisaged partnerships with various enforcement stakeholders viz SARS, Customs and Excise, SAPS, NPA etc will contribute to ensuring that parallel import products as well as pirated/ counterfeited goods do not enter the province through our ports of entry
- Now that the process of legislative drafting is at an advanced stage, the unit will be able to conduct enforcement campaigns with the backing of the Provincial Legislation.
- The unit further intends to capacitate the staff with the focus being on complaint handlers as well as compliance officers with respect to ADR training. This will empower officials with the necessary skills of resolving disputes amicably and only referring those matters that could not be resolved to the Tribunal.
- Deployment of complaints handlers as well as enforcement and compliance officers to the District offices will ensure that our offices are accessible to all consumers in the Province. The plan is to reduce the turnaround time of resolving complaints to two months from the date of receipt of the complaint on complex matters and one month on simple matters.
- The addition to the sub program of inspectors will assist in improving the compliance levels of businesses. This added measure would ensure that both the National and pending provincial legislation has the requisite teeth to enforce compliance by businesses.



Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIV	'E: TO PROMOTE,	PROTECT AND FL	IRTHER THE RIGHI	CTIVE: TO PROMOTE, PROTECT AND FURTHER THE RIGHTS OF CONSUMERS IN THE PROVINCE	PROVINCE		
PERFORMANCE INDICATOR	IUA PI	AUDITED/ACTUAL PERFORMANCE	UAL CE	ESTIMATED PERFORMANCE	MEDINI	MEDIUM-TERM TARGETS	GETS
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Measurable Objective: To educate and inform the Consumers of KZN by engaging with the widest range of stakeholders possible by utilizing the medium of electronic media; public workshops and to sustain the establishment of Provincial and District Consumer Forums	ers of KZN by er d District Consu	ngaging with the mer Forums	widest range of	stakeholders possible by	utilizing the med	lium of electronic	media; public
Number of NGO's, local Municipalities and District Municipalities targeted	0	46	18	20	24	24	24
Number of major workshops / campaigns targeted to specific sector consumers	0	0	5	4	4	4	4
Number of minor workshops / campaigns targeted to specific sector consumers	0	0	110	146	146	146	146
Number of consumers targeted in millions	1.25	-	2.5	2.5	2.8	3	33
Number of consumers informed in millions	6.5	6.5	6.5	6.5	6.8	6.8	6.8
Number of Media campaigns on regional /national radios stations targeted per quarter	0	0	4	4	4	4	4
Number of Community based radio shows targeted	0	0	5	0	0	0	0
Number of District Consumer Forum Meetings held	0	0	0	0	12	12	12
Number of Provincial Consumer Forum Meetings held	0	0	0	0	2	2	2
Measureable Objective: To address consumer complaints b includes the establishment of the Consumer tribunal	y conducting in	vestigations, res	olving complaint	ints by conducting investigations, resolving complaints and providing redress to the consumers within the Province which	o the consumers	within the Provir	nce which
Number of complaints received (i.e. walk in, telephonic and written complaints)	0	6372	5621	6200	0002	8000	8000
Number of written claims investigated.	0	0	659	750	800	006	006
Number of written claims resolved	0	0	601	650	720	800	800
Number of Provincial Consumer Tribunal 's established	0	0	0	0	1	0	0
Measureable Objective: To ensure the enforcement and compliance of consumer rights within the applicable legal prescripts	mpliance of con	sumer rights wit	hin the applicable	e legal prescripts			
Number of consumer rights interventions conducted (Number of sector/industry specific issues investigated)	0	0	2	4	6	8	ω
Number of Secondary Investigations conducted	0	0	0	0	8	10	12
Number of Inspections conducted	0	0	0	0	48	52	56



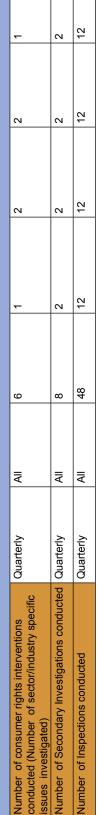
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Quarterly targets for 2011/12	2011/12						
STRATEG	STRATEGIC OBJECTIVE: TO PROMOTE, PROTECT AND FURTHER THE RIGHTS OF CONSUMERS IN THE PROVINCE	OMOTE, PROTECT A	ND FURTHER THE RIC	GHTS OF CONSUMERS	IN THE PROVINCE		
					QUARTERLY TARGETS	TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2ND	αuΣ	4тн
Measurable Objective: To educate and inform the Consumers of KZN by engaging with the widest range of stakeholders possible by utilizing the medium of electronic media, public workshops and to sustain the establishment of Provincial and District Consumer Forums	the Consumers of KZ Provincial and District	N by engaging wit Consumer Forum	h the widest range s	of stakeholders poss	sible by utilizing the	medium of electro	nic media, public
Number of NGO's, local Municipalities and District Municipalities targeted	Quarterly	AII	24	Q	9	9	9
Number of major workshops / campaigns targeted to specific sector consumers	Quarterly	AII	4	-	~	~	Ţ
Number of minor workshops / campaigns targeted to specific sector consumers	Quarterly	AII	146	30	40	40	36
Number of consumers targeted	Quarterly	AII	2.8	700000	200000	700000	700000
Number of consumers informed	Quarterly	All	6.8	1700000	1700000	1700000	1700000

	1	d.					-	-		
_	36	700000	1700000	1	0	3	1	vince which	1750	
	40	700000	1700000	L	0	3	0	ers within the Prov	1750	
	40	700000	1700000	1	0	3	1	ress to the consum	1750	
_	30	200000	1700000	-	0	3	0	conducting investigations, resolving complaints and providing redress to the consumers within the Province which	1750	-
4	146	2.8	6.8	4	0	12	2	resolving complaint	7000	-
All	AII	AII	AII	All	AII	AII	AII	ng investigations,	AII	
Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Biannually	mplaints by conductii nal	Quarterly	-
truction of major workshops / campaigns targeted to specific sector consumers	Number of minor workshops / campaigns targeted to specific sector consumers	Number of consumers targeted	Number of consumers informed	Number of Media campaigns on regional / national radios stations targeted per quarter	Number of Community based radio shows targeted	Number of District Consumer Forum Meetings held	Number of Provincial Consumer Forum Meetings held	Measurable Objective: To address consumer complaints by includes the establishment of the Consumer tribunal	Number of complaints received (i.e. walk in, telephonic and written complaints)	

Number of written claims investigated.	Quarterly	AII	800	200	200	200	200
Number of written claims resolved	Quarterly	AII	720	180	180	180	180
Number of Provincial Consumer Tribunal 's established	Annually	AII	F	0	0	F	0
Measurable Objective: To provide a pro active service to the consumers by conducting se issues, thereby enforcing compliance in terms of the applicable consumer legal framework	ervice to the consum the applicable consu	ners by conducting Imer legal framew	g secondary investi, ork	to the consumers by conducting secondary investigations and inspections of businesses on consumer sector specific related blicable consumer legal framework	ins of businesses o	n consumer secto	r specific related
Number of consumer rights interventions	Quarterly	AII	6	-	2	2	.









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7.2 Sub-programme 2: Liquor Licensing

Purpose

The main purpose of this Sub-programme is to promote and maintain an effective and efficient regulatory system for the liquor industry

Specific policies, priorities, and strategic objectives

The Liquor Regulation Sub-programme derives its legislative mandate from the National Liquor Act 59 of 2003 and Liquor Act 27 of 1989. The strategic objective and purpose of this Subprogramme is not only to ensure compliance with statutory obligations but also to ensure the liquor industry which is a major industry that contributes to the KZN economy. This will be done in terms of establishment and retention of sustainable jobs with the many licensed outlets, which equally contributes to the economy in terms of taxation and improved revenue streams. It is also intended that this industry must be compelled to ensure that it enforces responsible trading. The Sub-programme is divided into four business units: Education, Administration, Compliance and Enforcement.

