

# Annual Performance Plan *2016/2017*



**edtea**

Economic Development, Tourism and  
Environmental Affairs

**PROVINCE OF KWAZULU-NATAL**





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MEC for Economic Development, Tourism and Environmental Affairs*

## **MEC's Foreword**

As the executive authority and political principal of the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA) I wish to present the Department's 2016/2017 Annual Performance Plan (APP). The APP is an important document that outlines Department plans within a particular financial year and how they will be executed.

In that regard, this document is our primary mechanism with which we account to oversight institutions and bodies for the work we are mandated to carry out on behalf of the provincial government and people of KwaZulu-Natal.

This plan is a continuation of the strategic trajectory that we set out at the beginning of this term with the development of the Departmental Strategic Plan covering the 5 years of this administration term of office. These important plans lay solid foundation of the Department policy and strategic direction with intractable links to the National Development Plan, the 14 Outcomes of government as detailed in the 2015-2020 Medium Term Strategic Framework and the KZN Provincial Growth and Development Strategy / Plan. Not only does this offer important policy alignment; it further underscores the importance of corporate governance as a central pillar of the constitutional architecture of our democratic Republic.

The Department is developing this performance plan against an unenviable background of global and local declining economic growth. Emerging markets which fuelled growth when the developed markets struggled to cope with the 2007-2008 financial crisis have recently come under pressure too, giving rise to gloomy economic prospects.

Emerging markets have faced formidable limitations that constrained growth, reflected in some instances by lower commodity prices, and unfavourable flows of trade and capital. This decline has been more pronounced in the leading emerging markets, namely, Brazil, Russia, China, and South Africa, all of whom are BRICS member states. The severe drought in the province and across the country has also imposed considerable economic costs to farmers and those in the agro-business value chain in particular.

The mandate of the Department is unchanged. It remains the pursuit of inclusive growth and economic development in KZN through sustainable management of the environment as a natural base, optimising tourism opportunities and harnessing growth of all economic sectors. Without any sense of contradiction the Department has developed its strategic interventions with clear target in mind; the realisation of the radical economic transformation.

Tourism, Industrial Economic Hubs, Aerotropolis, Maritime, Environmental management are the main strategic pillars of the Department's strategy with which we endeavour to transform and expand the KZN economy. Departmental entities are set on a strategic mission to drive economic development; promote trade and investment to KZN; tourism and conservation management; liquor regulation; green economy; aerotropolis and unlocking maritime (oceans economy) opportunities.

The awarding of the 2022 Commonwealth Games to Durban as the host city is an important achievement for the city and this province. These games offer great economic prospects and tourism opportunities and align naturally to the progressive development plans of the provincial government.

I wish to convey immense gratitude to the management of the Department and entities, Board members of entities, and all officials for their contribution in the development of this plan as well as their hard work in bringing our vision to life. Our appreciation also goes to colleagues in the legislature portfolio committees and to oversight bodies who assist the Department in executing its mandate.



Mr Michael Mabuyakhulu, MPL  
MEC for Economic Development, Tourism and Environmental Affairs

## Official sign-off

It is hereby certified that this Annual Performance Plan was developed by the Management of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) under the guidance of the MEC Michael Mabuyakhulu and was prepared in line with the current Strategic Plan of EDTEA and accurately reflects the performance targets which EDTEA will endeavor to achieve given the resources made available in the budget for 2016/17 financial year.



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Date: 25/02/2016

## Acronyms

<b>ADR</b>	<b>Alternative Dispute Resolution</b>
<b>APP</b>	<b>Annual Performance Plan</b>
<b>APR</b>	<b>Annual Performance Report</b>
<b>B-BBEE</b>	<b>Broad-Based Black Economic Empowerment</b>
<b>CIPC</b>	<b>Companies and Intellectual Property Commission</b>
<b>CSP</b>	<b>Customised Sector Programme Policies</b>
<b>DTI</b>	<b>Department of Trade and Industry</b>
<b>DTP</b>	<b>Dube Trade Port</b>
<b>GDP</b>	<b>Gross Domestic Product</b>
<b>HRM&amp;D</b>	<b>Human Resource Management and Development</b>
<b>IDS</b>	<b>Industrial Development Strategy</b>
<b>IDZ</b>	<b>Industrial Development Zone</b>
<b>IEDS</b>	<b>Integrated Economic Development Services</b>
<b>IPAP</b>	<b>Industrial Policy Action Plan</b>
<b>KM</b>	<b>Knowledge Management</b>
<b>KZN EDTEA</b>	<b>KwaZulu-Natal: Department of Economic Development, Tourism and Environmental Affairs</b>
<b>KZNPSS</b>	<b>KwaZulu-Natal Wood Processing Sector Strategy</b>
<b>LED</b>	<b>Local Economic Development</b>



<b>MAPPPSETA</b>	<b>Media, Advertising, Publishing, Printing, Packaging Seta</b>
<b>MTSF</b>	<b>Medium-Term Strategic Framework</b>
<b>MTEF</b>	<b>Medium-Term Expenditure Framework</b>
<b>NDP</b>	<b>National Development Plan</b>
<b>NGP</b>	<b>New Growth Path</b>
<b>NIPF</b>	<b>National Industrial Policy Framework</b>
<b>NSDP</b>	<b>National Spatial Economic Development Perspective</b>
<b>NTSS</b>	<b>National Tourism Sector Strategy</b>
<b>PAIA</b>	<b>Promotion of Access to Information Act</b>
<b>PFMA</b>	<b>Public Finance Management Act</b>
<b>PGDP</b>	<b>Provincial Growth and Development Plan</b>
<b>PIDS</b>	<b>Provincial Industrial Development Strategy</b>
<b>PSEDS</b>	<b>Provincial Spatial Economic Development Strategy</b>
<b>RIDS</b>	<b>Regional Industrial Development Strategy</b>
<b>RLED</b>	<b>Regional Local Economic Development</b>
<b>R&amp;D</b>	<b>Research and Development</b>
<b>SEZs</b>	<b>Special Economic Zones</b>
<b>SMME</b>	<b>Small, Medium and Micro Enterprises</b>

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## PART A: STRATEGIC OVERVIEW

### 1. VISION

Leading the attainment of inclusive and sustainable economic growth for job creation

### MISSION

The mission of EDTEA is to:

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

### VALUES

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

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

### 2. STRATEGIC OUTCOME-ORIENTED GOALS

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



TABLE 1: KZN EDTEA STRATEGIC OUTCOME ORIENTED GOALS AND OBJECTIVES

Strategic outcome oriented goal 1	Integrated economic planning and development in the Province
Goal statement	Achieve integrated and coordinated economic planning process and development in the Province of KZN.
Goal indicator	Effective implementation of Provincial interventions by relevant stakeholders
Strategic objectives	1.1 Coordinate social partners and other stakeholders in the Province 1.2 Collect, process, maintain and report on economic and other social data 1.3 Track the implementation of economic interventions 1.4 Provide research on priority and strategic sectors 1.5 Develop and maintain an efficient regulatory and governance framework 1.6 Influence policy direction for economic and infrastructure development

Strategic outcome oriented goal 2	Sustainable and inclusive economic growth for job creation
Goal statement	Achieve economic growth with broad participation by the community
Goal indicator	Higher provincial GDP, lower unemployment, poverty and inequalities and improved key social indicators
Strategic objectives	2.1 Facilitate the implementation of economic transformation strategies and policies 2.2 Implement existing productive and service sector strategies and plans 2.3 Promote SMMEs and Cooperatives 2.4 Facilitate trade and investment

<b>Strategic outcome oriented goal 3</b>	<b>Preferred tourism destination in the country</b>
<b>Goal statement</b>	Deepen and develop the positioning of KZN as a preferred tourism destination for domestic and global tourism
<b>Goal indicator</b>	Increase number of tourists visiting KZN
<b>Strategic objectives</b>	<p>3.1 Provide guidance, support and direction in terms of tourism policies, legislation and strategies</p> <p>3.2 Implementation of the KZN Tourism Master Plan</p>
<b>Strategic outcome oriented goal 4</b>	<b>Sustainable environmental management</b>
<b>Goal statement</b>	Ensure effective implementation of policies and strategies for sustainable development
<b>Goal indicator</b>	Improved responsible environmental management and impact
<b>Strategic objectives</b>	<p>4.1 Implement environmental management strategies and plans</p> <p>4.2 Streamline the process of Environmental Impact Assessment</p> <p>4.3 Promotion and facilitation of integrated environmental management through capacity building and awareness raising programmes and projects.</p>
<b>Strategic outcome oriented goal 5</b>	<b>Achieve institutional excellence responsive to the needs of the country</b>
<b>Goal statement</b>	Establish a dynamic institution through a high performance and value based culture
<b>Goal indicator</b>	Accountable delivery of the mandate of the Department
<b>Strategic objectives</b>	<p>5.1 Lead in the realisation of the vision of the Department and enhance service delivery and guaranteed value for money</p> <p>5.2 Establish organisational capacity to enable delivery of mandate through effective human and financial management, corporate governance, risk management, and internal control frameworks</p> <p>5.3 Deploy robust business processes and systems to promote a high performance and value-based culture</p> <p>5.4 Strengthen planning oversight, monitoring and evaluation capabilities for measuring impact of economic development strategies within the Department and across its entities;</p>

### 3. LEGISLATIVE AND OTHER MANDATES

The Department operates within national and provincial legislative, policy and strategic frameworks. Some of the national acts that are critical to the operations of the Department are the Constitution of the Republic of South Africa, particularly Schedule 4 and 5 which stipulate the competences of the provincial government on matters of economic development and the Public Finance Management Act (PFMA) among other sector specific acts;

Integrated National B-BBEE Strategy and KZN B-BBEE Strategy;  
B-BBEE Act;  
B-BBEE Codes of Good Practice;  
National Small Business Act of 1996 as amended  
Cooperative Amendment Act 6 of 2013;  
Industrial Policy Action Plan (IPAP);  
National Development Plan (NDP);  
Local Economic Development (LED) policy guideline;  
South Africa Trade policy framework;  
Green Economy Framework;  
Mining Beneficiation Strategy;  
National Spatial Economic Development Perspective (NSDP);  
Special Economic Zones (SEZs) Act, Act No.16 of 2014 and Regulations;  
National Environmental Management Act 107 of 1998;  
National framework for sustainable development;  
National climate change response strategy;  
National air quality management strategy;  
National waste management strategy;  
Tourism Act, Act No. 3 of 2014;  
White Paper on the Development and Promotion of Tourism  
National integrated coastal management strategy;  
White Paper on Environmental Management Policy;  
National Environmental Management: Biodiversity Act 10 of 2004 (NEMBA),  
National Environmental Management: Protected Areas Act 57 of 2003 (NEMPAA) and  
A number of sector specific strategies.

EDTEA's operations are also guided a myriad of national and provincial policies which include among others:

- South Africa Trade Policy Framework
- Industrial Policy Action Plan (IPAP);
- Informal Economic Policy.
- Local Economic Development (LED) Policy Guideline.

The provincial government is aligned to these acts and policies among others:

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

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

- Job creation
- Special economic zones (SEZ) and Industrial Economic Hubs;
- Beneficiation/Value Addition;
- Infrastructure Development;
- Rural Economic Development;
- Skills Development;
- Economic Transformation;
- KwaZulu-Natal Beach Tourism Policy;
- Trade Policy;
- Spatial Economic Development;
- Black industrialisation and
- Revitalisation of township and Rural Economies.

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

#### 4. SITUATIONAL ANALYSIS

The Department has the authority to carry out a policy or course of action with respect to economic development, tourism and environmental affairs in KwaZulu-Natal. These are fundamentally important sectors of economic growth and development in the province. It is for this reason that the Department continues to work with various sectors of our society to ensure the growth and development of our province. Our vision is to grow our economy for the improvement of the quality of life of all people living in KwaZulu-Natal. This task cannot be delivered by a single entity, and therefore it is crucial to leverage strategic partnerships within government, with business, labour and communities to meet our development goals.

Our interventions of this financial year 2016/17 will continue to help boost the economy. These include fast tracking infrastructure development, supporting the growth initiatives; further development of logistical and industrial development zones (IDZs) and attracting foreign investment, among other things. The apex priority of this Department is to help reduce poverty, inequality and unemployment in the province as envisioned in the National Development Plan (NDP) and the Medium Term Strategic Framework (MSTF) and Provincial Growth and Development Plan (PGDP).

The White Paper on the Development and Promotion of Tourism in South Africa states that “Tourism is government led, private sector driven and community based”. The Tourism Master Plan has been developed under these premises and each and every role player must play their role, which includes government, private sector, labour, communities and the media among others. KwaZulu-Natal remains a tourist destination of choice in South Africa as evidenced by the large numbers of people that brace our shores all year around. We plan to continue with measures to attract both domestic and foreign tourists. The purpose of the work of the Department with regard to Environmental Affairs is to protect, improve and enhance the quality and safety of the environment to give effect to the right of all people in KwaZulu-Natal to an environment that is not harmful to health and wellbeing, to manage and protect KZN’s oceans and coastal resources, to promote conservation and the sustainable use of natural resources to contribute to economic growth and poverty alleviation, and implementation of expanded public works projects in the environment sectors.

In relation to sustainable growth and development in the context of the agreed Sustainable Development Goals (SDGs) – the new development agenda that will move us towards a sustainable future for people and planet, the Department considers that climate change is a real issue that confronts all of us not just Government, and that there is a collective responsibility to contribute to the mitigation effort. On the path towards energy efficiency and the use of renewable sources of energy, the achievement of a balanced agreement on climate change and sustainable growth is equally important, including all aspects related to climate action plan such as adaptation, emission reduction, availability of finance and transfer of technology at affordable cost.

In terms of climate change policy in light of the recently agreed Paris Agreement arising from Conference of the Parties Twenty-first session (COP 21) in December 2015, the Department will continue to facilitate an effective provincial mitigation and adaptation response to climate change. This would among other things, ensure that our environmental assets are conserved, valued, sustainably used, protected and continually enhanced. Furthermore our environmental programmes and interventions as a Department will serve the purpose of ensuring an enhanced socioeconomic benefits and employment creation opportunities for the present and future generations in the context of a healthy environment.

The Provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA) remains responsive and committed to its results oriented service delivery approach for inclusive and sustainable development. The Department will in line with the August 2015 Procurement Indaba Declaration, place public procurement at the centre stage for radical economic transformation, lay an interventionist role in public procurement to advance economic inclusivity. We will also strive to ensure that we implement preferential procurement policies in line with Cabinet resolution 437 of the 13th of December 2013 by increasing the number of items set aside for small business, especially woman and youth owned enterprises. All this we would do as a Department working together with various sectors and communities to achieve radical economic transformation through procurement policy reforms with the view to ensure equitable share of opportunities especially to the previously disenfranchised black people (and Africans in particular).

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#### 4.1. ECONOMIC PERFORMANCE

The Department continues to play a leading role in the implementation of the National Outcomes 4, 5, 6 and 10 respectively in terms of the Medium Term Strategic Framework (MTSF), which are contributing to **decent employment through inclusive economic growth, skilled and capable workforce to support an inclusive growth path and building an efficient, competitive and responsive economic infrastructure network and Protect and Enhance our Environmental Assets and Natural Resources**. To ensure alignment between Provincial and National Plans, the National MTSF Outcomes were consequently translated into Provincial Growth and Development Plan (PGDP) Goal 1, 3, 4, and 5. Therefore, this section highlights the contribution of EDTEA to National and Provincial priorities



### KwaZulu-Natal at a Glance

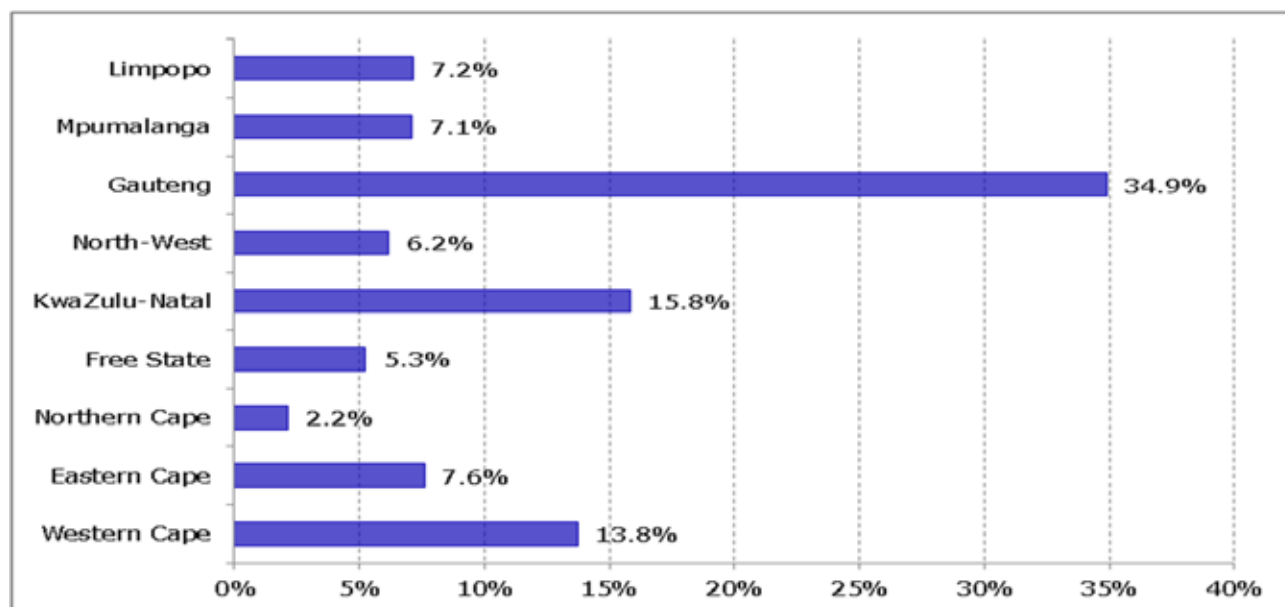
A summary of the major indicators of KwaZulu-Natal vis-à-vis South Africa is presented in the table below followed by the provincial economic size relative size to South Africa and the sectorial contributors to their respective economies and environmental management.