Progress analysis

In terms of progress for the 2010/11 Financial Year the following achievements were made:

- Business process re-engineering was conducted which resulted in alignment liquor licensing business processes with current IT systems
- All data bases were merged into a single source database to improve on licensing processes and reporting
- Public consultations with regard to the Liquor Bill were finalized with provincial legislature resulting in the passing of the Bill by the Legislature;
- Assessments were conducted to identify a cost effective and efficient revenue collection agency
- Co-ordinated the drafting of liquor regulations internally with the Legal component of the Department
- Established platforms to discuss challenges on liquor related matters and promote voluntary compliance
- Integrated liquor education and awareness programs with other Departmental programs (e.g. Co-operatives and SMME programmes)
- The establishment of liquor traders associations in the Province is also in progress with the North Coast Traders Association being established. The establishment of these associations will assist the Department in terms of relaying important messages and assisting the liquor traders to be more organized in the way that they do business with an intention developing more successful entrepreneurs.
- A relationship was established with Magistrates pertaining to the role they play in administering the Liquor Act
- Implementation of the 2010 FIFA World Cup liquor regulations, where 24 traders were given an economic opportunity to trade in liquor and R165 000 was revenue that was collected by the Department in terms of processing of liquor licence applications for the World Cup. These applications were issued within 7 days of receipt of the request from the applicants.





A total of 648 licensed premises were visited which included joint inspections with other stakeholders (Department of Agriculture, South African Police Service, Department of Trade and Industry and Municipality enforcement agents).

- Liquor compliance and enforcement stakeholders forum meetings held in four districts
- Processes had been undertaken in order to recruit four education offices and 11 compliance inspectors
- The Audit conducted in early 2010 assisted us with identifying a number of weakness within the liquor licensing systems and controls which has now assisted the Sub-programme in working with SITA in mapping out a new business model for Liquor.
- Research has been conducted with an understanding that the socio economic impact of Liquor on the community in KZN. This research will also assist the unit in deterring applicable tariffs/rates in terms of licenses.
- 2141 new entrants were admitted into the liquor trade to date in the 2010/11 financial year
- A fully constituted liquor Board is operational
- Renewals of liquor licences were successfully executed

Analysis of constraints and measures planned to overcome them

The sub program still faces the following challenges:

- Challenges with the reconciliation of fees paid to SARS are still experienced and plans to assess available revenue collection points are in progress.
- There are delays with the administrative processing of licences. The implementation of a revised updated liquor management system will improve operational efficiency in this regard.
- Whilst awaiting promulgation of Liquor Bill the unit is unable to develop a staff organogram for the liquor component. This effectively means that the unit remains without a Manager. In order to provide proper management and oversight a dedicated liquor manager is required. The HOD has recently approved the appointment process for a Project manager to address this function.

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will continue to ensure that:

- The outcomes of the liquor audit undertaken during the course of 2010/11 financial year had made it possible to identify shortcomings within the liquor administrative and licensing section. In terms of recommendations arising out of the audit, an improved electronic liquor management system will be rolled out in the coming year. The system would improve on administrative workflow processes, document control, turnaround times and accountability.
- With the merger of the liquor, database into a single source database the encoding of the data on GIS will assist with the control over a number of licences issued in terms of geographical areas.
- Recruitment of inspectors will improve levels of compliance and enforcement with regard to licensed traders. Improved visibility of inspectors will deter extensive breach of licence conditions.





Absence of empirical data has deterred the unit from considering liquor applications holistically in terms of its value add to economic activity. Thus, extensive research will be conducted over the course of the New Year in terms of understanding the impact and contribution of the liquor industry to the KZN economy. An annual colloquium will be initiated this year which will involve various stakeholders providing input into the strategic positioning of the Liquor industry in terms of its contribution to the KZN economy.

- Increased focused attention will be given to the education and awareness programmes in terms of creating awareness of a licensing process and community rights in terms of reporting breached licence conditions.
- Promulgation of the Liquor Bill will greatly improve the licensing procedure as well as improve revenue collection, as this will be focussed internally within the new liquor entity. The unit will be utilising this forthcoming financial year to ensure that there is a smooth transition from the department into that of the Liquor entity which will effectively be operational in January 2012.
- New business processes to improve operational efficiency and accountability are currently underway with SITA assisting in the development of the business model.
- A 'clean up' of the current database in terms of the validity of the total number of licences currently being utilised will be conducted in the 2011/12 financial year.

Specification of Objectives, Performance Indicators and Targets

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO REGULATETHE EFFECTIVE AND EFFICI	ENT LIQUOR LICEN	ISING FUNCTIONS V PROVINCE OF KZN	S WITHIN THE CO IN	re and efficient liquor licensing functions within the context of the socio economic conditions prevalent within th Province of KZN	ECONOMIC CON	IDITIONS PREVALE	NT WITHIN TH
		AUDITED/ACTUAL PERFORMANCE	DRMANCE		MED	MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICTOR	2007/08	2008/09	2009/10	ESTIMATED PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective: To manage and implement effective a	nd efficient Liquo	r administrative	processes in ter	nt effective and efficient Liquor administrative processes in term of receiving and processing of liquor licence applications.	ocessing of liqu	uor licence applic	ations.
Total Number of liquor license applications processed	3980	4406	1343	1970	2150	2300	2350
Turnaround time for processing applications in months	0	17	4	2	7	0	2
Total Number of new applications (Section 19) received and processed	0	0	1047	1536	1655	1900	2000
Total Number of applications in terms of section 113 received and processed	0	0	258	378	478	578	250
Number of applications in terms of section 120 received and processed	0	0	38	56	76	96	100
Total Number of postponed applications processed	0	0	686	1006	1000	1000	1000
Total Number of applications granted	1193	0	1516	2223	2400	3000	3100
Total Number of applications refused	103	0	233	256	280	310	340
Total Number of applications postponed	537	0	1398	1537	006	006	006
Measureable Objective: To raise awareness and provide educ	provide education on liquor issues	senes					
Number of workshops coordinated/ organised	23	16	20	22	25	30	30
Number of persons work shopped / trained	300	750	741	815	1000	1200	1200
Number of people accessed through print and electronic media in Millions	0	0	1.65	1.65	1.7	1.8	1.8
Measureable Objective: To implement enforcement and compl	int and compliance within the prescripts of the applicable liquor legislation	prescripts of the	applicable liquo	r legislation			
Number of stakeholder forum meetings held	0	0	11	11	11	11	11
Number of licensed premises inspected	0	43	1000	1100	2000	2100	2200
Number of inspection blitzes held with SAPS	0	0	4	9	8	10	12
Measureable Objective: To facilitate entry of new entrants into	entrants into the liquor industry	ry					
Number of new entrants as licensed traders	100%	100%	100%	100%	100%	100%	100%



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STRATEGIC OBJECTIVE: TO REGULATE THE EFFECTIVE AND EFFICIENT LIQUOR LICENSING FUNCTIONS WITHIN THE CONTEXT OF THE SOCIO ECONOMIC CONDITIONS PREVALENT WITHIN THE PROVINCE OF KZN	He effective and e	FFICIENT LIQUOR PREVALENT WITH	FFICIENT LIQUOR LICENSING FUNCTIONS V PREVALENT WITHINTHE PROVINCE OF KZN	CTIONS WITHIN TH OF KZN	E CONTEXT OF	THE SOCIO ECONO/	AIC CONDITIONS
	REPORTING		ANNUAL		QUARTE	QUARTERLY TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	Ist	2 ND	3 RD	4 TH
Measurable Objective: To manage and implement effective and efficient Liquor administrative processes in term of receiving and processing of liquor licence applications.	nplement effective	and efficient Lic	quor administrati	ve processes in te	erm of receiving	g and processing o	of liquor licence
Total Number of liquor license applications accessed	Quarterly	AII	2150	538	537	538	537
Turnaround time for processing applications in months	Quarterly	AII	2	2	2	2	2
Total Number of new applications (Section 19) received and processed	Quarterly	All	1655	414	413	414	414
Total Number of applications in terms of section 113 received and processed	Quarterly	All	478	120	119	120	120
Number of applications in terms of section 120 received and processed	Quarterly	All	76	19	19	19	19
Total Number of postponed applications processed	Quarterly	All	1000	250	250	250	250
Total Number of applications granted	Quarterly	AII	2400	600	600	600	600
Total Number of applications refused	Bi annual	AII	280	70	70	70	70
Total Number of applications postponed	Quarterly	AII	006	225	225	225	225
Measurable Objective: To raise awareness and provide education on liquor issues	ss and provide edu	ucation on liquor	issues				_
Number of workshops coordinated/ organised	Quarterly	AII	25	9	g	9	7
Number of persons work shopped / trained	Quarterly	All	1000	250	250	250	250
Number of people accessed through print and electronic media in Millions	Quarterly	All	1.7	1.7	1.7	1.7	1.7
Measurable Objective: To implement enforcement and compliance within the prescripts of the applicable liquor legislation	orcement and com	pliance within th	ne prescripts of t	ne applicable liqu	or legislation		
Number of stakeholder forum meetings held	Quarterly	AII	11	ε	£	S	2
Number of licensed premises inspected	Quarterly	All	2000	500	500	500	500
Number of inspection blitzes held with SAPS	Quarterly	AII	8	2	2	2	2
Measurable Objective: To facilitate entry of new entrants		into the liquor industry	ustry				
Number of new entrants as licensed traders	Quarterly	AII	100%	100%	100%	100%	100%



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7.3 Sub-programme 3: Regulation Services (Formal and informal Trade)

Purpose

The main purpose of this Sub-programme is to create a conducive regulatory environment for the sustained development and support of 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 Provincial Policy of informal Economy which is being developed.

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 unit also strives to ensure that compliance in terms of this 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.

Progress analysis

In terms of progress for the 2010/11 financial year the following achievements were made:

The Business Governance Sub-programme over the past year has undertaken a number of research projects so as to gain an in-depth knowledge of the environment that it operates within. The following are some of the research project conducted:

- Survey on Municipal status quo in terms of informal economy developments
- Audit on the status of Business Licensing Authorities in the Province
- Audit on the regulatory impact which poses challenges to businesses functioning optimally in the Province

The above research has assisted the Sub-programme to understanding the status quo of the sector in the Province in terms of the dynamics, challenges and what the appropriate approaches are when dealing with the sector. As a result the following programmes have been introduced:

- Municipal Support Assisting the Municipality in understanding and implementation of the applicable legislations
- Business Act Review The dynamics around the applicability of the National Business Act at the Municipal level resulted in the Sub-programme reviewing the current Act, with an aim of developing a Provincial regulation so the Department can make meaningful interventions with regards to this sector.
- Compliance Monitoring We identified the barriers and came up with ways to address the informal economy issues

The Sub-programme is already in the process of implementing some of the recommendations of the Provincial Policy of informal Economy. These include the following:



epartment of Economic evelopment and Tourism

- Establishment of Districts and Provincial Informal Economy Structures
- Alignment of the Provincial Policy to the Municipals IDP and LED Plans

Analysis of constraints and measures planned to overcome them

The Sub-programme is faced with the following challenges:

- The lack of capacity at the Municipal level to deal with issues pertaining to Business Governance. The unit had budgeted to undertake projects relating to skills and capacity building in the current financial year to implement a programme to address the skills shortage at the Municipality by undertaking business governance NQF 5 learnership training for all municipal LED officials. However due to budgetary constraints within the department this project will not be executed in terms of the departmental budget, however the unit will endeavour to seek collaborative partnerships with other stakeholders in order to pursue this initiative.
- Non compliance of the Business Act by Municipalities due to capacity and lack of awareness concerning the legal trading of businesses in KZN. The above training programme as mentioned in above bullet will seek to address this issue. The budget constraints are also applicable with respect to this initiative.
- The Provinces have a limited legislative or regulatory mandate in terms of this sector. It is hoped that with the project undertaken in 2010/11 with regard to understanding the regulatory impact of legislation of businesses will result in some recommendations which will assist us in mapping a way forward collectively with the National Department in terms of developing specific legislation in this regard.
- Non compliance by the Municipalities to the business regulations in terms of not having the requisite authority to issue business licences as well as not keeping an adequate database has posed numerous challenges to the unit. It is anticipated that an e-database management system for the province as well as municipalities is developed in the 2011/12 financial year. Municipalities will also be given authority in terms of the Businesses Act.
- The limited capacity (three personnel) within the Department to deal with the sector for the entire province is a constraint. A fully resourced staff structure for Regulation services will be tabled with the MEC for approval and subsequent implementation.

Description of planned quality improvement measures

In the 2011/12 financial year, the Sub-programme will continue to ensure that:

- The process of ensuring that a regulatory environment is established in the sector is in its advanced stages; with the implementation of the Policy on Informal economy and the Review of the national Business Act. The Municipal Support programme which encourages the process of working with the Municipalities to identify barriers that restrict business compliance is another planned improvement measure. There is a number of planned skills development interventions for both the Municipal LED officials and the relevant sector beneficiaries
- The established Districts and Provincial Informal Economy Structures are envisaged to play a pivotal role in addressing the issue and challenges faced by the informal trade sector.

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There are plans of working hand-in-hand with the municipalities in identifying and addressing the barriers that inhibit business compliance. The outcomes of the regulatory impact assessment audit will form the corner stone of interventions that will need to be made with regard to the informal business sector.

Specification of Objectives, Performance Indicators and Targets

Strategic Objective and Associated Annual Targets

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STRATEGIC OBJECTIVES: TO	CREATE AN ENAB	LING ENVIRONN	IENT FOR THE SUS TRADE SECTO		AND SUPPORT	TO THE FORMAL AI	ND INFORMAL
PERFORMANCE	AUDITED/	ACTUAL PERI	FORMANCE	ESTIMATED	MED	IUM-TERM TAP	GETS
INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measureable Objective: To es sustained development and sup			mework which cr	eates an enabling en	vironment throu	igh Municipalities	s for the
Alignment of the provincial policy on municipal plans (IDP & LED Strategies)	0	0	0	8	11	9	9
Number of Municipalities monitored and evaluated on the implementation of the Provincial Policy	0	0	0	11	11	11	11
Number of skills development interventions provided to the LED officials and traders	0	0	0	0	7	9	11
Number of Provincial Forum meeting Conducted	0	0	0	0	4	4	4
Number of District Forums conducted	0	0	0	0	4	4	4
Measureable Objective: To est monitoring of legislative complia	tablish and man ance within the F	age the implem formal Business	entation of a reg s Sector	ulatory framework wit	h Municipalities	which contribute	es to the
Number of Municipalities Monitored and evaluated with implementation of regulations	0	0	0	15	20	20	20
Number of Reviews of the Business Act	0	0	0	1	1	1	0
Number of Amendments to the Business Act	0	0	0	0	1	1	1
Number of barriers identified that restrict business compliance	0	0	5	0	2	2	1
Number of barriers addressed to ensure business compliance	0	0	5	0	2	2	1

Quarterly targets for 2011/12

STRATEGIC OBJECTIVES: TO CREATE AN ENABLING ENVIRONMENT FOR THE SUSTAINED DEVELOPMENT AND SUPPORT TO THE FORMALAND INFORMAL TRADE SECTOR	N ENABLING ENVIROI	NMENT FOR THE S	USTAINED DEVELOP	MENT AND SUPPORT	TO THE FORMAL AND	INFORMAL TRADE SH	CTOR
			ANNUAL		QUARTERLY TARGETS	(TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	lsτ	2ND	3 RD	4 TH
Measurable Objective: To establish and manage a policy framework which creates an enabling environment through Municipalities for the sustained development and support of the informal sector	a policy framework	which creates an	enabling environr	nent through Munici	palities for the susta	ained development	and support of
Alignment of the provincial policy on municipal plans (IDP & LED Strategies)	Quarterly	AII	1	2	4	4	-
Number of Municipalities monitored and evaluated on the implementation of the Provincial Policy	Quarterly	AII	11	2	4	4	-
Number of skills development interventions provided to the LED officials and traders	Quarterly	AII	7	0	3	3	1
Number of Provincial Forum meetings Conducted	Quarterly	AII	4	1	1	-	1
Number of District Forums conducted	Quarterly	AII	4	1	1	, -	-
Measurable Objective: To establish and manage the i within the Formal Business Sector	the implementation	of a regulatory fr	amework with Mur	mplementation of a regulatory framework with Municipalities which contributes to the monitoring of legislative compliance	itributes to the moni	itoring of legislative	compliance
Number of Municipalities Monitored and evaluated with implementation of regulations	Quarterly	AII	20	5	5	5	ى ك
Number of Reviews of the Business Act	Annually	AII	1	0	+	0	0
Number of Amendments to the Business Act	Annually	AII	1	0	0	1	0
Number of barriers identified that restrict business compliance	Biannually	AII	2	0	2	2	0

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Number of barriers addressed to ensure business Biannually compliance



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Summary of payments and estimates - Programme 4: Business Regulation and Governance	siness Regulation	and Governance						
R thousand	Audited Outcome	me		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	Estimates	
	2007/08	2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Regulation Services (Informal Trade)				5,027	4,793	5,239	5,431	5,747
Consumer Protection	6,443	9,667	12,639	13,967	13,967	18,686	18,764	19,679
Liquor Regulation	4,879	7,417	8,491	47,029	41,263	51,297	53,773	56,898
Total	11,322	17,084	21,130	66,023	60,023	75,222	77,968	82,323
Summary of payments and estimates by economic classification - Programme 4: Business Regulation and Governance	ication - Program	me 4: Business R	egulation and Gove	nance				
R thousand	Audited Outcome	ome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	Estimates	
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14