#### Various Economic Indicators,

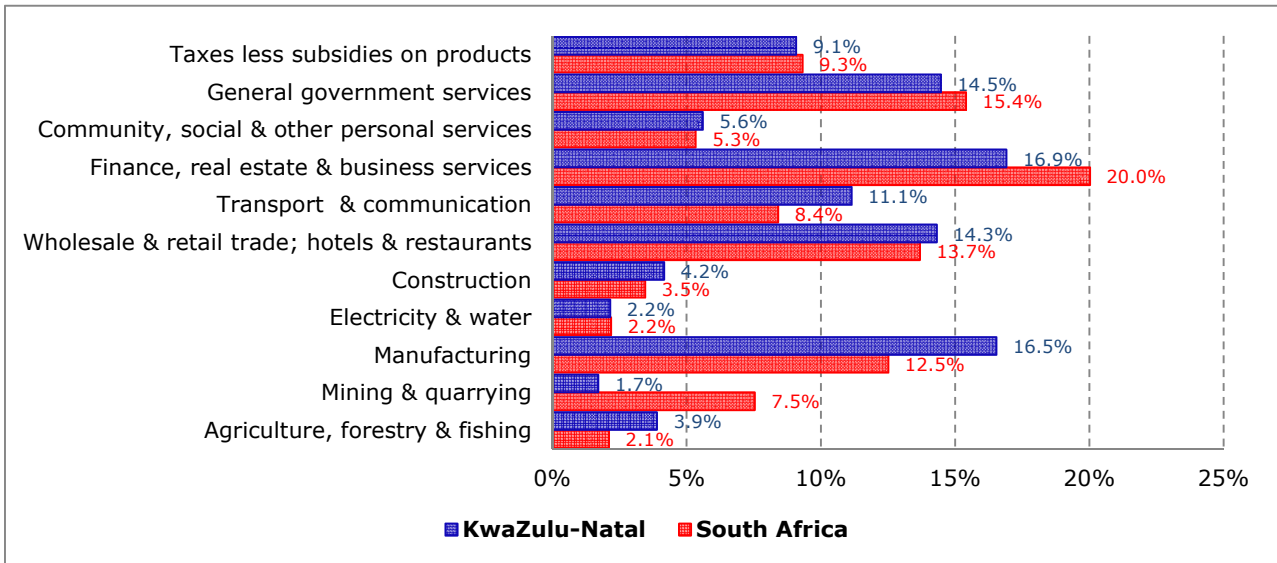
Indicator	KwaZulu-Natal	South Africa
<b>GDP (R'000s)</b> at 2010 constant prices Seasonally Adjusted & Annualised- 3rd quarter 2015 (R' mil)	482 736	3 046 807
<b>GDP Growth</b> (3rd quarter 2015)	1.2	0.7
<b>Population (000s)</b> (2015)	10 919	54 956
<b>Working Age Population (000s)</b> (15-64 years)	6 715	36 114
<b>Unemployment (000s)</b> (QLFS, 3rd quarter 2015)	664	5 418
<b>Unemployment Rate</b> (3rd quarter 2015)	20.5	25.5%
<b>Labour Force (000's)</b> (3rd quarter 2015)	<b>3 237</b>	<b>21 246</b>
<b>Absorption Rate</b> (employed/population ratio)( 3rd quarter 2015)	38.3%	43.8%
<b>Gini Coefficient</b> (2014)	0.63	0.64
<b>Human development Index (HDI)-</b> (2014)	0.56	0.63
<b>Functional literacy</b> (2014)	80.0%	82.9%
<b>Inflation</b> (November 2015)	4.60%	4.80%
<b>Foreign tourists per annum</b> (2013)	742 622	9 014 991
<b>Cargo tonnage handled at ports (000s)</b> -(3rd quarter 2015)	35 442 840	56 961 621
<b>Number of containers handled at ports</b> -(3rd quarter 2015)	730 001	1 212 008
<b>Hotel occupancy rates</b> (September 2015)	73.6%	66.5%
<b>Total Air Passenger Movements at King Shaka International-</b> (3rd quarter of 2015)	<b>1 251 403</b>	

Source: Stats SA, IHS Global Insight, Quantec Research, ACSA, Transnet, 2015

#### Provincial Contribution (%) to South Africa, 3rd Quarter 2015



Source: Quantec Research, 2015



Source: Quantec Research, 2015

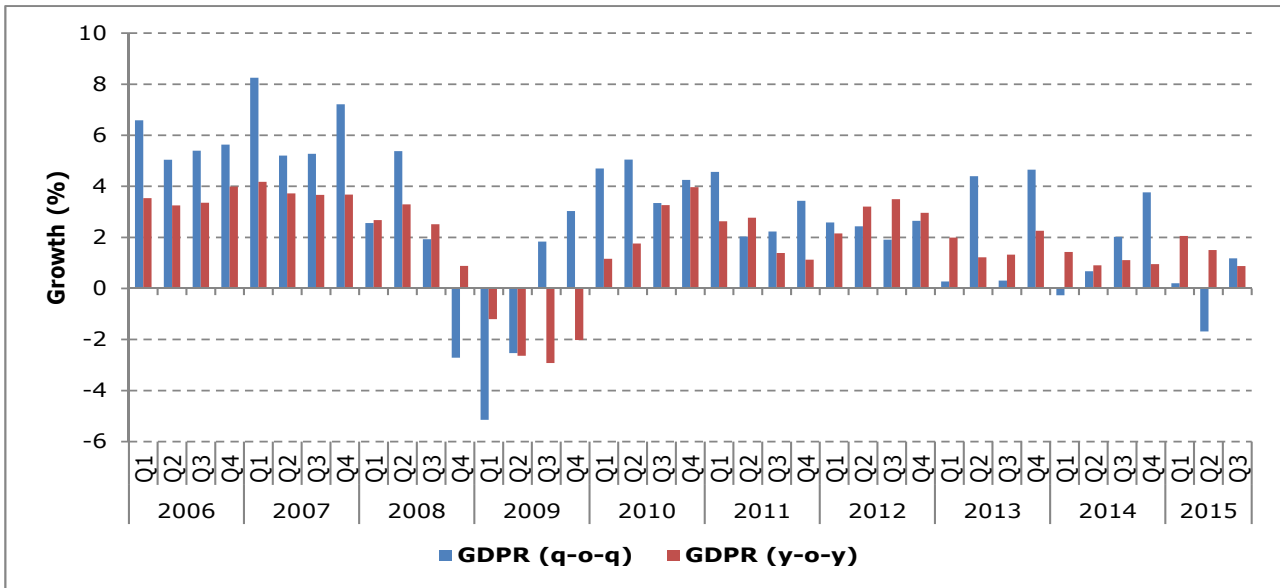
#### KwaZulu-Natal's Comparative Advantages

- KwaZulu-Natal is second only to Gauteng in terms of percentage contribution to South Africa's GDP.
- The province boasts a highly advanced manufacturing sector which contributes close to 16% of the province's GDP.
- It also boasts of a highly diversified agricultural sector. The province is the country's leading producer of timber, processing over half of all timber used in the country, and accounting for a significant percentage of the country's wood exports. Sugar cane is also a premier produce in the province with some of the country's largest sugar processing plants.
- The province has the highest export propensity, as well as the highest level of industrialization in the country.
- The ports of Durban (largest port in Africa in terms of container handling and volume of vessels) and Richards Bay, together, handle over 60% of South Africa's cargo tonnage. KwaZulu-Natal also boasts the newly built King Shaka International Airport (KSIA), which handled over 4.6 million passengers in 2014 and the Dube Trade Port, aimed at stimulating and promoting the exports from KSIA. We welcome Ethiopian Airlines adding a new route to Addis Ababa from KSIA. Other new airlines who joined us recently are Qatar Airways to Doha, Turkish Airlines to Istanbul and Proflight-Zambia to Lusaka. In addition, the province is actively involved with the East3Route economic and tourism development initiative among four countries; Mozambique, Seychelles, Swaziland, and South Africa (through the KwaZulu-Natal province).
- Richards Bay is the centre of the country's aluminium industry operations, producing over 4% of the world's export of aluminium. It is also the seat of the world's largest sand mining and mineral-producing operations.
- KwaZulu-Natal is a premier tourist destination, recording 742,622 foreign tourist visits in 2013, and has one of the best hotel occupancy rates in the country. The province boasts the iconic Moses Mabhida Stadium, venue of the 2010 soccer World Cup semi-final; as well as two World Heritage Sites in the form of the Drakensberg Mountains and the Isimangaliso Wetland Park.

### Provincial Economic Growth

KwaZulu-Natal is an important hub of industrial development in Sub-Saharan Africa, thanks to its rich natural resources and well-developed infrastructure. Economic activities in the province are mainly concentrated on the port of Durban, Richards Bay and the capital city of the province, Pietermaritzburg. The province is the second largest economy, contributing an average of 16% to the country's GDP. As with the national economy, the province also avoided a technical recession, posting a positive growth of 1.2% in the third quarter of 2015.

Quarterly Growth in GDP, KwaZulu-Natal, 2006:Q1-2015:Q3



Source: Quantec Research, 2015

KwaZulu-Natal's provincial growth rebounded positively in the third quarter of 2015 after contracting by 1.7% in the second quarter thereby avoiding technical recession. On an annual basis, provincial growth posted just 0.9% in the third quarter following 1.5% and 2.1% in the second and first quarter of 2015, respectively. Of concern, year-on-year growth shows a downward trend in 2015.

### Provincial Sectorial Drivers

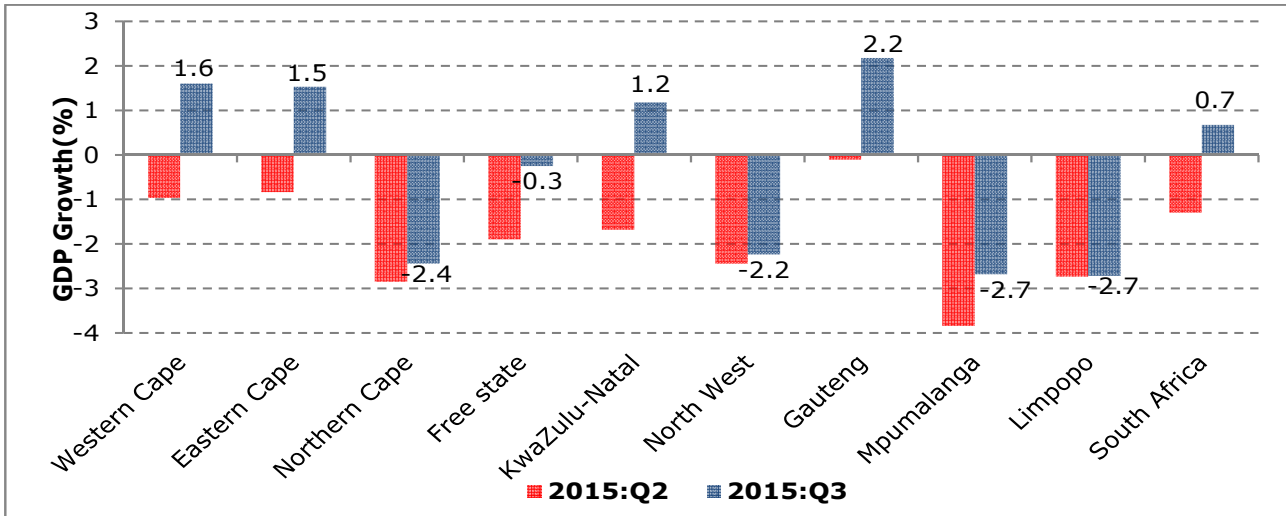
Manufacturing is the key sector in KwaZulu-Natal contributing an average 15% to the provincial GDPR, and almost 14% of the provincial employment. KwaZulu-Natal's manufacturing sector is also the second largest in the country after Gauteng. KwaZulu-Natal manufacturing accounts for about 22% of SA manufacturing GVA, compared 41% for Gauteng. In addition to the strong manufacturing base (20%), KwaZulu-Natal also boasts a solid finance, real estate and business services sector (17%), and an enviable trade and tourism sector (13.6%). With two of Africa's busiest seaports, and world class road and air infrastructure in our shores, the province's transport and logistics sector is well developed.

The Manufacturing sector contributed most significantly during the third quarter growth recovery, growing by 6.2% after contracting successively for the first and second quarters of 2015. Another positive outcome in the third quarter GDP growth was the significant growth in finance, real estate and business services sector growing by 2.7% after 2.6% in the second quarter. Agriculture and mining contracted again in the third quarter, contracting by 12.6% and 11.8%, respectively. The Agricultural sector has contracted in all three quarters of 2015 due to drought experienced country wide whilst the mining sector has contracted for the second time in 2015. A significant rebound in the wholesale and trade was also seen in the third quarter, growing by 2.6% after contracting by 0.5% in the second quarter.

### **Provincial Growth Comparison**

The South African economy is mainly driven by agriculture, manufacturing, and finance. Poor or better performance in these sectors determines the direction of the economy. For instance, poor performance in the agricultural sector due to droughts experienced country wide has had a significant negative impact on the economy in the third quarter. However, on the other hand the rebound in manufacturing yielded some positive outcomes in the economy as depicted by the provincial economic performance.

### Comparative Provincial Growth Rates, 2015:Q2 & 2015:Q3

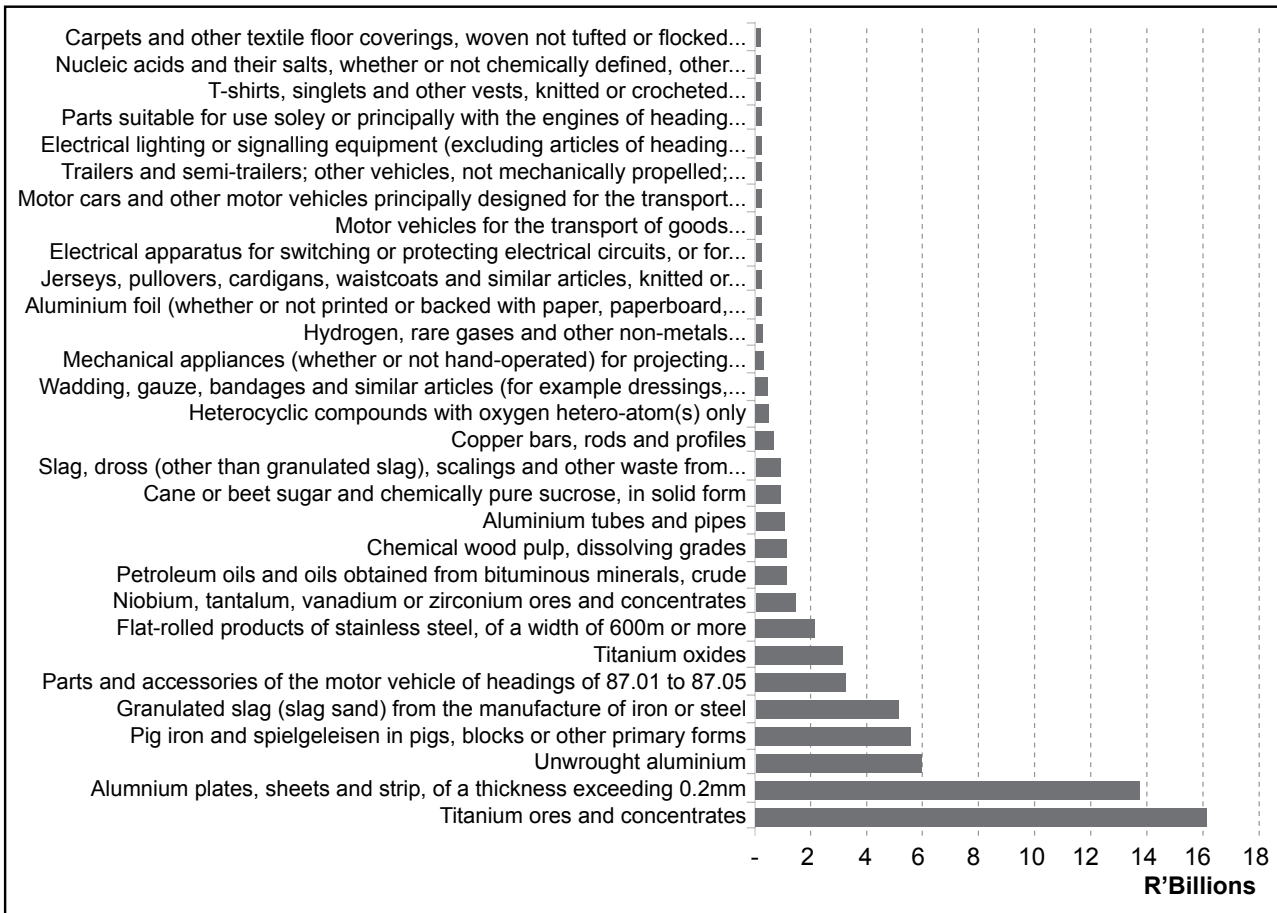


Source: Quantec Research, 2015

In line with the decline in the primary sectors (mining and agriculture), primary sector driven economies such as Northern Cape, North West and Mpumalanga fell into a recession in the third quarter. This was mainly due to successive declines in the agriculture and mining sectors in both the second and third quarters of 2015. KwaZulu-Natal, Gauteng and Western Cape Province recovered in the third quarter. This third quarter growth was primarily due to a rebound in the manufacturing sector which plays a crucial part in the 3 provincial economies.