	2007/08	2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Current payments	11,065	16,827	20,908	29,074	29,074	34,720	35,375	37,388
Compensation of employees	5,040	7,850	11,894	16,174	16,174	17,440	18,332	19,340
Goods and services	6,025	8,977	9,014	12,900	12,900	17,281	17,043	18,048
Transfers and subsidies to:	0	0	0	36,439	30,439	40,082	42,086	44,401
Public corporations and private enterprises	0	0	0	36,439	30,439	40,082	42,086	44,401
Payments for capital assets	257	257	222	510	510	420	507	535
Machinery and equipment	257	257	222	460	460	420	507	535
Software and other intangible assets	0	0	0	50	50	0	0	0
Payments for financial assets	0	0	0	0	0	0	0	0
Total	11,322	17,084	21,130	66,023	60,023	75,222	77,968	82,323





8. PROGRAMME 5: ECONOMIC PLANNING

Purpose

The Economic Planning Programme is at the forefront of gathering, tracking and analysing key economic statistics and macro economic developments for the provincial, national and global economies. The Economic Planning programme is comprised of four Sub-programmes: Policy and Planning; Research and Development; Knowledge Management, and 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
Aim/Purpose:	Sub-programme 1: Policy and Planning
To develop provincial economic policies and strategies to achieve and measure sustainable economic development	strategy development Sub-programme 2: Research and
Strategic goals:	Development
 To promote integrated economic development planning To improve global competitiveness of local industries To increase the Department's capacity to become an information hub 	engage in ongoing economic analysis
	Sub-programme 4: Monitoring and Evaluation Strategic Objective : To determine the effectiveness and impact of provincial economic development policies, strategies and programmes

Specific policies, priorities, and strategic objectives

The policy context for the economic planning programme is provided by provincial strategies such as the PSEDS and the PIDS, as well as national strategies and policies such as ASGISA, IDS and NSDP. 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 macroeconomic developments and disseminate such economic information regarding the province to key stakeholders in the public and private sectors. The programme is responsible for developing and providing strategic information required for the efficient and effective management of the Department, to all members of the Department's management team.

Progress analysis

The programme has completed a series of research papers such as *The Green Economy, the Current Financial crisis in Greece and Changing Global Trading Patterns for South Africa*. These papers were developed by the internal DEDT research team, which indicates the level of capacity and expertise that is prevalent within the programme. In addition the programme has unpacked government and its public entity's investments in the provincial economy. The programme has continued to provide leadership in the issuing of a quarterly economic publication titled Ezomnotho, which is jointly published with Trade and Investment KZN, IThala, and KZN Provincial Treasury. The economic statistical website is updated on a regular basis and there is evidence that it is widely utilised by key stakeholders. The programme produces regular economic analytical reviews and 'snapshots' which are used by the MEC and senior management. It has also conducted monitoring and impact assessment studies of various departmental projects and services. The programme has continued to implement the Emerging Researchers Capacity Building Programme. The Management Information System (MIS) which is managed by the Project Support Office is helping store and track departmental projects.

Analysis of constraints and measures planned to overcome them

The key constraints facing the programme relate to:

- Project managers not updating their project information timeously on the MIS
- Lack of detailed local Municipalities socio-economic data
- Lack of proper project documentation by project managers
- Monitoring and evaluation results not robustly incorporated into future planning

The contemplated measures to overcome these challenges include:

- The project manager's performance agreements will incorporate their duties of reporting, documentation and updating information into the MIS as per the agreed timeframe
- Undertaking detailed profiling of district municipalities economic drivers
- Capacity building initiatives on research; monitoring and evaluation

Description of planned quality improvement measures

To improve the programme's quality of services, the Department will continue, in the new financial year, to:

- Develop strong local economic intelligence through its district profiling initiative
- Build research and M&E capacity through the emerging researchers capacity enhancement project
- Conduct relevant macroeconomic research on the province's economy



- Produce up-to-date and reliable statistics and economic indicators for the province
- Track and analyse macroeconomic developments in the provincial, national and global economies
- Collaborate with the Provincial Planning Commission in reviewing and drafting provincial economic strategies
- Continuous monitoring and evaluation of the departments interventions

8.1 Sub-programme 1: Policy and Planning

Purpose

The Policy and Planning unit is established to act as an advisory arm of the Department of Economic Development and Tourism on matters of economic policy and the economy in general. It has the responsibility of developing or facilitating the development and implementation of sound provincial economic policies and strategies based among other factors, the analysis of economic data and stakeholder consultations representing the various subject matters in the area of government economic operations. This is done to ensure that plans and programmes of all the province's government departments are well aligned to and integrated with these economic policies and strategies.

Specific policies, priorities, and strategic objectives

To achieve its mandate the unit constantly tracks economic developments and policy pronouncements in the province and in South Africa in general through the use of credible economic data sources and best practice quantitative analytical tools. Some of the provincial and national economic policy frameworks that guide the Unit's operations include among others ASGISA, National Industrial Policy Framework, KZN IDS, PSEDS, PGDS, SMME Strategy and National Local Economic Development Framework. The Policy & Planning unit endeavours to provide valuable services through:

- Benchmarking of policy initiatives with best practices regionally, nationally and internationally;
- Conducting peer-review workshops to improve the quality of policy research outputs;
- Training of Staff and stakeholders on macroeconomic Policy analysis and review;
- Conducting policy awareness and stakeholders workshops;
- Collaboration with other Policy Units in South Africa; and
- Provide continuous capacity building to Stakeholders in the province to improve implementation of provincial policy frameworks.

The strategic goal of this Sub-programme is to co-ordinate and provides leadership in provincial economic policy and strategy development. In order to meet the strategic goal, the following are the key objectives of the Sub-programme:

To be the prime source of economic information in the Province through provision of up-to-date and reliable statistics and economic indicators. This will be achieved through:

- Creation and maintenance of a database;
- Developing and maintaining a statistical portal;
- Undertaking Quarterly Statistical and Economic Analysis;
- Harmonization of sources of economic Statistics;





- Respond to information requests by Stakeholders.
- Track and Analyse macroeconomic developments in the provincial, national and global economies;
- 'Snapshot' reports on key social economic developments at local, national and global levels;
- Provide technical support in the drafting, implementation and review of Provincial economic development policies and strategies:
- Provide analytical reports and capacitate stakeholders on provincial and national policies;
- Coordination with DEDT Programmes.
- Provide capacity building to stakeholders;
- To provide capacity to stakeholders on macroeconomic analysis and economics in general;
- Skills Transfer;

Progress analysis

The Sub-programme achieved the following:

- Use of Computerised General Equilibrium (CGE) model in provincial economic impact assessment;
- Production of Quarterly economic statistical publication titled Ezomnotho;
- Tracking and Analysis of macroeconomic developments in the provincial, national and global economies;
- Gathering key economic statistics for the province;
- Provision of regular economic updates to the office of the MEC;
- Publication of economic research papers/ working papers covering topical issues;
- Functional economic statistical portal hosted on the Departmental website;
- Review of the Provincial Spatial Economic Development Strategy (PSEDS);
- Training of Stakeholders on economic Policy analysis and review;
- Collaboration with Provincial Treasury, TIKZN, Ithala and District Municipalities
- Respond to information requests by Stakeholders

Analysis of constraints and measures planned to overcome them

Reliability of statistical data continues to be the main challenge impacting on the unit's role in the analysis of provincial micro and macroeconomic environment to promote policy formulation. Regional economic statistics are not available from official data sources and hence it is inherently difficult to analyse local economic development initiatives that cascade down to District and local municipalities. The Sub-programme is making use of private data sources to supplement data sets produced by Stats SA.

The scarcity of skills is also a major challenge that is likely to frustrate the unit's initiatives. Although the unit managed to recruit experienced economists who constantly provide capacity building to other staff members, interns and stakeholders, attracting and retaining them in the absence of a retention strategy remains a challenge.

Description of planned quality improvement measures

Benchmarking of policy initiatives with best practices in other organisations of a similar nature, conducting workshops and training staff are the strategies that the unit adopted to improve the quality of its services. Continued collaboration with private and public stakeholders is envisaged to mitigate the aforementioned challenges. The unit endeavours to provide in-house training to junior economists in applied economics as a tool for skills transfer.