While trying to ascertain the extent to which the Province of KwaZulu-Natal benefits from AGOA, it definitely is worth to mention that the US is still one of KwaZulu-Natal's major trading partners. In 2014, the province exported goods worth an estimated R111.21 billion, and R10.66 billion of these landed in the US. This was the highest market share of any country's absorption of the provincial exports. On average, the US has over the years bought 12.0% of the province's exports. However, the share of US's purchases of the province's exports appears to have actually been higher during the years before AGOA's provisions came to play (except in 2005—2007, when the world economy was generally booming), and have not recovered convincingly after the global economic meltdown of the 2007—2009.

### Export Products to the US, KwaZulu-Natal, 2014

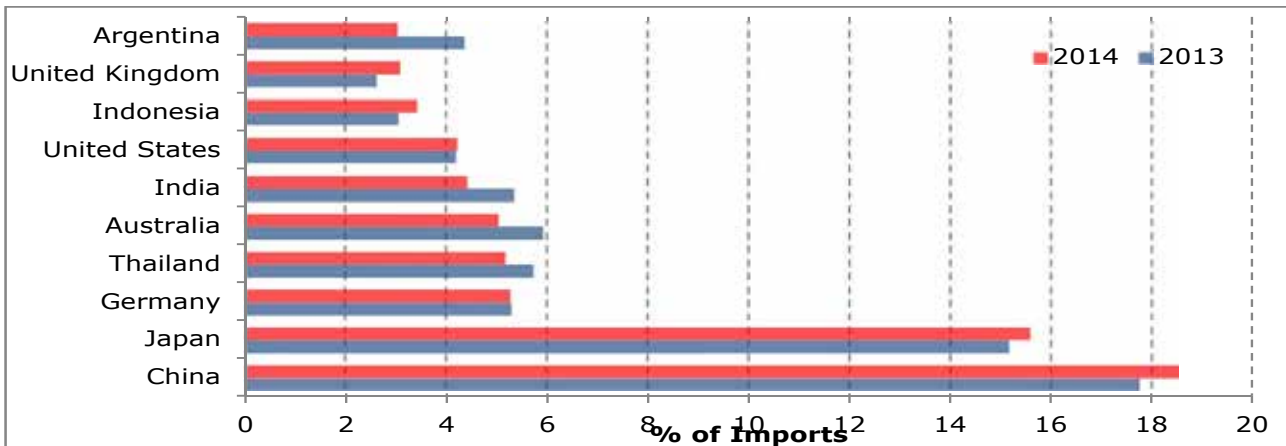


Source: Quantec Research, 2015

While the province of KwaZulu-Natal is South Africa's bread basket, in that the province's contributes in excess of 25% of the country's agricultural gross value added (average 26.7% since 1995), KZN appears to be conspicuously missing the opportunity of exporting a wide range of products to the US markets. The fact that the introduction of AGOA does not seem to have brought any noticeable change in the province's export size (and possibly structure) should be concerning. The tug-of-war in imports and exports of agricultural products should be taking place in KwaZulu-Natal more than elsewhere in the country, because this province should be the one exporting more of the agricultural products than any other province.

In fact, KwaZulu-Natal's contribution to South Africa's exports of agricultural products features meaningfully (i.e. average contribution of 26.7% or above) only in the exports of fats and wood & wood products.

### Leading Import Markets, KwaZulu-Natal,



Source: Quantec Research, 2015

### KwaZulu-Natal Investments and Infrastructure Projects

Substantial infrastructure projects are available with KwaZulu-Natal for global investors to consider. There is significant demand on the transportation and logistics in KwaZulu-Natal. Investment opportunities KwaZulu-Natal is a competitive region for foreign investment, particularly for re-export opportunities through the port of Durban. Below are some of the port projects that are envisaged to take place in the province of KwaZulu-Natal.

#### a. Durban port upgrade and expansion project

Transnet is implementing an ambitious expansion project at the Durban port and its container terminals, comprising several individual work packages, to increase the DCT's container-handling capacity.

The main projects include the expansion of the DCT Pier 1, which will increase the capacity of the terminal to 1.2 million twenty-foot equivalent units (TEUs) by 2016/17. In addition, the North quay at DCT Pier 2 will be extended to increase capacity to 3.3 million TEUs by 2017/18. Container capacity is also being created at other terminals, such as the Durban Ro-Ro and Maydon Wharf terminals, through the acquisition of new equipment, including mobile cranes and various infrastructure upgrades. Transnet is further proposing the phased development of a new dig-out port on the old Durban International Airport (DIA) site, among other projects.

The project forms part of an initial five-year R110.5-billion capital expenditure programme until 2015/16 and the group's larger R312.2-billion (from R307.5-billion) seven-year Market Demand Strategy (MDS) until 2018/19. However, funding for the new port at the DIA is not included in the strategy. Transnet has indicated that it is in the final stages of appointing a transaction adviser and is considering various funding options and models for private-sector participation in the project.

#### Duration

The TNPA is pressing ahead with its investment under Transnet's MDS, despite poor economic growth. The TNPA board has approved the R70 million upgrade of Pier 2 at the Durban Container Terminal. In light of ongoing port upgrades in Africa, the Port of Durban is now ranked first in sub-Saharan Africa, but has slipped to third in Africa and fourth in the southern hemisphere. Noting that the Chinese are actively and aggressively investing in African ports, Ndlovu has warned that the Port of Durban cannot rest on its laurels. The Durban port will increase container capacity by 2022/23, owing to improvements at Pier 2 and the Salisbury Island infill, which has also been approved. This will be enough until 2025, if not 2030. Current capacity of about 3.1 million twenty-foot equivalent units (TEUs) will increase to 5.4 million TEUs. The TNPA expects to create and sustain 95,200 direct and indirect jobs in Durban. The latest estimated growth for 2015/16 is 6.9%

### **b. Maydon Wharf infrastructure reconstruction project**

The project involves the reconstruction and deepening of berths 1 to 2, 3 to 4 and 13 to 14 of the 15 berths of the Maydon Wharf precinct. Once completed, the berths will have a draught of 14.5m enabling them to handle vessels with draughts up to 13m; however, the Maydon Wharf entrance channel will still need to be deepened thereafter to enable these vessels to sail in fully laden. The quay walls in the precinct were originally designed to handle vessels of about 20,000 deadweight tons (DWT) versus the 55,000 DWT vessels now calling at the port. Bigger vessels call mainly half laden, owing to the current draught and width restrictions. Work at the project has involved the demolition of paving; rail-track work and services; the construction of new steel sheet-piled quay walls; the demolition of existing piled crane beams; the extraction of timber, concrete piles and a limited number of steel sheet piles; and the removal of the existing quay wall and capping beams. Work includes driving of inclined grouted steel anchor piles (being used in South Africa for the first time), backfilling behind the quay walls, construction of new reinforced concrete capping beams, supply and installation of bollards, fenders, ladders and quay services, construction of railway tracks, layer works and paving, dredging of material adjacent to the berths and construction of rock scour protection. The order is estimated at R1.6 billion. Berths 1 to 2 and 13 to 14 are currently under construction, following the reconstruction of Berth 12, which was completed in November 2012. Berths 3 to 4 will start construction in early 2016.

### **c. Tug building project, KwaZulu-Natal, South Africa**

The project involves the construction of nine tugboats, including the world's most powerful tugboat, over the next four years. Eight of the tugs will be 31m long and 11.5m wide, with almost double the pulling power of the tugs currently used at South Africa's ports.

The most powerful tug in the world will be 42m long and 15m wide, with a bollard pull of 100t. The new fleet of tugs, produced by Durban-based Southern African Shipyards, will replace ageing tugboats at the ports of Durban, Port Elizabeth, Richards Bay and Saldanha. The ports of Durban, Richards Bay and Port Elizabeth will each be allocated two tugs, while the Port of Saldanha, which handles the largest carriers and has a history of vessel groundings, will receive three tugs. The value of the order is estimated at a little under R1.5 billion. The first tug is expected to be handed over in 2016 and the last in the first quarter of 2018



#### d. Prince Edward graving dry dock caisson repair project

The project involves the repair of the outer caisson of the Prince Edward graving dry dock. The project forms part of TNPA's structured programme for the dry dock, which will include a concrete refurbishment programme, the replacement of crane rails and two aged electrical overhead cranes, as well as the refurbishment of the inner caisson. Also included in this programme is the acquisition of new Jib cranes, the upgrade of the mechanical pump house, the replacement of Workshop 24 equipment, the installation of a new fire-fighting system, the installation of new capstans, the replacement of the floating dock and the procurement of six compressors. This is the third and final phase of a comprehensive repair programme on the structure, which was deemed unsafe and in need of repair, owing to the 90-year-old dry dock and a general need for maintenance. The order is estimated at R30-million. The repair project ran from July to November 2015.

#### TOURISM:

South Africa has experienced remarkable growth in international tourist arrivals over the past two decades. SA Tourism's marketing efforts have undoubtedly contributed to these strong historic growth rates, and also to the considerable economic impact of the growing tourism sector on the country's development.

A general decline in International Tourist Arrivals to South Africa can be observed in Table below. This is indicative of the various obstacles to tourism growth in the country such as visa and other immigration regulations, airlift, safety and security issues – heightened by the xenophobic attacks which occurred in the country in early 2015.

**Tourism Indicators, South Africa, Jan-Aug 2014 & 2015**

<b>Total Arrivals</b>			
<b>Region</b>	<b>Jan-Aug 2015</b>	<b>Jan-Aug 2014</b>	<b>% difference</b>
<b>Europe</b>	794,073	838,247	-5.3
● <b>Russia</b>	4,241	7,026	-39.6
<b>North America</b>	226,957	246,369	-7.9
<b>Central &amp; South America</b>	31,857	46,062	-30.8
● <b>Brazil</b>	18,788	27,321	-31.2
<b>Australasia</b>	73,203	81,659	-10.4
<b>Middle East</b>	33,944	36,271	-6.4
<b>Asia</b>	155,209	196,898	-21.2
● <b>China</b>	48,136	65,155	-26
● <b>India</b>	52,099	60,203	-13.5
<b>Africa</b>	4,433,003	3,746,571	-6.6
<b>Grand Total</b>	<b>5,771,364</b>	<b>6,215,018</b>	<b>-7.1</b>

Source: South African Tourism and Stats SA, 2015

### Tourist Accommodation Industry, South Africa, 2015:Q3

Indicator	July 2015	Aug 2015	Sept 2015
<b>Stay Units Available (000)- Average</b>	120.1	120.1	120.1
<b>Stay Unit Night Sold (000)- Average</b>	1,793.2	1,862.1	1,889.3
<b>Occupancy rate</b>	48.2	50.0	52.4
<b>Average income per stay unit sold (Rand)</b>	838.1	843.5	870.1
<b>Income from Accommodation (R million)</b>	1,502.9	1,570.6	1,643.9
<b>Total industry income (R million)</b>	3,232.6	3,418.1	3,406.7

Source: Stats SA, 2015

The number of stay units available in the third quarter of 2015 averaged 120.1 with the highest income from accommodation being generated in September. The possible reason for this is that the school holidays fall in the month of September and accommodation prices increase during this time as families are inclined to take short holidays. This is reflected in the higher average income per stay unit sold recorded for September, as reflected in the above table.

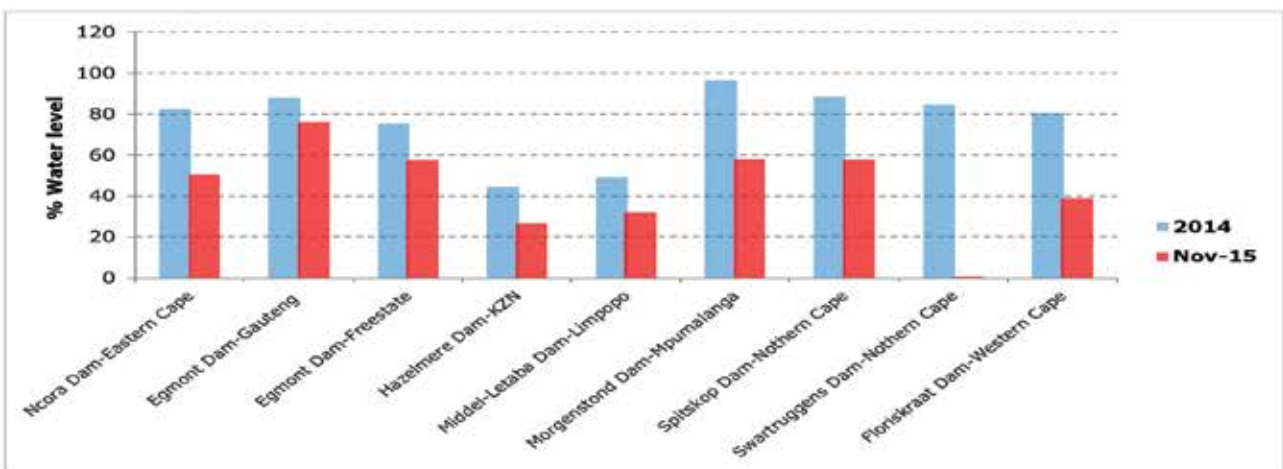
#### Environmental Review

##### Droughts and desertification.

The reason for any potential water-shedding may be considered as a mirror image of why we have load-shedding in South Africa. Since the year 1994, millions of people have been added to the water grid without actually increasing the capacity of water storages and or water intake plants coupled with the mismanagement of water, non-payment for water and huge wastage through lack of maintenance and neglect. Drought is a recurrent climate phenomenon not only to South Africa but across the world. It affects humanity in a number of ways such as causing loss of life, crop failure, food shortages which may lead to famine in many regions, malnutrition, health issues and mass migration. Desertification is the process whereby land in semi-arid regions becomes desert and the grasslands becomes semi-desert. As a result more unproductive land is generated and soil erosions become accelerated. In South Africa, three important drought periods in which the major part of the country has experienced below-normal rainfall namely 1991/92, 1997/98 and 2001/02, the droughts of the early 1990s were by far one of the most severe droughts on record in the country due to the effects of food production and vulnerable communities.

South Africa is experiencing meteorological drought due deviations from normal measured rainfall. These droughts are defined as region specific as they can be active in some areas of the country and yet lack in other areas of the same country. This crisis is considered to be the South Africa’s worst drought in 23 years. In May 2014 it was predicted that the year 2014 was set to be the biggest harvest since 1981 as it was predicted that 13.5 million tonnes of maize would be harvested by end of the season. 10 months later, the worst drought since 1992 obligated the country to import maize due to the volatile climate that is experienced at present. In the Northern parts of KwaZulu-Natal, Southern parts of Mpumalanga and parts of Limpopo, North West and the Northern Cape, about 50 per cent of water storage is in crisis and could become critical if not managed carefully. The crisis is considered to be national and some dam levels stand at less than 30 per cent water capacity.

**The percentage of national dam levels in 2014 against November 2015**



Source: Cii broadcasting, 2015

Maize production is one of the sectors experiencing the hardest effects of this drought. The Crop Estimates Committee predicts this season's harvest will be 9,84 million metric tonnes, the smallest since 2007. Grain SA chief executive Jannie de Williers warned that the country would have barely enough white maize for its own consumption and would need to import 700,000 tons of yellow maize to feed livestock, which would cost farmers R1.96 billion. The picture below illustrates an example of the situation that is faced by crop farmers (Maize) at the moment.

### **Effect of Drought to Maize Industry, South Africa, 2015**



### **Government interventions on water scarcity and drought**

The dry weather is perceived to persist through the remainder of this year into March 2016. The country experienced the signs of a new round of El Nino, with the onset of the current drought in the North West province in 2013, which was subsequently declared as a disaster on the 29th of July in the same year. 24 months later, due to a lack of rainfall in various parts of the country, the KwaZulu-Natal province declared drought as a disaster on the 12th of December 2014. As a result of the deteriorating drought conditions this year, the North West declared again on the 24th of July 2015, followed by the Free State on the 4th of September 2015, Limpopo on the 4th of November 2015. Mpumalanga is at an advanced stage of preparation for the declaration of drought as a disaster, which will be completed soon.

The country ranks as one of 30 driest countries in the world with an average rainfall of approximately 40 per cent less than the annual world average rainfall. South Africa has the average rainfall of 500mm compared to 850mm of the world. Between 37 per cent and 42% of water in the country is unaccounted for, lost through leaks, wastage and illegal connections. The country uses 61.8% more water than the world's average of 173 litres per day.

The drought currently affects 173 of the 1 628 water supply schemes nationally, serving approximately 2.7 million households or about 18% of the national population. An estimated 6,500 standalone rural communities, mostly located in KwaZulu-Natal and Mpumalanga are experiencing water shortages and the number is expected to increase to 11,000 as local water resources get depleted. On 13th November 2015, at a media briefing, plans were announced by the Departments of Water and Sanitation; Agriculture, Forestry and Fisheries; Rural Development and Land Reform; and Cooperative Governance and Traditional Affairs.

Sunday (21 June 2015) was the first day that water rationing kicked in at a number of municipalities in KwaZulu-Natal in a bid to conserve water resources in the province. The action would have a knock-on effect on consumers given a set of amount of water per day, once the water quantum allocated is consumed there will be no water available until the following day. The northern areas of eThekweni and southern areas of iLembe supplied by Hazelmere Dam are expected to be the worst affected. The levels of the dam have been observed to be dropping by 32% with minimal rainfall expected. The current consumption rate is estimated at 45 Ml/day (Mega litre per day), at such a rate the dam is losing 1% every four days and the usable reserve within Hazelmere dam may be exhausted in approximately 60 days.

#### **Hazelmere Dam, KZN, June 2015**

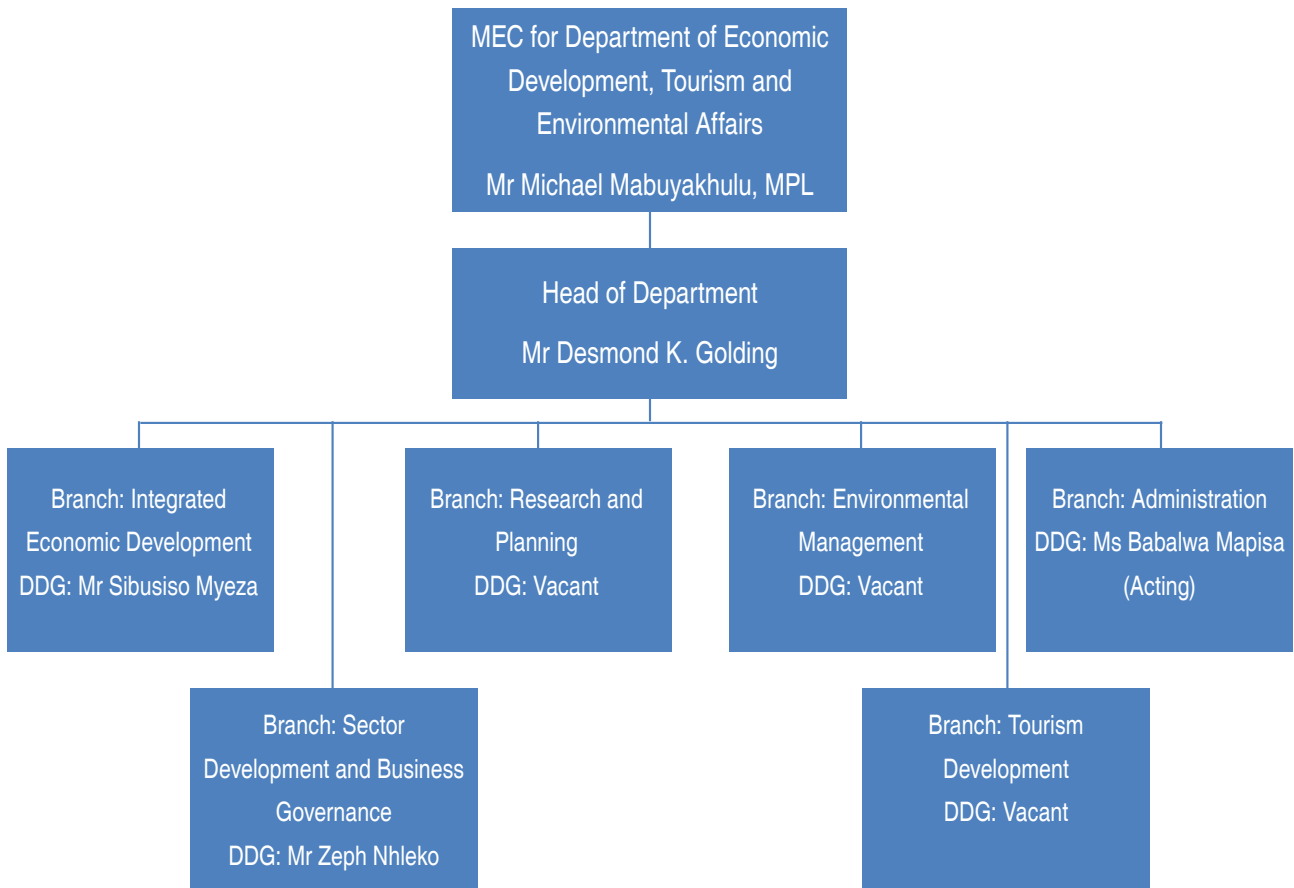


### Impact of the 2015 drought on the sugar crop for different districts

District	Est. financial loss due to drought (R)	Drought impact on labour-total estimated job losses	Drought impact on average monthly wages (R)
iLembe	189 724 963	-9 535	18 359 459
uThungulu	170 148 227	-5 918	12 423 010
Zululand	17 553 844	-3 843	6 638 417
Mkhanyakude	39 790 254	-2 994	5 154 242
uMgungundlovu	92 895 620	-7 996	15 226 915
uMzinyathi	16 098 305		
Ugu	44 331 746	-7 429	14 274 281
Harry Gwala	3 336 798		
Total	573 879 757	-37 715	72 076 325

Source: Canegrowers, February 2015

## 4.2. ORGANIZATIONAL ENVIRONMENT



In every organisation, human capital forms the most important resource base. It is the most important investment in any organisation because in the end, it is people that implement policies, strategies and plans. The Department, as part of its strategic plan, resolved to undertake organisational restructuring. The proposed structure (above) reflects the direction the Department intends to take as it seeks to organise itself for the radical economic transformation imperative that it has been entrusted with. The structure above has been submitted for approval, following full consultations.

## 5. ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS

### KZN EDTEA STRATEGIC GOALS AND PROGRAMMES ALIGNED TO PDGP GOALS AND INTERVENTIONS

The EDTEA APP 2016/17 has been aligned to the following National plans as highlighted:

**National Development Plan:** The National Development Plan is South Africa's long-term vision to be achieved by 2030. The Plan covers the following outcomes -

- **Decent employment through inclusive growth;**
- **Skilled and capable work force to support an inclusive growth path;**
- **An efficient, competitive and responsive economic infrastructure network;**
- **Protect and enhance our environmental assets and natural resources;**
- **An efficient, effective and development oriented public service;**

**Fourteen Key Outcomes:** National Government developed fourteen key outcomes that will need to be achieved by government. These outcomes aimed to introduce and focus government on more results-driven performance. Some of the relevant outcomes are:

- **Decent employment through inclusive economic growth;**
- **A skilled and capable workforce to support and inclusive growth path;**
- **An efficient, competitive and responsive economic infrastructure network;**
- **Environmental assets and natural resources that are well protected and continually enhanced;**
- **An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship;**



## 6. KZN PROVINCIAL GROWTH AND DEVELOPMENT PLAN

The Fourteen (14) Key Priority Outcomes and the NDP was incorporated into the updated KZN Provincial Growth and Development Strategy and Plan 2030 to align KZN with the overall national strategy. Therefore, EDTEA envisaged sustainable development as the fundamental driver of economic growth, social and environmental management.

### KWAZULU-NATAL'S VISION

*By 2030 KZN will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World.*

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

- **Job creation**
- Human resource development
- **Human and community development**
- **Strategic infrastructure**
- **Response to climate change**
- **Governance and policy**
- Spatial equity

### PGDP FRAMEWORK

The key goals that impact on EDTEA are outlined below. EDTEA has a responsibility to ensure that these goals and objectives are coordinated, implemented and reported to the Provincial Planning Commission.

FIGURE 1: PGDP FRAMEWORK<sup>1</sup>



KZN Provincial Planning Commission, 30 September 2013 'Provincial Growth and Development Plan', Version 30.2

## KZN EDTEA STRATEGIC GOALS ALIGNED TO MTSF AND PDGP GOALS

Driven through the Programmes and Sub-Programmes of the KZN EDTEA, below is a table to illustrate the MTSF and PDGP Goals alignment to the Department.

TABLE 2: MTSF AND PGDP GOALS AND KZN EDTEA STRATEGY ALIGNMENT

MTSF	PGDP Goal	KZN EDTEA Outcome Oriented Goals
<b>Outcome 4:</b> Decent employment through inclusive economic growth	<b>Goal 1</b> Job Creation	<b>Goal 2</b> A sustainable and inclusive economic growth for job creation
		<b>Goal 3</b> A preferred tourism destination in the county
<b>Outcome 6:</b> An efficient, competitive and responsive economic infrastructure network	<b>Goal 4</b> Strategic Infrastructure	<b>Goal 1</b> An integrated economic planning and development
<b>Outcome 10:</b> Protect and Enhance our Environmental Assets and Natural Resources	<b>Goal 5</b> Environmental Sustainability	<b>Goal 4</b> A sustainable environmental management
		<b>Goal 3</b> A preferred tourism destination in the county
<b>Outcome 12</b> An efficient, effective and development-oriented public service	<b>Goal 6</b> Governance and Policy	<b>Goal 5</b> Achieved an institutional excellence responsive to the needs of the country

## 7. OVERVIEW OF 2016/17 BUDGET AND MTEF ESTIMATES

TABLE 3: KZN DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

	Audited Outcome			Audited Outcome	Main appropriated	Adjusted Appropriation	Revised Estimate	Revised Baseline	Revised Baseline	Indicative Baseline
	2012/13	2013/14	2014/15							
<b>R thousand</b>						<b>2015/16</b>		<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
1. Administration	212 465	226 097	195 975	233 095	210 326	209 470	233 507	251 741	266 342	
2. Integrated Economic Development Services	407 358	1 073 730	502 886	422 715	438 174	437 341	439 305	448 947	474 167	
3. Trade and Sector Development	599 493	753 992	832 777	957 259	943 714	943 964	963 371	1 004 190	1 062 434	
4. Business Regulation and Governance	86 092	68 114	104 536	100 290	99 491	99 493	108 199	112 369	118 886	
5. Economic Planning	18 546	20 566	23 186	37 482	32 100	31 975	38 525	40 241	42 575	
6. Tourism	283 320	345 251	362 705	298 771	356 306	358 002	319 752	349 570	375 541	
7. Environmental Affairs	814 595	823 604	933 738	923 847	917 008	916 874	1 003 950	1 032 523	1 087 146	
<b>Total</b>	<b>2 421 869</b>	<b>3 311 354</b>	<b>2 955 803</b>	<b>2 973 459</b>	<b>2 997 119</b>	<b>2 997 119</b>	<b>3 106 609</b>	<b>3 239 581</b>	<b>3 427 092</b>	

	Audited Outcome		Audited Outcome	Main appropriation	Adjusted Appropriation	Revised Estimate	Revised Baseline	2017/18	2018/19
	2012/13	2013/14							
<b>R thousand</b>									
<b>Current payments</b>									
Compensation of employees	782 121	757 710	626 825	927 893	707 733	708 231	868 047	960 252	405 106
Goods and services	215 531	233 977	264 793	318 426	283 711	281 932	356 398	379 346	405 106
Interest and rent on land	566 590	523 726	362 032	609 467	424 022	426 299	511 649	580 905	630 632
	-	7	-	-	-	-	-	-	-0
<b>Transfers and subsidies to:</b>	<b>1 619 285</b>	<b>2 541 638</b>	<b>2 295 860</b>	<b>2 038 564</b>	<b>2 285 179</b>	<b>2 284 978</b>	<b>2 230 221</b>	<b>2 270 397</b>	<b>2 381 903</b>
Provinces and municipalities	4 282	11 209	17 029	2 281	1 319		6 050	53	56
Departmental agencies and accounts	1 236 616	1 442 896	1 544 482	1 550 333	1 542 575	1 542 575	1 695 072	1 760 353	1 857 190
Higher education institutions	-	-	3 030	-	2 000	2 000	8 500	8925	-9442
Public corporations and private enterprises	-	-	-	273 947	513 702	513 272	260 977	238517	243767
Non-profit institutions	332 109	406 836	551 961	201 623	214 552	214 576	254 275	260389	269981
Households	38 531	669 159	164 515	10 380	11 031	11 216	5 347	2160	1467
<b>Payments for capital assets</b>	<b>15 478</b>	<b>12 006</b>	<b>33 107</b>	<b>-</b>	<b>3 971</b>	<b>3 674</b>	<b>8341</b>	<b>8932</b>	<b>9451</b>
Buildings and other fixed structures	-	-	-	6 566	10	3 614	-	-	-
Machinery and equipment	15 328	5 584	10 079	-	3861		4141	4522	4785
Software and other intangible assets	150	6 422	-	200	-	50	4200	-4410	-4666
<b>Payments for financial assets</b>	<b>4 985</b>	<b>-</b>	<b>11</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>3 106 609</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 421 869</b>	<b>3 311 354</b>	<b>2 955 803</b>	<b>2 973 459</b>	<b>2 997 119</b>	<b>2 997 119</b>	<b>3 106 609</b>	<b>3 239 581</b>	<b>3 427 092</b>

## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

### PROGRAMME 1: ADMINISTRATION

The Administration Programme consists of the following sub-programmes:

#### OFFICE OF THE MEC

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 the mandate as prescribed by legislation. The executive support in the main refers to administration, operations, protocol, 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 for the preceding financial year. 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. With the National Development Plan (NDP) adopted both in public and private sectors, it is prudent that key strategic directives will be based on the said plan.

#### OFFICE OF THE HEAD OF DEPARTMENT

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

Central to the functions of the HOD's office is the oversight responsibility over implementation of the Department's entities programmes, key strategic interventions and flagship projects. The office is also responsible for the fostering and maintaining of strategic partnerships that have the potential of making a positive contribution towards the economic growth of the province.

#### FINANCIAL MANAGEMENT

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.

For the upcoming MTEF period, the Department will focus on three key administration indicators. These indicators are aligned to the strengthening of the EDTEA human resources, improving the audit opinion and the risk management/fraud prevention initiatives.

#### CORPORATE SERVICES

The Corporate Services sub-programme comprises five units, namely: i) Human Resources Management (HRM), ii) Information Technology and Communication (IT and Communication), iii) Legal Services, iv) Auxiliary Services. These units provide support services 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, IT and Communication, Auxiliary Services.

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

**Goals Statement:** Establish a dynamic institution through a high performance and value based culture

TABLE 5: STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: OFFICE OF THE HOD

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015-16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
5. To provide strategic leadership, risk management, strategic planning, administration and effective management of the Department's programmes in order to fulfil its mandate.	5.1 Produced 20 monitoring reports over MTSF period	New	New	4	4	4	4	
	5.2 Produced one (1) annual review report of Strategic Plan as prescribed by the relevant planning frameworks	1	1	2014-19 Strategic Plan is developed and approved by Executive Authority	Conduct annual review of Strategy and APP as prescribed by relevant planning frameworks	Conduct Mid-term review of Strategic Plan as prescribed by the relevant planning frameworks	Conduct Mid-term review of Strategic Plan as prescribed by the relevant planning frameworks	
	5.3 Produced 5 APP as prescribed by the relevant planning frameworks	1	1	1	1	2017-18 APP	2018-19APP	2019-20 APP
	5.4 Produced 5 Annual Report and submitted to Provincial Legislature within stipulated time	1	1	1	1	Verified and approved AR submitted to Provincial Legislature within stipulated time	Verified and approved AR submitted to Provincial Legislature within stipulated time	Verified and approved AR submitted to Provincial Legislature within stipulated time
	5.5 Produced a 5 year updated Risk Register, approved by the Top Management	1	1	1	1	Produced a 3 year updated Risk Register, approved by the Top Management	Produced a 3 year updated Risk Register, approved by the Top Management	Produced a 3 year updated Risk Register, approved by the Top Management
	5.6 Produced a 5 year updated Audit Improvement Strategy Plan approved by the Top Management	1	1	1	1	Produced a 3 year updated Audit Improvement Strategy Plan	Produced a 3 year updated Audit Improvement Strategy Plan	Produced a 3 year updated Audit Improvement Strategy Plan
	5.7 Produced 3 year updated Monitoring Plan approved by the Top Management	New	New	New	New	Produced 3 year updated Monitoring Plan	Produced 3 year updated Monitoring Plan	Produced 3 year updated Monitoring Plan

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets			
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Monitoring Reports on the implementation of the APP	5.1.1 Number of monitoring reports	Quarterly Monitoring Report, Verification Reports	New	New	4	4	4	4		
	5.2.1 2014-19 Strategic Plan review	Signed off Strategic Plan	1	1	2014-19 Strategic Plan is developed and approved by Executive Authority	Conduct an annually review of Strategy and APP as prescribed by relevant planning frameworks	Conduct annual review of Strategic Plan and APP as prescribed by the relevant planning frameworks			
	5.3.1 APP developed and approved by the Executive Authority as per Provincial Treasury Guidelines	Signed off APP	1	1	1	1	2017-18 APP	2018-19 APP	2019-20APP	
	5.4.1 Annual Report approved and submitted to Provincial Treasury and Cabinet within stipulated time	Audited Annual Report	1	1	1	1	Verified and approved AR	Produced a 3 year updated Risk Register, approved by the Top Management		
	5.5.1 Progress reports indicating a percentage implementation of risk mitigating strategies (Critical risks)	Approved risk register and Progress reports	1	1	1	1	1	Produced a 3 year updated Risk Register, approved by the Top Management		
5.6.1 Progress reports indicating a percentage implementation of internal and external audit recommendations	Approved Audit improvement strategy and Progress reports	1	1	1	1	1	Produced a 3 year updated Audit Improvement Strategy Plan			
Annual Monitoring Plan	5.7.1 Annual Monitoring Plan	Approved Monitoring Plan by the AC	New	New	New	New	Produced 3 year updated Monitoring Plan	Produced 3 year updated Monitoring Plan	Produced 3 year updated Monitoring Plan	