Specification of measurable objectives and performance measures or indicators

Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO CO-ORDINATE AND PROVIDE LEADERSHIP IN PROVINCIAL ECONOMIC POLICY AND STRATEGY DEVELOPMENT	PROVIDE LEAD	ERSHIP IN PROVINCI	AL ECONOMIC	POLICY AND STRATEGY	DEVELOPMEN		
		AUDITED/ACTUAL PERFORMANCE	RMANCE	ESTIMATED	MEDIU	MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	2012/13	2013/14
Measurable Objective: Provide technical support in the drafting, implen	nentation and	drafting, implementation and review of policies and strategies	and strategies				
Number of policies of strategies drafted/reviewed and implemented	N/A	N/A	N/A	e	4	2	е г
Number of integrated policies	N/A	N/A	0	1	-	0	0
Number of strategies developed	N/A	N/A	0	~	5	-	2
Number of policies reviewed/updated	N/A	N/A	0	1	-	-	-
Number of publications distributed to stakeholders	N/A	N/A	e	6	9	9	9
Measurable Objective: To be the prime source of economic information in the Province and produce up-to-date and reliable statistics and economic indicators	n in the Provin	ce and produce up	o-to-date and r	eliable statistics and	economic indi	cators	
Number of macro-economic 'snap shots'	N/A	N/A	-	1	+		-
Number of quarterly statistical and economic analysis reports written	N/A	N/A	2	4	4	4	4
Number of operational economic statistical portal	N/A	N/A	0	1	+	-	-
Number of district municipality statistical overviews	N/A	N/A	0	2	2	2	2
Measurable Objective: Track and analyse macroeconomic developments in regional and global economies	nts in regional	and global econon	nies				
Number of economic snap shots reports	N/A	2	0	4	4	4	4
Measurable Objective: Provide Capacity Building to Stakeholders							
Number of economic training sessions conducted	N/A	N/A	2	2	2	2	5



Quarterly Targets for 2011/12

STRATEGIC OBJECTIVE: TO		CO-ORDINATE AND PROVIDE LEADERSHIP IN PROVINCIAL ECONOMIC POLICY AND STRATECY DEVELOPMENT ANNITAL	HP IN PROVINCIAL EC	CONOMIC POLICY AN	UD STRATEGY DEVEL	ATEGY DEVELOPMENT OI I A RT ERIY TARGETS	
	REPORTING	DICTDICTC	TABOET				
FERFORMANCE INDICATOR	PERIOD	טואו אוט	141461 2011/12	lsт	2 ND	3 RD	4 TH
Measurable Objective: Provide technical support in the drafting, implementation and review of policies and strategies	rt in the drafting, im	plementation and revie	w of policies and s	trategies			
Number of policies of strategies drafted/ reviewed and implemented	Biannually	AI	4	0	0	2	2
Number of integrated policies	Annually	All	-	0	0	0	-
Number of strategies developed	Annually	All	2	0	0	0	-
Number of policies reviewed/updated	Annually	All	7	0	0	0	-
Number of publications distributed to stakeholders	Quarterly	AI	9	0	7	7	2
Measurable Objective: To be the prime source of economic information in the Province and produce up-to-date and reliable statistics and economic indicators	of economic informa	ttion in the Province an	id produce up-to-da	ate and reliable sta	itistics and econon	nic indicators	
Number of macro-economic snap shots	Annually	All	-	0	0	-	0
Number of quarterly statistical and economic analysis reports written	Quarterly	All	4	-	-	~	-
Number of operational economic statistical portal	Annually	All	L	0	0	0	£-
Number of district municipality statistical	Annually	UMgungundlovu	7	0	-	0	0
	Annually	Amajuba	-	0	0	0	-
Measurable Objective: Track and analyse macroeconomic developments in regional and global economies	oeconomic develop	ments in regional and (global economies				
Number of Macroeconomic Snap Shots	Quarterly	All	4	1	<u>_</u>	1	-
Measurable Objective: Provide Capacity Building to Stakeholders	ig to Stakeholders						
Number of economic training sessions conducted	Biannually	AII	2	0	1	0	-









Department of Economic Development and Tourism Umnyango Wezokuthuthukiswa Komnotho Nezokuvakasha

8.2 Sub-programme 2: Research and Development

Purpose

The purpose of Research and Development is to use resources for the deliberate discovery of new information and new ways of doing things. Now is arguably the most important time to have 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 external stakeholders in the province. The need for research emanating from this Sub-programme has increased as globally, nationally and provincially policy makers will have 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 Development and Tourism. 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 will ensure that it is kept abreast of developments regarding national economic policies and strategies and further needs to ascertain through research their implications for the province's implementation strategies and scope for policy-making.

Progress analysis

The programme has commissioned and/or completed a series of papers including both in house research (*The Green Economy, The Current Financial Crisis* including that of *Greece; Changing Global Trading Patterns for South Africa*) and commissioned (*Dube Trade Port; Low Carbon Economy*). A research and Development blog has also been established and this is aimed at the broader research community where comments can be received on work currently undertaken and that which is completed. The Sub-programme has also assisted various units with regards quality assurance on research that those units had commissioned. This QA involved analysing feasibility studies for a range of initiatives that were commissioned by the Department's LED unit.

Analysis of constraints and measures planned to overcome them

There are numerous constraints facing this Sub-programme and these can be briefly summarised as:

- Absence of a strategy to attract and retain skilled researchers
- Absence of a Departmental research agenda to provide focus to the overall research output
- Limited internal quality assurance capacity to deal with research that is conducted internally and commissioned



Increased cost of commissioned research makes viable research difficult Inability of government to attract suitably skilled researchers

To deal with the situation, the Sub-programme has finalised plans that includes:

- A proactive engagement with academic institutions through initiatives such as the University Research Network (URN), which will ensure a consistently high standard of commissioned research
- The proposed establishment of a departmental Research Committee which will facilitate a more collaborative approach to research within DEDT rather than one where research is outsourced to the Research and Development Sub-programme. This committee will ultimately assume responsibility for driving the DEDT's research agenda.
- Develop more flexible recruitment policies especially around the skills needed to manage and conduct research.

Description of planned quality improvement measures

This Sub-programme plans to improve its offering in the following ways:

- Engage stakeholders to leverage funds for projects and also to assist in project management of existing and future projects
- Ensure that electronically enabled media is utilised to conduct, store, display and share research with stakeholders
- Enact a tertiary-led bursary and research scheme which will assist in the development of a locally-based research culture
- Ensure the provision of quality assurance to other programmes within this department and extend this service to the broader stakeholder community



Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE: TO CONDUCT OR COMMISSION RESEARCH ON THE PROVINCIAL ECONOMY AND ENGAGE IN ONGOING ECONOMIC ANALYSIS	UCT OR COMMISSI	ON RESEARCH ON	THE PROVINCIAL EC	CONOMY AND ENGAGE	N ONGOING ECON	OMIC ANALYSIS	
		AUDITED/ACTUAL PERFORMANCE	ORMANCE	ESTIMATED	MEDI	MEDIUM-TERM TARGETS	ETS
PERFORMANCE INDICATOR	2007/08	2008/09	2009/10	PERFORMANCE 2010/11	2011/12	£1/7107	2013/14
Measurable Objective: Generation of macroeconomic	ic research on the KZN economy	KZN economy					
Number of research reports compiled	N/A	т	4	5	5	7	80
Measurable Objective: Develop innovative economic research intervention approach for DEDT	research interver	ntion approach fo	r DEDT				
Number of new research articles uploaded onto the electronic portals	N/A	0	0	20	25	30	35
Measurable Objective: Assist with Research and Development agenda	/elopment agenda						
Number of research studies coordinated	N/A	0	0	8	10	12	15

Quarterly targets for 2011/12

	REPORTING	ANNUAL		QUARTERL	QUARTERLY TARGETS	
	PERIOD	TARGET 2011/12	lsт	2 ND	3 RD	4тн
Measurable Objective: Generation of macroeconomic research on the KZN economy	research on the KZN e	conomy				
Number of research reports compiled	Quarterly	5	0	0	-	4
Measurable Objective: Develop innovative economic research intervention approach for DEDT						
Number of new research articles uploaded onto the Quarterly electronic portals	Quarterly	25	0	5	5	15
Measurable Objective: Assist with Research and Development agenda	elopment agenda					
Number of research studies coordinated	Quarterly	10	0	2	2	9





8.3 Sub-programme 3: Knowledge Management

Purpose

The main purpose of the Knowledge Management Sub-programme is to ensure that information relevant to execution of departmental economic development mandate is made available timeously to the departmental users by using a properly design sourcing, storage and dissemination technologies. The information should be relevant to the development of the provincial economy within the national agenda.

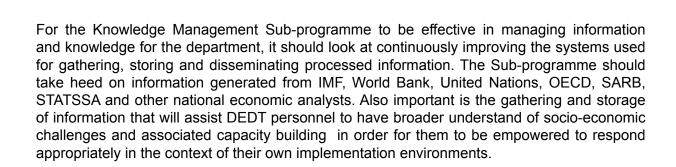
Specific policies, priorities and strategic objectives

The global economy is becoming more knowledge-based striving on innovation and optimal use of human capital as opposed to relying on physical assets/ resources as was the case in the past. This global shift has necessitated organizations to pay close attention to their knowledge management systems. There is a realisation at a national level that the broad developmental mandate can ultimately be achieved if South Africa takes further steps on the road to becoming a knowledge-based economy, which will rest on interconnected and interdependent pillars of innovation, economic and institutional infrastructure, information infrastructure and education. Therefore, effective knowledge management requires a combination of critical organizational elements such as information and communication technology, human resource practices, appropriate organizational structure and culture, in order to ensure that knowledge is optimally used within DEDT. In implementing knowledge management systems, it is imperative that DEDT should adopt processes, organisation structure and culture that allows for the use of human capital within the paradigm of the knowledge economy. As the capacity improves, the knowledge management system will adapt. Consequently there will be more knowledge creation and sharing of culture which should allow us to respond better to economic development challenges of the province.

The knowledge management Sub-programme's parameters are defined by policies, which include but are not limited to: Innovation Towards Knowledge-based Economy - Ten year (2008 – 2018) Plan for South Africa, Millennium Development Goals (MDGs), Accelerated Growth Initiative for South Africa (AsgiSA), Promotion of Access to Information, 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 ensure that information relevant to execution of departmental mandate is made available timeously to the departmental users by having properly design storage and dissemination technology and facilities. The information should be relevant to the development of provincial economy within the national agenda. The available information should enable DEDT 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. The other strategic objective is to make available executive information about departmental projects for senior management to make well informed decisions about the performance of all projects.





Progress analysis

The Sub-programme has successfully established a Project Support Office (PSO), which is charged with a responsibility of supporting project managers in planning and managing projects. The Sub-programme installed a Project Management Information System (PMIS) which provides an intelligible source of information about departmental strategic projects. This office has also trained and coached project managers on effective use of PMIS and the application of good project management practices through the project life cycle. PSO has been tasked with ensuring that all strategic projects are registered and effectively managed through PMIS. There has been progress in this regard and valuable information on departmental projects has been extracted from PMIS. This information has also provided managers with learning points and identification of improvement needs.

The resource centre is en route to source, store and disseminate valuable information. The recruitment process has yielded good candidates who should start work shortly. The knowledge management strategy has also been developed and just needs to operationalised.

Analysis of constraints and measures planned to overcome them

The Sub-programme is facing the following constrains:

- The administration of the resource centre has been a challenge since the passing away of the coordinator. The freezing of this post delayed the process of recruitment
- The use of PMIS has made significant progress with respect to project information, but the system is not perfect yet. Information needs to be up to date and accurate.
- The culture of knowledge creation and sharing will need to be improved to enhance overall knowledge management systems.

The contemplated measures to overcome these challenges include:

- A resource centre coordinator has been employed.
- To increase the level of comfort and confidence in using PMIS by continuing to train and coach project managers with respect to its use
- To embark on general knowledge management capacity building through the holding of knowledge sessions for the department.



Description of planned quality improvement measures

This Sub-programme plans to improve its offering in the following ways:

- Provide ongoing training and support to project managers on how to use the project management information system (PMIS).
- Coordinate subscriptions to newspapers and economic journals for DEDT management
 and staff
- Continually operationalise a knowledge management strategy for DEDT by identifying specific targets that need to be achieved
- Ensure that project managers register and update project information on PMIS, analyse and report project information to DEDT senior management on a monthly bases. This would further provide anchorage to current DEDT monitoring and evaluation initiatives and provide early warning signs to DEDT senior management where appropriate, and
- Ensure fully functioning DEDT Resource Centre through improved accessibility and valuable services provided to DEDT staff members.



Strategic Objective and Associated Annual Targets

STRAT	STRATEGIC OBJECTIVES:		TORE AND DISSE	TO ACCESS, STORE AND DISSEMINATE INFORMATION ON THE PROVINCIAL ECONOMY	ON THE PROVINC	IAL ECONOMY	
PERFORMANCE	AUDITED/A	AUDITED/ACTUAL PERFORMANCE	ORMANCE	ESTIMATED PERFORMANCE	MED	MEDIUM TERM TARGETS	ARGETS
INDICALOR	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Measurable Objective: Develop innovative knowledge management system for the DEDT	evelop innovative	knowledge m	anagement syst	em for the DEDT			
Number of Knowledge Management modules and strategies	A/A	N/A	2	7	£	.	~
Tormulated Number of economic intelligence reports	A/A	N/A	-	~	2	5	2
Measurable Objective: Operationalise and	Dperationalise and		effective and e	nstitutionalise effective and efficient management of economic development information for DEDT	of economic dev	elopment infc	rmation for DEDT
Operational level of DEDT resource centre	N/A	N/A	80%	100%	100%	100%	100%
Number of relevant economic resource materials gathered and stored	N/A	A/N	10	20	40	40	50
Measurable Objective: Provide coaching and mentorship to DEDT staff on project management	rovide coaching a	and mentorship	to DEDT staff c	on project managemer	t		
Number of staff competently using PMIS	N/A	N/A	0	20	40	60	80



STRATEGIC OBJECTIVES: TO ACCESS, STORE AND DISSEMINATE INFORMATION ON THE PROVINCIAL ECONOMY	TIVES: TO ACCESS,	STORE AND DISSEN	AINATE INFORMATIO	ON ON THE I	PROVINCIAL EC	ONOMY	
					QUARTER	QUARTERLY TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET (2011/12)	ј sт	2 ND	3 RD	4 TH
Measurable Objective: Develop innovative	ative knowledge n	knowledge management system for the DEDT	em for the DEDT				
Number of Knowledge Management modules and strategies formulated	Annually	AII	7	0	£-	0	0
Number of economic intelligence reports developed	Biannually	All	5	0		0	~
Measurable Objective: Operationalise and		se effective and ef	institutionalise effective and efficient management of economic development information for DEDT	ent of econo	mic developr	nent informati	
Percentage of operational level of DEDT resource centre	Quarterly	All	100%	100%	100%	100%	100%
Number of relevant economic resource Qua materials gathered and stored	Quarterly	AII	40	10	10	10	10
Measurable Objective: Provide coaching and mentorship to DEDT staff on project management	ing and mentorshi	ip to DEDT staff o	n project manage	ment			
Number of staff competently using PMIS	Quarterly	AII	40	10	10	10	10





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8.4 Sub-programme 4: Monitoring and Evaluation (M&E)

Purpose

The purpose of the Sub-programme is to facilitate continuous learning and improvement in the performance of the Department through monitoring and evaluation of its projects, programmes and strategies.

Specific policies, priorities, and strategic objectives

The Monitoring and Evaluation (M&E) Sub-programme fits within the policy framework of the entire Economic Planning Programme as described above. However, it is worth noting that M&E is embedded within the broad policy framework of good governance, which includes principles of accountability, transparency, effectiveness and service delivery improvement. The operation of the M&E Sub-programme is also informed by the outcomes-based approach as adopted by the national government to measure its performance.

Progress analysis

The Monitoring and Evaluation Sub-programme continues to facilitate improvement in organisational performance, learning and service delivery through monitoring and evaluation studies. This is done through continuous project monitoring and impact assessment of Departmental projects. To this end the Sub-programme has conducted a number of project monitoring and evaluation studies, including the impact assessment of the 2010 FIFA World Cup in KZN. The Sub-programme has also undertaken internal evaluations, including the socio-economic impact assessment of liquor licensing and a client reporting card survey. Furthermore, the M&E unit continued to implement the Emerging Researchers Capacity Building Programme as a mechanism for enhancing M&E capacity for emerging researchers and M&E practitioners. This programme has not only strengthened M&E capacity, but also led to an increasing awareness and interest on M&E issues across the province.