## QUARTERLY TARGETS FOR 2016/17

	Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
				1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
6.1	Number of monitoring reports	Quarterly	4	1	1	1	1
6.2.	APP developed and approved by the Executive Authority as per Provincial Treasury Guidelines	Quarterly	1		Reviewed 1 <sup>st</sup> draft APP	Reviewed 2 <sup>nd</sup> draft APP	Final APP is table to the Cabinet by due date set by the provincial legislature
6.3.	Annual Report approved and submitted to Provincial Treasury and Cabinet within stipulated time	Annually	1	Signed off Annual report and submitted to AG by (due to date)			Audited AR approved and submitted to Provincial Treasury and Cabinet within stipulated time.
6.4.	Progress reports indicating a percentage(%) implementation of risk mitigating strategies (Critical risks)	Quarterly	100%	40%	60%	80%	100%
6.5.	Progress reports indicating a percentage(%) implementation of internal and external audit recommendations	Quarterly	100%	40%	60%	80%	100%
6.6.	Annual Monitoring Plan	Annually	1	1	-	-	-



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

**Goals Statement:** Establish a dynamic institution through a high performance and value based culture

TABLE 7: STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: HUMAN RESOURCE MANAGEMENT UNIT 2016/17

Strategic Objective	Strategic Plan Target		Audited/Actual performance			Estimated/ Baseline 2015-16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
7. To provide effective and efficient support services to the whole Department regarding Human Resources (HR)	7.1	10% of funded posts in PERSAL which are vacant (Vacancy rate) over MTSF	18%	16.5%	10%	10%	10%	10%	10%
	7.2	Maintain 5% Staff turnover rate	New	New	8%	5%	5%	5%	5%
	7.3	Obtain 100% of performance agreement signed and submitted on time over MTSF	New	New	New	New	100%	100%	100%
	7.4	80% targets of workplace skills plan approved	New	New	New	New	Approved WSP by 30 April 2016 with a 80% targeted	80%	80%

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance				Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Human Resource Implementation Report	7.1.1 % of funded posts in PERSAL which are	Persal report	18%	16.5%	10%	10%	10%	10%	10%	
	7.2.2 % of Staff turnover rate	Persal and EE report	New	New	8%	5%	5%	5%	5%	
	7.3.3 % of performance agreement signed and submitted on time	PMDS Assessment reports	New	New	New	New	100%	100%	100%	
	7.4.4 % targets of workplace skills plan approved	Training Reports and Skills Inventory	New	New	New	New	Approved WSP by 30 April 2016 with a 80% targeted	80%	80%	

**QUARTERLY TARGETS FOR 2016/17**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
8.1 % of funded posts in PERSAL which are vacant per quarter (Vacancy rate)	Quarterly	10%	10%	10%	10%	10%
8.1 % of Staff turnover rate	Quarterly	5%	5%	5%	5%	5%
8.1 % of performance agreement submitted on time	Annually	100%	100%	-	-	-
8.1 % of targets of workplace skills plan approved	Quarterly	80%	Approved WSP	30%	50%	80%

**Strategic Goals:** Achieve institutional excellence responsive to the needs of the Country  
**Goals Statement:** Establish a dynamic institution through a high performance and value based culture

TABLE 9: STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated/ Baseline performance 2015-16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
9. To implement PFMA and other related financial regulations and policies.	9.1 Obtain an unqualified audits opinion and no material findings on compliance and performance information over MTSF	New	New	New	New	80%	90%	100%
	9.2 Obtain 100% of valid invoice paid within 30 days over MTSF	New	New	New	New			

TABLE 9: STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: FINANCIAL MANAGEMENT

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Financial Management report	9.1.1 Number of Financial Management report	Monthly Financial Management	New	New	New	New	Obtain an unqualified audits opinion and no material findings on compliance and performance information		
Reports on payment of suppliers within 30 days	9.2.1 % of valid invoice paid within 30 days	BAS payment reports	BAS payment reports	New	New	New	80%	90%	100%

TABLE 10: QUARTERLY TARGETS FOR 2016/17

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
10.1 Number of Financial Management report	Quarterly	4	Monthly Financial Management report	Monthly Financial Management report	Monthly Financial Management report	Monthly Financial Management report
10.2 % of valid invoice paid within 30 days	Quarterly	80%	80 % of valid invoice paid within 30 days	80 % of valid invoice paid within 30 days	80% of valid invoice paid within 30 days	80% of valid invoice paid within 30 days

## RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

### Expenditure estimates

TABLE 11: ADMINISTRATION - SUMMARY OF PAYMENT SUB-PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate 2015/16	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The Mec	23 465	30 670	29 125	33 144	23 633	23 633	25 984	27 402	28 991
2. Office Of The Hod	50 900	65 640	29 191	36 627	30 109	30 109	38 474	40 169	42 499
3. Financial Management	21 904	24 598	31 293	46 507	38 450	37 594	40 506	42 988	45 481
4. Corporate Services	116 196	105 189	106 366	116 817	118 134	118 134	128 543	141 182	149 371
<b>Total payments and estimates</b>	<b>212 465</b>	<b>226 097</b>	<b>195 975</b>	<b>233 095</b>	<b>210 326</b>	<b>209 470</b>	<b>233 507</b>	<b>251 741</b>	<b>266 342</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>209 518</b>	<b>215 968</b>	<b>185 522</b>	<b>228 904</b>	<b>207 139</b>	<b>205 718</b>	<b>231 249</b>	<b>249 370</b>	<b>263 834</b>
Compensation of employees	54 090	61 343	70 809	96 316	74 381	72 356	95 609	102 129	109 073
Goods and services	155 428	154 625	114 713	132 588	132 758	133 362	135 640	147 241	154 761
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>795</b>	<b>44</b>	<b>1 804</b>	<b>531</b>	<b>1 088</b>	<b>1 353</b>	<b>573</b>	<b>602</b>	<b>637</b>
Provinces and municipalities	21	33	24	31	69	89	50	53	56
Departmental agencies and accounts	-	-	548	-	3	3	-	-	-
Public corporations and private enterprises	-	-	-	-	186	256	-	-	-
Non-profit institutions	-	-	129	-	-	24	-	-	-
Households	774	11	1 103	500	830	981	523	549	581
<b>Payments for capital assets</b>	<b>2 152</b>	<b>10 085</b>	<b>8 638</b>	<b>3 660</b>	<b>2 099</b>	<b>2 399</b>	<b>685</b>	<b>1 769</b>	<b>1 871</b>
Buildings and other fixed structures	-	-	28	-	-	10	-	-	-
Machinery and equipment	2 143	3 669	8 610	3 660	2 099	2 389	1 685	1 769	1 871
Software and other intangible assets	9	6 416	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>212 465</b>	<b>226 097</b>	<b>195 975</b>	<b>233 095</b>	<b>210 326</b>	<b>209 470</b>	<b>233 507</b>	<b>51 741</b>	<b>266 342</b>

## PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### PURPOSE

The purpose of the Integrated Economic Development Services (IEDS) Programme 2 is to create partnerships and implement policies, programmes and projects aimed at creating employment and building capacity of stakeholders, supporting and promoting enterprises owned by previously disadvantaged individuals, groups, or communities in order to bring them into the mainstream of the economy. The Programme comprises the Enterprise Development, Regional and Local Economic Development (RLED) and Economic Empowerment.

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

Programme 2 Integrated Economic Development Services	Sub-programmes
<p><b>Purpose:</b></p> <p>The purpose of the Integrated Economic Development Services (IEDS) Branch is to create partnerships and implement policies, programmes and projects aimed at creating employment and building capacity of stakeholders, supporting and promoting enterprises owned by previously disadvantaged individuals, groups, or communities in order to bring them into the mainstream of the economy.</p>	<p><b>Sub-Programme 1: Enterprise Development</b></p> <p><i>Purpose:</i> To support the development of sustainable SMMEs and Cooperatives / Social enterprises that contributes to wealth and job creation</p>
	<p><b>Sub-programme 2: Economic Empowerment</b></p> <p><i>Purpose:</i> To create enabling environment for economic development and empowerment of the previously disadvantaged individuals and groups (especially youth, women and the disabled) to participate in the mainstream economy</p>
	<p><b>Sub-programme 3: Regional and Local Economic Development</b></p> <p><i>Purpose:</i> To develop, support and implement sustainable risk sharing partnership based RLED projects that create sustainable local employment and build capacity of RLED stakeholders to plan better and manage RLED</p>

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

Enterprise Development Fund, and the Swiss Funded LED Programme at ILembe District Municipality, and fulfills its mandate in terms of structured legal agreements.

The priorities of the programme include:

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



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Integrated Economic Development Services**

	Outcome			Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
<b>R thousand</b>							
1. Enterprise Development	326 803	981 378	418 037	371 530	362 377	367 946	388 468
2. Regional And Local Economic Development	49462	52 245	39 892	21 584	43 724	46 137	48 813
3. Economic Empowerment	31093	40 107	44 957	44 227	33 204	34 864	36 886
<b>Total payments and estimates</b>	<b>407 358</b>	<b>1 073 730</b>	<b>502 886</b>	<b>437 341</b>	<b>439 305</b>	<b>448 947</b>	<b>474 167</b>

	Outcome			Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15			2016/17	2017/18	2018/19
<b>R thousand</b>								
<b>Current payments</b>	<b>142 674</b>	<b>116 179</b>	<b>113 698</b>	<b>133 487</b>	<b>148 506</b>	<b>160 784</b>	<b>184 203</b>	
Compensation of employees	39 437	45 606	51 482	56 091	66 339	70 849	75 666	
Goods and services	103 237	70 573	62 216	77 396	82 167	89 935	108 537	
Interest and rent on land	-	-	-	-	-	-	-	
<b>Transfers and subsidies to:</b>	<b>259 294</b>	<b>957 359</b>	<b>388 776</b>	<b>304 362</b>	<b>290 724</b>	<b>287 911</b>	<b>289 697</b>	
Provinces and municipalities	2 953	2 414	992	-	-	-	-	
Higher education institutions	-	-	2 780	-	6 000	6 300	6 665	
Public corporations and private enterprises	249 500	323 427	317 190	199 404	148 000	148 000	148 000	
Non-profit institutions	531	620 102	55 000	95 000	132 000	132 000	134 146	
Households	6 310	11 416	12 814	9 958	4 724	1 611	886	
<b>Payments for capital assets</b>	<b>405</b>	<b>192</b>	<b>412</b>	<b>325</b>	<b>75</b>	<b>252</b>	<b>267</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	
Machinery and equipment	405	192	412	225	75	252	267	
Software and other intangible assets	-	-	-	100	-	-	-	
<b>Payments for financial assets</b>	<b>4 985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>407 358</b>	<b>1 073 730</b>	<b>502 886</b>	<b>438 174</b>	<b>439 305</b>	<b>448 947</b>	<b>474 167</b>	



## SUB-PROGRAMME: ENTERPRISE DEVELOPMENT

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### PURPOSE

To support the development of sustainable SMMEs and Cooperatives / Social enterprises that contributes to wealth and job creation.

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

The activities of the Enterprise Development sub-programme are informed and guided by various legislative requirements, policy and strategic frameworks. Key among these are the National Small Business Act 102 of 1998, Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, Cooperatives Act 14 of 2005, Cooperatives Bank Act 40 of 2007, Skills Development Act 97 of 1998, Annual National and Provincial Budget Speeches, PSEDS, KZN Cooperatives strategy, KZN Small Enterprise Development Strategy, New Growth Path, Industrial Policy Action Plan (IPAP 2), National Development Plan, Provincial Growth and Development Strategy & Plan, B –BBEE Act 53 of 2003 and KZN B – BBEE Strategy.

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

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

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

#### Small Enterprise Development Fund

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

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

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 13: STRATEGIC OBJECTIVES: SUB-PROGRAMME – ENTERPRISE DEVELOPMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated/ Baseline 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
13.1 SMMEs and Cooperatives registered	13.1 Produced 12 reports on SMMEs and Cooperatives registered over the MTSF period	New	New	New	New	4	4	4
13.2 SMMEs and Cooperatives supported	13.2 10960 of SMMEs and Cooperatives supported through (training, mentorship, funding, incubation) over MTSF period	2571	936	1829	2119	2119	2330	2563

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
SMMEs and Cooperatives registered	13.1.1 Number of reports on SMMEs and Cooperatives registered	EDTEA Cooperative and SMME's Database and Registration Certificate	New	New	New	New	4	4	4
SMMEs and Cooperatives supported	13.2.2 Number of SMMEs and Coops supported through (training, mentorship, funding, incubation and technical)	EDTEA Enquiry Register, Registration Certificates, Compliance Certificates, Attendance Registers r	2571	936	1829	2119	2119	2330	2563

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 14: PERFORMANCE INDICATORS: SUB-PROGRAMME - ENTERPRISE DEVELOPMENT**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
14.1 Number of reports on SMMEs and Cooperatives registered	Quarterly	4	1	1	1	1
14.1 Number of SMMEs and Coops supported (training, mentorship, funding, incubation)	Quarterly	2119	530	530	530	530

## SUB-PROGRAMME: ECONOMIC EMPOWERMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The Sub programme derives its mandate from the Preferential Procurement Regulations 2011, the Employment Equity Act 55 of 1998, and the BBBEE Act 46 of 2013 (Act 53 of 2003), as well as BBBEE Codes of Good Practice (as amended) 7th of February 2007. The objective of the Sub-programme, among others, is to ensure that Women and Youth Entrepreneurs in both urban and rural areas contribute and benefit from the economic growth, development and transformation of the country's economy.

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

- Facilitating the implementation of B-BBEE Strategy and empowerment policies;
- Co-ordinate key stakeholders for B-BBEE Strategy implementation;
- Ensuring empowerment of women, youth and the physically challenged;
- Facilitating or handle B-BBEE complaints and compliance in the Province;
- Verification and monitoring of B-BBEE implementation;
- Facilitating access to finance and empowerment opportunities.

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

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 15: STRATEGIC OBJECTIVES: SUB-PROGRAMME – ECONOMIC EMPOWERMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimate/ Baseline 2015-16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
15 Facilitates the implementation of economic transformation strategies and policies	15.1 15 BEE structures coordinated over MTSF period	New	New	New	New	5	5	5
	15.2 15 specific interventions Implemented over MTSF period	0	5	3	3	3	3	3

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
BEE Stakeholder engagement initiative Coordinated	15.1.1 Number of BEE Structures coordinated	Stakeholder engagement Reports and attendance register	New	New	New	New	5	5	5
Economic Empowerment specific intervention implemented	15.2.1 Number of specific interventions implemented	Economic Empowerment reports, attendance register and MOU's	0	5	3	3	3	3	3

QUARTERLY TARGETS FOR 2016/17

TABLE 16: PERFORMANCE INDICATORS: SUB-PROGRAMME – ECONOMIC EMPOWERMENT

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
16.1 Number of BEE Structures coordinated	Quarterly	5		2	2	1
16.2 Number of specific interventions implemented	Quarterly	3	1	1	1	0

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

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### PURPOSE

To develop, support and implement sustainable risk sharing partnership based RLED projects that create sustainable local employment and build capacity of RLED stakeholders to plan better and manage RLED.

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### 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, the PGDS and the National Development Plan. It also takes into account the policies and regulations related to district and local government.

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

Six (6) priorities have been identified for the 2016-17 financial including:

- Implementing collaboration agreement with COGTA and SALGA for better co-ordination of LED activities;
- Improving contract administration and project related expenditures;
- Activating new partnership based projects specifically in the Sugar Industry
- Activating a focused Call For Proposals for the Clothing, Textile and Footwear Industry through the Local Competitiveness Fund (LCF)

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

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 17: STRATEGIC OBJECTIVES: SUB-PROGRAMME – REGIONAL AND LOCAL ECONOMIC DEVELOPMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance				Estimated/ Baseline 2015-16	Medium-term targets		
		2012/13	2013/14	2014-15	2016/17		2017/18	2018/19	
17. To implement existing productive and service sector strategies and plans	17.1 1080 employment opportunities supported over MTSF period	232	131	50	50	80	300	600	
	17.2 540 people trained over MTSF period (All projects)	131	190	140	100	100	100	100	

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance				Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Employment opportunities supported by RLED	17.1.1 Number of employment opportunities supported	Monitoring reports from project beneficiaries and project payroll data where available	232	131	50	50	80	300	600	
			131	190	140	100	100	100		
Capacity building intervention conducted	17.2.1 Number of people trained (All projects)	Monitoring Reports from project beneficiaries, and Attendance registers	131	190	140	100	100	100		



**QUARTERLY TARGETS FOR 2016/17**

**TABLE 18: PERFORMANCE INDICATORS: SUB-PROGRAMME – REGIONAL AND LOCAL ECONOMIC DEVELOPMENT**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
18.1 Number of employment opportunities supported	Annually	80				80
18.2 Number of people trained (All projects)	Annually	100	0	0	0	100

## PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

### PURPOSE

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: Strategic Industrial Interventions, Trade and Investment Promotion and Sector Development sub-programmes.