In terms of progress for the 2010/11 financial year, the following achievements were made:

- Developing project Monitoring Strategy and monitoring tools
- Conducting project monitoring to assess progress towards planned goals. This included verification of APP reports, project site visit assessments and compilation of comprehensive monitoring reports
- Conducting project evaluations, including ex-ante, mid-term evaluations, socioeconomic impact assessment of liquor licensing and surveys on DEDT internal processes focussing on SCM, Finance and Legal Services
- Providing M&E and research capacity through the Emerging Researchers Capacity Enhancement Programme
- Providing M&E technical support to the Provincial Flagship Programme

Analysis of constraints and measures planned to overcome them

The key challenges facing the Sub-programme relate to:

Integrated planning and coordination among Departments and other key players in





order to measure outcomes

- General insufficient baseline data on most economic development interventions
- Increasing demand for M&E technical capacity and practitioners
- Insufficient qualitative information from economic analysis regarding certain economic development trends in the province

Description of planned quality improvement measures

The contemplated measures to overcome these challenges include the:

- Advocating for joint planning, coordination and reporting in the economic cluster in order to measure contribution to economic development outcomes
- Conduct project evaluations using outcomes based approach
- Conduct intensive monitoring for selected DEDT projects
- Continue to provide M&E training through the Emerging Researchers Capacity Enhancement Programme

In the 2011/12 financial year, the Sub-programme will continue to:

- Conduct project and service monitoring to measure progress towards set goals
- Conduct project evaluations to determine effectiveness (outcomes) of DEDT projects
- Provide M&E training for stakeholders through the Emerging Researchers Capacity Enhancement Programme
- Provide M&E technical support on the Flagship programme in Umzinyathi District and others
- To facilitate M&E stakeholder engagement through establishment of a KZN M&E Forum



Strategic Objective and Associated Annual Targets

STRATEGIC OBJECTIVE : TO DETERMINE THE E	EFECTIVENES	S AND IMPACT PROGR	4PACT OF PROVINCIAL PROGRAMMES	IE EFFECTIVENESS AND IMPACT OF PROVINCIAL ECONOMIC DEVELOPMENT POLICIES, STRATEGIES AND PROGRAMMES	ELOPMENT POI	ICIES, STRATE	GIES AND
		AUDITED/ACTUAL PERFORMANCE	ORMANCE	ESTIMATED	MED	MEDIUM-TERM TARGETS	GETS
PERFORMANCE INDICATOR	2007/08	60/8007	01/6007	PERFORMANCE 2010/11	2011/12	٤١/٢١٥٢	2013/14
Measureable Objective: To monitor and evaluate Departmental projects and strategies	irtmental projects	s and strategies					
Number of monitoring reports	16	2	2	J	12	14	16
Number of evaluation reports	10	3	3	S	3	З	З
Measurable Objective: Provide M&E capacity building for relevant stakeholders in the province	for relevant stak	eholders in the pro	ovince				
Number of Stakeholders trained on research and M&E	138	52	38	60	80	80	80
Number of M&E Stakeholder sessions facilitated	3	2	2	2	2	3	2
Number of stakeholders receiving training on M&E	N/A	N/A	N/A	20	40	60	80
Measurable Objective: Provide M&E technical support in the Provincial Flagship Programme	in the Provincial	Flagship Program	ıme				
Number of District FP members supported and trained on M&E	N/A	N/A	N/A	20	40	60	80
Number of M&E sessions facilitated	N/A	N/A	N/A	-	2	4	4

Quarterly targets for 2011/12

STRATEGIC OBJECTIVE :TO DETERMINE THE EFFECTIVENESS AND IMPACT OF PROVINCIAL ECONOMIC DEVELOPMENT POLICIES, STRATEGIES AND PROGRAMMES	ETERMINE THE EFF	ECTIVENESSAND	D IMPACT OF PROV PROGRAMMES	/INCIAL ECONOM	IIC DEVELOPMEN.	F POLICIES, STRA	TEGIES AND
	REPORTING	DIGTBICTC	ANNUAL		QUARTERLY TARGETS	Y TARGETS	
	PERIOD	חואוגורוא	TARGET 2011/12	lsт	2 ND	3 RD	4 TH
Measurable Objective: To monitor and evaluate Depart	and evaluate Departme	mental projects and strategies	rategies				
Number of monitoring reports	Biannually	AI	12	0	9	0	9
Number of evaluation reports	Biannually	AII	e	0	0	2	.
Measurable Objective: To provide M&E capacity building for relevant stakeholders in the province	1&E capacity building f	for relevant stakeho	Iders in the province				
Number of stakeholders trained on M&E	Quarterly	AII	80	0	20	20	40
Number of M&E stakeholders Facilitated	Biannually	AII	7	0	-	0	-



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STRATEGIC OBJECTIVE : TO DETERMINE THE EF		ECTIVENESS ANI	FECTIVENESS AND IMPACT OF PROVINCIAL ECONOMIC DEVELOPMENT POLICIES, STRATEGIES AND PROGRAMMES	VINCIAL ECO	NOMIC DEVELOF	MENT POL	ICIES, STRA	FEGIES AND
	REPORTING		ANNUAL		QUAR	QUARTERLY TARC	TARGETS	
PERFORMANCE INDICATOR	PERIOD	DISTRICTS	TARGET 2011/12	lsτ	2 ND		3 RD	4 TH
Number of stakeholders receiving training on M&E	Quarterly	AII	40	10	10	10		10
Measurable Objective: Provide M&E technical support in the Provincial Flagship Programme	E technical support in	the Provincial Flags	hip Programme					
Number of District FP members supported and trained on M&E	Quarterly	Umzinyathi	40	10	10	9		10
Number of M&E sessions facilitated	Quarterly	AII	2	0	-	0		-
Summary of payments and estimates - Programme 5: Economic Planning	rogramme 5:				-	-		
R thousand	Audit	Audited Outcome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	n Estimates	
	2007/08	08 2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Policy & Planning				3,749	3,749	3,885	3,969	4,215
Research & Development				4,889	4,889	5,049	5,128	5,450
Knowledge Management	3,857	7 4,923	4,356	1,595	1,595	1,693	1,781	1,893
Monitoring & Evaluation	3,021	1 5,818	5,943	7,718	7,718	8,088	8,380	8,907
Total	6,878	3 10,741	10,299	17,951	17,951	18,715	19,258	20,465
Summary of payments and estimates by economic classification - Programme 5: Economic Planning	economic Planning							
R thousand	Audite	Audited Outcome		Main Appropriation	Adjusted Appropriation	Medium-term Estimates	n Estimates	
	2007/0	7/08 2008/09	2009/10	2010/11 -		2011/12	2012/13	2013/14
Current payments	5,941	10,164	10,159	17,951	17,951	18,625	19,164	20,367
Compensation of employees	2,061	3,702	5,528	10,545	10,545	11,204	11,821	12,472
Goods and services	3,880		4,631	7,406	7,406	7,421	7,343	7,895
Transfers and subsidies to:	698	0	9	0	0	0	0	0
Non-profit institutions	698	0	0	0	0	0	0	0
Households	0	0	9	0	0	0	0	0
Payments for capital assets	239	577	134	0	0	06	94	98
Machinery and equipment	239	577	104	0	0	06	94	98
Software and other intangible assets	0	0	30	0	0	0	0	0
Total	6,878	10,741	10,299	17,951	17,951	18,715	19,258	20,465

PART C: LINKS TO OTHER PLANS

9. LINKS TO LONG TERM INFRASTRUCTURE AND OTHER PLANS

The long term infrastructure and capital plans of the Department are not directly implemented by the Department, but are implemented by entities of the Department, namely the Dube Trade Port and the Richards Bay Industrial Development Zone. The Department will therefore make transfer payments to these two entities. Figures in the table below are in R'000.