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

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



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Programme 3: Trade and Industry Development**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Trade And Investment Promotion	464 151	658 347	599 746	690 057	584 216	584 216	721 476	750 200	793 712
2. Sector Development	72 724	70 481	164 861	156 255	160 551	160 801	167 188	175 548	185 730
3. Strategic Industrial Intervention	62 618	25 164	68 170	110 947	198 947	198 947	74 707	78 442	82 992
<b>Total payments and estimates</b>	<b>599 493</b>	<b>753 992</b>	<b>832 777</b>	<b>957 259</b>	<b>943 714</b>	<b>943 964</b>	<b>963 371</b>	<b>1 004 190</b>	<b>1 062 434</b>

R thousand	Outcome				Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>46 373</b>	<b>29 463</b>	<b>36 136</b>		<b>59 768</b>	<b>39 990</b>	<b>40 213</b>	<b>40 283</b>	<b>65 377</b>	<b>69 169</b>
Compensation of employees	7 532	6 639	8 344		13 630	10 748	10 717	16 234	17 338	18 517
Goods and services	38 841	22 824	27 792		46 138	29 242	29 496	24 049	48 039	50 652
Interest and rent on land	-	-	-		-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>553 073</b>	<b>724 515</b>	<b>773 513</b>		<b>897 491</b>	<b>903 696</b>	<b>903 696</b>	<b>923 088</b>	<b>938 813</b>	<b>993 265</b>
Departmental agencies and accounts	457 361	650 486	596 851		673 816	573 975	573 975	710 658	739 597	782 494
Public corporations and private enterprises	62 618	30 164	79 442		123 247	216 964	216 964	97 407	78 442	82 992
Non-profit institutions	33 000	43 830	97 159		100 428	112 757	112 757	115 023	120 774	127 779
Households	94	35	61		-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>47</b>	<b>14</b>	<b>23 128</b>		<b>-</b>	<b>28</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-		-	10	-	-	-	-
Machinery and equipment	47	14	128		-	18	55	-	-	-
Land and sub-soil assets	-	-	23 000		-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>599 493</b>	<b>753 992</b>	<b>832 777</b>		<b>957 259</b>	<b>943 714</b>	<b>943 964</b>	<b>963 371</b>	<b>1 004 190</b>	<b>1 062 434</b>

## SUB-PROGRAMME: STRATEGIC INDUSTRIAL INTERVENTIONS

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### PURPOSE

The purpose of this sub-programme is to promote Maritime Services through participatory determination in the industry; to facilitate the implementation of strategies to support Aerotropolis establishment; and coordinate and facilitate the implementation of strategies to support Industrial Economic Hubs (IEHs) and Special Economic Zones (SEZs)

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

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

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 19: STRATEGIC OBJECTIVES: SUB-PROGRAMME - STRATEGIC INDUSTRIAL INTERVENTIONS

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated/ Baseline 2015/16	Medium-term targets		
		2012/13	2013/14	2014-15		2016/17	2017/18	2018/19
19. To implement existing productive and service sector strategies and plans	19.1. Implement 90% of resolutions adopted by social partners over MTSF period	New	New	New	60%	65%	70%	90%
	19.2 11 strategic investment projects facilitated through Aerotropolis and Industrial Hubs over MTSF period	New	New	New	New	3	3	5
	19.3 2572 jobs facilitated through Aerotropolis, maritime and Industrial Hubs over MTSF period	New	New	0	258	146	966	1202
	19.4 22 Business or Master plans completed over MTSF period	New	New	6	10	4	0	2
	19.5 Produced 8 review reports on Strategic sectors over MTSF period	New	New	New	2	2	2	2
	19.6 Secure 10 new international airlines flying directly to King Shaka Airport	New	2	3	4	1	1	1
	19.7 3 clusters /special purpose vehicles supported over MTSF period	New	0	0	3	3	3	3
	19.8 3 incubator established within the aerotropolis and Industrial economic hubs initiative over MTSF period	New	0	0	0	1	1	1
	19.9 506 people trained within the aerotropolis, maritime and Industrial economic hubs initiative within MTSF period	New	New	New	New	70	211	225

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Stakeholder engagement Report on Strategic Industrial Interventions	19.1.1	% of resolutions adopted and implemented by social partners	New	New	New	60%	65%	70%	90%
	19.2.1	Signed Social Accords and associated chapters; Secretariat Monitoring Report	New	New	New	New	3	3	5
Productive and service sector strategies and plans implemented	19.2.1	No. of investment projects facilitated by Aerotropolis and Industrial Hubs	New	New	New	New	3	3	5
	19.3.1	No. of jobs created through Aerotropolis initiative	New	New	0	150	50	333	400
	19.4.1	No of jobs created through Maritime initiative	New	New	0	58	22	26	29
	19.5.1	No. of jobs created through Industrial Hubs initiative	New	New	0	50	74	607	773
	19.6.1	No. of business plans or master plans completed	New	New	6	10	4	0	2

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
19.7.1	No of review reports on Strategic sectors	Signed off Review report by the DDG	New	New	New	2	2	2	2
19.8.1	No. of new international airlines flying directly to King Shaka Airport	International flights tracking reports	New	2	3	4	1	1	1
19.9.1	No of clusters supported/special purpose vehicles	clusters reports	New	0	0	3	3	3	3
19.10	No of incubators established within the aerotropolis and Industrial economic hubs initiative	Incubator Reports and site visit	New	0	0	0	1	1	1
19.11	No of people trained within the aerotropolis, maritime and Industrial economic hubs initiative	Training Reports and signed attendance register	New	New	New	New	70	211	225

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 20: PERFORMANCE INDICATORS: SUB-PROGRAMME – STRATEGIC INDUSTRIAL INTERVENTIONS**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
20.1. Percentage of implementation of resolutions adopted by social partners	Quarterly	65%	0	0	30%	35%
20.2. No. of jobs created through Aerotropolis Initiative	Quarterly	50	0	0	20	30
20.3. No. of jobs created through Maritime initiative	Quarterly	22	0	0	11	11
20.4. No of jobs created through Industrial Hubs initiative	Quarterly	74	0	0	40	34
20.5. No. of business plans or master plans completed	Quarterly	10	0	0	5	5
20.6. No. of new international airlines flying directly to King Shaka Airport?	Annually	1	0	0	0	1
20.7. No of clusters supported/special purpose vehicles	Annually	3		1	1	1
20.8. No. of investment projects facilitated by Aerotropolis and Industrial Hubs	Quarterly	3	0	0	2	1
20.9. No of incubators established within the aerotropolis and Industrial economic hubs initiative	Annually	1	0	0	0	1
20.10. No of people trained within the aerotropolis, maritime and Industrial economic hubs initiative	Quarterly	70	0	5	20	35



## SUB-PROGRAMME: TRADE AND INVESTMENT PROMOTION

### PURPOSE

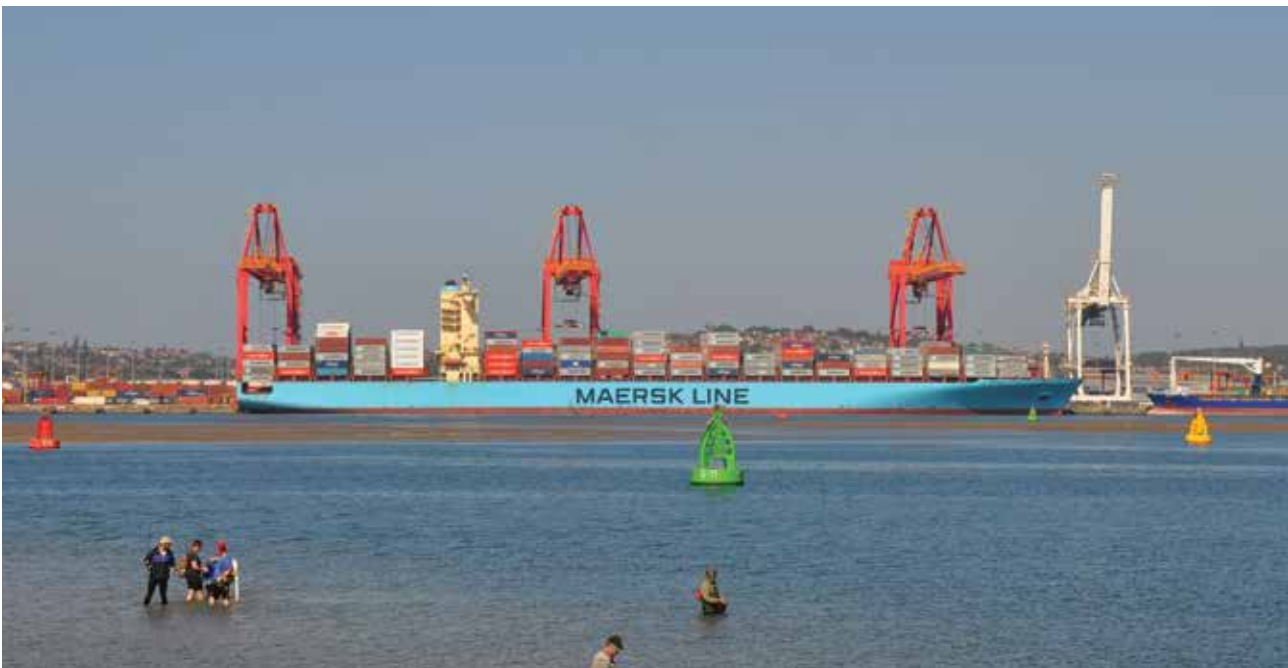
The Trade and Investment programme comprises two sub-units – Trade Promotion and Logistics. In the area of Trade Promotion the objective is to assist largely SMME's with accessing local and international markets. With regards to Logistics the primary objective is to address logistics challenges such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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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



**Strategic Goals:** Sustainable Inclusive and inclusive economic growth programmes

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 21: STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS: TRADE AND INVESTMENT PROMOTIONS

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014-15		2016/17	2017/18	2018/19
21. To facilitates Trade and investment	21.1 22 Investment / export strategies completed over MTSF period	1	5	7	3	4	4	4
	21.2 R3.bn value of exports facilitated to KZN over MTSF period	New	New	New	New	0	R1.5bn	R1.5bn
	21.3 Host 4 trade exhibitions over MTSF period	New	New	New	1	1	1	1

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Progress Reports on Trade, exports and investment Promoted	21.1.1 No. of investment and/or export strategies	Signed Strategy Reports	1	5	7	3	4	4	4
	21.2.1 Rand value of exports facilitated	Trade and Investment tracking reports	New	New	New	New	0	R1.5bn	R1.5bn
	21.3.1 No. of trade exhibitions hosted	Exhibition reports	New	New	New	1	1	1	1

QUARTERLY TARGETS FOR 2016/17

TABLE 22: PERFORMANCE INDICATORS: TRADE AND INVESTMENT PROMOTION

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
22.1. No. of investment and/or export strategies completed	Annually	4	0	0	0	4
22.2 Value of exports facilitated	Annually	R1.5bn	0	0	0	R1.5bn
22.3 No. of trade exhibitions hosted	Annually	1	0	0	0	1

## SUB-PROGRAMME: SECTOR DEVELOPMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

Economic growth and job creation require a sound macro-economic framework and prudent fiscal discipline. The national economic policy framework, including both trade and industrial policies, continues to inform provincial and sectoral priorities. Specific policies relating to the development of the different priority sectors also include the New Growth Path, Customized Sector Programme Policies (CSPs), Regional Industrial Development Strategy (RIDS), National Planning Development Plan, Provincial Growth and Development Plan, Provincial Growth and Development Strategy (PGDS), Provincial Spatial Economic Development Strategy (PSEDS), Media, Advertising, Publishing, Printing and Packaging Seta (MAPPPSETA), Information Society and Provincial BPO Strategy and the KZN Wood Processing Sector Strategy (KZNPWSS)

**Strategic Goals:** Sustainable Inclusive and inclusive economic growth programmes

**Goal Statement:** Achieve economic growth with a broader participation by Communities of KZN

TABLE 23: STRATEGIC OBJECTIVES: SUB-PROGRAMME – SECTOR DEVELOPMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014-15		2016/17	2017/18	2018/19
23. To implement existing productive and service sector strategies and plans	23.1 285 jobs are created and sustained over MTSF period	0	0	20	50	60	75	80
	23.2 9 Business plans completed over MTSF period	0	5	0	2	2	2	3
	23.3 100 strategic interventions Implemented over MTSF period	0	19	20	20	20	20	20
	23.4 1465 people trained over MTSF period	0	410	265	300	300	300	300
	23.5 31 Clusters supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI) over MTSF period	0	5	5	5	5	8	8

TABLE 23: STRATEGIC OBJECTIVES: SUB-PROGRAMME – SECTOR DEVELOPMENT

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Productive and service sector strategies and plans implemented	23.1.1 Number of jobs created and sustained	Payroll records, Reports and	0	0	20	50	60	75	80
	23.2.1 Number of Business Plans Completed	Signed off copies of completed Business Plans	0	5	0	2	2	2	3
Economic transformation strategies and policies implemented	23.3.1 Number of strategic interventions implemented	Signed progress Reports	0	19	20	20	20	20	20
	23.4.1 Number of people trained	Training Reports	0	410	265	300	300	300	300
Productive and service sector strategies and plans implemented	23.5.1 Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	Reports and Agreements	0	5	5	5	5	8	8

QUARTERLY TARGETS FOR 2016/17

TABLE 7: PERFORMANCE INDICATORS: SUB-PROGRAMME - SECTOR DEVELOPMENT

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
8.1 Number of jobs created and sustained	Annually	60				60
8.2 Number of Business Plans Completed	Quarterly	2	0	0	1	1
8.3 Number of specific interventions implemented	Quarterly	20	0	5	5	10
8.4 Number of people trained and linked to opportunities	Quarterly	300	0	50	100	150
8.5 Number of Clusters Supported (KZN Music Cluster, KZN CTC & KZN FC, KZNFI)	Quarterly	5	0	0	3	5
8.6 No of review reports	Bi-annual	2	0	1	0	1

## PROGRAMME 4: BUSINESS REGULATIONS

### PURPOSE

The purpose of Business Regulations is to manage and implement the Constitutional legislative mandate of the Province in relation to liquor (policy and legislation function only), consumer and regulation services (formal and informal businesses) in terms of applicable liquor, consumer and business legislation. The Business Regulation Programme comprises of three sub-programmes, namely the Consumer Protection Unit, Regulation Services (formal and Informal trade) and the Policy and Legislation Unit.

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

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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

This programme functions primarily within the realm of prescribed legislation. Consumer protection is a function accorded to the Provinces in terms of Schedule 4 of the Constitution of SA, Act 108 of 1996, wherein this is a functional area of concurrent National and Provincial Legislative competence. In addition to this legislative competence, Consumer protection also functions in terms of other applicable consumer related legislation for example, The National Credit Act, Unfair Business Practices Act 1988, Trade metrology Act, and National Consumer protection Act etc. KZN as a province has its own Provincial specific legislation relating to Consumer protection viz. the KZN Consumer Protection Act of 2013. It is expected that the KZN Consumer Protection Act of 2013 will be fully implemented during the financial year 2016/2017. Whilst awaiting the full implementation of this new Act, the Province will continue to utilise the provisions of the Unfair Business Practices Act of 1988 as well as the National Consumer Protection Act where applicable, in so far as it relates to attending and resolving consumer complaints. 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. This function is now administratively operationalized through the public entity known as KZN Liquor Authority (KZNLA), established in terms of the KZN Liquor Act 6 of 2010. The Department through this programme is primarily responsible for the policy and legislative mandates relating to the liquor licencing function only.

The strategic priorities of this programme for the 2016/2017 financial year will be through the:

- Consumer Protection Unit to give effect, at the provincial level, to the Constitutional mandate to safeguard citizens' right to be protected from unfair and irregular business practices as well as to the right to access information. This right is to be exercised through awareness creation and promotion; and to ensure the full implementation of the KZN Consumer protection Act of 2013

- Policy and legislation sub-program to develop and maintain an efficient regulatory and governance framework for sustained economic development relating to Business compliance particularly within the Liquor Industry; Consumer and Regulation services, as a transversal oversight of policy and legislative imperatives relating to the mandate of the Programme. This can only be achieved through a fully operationalized business unit which will be implemented through the new departmental structure in 2016/2017;
- The Regulation Services sub program to ensure that there is compliance within this sector viz formal and informal business by Businesses and Municipalities in terms of statutory obligations. This too can only be achieved through a fully operationalized business unit which will be implemented through the new Departmental structure in 2016/2017. 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.

Service offerings in terms of this programme are currently rendered at both head office and some District offices.



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Programme 4: Business Regulations**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Regulation Services	3 079	3 595	4 398	6 575	7 677	7 677	5 879	6 219	6 580
2. Consumer Protection	17 707	20 264	22 856	26 707	21 806	21 806	32 154	33 747	35 704
3. Liquor Regulation	65 306	44 255	77 282	67 008	70 008	70 010	70 166	72 403	76 602
<b>Total payments and estimates</b>	<b>86 092</b>	<b>68 114</b>	<b>104 536</b>	<b>100 290</b>	<b>99 491</b>	<b>99 493</b>	<b>108 199</b>	<b>112 369</b>	<b>118 886</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>30 252</b>	<b>24 173</b>	<b>26 904</b>	<b>33 124</b>	<b>29 308</b>	<b>29 299</b>	<b>38 033</b>	<b>39 966</b>	<b>42 284</b>
Compensation of employees	15 152	14 871	16 716	18 915	16 280	16 641	21 241	22 685	24 228
Goods and services	15 100	9 302	10 188	14 209	13 028	12 658	16 792	17 281	18 056
Interest and rent on land	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>55 724</b>	<b>43 932</b>	<b>77 407</b>	<b>67 008</b>	<b>70 065</b>	<b>70 065</b>	<b>70 166</b>	<b>72 403</b>	<b>76 602</b>
Departmental agencies and accounts	55 699	43 920	77 282	67 008	70 008	70 008	70 166	72 403	76 602
Households	25	12	125	–	57	57	–	–	–
<b>Payments for capital assets</b>	<b>116</b>	<b>9</b>	<b>225</b>	<b>158</b>	<b>118</b>	<b>129</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and equipment	116	9	225	158	118	129	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>86 092</b>	<b>68 114</b>	<b>104 536</b>	<b>100 290</b>	<b>99 491</b>	<b>99 493</b>	<b>108 199</b>	<b>112 369</b>	<b>118 886</b>

## SUB-PROGRAMME: CONSUMER PROTECTION

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### PURPOSE

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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

Common law, the Constitution, the National Consumer Protection Act as well as the KZN Consumer Protection Act 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.



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

**Goal Statement:** Achieve an integrated and coordinated economic planning and development in the Province of KZN

TABLE 24: STRATEGIC OBJECTIVES: SUB-PROGRAMME – CONSUMER PROTECTION

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014-15		2016/17	2017/18	2018/19
24. To develop and maintain an efficient regulatory and governance framework	24.1 7500 of consumer education programmes conducted over MTSF period	1100	1333	1400	1450	1500	1550	1600
	24.2 1984 inspection conducted over MTSF period	192	192	384	400	400	400	400
	24.3 Resolved 10376 of written complaints over MTSF period	1225	3000	1612	1700	1936	2528	2600
	24.4 Received 18982 of written complaints over MTSF period	7000	9000	9000	2200	2420	2662	2700
	24.5 Achieved 85% of Consumer satisfaction with the dealings/handlings of consumer complaints.	New	New	New	New	75%	80%	85%

TABLE 24: STRATEGIC OBJECTIVES: SUB-PROGRAMME – CONSUMER PROTECTION

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Consumer Protections services conducted	24.1.1	No of consumer education programmes conducted	1100	1333	1400	1450	1500	1550	1600
	24.2.1	No. of Inspections conducted	192	192	384	400	400	400	400
	24.3.1	No of written complaints resolved	1225	3000	1612	1700	1936	2528	2600
	24.4.1	No. of written complaints received	7000	9000	9000	2200	2420	2662	2700
	24.5.1	% of Consumer satisfaction with the dealings/handlings of complaints.	New	New	New	New	75%	80%	85%

QUARTERLY TARGETS FOR 2016/17

TABLE 8: PERFORMANCE INDICATORS: SUB-PROGRAMME – CONSUMER PROTECTION

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
10.1	No of consumer education programmes conducted	1500	375	375	375	375
10.2	No. of Inspections conducted	400	100	100	100	100
10.3	No. of written complaints resolved	1936	484	484	484	484
10.4	No. of written complaints received	2420	605	605	605	605
10.5	% of Consumer satisfaction with the dealings/handling of complaints.	75%	75%	75%	75%	75%

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

### PURPOSE

The specific priorities of this sub-programme is to provide a regulatory framework for the functioning of both Formal and Informal Trade in a manner that advances the agenda of economic development and growth in the Province. The 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.

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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



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

**Goal Statement:** Achieve an integrated and coordinated economic planning and development in the Province of KZN

TABLE 25: STRATEGIC OBJECTIVES: SUB-PROGRAMME – REGULATION SERVICES (FORMAL AND INFORMAL)

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015-16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
25. To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors	25.1 Ensure 155 Municipalities are implementing business regulation over MTSE period	31	31	31	31	31	31	31
	25.2 91 Informal economy Policy Alignment programmes facilitated over MTST period	11	11	11	20	20	20	20
	25.3 Ensure 13 Identified barriers are addressed over MTSE period	2	2	1	1	3	4	4

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of Verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Formal and Informal Business Regulation	No of Municipalities Monitored with the Implementation of Regulations	Attendance Registers and Monitoring Report	31	31	31	31	31	31	
	No Informal Economy Policy Alignment facilitated	Policy Alignment Reports and attendance registers	11	11	11	20	20	20	
	No of barriers identified	Assessments, Studies, Surveys, Interviews	2	2	1	1	3	4	
	No of barriers addressed	Specialised interventions provided through a Projects, programmes, Workshops	2	2	1	1	3	4	

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 26: PERFORMANCE INDICATORS: SUB-PROGRAMME – REGULATION SERVICES (FORMAL AND INFORMAL)**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
26.1 No of Municipalities Monitored with the Implementation of Regulations	Quarterly	31	7	8	8	8
26.2 No of Provincial Informal Economy Policy Alignment Programmes facilitated	Quarterly	20	5	5	5	5
26.3 No of barriers identified	Quarterly	3		1	1	1
26.4 No of barriers addressed	Quarterly	3		1	1	1

## SUB-PROGRAMME: POLICY AND LEGISLATION

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### PURPOSE

The strategic objective and purpose of this sub programme is to ensure that it contributes to one of the Departments overall strategic goal “to build a vibrant institution of superior performance”. Further this sub programme is linked to the strategic objective:

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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

This Unit derives its legislative mandate from the Schedule 4 and 5 Constitutional legislative mandates in relation to Liquor, Consumer protection and Regulation Services.

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



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

**Goal Statement:** Achieve an integrated and coordinated economic planning process and development in the Province of KZN

TABLE 27: STRATEGIC OBJECTIVES: SUB-PROGRAMME – POLICY AND LEGISLATION

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimate Performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
27. To develop and maintain an efficient regulatory and governance framework for sustained economic development	27.1 Produced 20 monitoring reports of Liquor Authority (tracking the effectiveness of the KZNLA in regulating the Industry) over MTSF period	New	New	4	4	4	4	4
	27.2 Produced 19 review reports on legislative framework relating to Liquor, consumer and Regulation services	New	New	3	4	4	4	4

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Policy and legislation initiative conducted	27.1.1 (tracking the effectiveness of the KZNLA in regulating the Industry)	Quarterly Performance Reports from KZNLA	New	New	4	4	4		
	27.2.1 (tracking the effectiveness of the KZNLA in regulating the Industry)	Policy Documents and Copies of Legislation	New	New	3	4	4		

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 28: PERFORMANCE INDICATORS: SUB-PROGRAMME – POLICY AND LEGISLATION**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
14.1. No. of Liquor Authority monitoring reports (tracking the effectiveness of the KZNLA in regulating the industry)	Quarterly	4	1	1	1	1
14.2. No. of reviews reports on legislative framework relating to Liquor , consumer and Regulation services	Quarterly	4	1	1	1	1

## PROGRAMME 5: ECONOMIC PLANNING

### PURPOSE

The Economic Planning Programme provides key input into economic development through gathering economic data, conducting micro and macroeconomic analyses and economic modelling to inform economic policies and strategies. Furthermore, policy research ensures that the province's economic policy direction adequately responds to national and global economic and policy trends. The Economic Planning programme is comprised of four sub-programmes namely Policy and Planning; Research and Development; Knowledge Management, 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
<p><b>Purpose:</b> To develop provincial economic policies and strategies to achieve and measure sustainable economic development</p>	<p><b>Sub-programme 1: Research and Development</b> <i>Purpose:</i> To provide cutting edge and authoritative research on the provincial economy. This unit is the custodian of all research activities in the department</p>
	<p><b>Sub-programme 2: Knowledge Management</b> <i>Purpose:</i> To develop the knowledge base to enhance the knowledge economy</p>
	<p><b>Sub-programme 3: Monitoring and Evaluation</b> <i>Purpose:</i> To strengthen monitoring and evaluation capabilities for measuring impact of economic development strategies within the Department and across its entities</p>
	<p><b>Sub-programme 4: Policy and Planning</b> <i>Purpose:</i> To provide macro-economic analysis and develop provincial economic policies/strategies</p>

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

The aim of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development. The economic planning function is very crucial as it ensures that service delivery programmes are designed to appropriately respond to the social and economic development priorities of the citizens. The Economic Planning Programme is critical to the enhanced efficiency and effectiveness of the Department as it facilitates and promotes integrated economic development policies, strategies and programmes, and provide leadership in economic policy development and knowledge management, most of which feeds into other programmes. The strategic priorities of the programme are to monitor and track macro-economic developments and disseminate such economic information regarding the province to key stakeholders in the public and private sectors. The programme continually access, store in a readily retrievable manner, and disseminate process and strategic information required for the efficient and effective management of the Department, to all members of the Department's management team.

RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Programme 5: Economic Planning**

R thousand	Outcome		Main appropriation		Adjusted appropriation		Revised estimate		Medium-term estimates	
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19	
1. Policy And Planning	4 327	4 897	4 348	7 274	7 149	7 445	7 882	7 882	8 339	
2. Research And Development	6 227	8 538	10 688	12 093	12 093	15 499	16 360	16 360	17 309	
3. Knowledge Management	1 710	1 978	2 626	6 680	6 680	7 419	7 835	7 835	8 289	
4. Monitoring And Evaluation	6 282	5 153	5 524	6 053	6 053	8 162	8 164	8 164	8 638	
<b>Total payments and estimates</b>	<b>18 546</b>	<b>20 566</b>	<b>23 186</b>	<b>37 482</b>	<b>31 975</b>	<b>38 525</b>	<b>40 241</b>	<b>40 241</b>	<b>42 575</b>	

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>18 314</b>	<b>20 455</b>	<b>22 667</b>	<b>37 467</b>	<b>30 075</b>	<b>29 950</b>	<b>32 000</b>	<b>33 389</b>	<b>35 325</b>
Compensation of employees	7 543	10 538	13 031	14 840	14 672	14 494	16 938	17 573	18 768
Goods and services	10 771	9 917	9 636	22 627	15 403	15 456	15 062	15 816	16 557
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>3</b>	<b>-</b>	<b>266</b>	<b>-</b>	<b>2 007</b>	<b>2 007</b>	<b>2 500</b>	<b>2 625</b>	<b>2 777</b>
Higher education institutions	-	-	250	-	2 000	2 000	2 500	2 625	2 777
Households	3	-	16	-	7	7	-	-	-
<b>Payments for capital assets</b>	<b>229</b>	<b>111</b>	<b>253</b>	<b>15</b>	<b>18</b>	<b>18</b>	<b>4 025</b>	<b>4 227</b>	<b>4 473</b>
Machinery and equipment	111	111	253	15	18	18	25	27	29
Software and other intangible assets	118	-	-	-	-	-	4 000	4 200	4 444
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>18 546</b>	<b>20 566</b>	<b>23 186</b>	<b>37 482</b>	<b>32 100</b>	<b>31 975</b>	<b>38 525</b>	<b>40 241</b>	<b>42 575</b>

## SUB-PROGRAMME: RESEARCH AND DEVELOPMENT

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### 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 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 is also enhanced by its position as a chair of the departmental research committee 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.



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

**Goal Statement:** Achieve an integrated and coordinated economic planning process and development in the Province of KZN

TABLE 28: STRATEGIC OBJECTIVES: SUB-PROGRAMME – RESEARCH AND DEVELOPMENT

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014/15		2016/17	2017/18	2018/19
28. To conduct or commission macro-economic and priority sector research	28.1 Produced 57 research reports over MTSF period	New	5	13	13	10	11	10
	28.2 Support 24 research and development initiative over MTSF period	New	5	4	5	5	5	5

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance				Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15	2016/17		2017/18	2018/19	
Research Reports on priority and strategy sectors	28.1.1 Number of research reports on priority and strategy sectors	Research Reports	New	5	13	13	11	10	10	
	28.2.1 Number of Research and Development initiatives supported	Reports	New	5	4	5	5	5	5	

QUARTERLY TARGETS FOR 2016/17

TABLE 29: PERFORMANCE INDICATORS: SUB-PROGRAMME – RESEARCH AND DEVELOPMENT

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
29.1 Number of research reports on priority and strategy sectors	Quarterly	11	3	2	3	4
29.2 Number of Research and Development initiatives supported	Bi-annual	5	0	2	0	3

## SUB-PROGRAMME: KNOWLEDGE MANAGEMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

As part of capacity building the KM sub-programme will undertake workshops to:

- Provide capacity development sessions to the departmental staff including District officials about the impotency of KM and how to manage knowledge;
- Provide capacity to entities and other stakeholders about the impotency of KM and how they can manage their knowledge.



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

**Goal Statement:** Achieve an integrated and coordinated economic planning process and development in the Province of KZN

TABLE 30: STRATEGIC OBJECTIVES: SUB-PROGRAMME – KNOWLEDGE MANAGEMENT

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
30. To collect, process, maintain and reports on economic and other social data	30.1 Produced 4 operational integrated statistical database over MTSF period	New	0	0	1	1	1	1
	30.2 Produced 12 updated project analysis reports against APP targets over MTSF period	New	New	New	New	4	4	4
	30.3 Produced 17 reports tracking provincial knowledge base indicators over MTSF period	New	0	1	4	4	4	4

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Knowledge management reports	30.1.1 Number of operational integrated statistical database	Operational statistical database	New	0	0	1	1	1	1
	30.2.1 Number of updated project analysis reports against APP targets	PSO report	New	New	New	New	4	4	4
	30.3.1 Number of reports tracking provincial knowledge base indicators	Reports	New	0	1	4	4	4	4

QUARTERLY TARGETS FOR 2016/17

TABLE 31: PERFORMANCE INDICATORS: SUB-PROGRAMME – KNOWLEDGE MANAGEMENT

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
31.1 Number of operational integrated statistical database	Annual	1	0	0	1	
31.2 Number of updated project analysis reports against APP targets	Quarterly	4	1	1	1	1
31.3 Number of reports tracking provincial knowledge base indicators	Bi-annual	4	0	2	0	2

## SUB-PROGRAMME: MONITORING AND EVALUATION

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

Applicable policy frameworks implicitly include the Public Service legislation and its regulations, National Planning Commission Framework, Public Finance Management framework and legislations pertaining to auditing of public institutions. Specific policies include Government Wide Monitoring and Evaluation, Improving Government Performance: Our Approach (Outcome based), National Evaluation Policy Framework, and Framework on Managing Performance Information.

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

**Goal Statement:** To strengthen monitoring and evaluation capacities for measuring impact of economic development strategies with the department and entities

TABLE 32: STRATEGIC OBJECTIVES: SUB-PROGRAMME – MONITORING AND EVALUATION

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012-13	2013-14	2014-15		2016/17	2017/18	2018/19
32. Evaluation assessment reports	32.1 Produced 25 evaluation reports over MTSF period	New	New	5	5	5	5	
32. Mid-term review reports on the implementation of MEC commitment	32.2 Produced 3 Mid-term review reports on MEC commitments	New	New	New	New	Produced 3 Mid-term review reports over the MTSF period		
32. Annual Evaluation Plans	32.3 Produced 3 year evaluation plan over MTSF period	New	New	New	New	Produced 3 year evaluation plan over MTSF period		

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Evaluation assessment reports	32.1.1	Assessment Reports	New	New	5	5	5	5	
Mid-term review reports on the implementation of MEC commitment	32.2.1	Signed off Mid-term Report	New	New	New	New	Produced 3 Mid-term review reports over the MTSF period		
Annual Evaluation Plans	32.3.1	Signed off Evaluation Plan by the AC	New	New	New	New	1	1	

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 33: PERFORMANCE INDICATORS: SUB-PROGRAMME – MONITORING AND EVALUATION**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
33.1 Number of Evaluation assessment reports	Quarterly	5		1	1	2
33.2 Number of Mid-term review reports on MEC commitments	Annually	1	0	0	0	1
33.3 Approved Evaluation Plan	Annually	1	1	0	0	0

## SUB-PROGRAMME: POLICY AND PLANNING

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### PURPOSE

The Policy and Planning unit is charged with the responsibility of developing, reviewing and implementing appropriate policies and strategies to assist the department in attaining sustainable economic development in the province. The unit achieves this mandate through undertaking detailed spatial economic planning, macroeconomic and policy analysis in the province. The sub-programme, therefore, acts as an advisory arm of the Department of Economic Development and Tourism on matters of economic policy and the macro and micro economy in general.

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

### OBJECTIVES

- To formulate policies and strategies for socio-economic development;
- Develop Data Base on Provincial macroeconomic indicators- Statistical portal;
- Produce Quarterly Statistical and Economic overview reports;
- Provide input into the medium and long-term plans of the Department;
- Advise the Department on economic issues;
- Initiate and undertake necessary Policy research- reports on key economic developments (provincial, national, global);
- Provide leadership in the implementation of policies;
- To provide capacity building to stakeholders on macroeconomic analysis and economics in general - Skills Transfer.