Details of pa	Details of payments of infrastructure by category	sture by category							
		TYPE OF INFRASTRUCTURE	PROJECT	PROJECT DURATION		PAYMENTS TO	TOTAL AVAILABLE	MTEF F ESTIN	MTEF FORWARD ESTIMATES
		project/admin block; water; electricity; sanitation; etc.	DATE: START	DATE: FINISH	COST	PREVIOUS YEARS	2011/12	2012/13	2013/14
		=	NFRASTRUCT	URE TRANSFE	INFRASTRUCTURETRANSFERS - CURRENT				
,	Dube Trade Port Dube Trade Port	Dube Trade Port	2006/04/01	2060/03/31			37,441	39,313	41,475
Total Infrastri current	Total Infrastructure transfers - current						37,441	39,313	41,475
Infrastructure	Infrastructure transfers 0 capital								
.	Dube Trade Port	Dube Trade Port	2006/04/01	2060/03/31	4,913,587	3,882,070	326,662	342,995	361,860
5	Richards Bay IDZ	RBIDZ	2010/04/01	2011/03/31	233,630	45,314	59,636	62,618	66,062
Total Infrast	Total Infrastructure transfers - capital	apital			5,147,217	3,927,384	386,298	405,613	427,922
Total Infrastructure	ucture				5,147,217	3,927,384	423,739	444,926	469,397



10. CONDITIONAL GRANTS

The Department does not receive any conditional grants.

11. PUBLIC ENTITIES

The following table reflect the allocations to public entities that report to the Department. In terms of the compact agreements signed with each of the public entities reflected below, there are Number significant changes that are anticipated in the coming year. Performance of these entities is managed as per conditions stipulated in the compact agreements, where the board of each entity reports to the MEC on a quarterly basis. The CEOs meet with the Head of Department quarterly to manage performance against deliverables on the compact agreement.

	SUMMARY C	SUMMARY OF DEPARTMENT	VTAL TRANSFER	AL TRANSFERS TO PUBLIC ENTITIES LISTED IN TERMS OF SCHEDULE 3 OF THE PFMA	S LISTED IN TERMS	OF SCHEDU	JLE 3 OF THE I	PFMA	
	Al	AUDITED OUTCOME	OME	MAIN APPROPRIATION	APPROPRIATION ESTIMATE	REVISED ESTIMATE	MEDIU	MEDIUM-TERM ESTIMATES	MATES
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Ithala Development Finance Corporation	759,142	0	100,000	280,000	280,000	280,000	284,300	289,500	305,423
Co-operatives	100,000	0	0	80,000	0	0	84,300	89,500	94,423
Growth Fund	500,000	0	0	100,000	60,000	60,000	100,000	100,000	105,500
thala Share Capital	0	0	0	0	40,000	40,000	0	0	0
Project Specific	24,000	0	0	0	0	0	0	0	0
Funding									
SMMEs	135,142	0	100,000	100,000	180,000	180,000	100,000	100,000	105,500
KZN Sharks Board (KZNSB)	19,146	23,297	25,337	25,551	25,551	25,551	29,084	30,938	34,502
KZN Tourism Authority 60,036 (TKZN)	60,036	61,556	78,602	69,444	71,444	71,444	79,111	83,092	87,543
Agri-business Development Agency (ADA)	0	0	0	0	26,800	26,800	20,000	15,000	15,826

KZN Film Commission, and the KZN Liquor Entity, have had their bills passed as acts by the Provincial Legislature. These The table below reflects other transfers to entities that are not public entities. The Dube Trade Port, Trade and Investment KZN, entities will become listed in terms of the PFMA during the course of the 2011/12 financial year.







			SUMMAR	Y OF DEPA	RTMENTAL TRANSFE	SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES	ES			
PUBLIC	SUB- PROGRAMME	AUDITED	TED OUTCOME	OME	MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUI	MEDIUM-TERM ESTIMATES	MATES
ENTITIES		2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Dube Trade Port	Trade and Invest	443,500	1,299,313	1,598,254	526,905	526,905	526,905	364,103	382,308	403,335
Trade & Investment KZN	Trade and Invest	40,670	42,000	54,416	56,637	56,637	56,637	61,536	64,613	68,167
Durban Film Festival	Sector Development	0	0	860	1,200	1,200	1,200	1,200	1,260	1,329
KZN Film Commission	Sector Development	698	0	0	4,180	4,180	4,180	4,598	4,828	5,094
KZN Music Studio Sector Develo	Sector Development	0	0	0	15,900	15,900	15,900	4,000	3,000	3,165
Moses Kotane Institute	Sector Development	0	10,783	4,500	28,300	34,300	34,300	30,000	30,000	31,650
Richards Bay IDZ Industry Develop		45,000	0	103,750	56,975	156,975	156,975	59,636	62,618	66,062
KZN Liquor Entity Liquor Regulation 0	Liquor Regulation	0	0	0	36,439	30,439	30,439	40,082	42,086	44,401

12. PUBLIC-PRIVATE PARTNERSHIPS

The Department does not outsource any of its functions and has not entered into any PPP as defined in the Treasury Regulations.



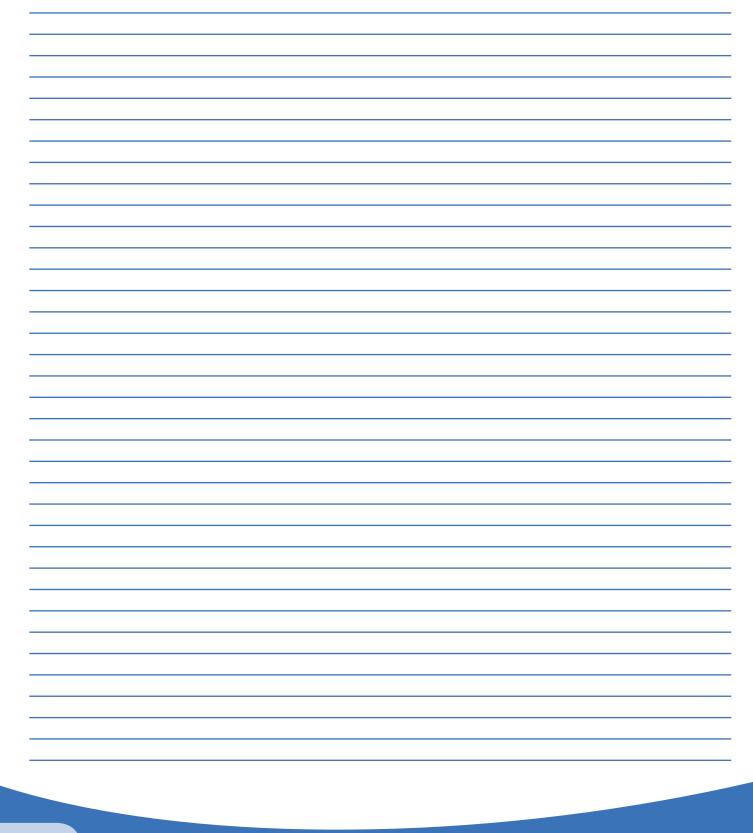


LIST OF KEY ACRONYMS AND ABBREVIATIONS USED IN THE DOCUMENT

KZN	KwaZulu-Natal
MEC	Member of Executive Council
DEDT	Department of Economic Development and Tourism
ASGISA	Accelerated Shared Growth Initiative of South Africa
PGDS	Provincial Growth and Development Strategy
PIDS	Provincial Industrial Development Strategy
PSEDS	Provincial Spatial Economic Development Strategy
RIDS	Regional Industry Development Strategy
IDP	Integrated Development Plan
LED	Local Economic Development
HOD	Head of Department
PFMA	Public Finance Management Act
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
HR	Human Resources
SLA	Service Level Agreement
EAP	Employee Assistance Programme
FET	Further Education and Training
NSIC	National Small Industry Corporation
TDTC	Technology Demonstration and Training Centre
KZNSIC	KwaZulu-Natal Small Industry Corporation
BBBEE	Broad-Based Black Economic Empowerment
EU	European Union
RSA	Republic of South Africa
LMRF	Learning, Monitoring, and Research Facility
NGO	Non-Governmental Organisation
LCF	Local Competitiveness Fund
LCFI	Local Competitiveness Fund Implementation
CAP	Competitiveness Action Plans
BEE	Black Economic Empowerment
BEF	Business Enabling Fund
FA	Financing Agreement
DPLG	Department of Provincial and Local Government
EEP	Employment Equity Plan
SATMA	South African Traditional Music Award
MNC	Multinational Corporations
EXCO	Executive Committee
MUN	Municipalities
DIPA	Durban Investment Promotion Agency
TIKZN	Trade and Investment KwaZulu-Natal
GEAR	Growth, Employment, and Redistribution
ECD	European Commission Delegation
PRAG	Practical Guide
IPAP	Industrial Policy Action Plan
IDS	Industrial Development Strategy
SITA	State Information Technology Agency













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