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

**Goal Statement:** Achieve an integrated and coordinated economic planning in the Province of KZN

TABLE 34: STRATEGIC OBJECTIVES: SUB-PROGRAMME – POLICY AND PLANNING

Strategic Objectives	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
34 To influence policy directions for economic and infrastructure development through developing, reviewing and advising on macro and micro economy matters	34.1 Produced 10 policy advocacy reports over MTSF period		0	2	2	2	2	
	34.2 Produced 4 reports on economic strategies reviewed \developed over MTSF period		1	0	1	0	1	
	34.3 30 economic publication produced over MTSF period		6	6	6	6	6	
	34.4 Produced 8 Policy brief over MTSF		0	2	2	2	2	
	34.5 Produced 7 tracking reports on the implementation of strategies over MTSF s		0	0	1	2	2	

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Economic Policy and strategy development	34.1.1 Number of policy advocacy reports	Reports	0	0	2	2	2	2	2
	34.2.1 Number of economic strategies reviewed (developed)	Strategy review Reports	0	1	0	1	0	1	2
	34.3.1 Number of economic publications	Ezomnotho edition	0	6	6	6	6	6	6
	34.4.1 Number of Policy briefs	Report	0	0	2	2	2	2	2
	34.5.1 Number of reports on economic strategies implemented	Report	0	0	0	1	2	2	2

QUARTERLY TARGETS FOR 2016/17

TABLE 35: PERFORMANCE INDICATORS: SUB-PROGRAMME – POLICY AND PLANNING

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
35.1 Number of policy advocacy reports	Annually	2	0	0	0	2
35.2 Number of economic strategies developed	Annually	0	0	0	0	0
35.3 Number of economic publications	Quarterly	6		2	2	2
35.4 Number of Policy briefs	Bi-annually	2	0	1	0	1
35.5 Number of reports on economic strategies implemented	Bi-annually	2		1		1



## PROGRAMME 6: TOURISM DEVELOPMENT

### PURPOSE

Tourism is a concurrent function between the national and provincial government hence the province is tasked with functions relating to planning and policy making, regulation and monitoring, facilitation and implementation, coordination as well as development promotion of tourism in line with national imperatives. The following table presents the structure of the programme and its purpose, as well as its strategic goals and objectives:

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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

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

RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Programme 6: Tourism Development**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Policy And Planning	4 327	4 897	4 348	8 134	7 274	7 149	7 445	7 882	8 339
2. Research And Development	6 227	8 538	10 688	14 912	12 093	12 093	15 499	16 360	17 309
3. Knowledge Management	1 710	1 978	2 626	7 639	6 680	6 680	7 419	7 835	8 289
4. Monitoring And Evaluation	6 282	5 153	5 524	6 797	6 053	6 053	8 162	8 164	8 638
<b>Total payments and estimates</b>	<b>18 546</b>	<b>20 566</b>	<b>23 186</b>	<b>37 482</b>	<b>32 100</b>	<b>31 975</b>	<b>38 525</b>	<b>40 241</b>	<b>42 575</b>

R thousand	Outcome				Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates			
	2012/13	2013/14	2014/15	2014/15				2016/17	2017/18	2018/19	2018/19
<b>Current payments</b>	<b>88 307</b>	<b>121 840</b>	<b>26 057</b>	<b>26 057</b>	<b>133 595</b>	<b>77 449</b>	<b>79 645</b>	<b>131 835</b>	<b>159 307</b>	<b>174 244</b>	
Compensation of employees	7 066	9 283	8 743	8 743	13 140	10 345	10 464	17 784	18 993	20 284	
Goods and services	81 241	112 557	17 314	17 314	120 455	67 104	69 181	114 051	140 314	153 960	
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies to:</b>	<b>194 966</b>	<b>223 379</b>	<b>336 648</b>	<b>336 648</b>	<b>164 940</b>	<b>278 621</b>	<b>278 121</b>	<b>187 837</b>	<b>190 179</b>	<b>201 208</b>	
Provinces and municipalities	1 291	8 162	14 113	14 113	1 250	1 250	1 250	6 000	-	-	
Departmental agencies and accounts	173 663	161 968	166 906	166 906	162 690	179 623	179 623	165 567	177 369	187 656	
Public corporations and private enterprises	19 991	53 245	155 329	155 329	1 000	97 148	96 648	15 570	12 075	12 775	
Non-profit institutions	-	-	300	300	-	600	600	700	735	777	
Households	21	4	-	-	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>47</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>84</b>	<b>89</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	47	26	-	-	-	-	-	80	84	89	
Software and other intangible assets	-	6	-	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>236</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total economic classification</b>	<b>283 320</b>	<b>345 251</b>	<b>362 705</b>	<b>362 705</b>	<b>298 771</b>	<b>356 306</b>	<b>358 002</b>	<b>319 752</b>	<b>349 570</b>	<b>375 541</b>	

## SUB-PROGRAMME: TOURISM PLANNING

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### PURPOSE

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

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

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

The sub-programme will ensure that the tourism activities are conducted professionally, effectively and efficiently through alignment of National, Provincial and Local Plans. The sub-programme also serves to enhance the capacity of the research and knowledge management within the unit and the tourism industry. The priorities of the Sub programme are informed by various pieces of legislation, policies, strategies, national and provincial cabinet directives aimed at ensuring economic growth and job creation within the industry which include but not limited to:

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

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

**Goal Statement:** Develop and deepen the positioning of KZN as a preferred tourism destination for domestic and global tourism

TABLE 36: STRATEGIC OBJECTIVES: SUB-PROGRAMME – TOURISM PLANNING

Strategic Objective	Strategic Plan Target	Means of Verification	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
			2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
36 Tourism stakeholder engagement reports	36.1 Implement 100% of resolutions adopted by social partners over MTSF period	Minutes and Reports	New	New	New	90%	95%	100%	100%
Tourism Policies, legislation and strategies developed	36.2 Produced 33 Tourism research, policies, strategies and frameworks over MTSF period	Reports and Contracts	5	4	3	6	7	8	9

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Tourism stakeholder engagement reports	36.1.1 % of resolutions adopted and implemented by social partners	Minutes and Reports	New	New	New	90%	95%	100%	100%
Tourism Policies, legislation and strategies developed	36.2.1 Number of Tourism research, policies, strategies and frameworks identified and developed	Reports and Contracts	5	4	3	6	7	8	9

QUARTERLY TARGETS FOR 2016/17

TABLE 37: PERFORMANCE INDICATORS: SUB-PROGRAMME – TOURISM PLANNING

Performance indicator	Reporting period	Annual target 2016	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
37.1 % of resolutions adopted and implemented by social partners	Annually	95%				95%
37.2 Number of Tourism research, policies, strategies and frameworks identified and developed	Quarterly	3		1	1	1

## SUB-PROGRAMME: TOURISM GROWTH AND DEVELOPMENT

### PURPOSE

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

### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

- National Tourism Sector Strategy (NTSS);
- Provincial Tourism Master Plan;
- Provincial Growth and Development Plan;
- Strategy on the Professionalization of Tourist Guides;
- Service Excellence Strategy;
- New Growth Path.



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

**Goal Statement:** Develop and deepen the positioning of KZN as a preferred tourism destination for domestic and global tourism

TABLE 38: STRATEGIC OBJECTIVES: SUB-PROGRAMME – TOURISM GROWTH AND DEVELOPMENT

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
38 To drive the Implementation of KZN Tourism Master Plan	38.1 22 tourism interventions Implemented towards creating employment and growth over MTSF period	New	New	New	5	5	6	6
	38.2 2500 tourist guides/tourism businesses registered over MTSF period	300	350	500	500	500	500	500

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Progress Reports on the Implementation of the KZN Tourism Master Plan	38.1.1 Number of Tourism interventions implemented towards growth and employment creation.	Reports, Service Level Agreements and Minutes of meetings	New	New	New	5	5	6	6
	38.2.1 Number of tourist guides/tourism businesses registered.	Database Reports and Contracts	300	350	500	500	500	500	500

**QUARTERLY TARGETS FOR 2016/17**

**TABLE 39: PERFORMANCE INDICATORS: SUB-PROGRAMME – TOURISM GROWTH AND DEVELOPMENT**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
39.1. Number of interventions implemented	Annually	5	0	0	0	5
39.2. Number of tourist guides/tourism businesses registered.	Quarterly	600	150	150	150	150



## SUB-PROGRAMME: TOURISM SECTOR TRANSFORMATION

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### PURPOSE

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

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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

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

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

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

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

**Goal Statement:** Develop and deepen the positioning of KZN as a preferred tourism destination for domestic and global tourism

TABLE 40: STRATEGIC OBJECTIVES: SUB-PROGRAMME – TOURISM SECTOR TRANSFORMATION

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
40. To drive the implementation of KZN Tourism Master Plan	40.1 60 tourism specific interventions Implemented towards tourism growth over MTSF period	New	New	New	15	15	15	15

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Tourism transformation and policies Implemented	40.1.1 Number of tourism specific interventions implemented	Reports, Minutes and other relevant documents	New	New	New	15	15	15	15

**QUARTERLY TARGETS FOR 2016/17**  
**TABLE 41: PERFORMANCE INDICATORS: SUB-PROGRAMME – TOURISM SECTOR TRANSFORMATION**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
41.1 Number of specific interventions implemented	Quarterly	15	3	5	4	3

## PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

### PURPOSE

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

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

Programme 7: Environmental Management	Sub-programmes
<p><b>Purpose:</b> To advance environmental sustainability for socio-economic development, through the promotion of sustainable use of the environment, which is safe and healthy.</p>	<p><b>Sub-programme 1: Policy Coordination and Environmental Planning</b> <b>Purpose:</b> The development of instruments, mechanisms and institutions to ensure sound cooperative environmental governance, in the implementation of sustainable development frameworks. The sub-programme also conducts environment research in order to generate knowledge that would support sound decision making resulting in innovative approaches to the management of the environment. Furthermore the Programme ensures provincial sustainability monitoring and reporting through generation, management and dissemination of environmental information for improved decision making and on-going strategy development</p>
	<p><b>Sub-programme 2: Compliance and enforcement</b> <b>Purpose:</b> To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the Province.</p>
	<p><b>Sub-programme 3: Environmental Quality Management</b> <b>Purpose:</b> To facilitate environmental impact mitigation and promote sustainable development To develop an integrated plan for sustainable air quality management To provide support to other spheres of government' stakeholders and internal and external To promote the waste management hierarchy (waste minimization, cleaner production, reuse/ recycling, treatment and To provide management, strategic and specialist support and direction for pollution and waste management programmes in KZN; and To process applications for permits and emission licenses related to air quality management. Co-ordinate, facilitate and promote effective coastal management (including coastal resource use).</p>
	<p><b>Sub-programme 4: Biodiversity Management</b> <b>Purpose:</b> To Control the spread of invasive alien plants in communal, public and private; Develop and implement community based natural resource management and action projects for sustainable development</p>
	<p><b>Sub-programme 5: Environmental Empowerment Services</b> <b>Purpose:</b> Promote a culture of environmental rights and responsibilities through awareness programmes; Promote and implement Environmental Education learnerships for youth; Implement Environmental Education programmes to assist with the integration of EE into formal education structures; and Develop and implement capacity building empowerment policy / strategy.</p>

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## SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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



RECONCILING PROGRAMME PERFORMANCE WITH MTEF BUDGET

**Programme 7: Environmental Management**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Environmental Policy Planning And Co-Ordination	3 311	3 666	3 764	6 466	7 135	6 609	8 711	9 224	9 759
2. Compliance And Enforcement	28 659	32 373	32 593	35 997	35 424	38 247	37 934	39 831	42 141
3. Environmental Quality Management	47 625	27 989	28 098	48 622	42 878	38 405	51 243	53 803	56 925
4. Biodiversity Management	702 028	725 716	823 924	800 827	795 919	796 190	865 107	886 279	932 419
5. Environmental Empowerment Services	31 354	32 150	35 567	29 082	30 756	32 729	34 323	36 363	38 472
6. General Manager: Environmental Affairs	1 618	1 710	9 792	2 853	4 896	4 694	6 632	7 023	7 430
<b>Total payments and estimates</b>	<b>814 595</b>	<b>823 604</b>	<b>933 738</b>	<b>923 847</b>	<b>917 008</b>	<b>916 874</b>	<b>1003950</b>	<b>1 032523</b>	<b>1 087 146</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>246 683</b>	<b>229 632</b>	<b>215 841</b>	<b>267 255</b>	<b>190 285</b>	<b>190 667</b>	<b>246 141</b>	<b>252 059</b>	<b>266 678</b>
Compensation of employees	84 711	85 697	95 668	102 355	101 194	101 805	122 253	129 779	138 569
Goods and services	161 972	143 928	120 173	164 900	89 091	88 862	123 888	122 279	128 109
Interest and rent on land	-	7	-	-	-	-	-	-	0
<b>Transfers and subsidies to:</b>	<b>555 430</b>	<b>592 409</b>	<b>717 446</b>	<b>654 014</b>	<b>725 340</b>	<b>725 374</b>	<b>755 333</b>	<b>777 864</b>	<b>817 717</b>
Provinces and municipalities	17	600	1 900	1 000	-	-	-	-	-
Departmental agencies and accounts	549 893	586 522	702 895	646 819	718 966	718 966	748 681	770 984	810 438
Non-profit institutions	5 000	5 227	11 927	6 195	6 195	6 195	6 552	6 880	7 279
Households	520	60	724	-	179	213	100	-	-
<b>Payments for capital assets</b>	<b>12 482</b>	<b>1 563</b>	<b>451</b>	<b>2 578</b>	<b>1 383</b>	<b>833</b>	<b>2 476</b>	<b>2 600</b>	<b>2 751</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 459	1 563	451	2 578	1 383	833	2 276	2 390	2 529
Software and other intangible assets	23	-	-	-	-	-	200	210	222
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>814 595</b>	<b>823 604</b>	<b>933 738</b>	<b>923 847</b>	<b>917 008</b>	<b>916 874</b>	<b>1 003 950</b>	<b>1 032 523</b>	<b>1 087 146</b>

## SUB-PROGRAMME: POLICY COORDINATION AND ENVIRONMENTAL PLANNING

### PURPOSE

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

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



**Strategic Goals:** Sustainable Environmental management

**Goal Statement:** Ensure effective implementation of policies and strategies for sustainable development

TABLE 42: STRATEGIC OBJECTIVES: SUB-PROGRAMME – POLICY COORDINATION AND ENVIRONMENTAL PLANNING

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
		42.1	New	80		80	61	61
42.2	New	10	12	14	4	5	6	
42.3	New	11	2	3	4	6	8	
42.4	New	12	12	12	12	12	12	
42.5	New	New	1	1	1	1	1	



PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Progress reports on the development of environmental strategies and plans	42.1.1 Number of intergovernmental sector tools reviewed	Official signed off feedback letters	New	80	80	61	61	61	61
	42.2.1 Number of environmental legislative tools developed	Official signed off legislative tools and progress Reports	New	10	12	14	4	5	6
	42.3.1 Number of environmental research projects undertaken	Research Reports	New	11	2	3	4	6	8
	42.4.1 Number of functional environmental information management systems	Environmental information management systems Reports	New	12	12	12	12	12	12
	42.5.1 Number of climate change response tools developed	Climate change response tools Reports	New	New	1	1	1	1	1

TABLE 43: PERFORMANCE INDICATORS: SUB-PROGRAMME – POLICY COORDINATION AND ENVIRONMENTAL PLANNING

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
43.1 Number of intergovernmental sector tools reviewed	Annually	61	0	0	0	61
43.2 Number of legislative tools developed	Annually	4	0	0	0	4
43.3 Number of environmental research projects undertaken	Annually	4	0	0	0	4
43.4 Number of functional environmental information management systems	Annually	12	0	0	0	12
43.5 Number of climate change response tools developed	Annually	1	0	0	0	1

## SUB-PROGRAMME: COMPLIANCE AND ENFORCEMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES



**Strategic Goals:** Sustainable Environmental management

**Goal Statement:** Ensure effective implementation of policies and strategies for sustainable development

TABLE 44: STRATEGIC OBJECTIVES: SUB-PROGRAMME – COMPLIANCE AND ENFORCEMENT

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014-15		2016/17	2018/17	2018/19
44. To develop and implement environmental regulatory framework to maintain efficient environmental management	44.1 Finalised 1486 enforcement actions for non-compliance with environmental legislation over MTSF period	New	4	376	360	300	250	200
	44.2 3920 compliance inspections conducted over MTSF period	40	700	750	770	800	800	800
	44.3 115 S24G applications finalised over MTSF period	16	24	20	20	25	25	25

PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Environmental regulation and Governance reports	44.1.1 Number of enforcement actions finalised for non-compliance with environmental	Reports and contracts	New	4	376	360	300	250	200
	44.2.1 Number of compliance inspections conducted	Reports and contracts	40	700	750	770	800	800	800
	44.3.1 Number of S24G received applications finalised	Reports and contracts	16	24	20	20	25	25	25

TABLE 45: PERFORMANCE INDICATORS: SUB-PROGRAMME – COMPLIANCE AND ENFORCEMENT

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
45.1 Number of enforcement actions finalised for non-compliance with environmental legislation	Quarterly	300	75	75	75	75
45.2 Number of compliance inspections conducted	Quarterly	800	200	200	200	200
45.3 Number of received S24G applications finalised	Quarterly	25	6	6	6	7

## SUB-PROGRAMME: ENVIRONMENTAL QUALITY MANAGEMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

To facilitate environmental impact mitigation and promote sustainable development

To develop an integrated plan for sustainable air quality management

To provide support to other spheres of government' stakeholders and internal and external

To promote the waste management hierarchy (waste minimization, cleaner production, reuse/recycling, treatment and

To provide management, strategic and specialist support and direction for pollution and waste management programmes in KZN; and

To process applications for permits and emission licenses related to air quality management.

C-ordinate, facilitate and promote effective coastal management (including coastal resource use).



**Strategic Goals:** Sustainable Environmental management

**Goal Statement:** Ensure effective implementation of policies and strategies for sustainable development

TABLE 46: STRATEGIC OBJECTIVES: SUB-PROGRAMME – ENVIRONMENTAL QUALITY MANAGEMENT

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
46. To mitigate environmental impacts and promote a safe and healthy environment	46.1 Achieved 98% of EIA applications finalised within legislated timeframes over MTSF period	New	New	94%	98%	98%	98%	98%
	46.2 Achieved 5 designated organs of state with approved AQMP's over MTSF period	New	New	1	1	1	1	
	46.3 Achieved 100% of atmospheric Emission Licenses with complete applications issued within legislated timeframes over MTST period	New	New	New	100%	100%	100%	
	46.4 Achieved 100% of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS) over MTSF	New	New	50%	70%	100%	100%	
	46.5 Achieved 100% of waste license applications finalised within legislated timeframes	New	39%	80%	85%	90%	100%	

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Environmental Quality Management report	46.1.1 % of EIA applications finalised within legislated timeframes	Reports	New	New	94%	98%	98%	98%	
	46.2.1 Number of designated organs of state with approved AQMP's	Reports and contracts	New	New	1	1	1	1	
	46.3.1 % Atmospheric Emission Licenses with complete applications issued within legislated timeframes	Reports and contracts	New	New	New	100%	100%	100%	
	46.4.1 % of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS)	Atmospheric Emission Licences report	New	New	50%	70%	100%	100%	
	46.5.1 % of waste license applications finalised within legislated timeframes	NEAS and WML file progress reports	New	New	39%	80%	90%	100%	

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
47.1 % of EIA applications finalised within legislated timeframes	Quarterly	98%	98%	98%	98%	98%
47.2 Number of designated organs of state with approved AQMP's	Annually	1	0	0	0	1
47.3 Percentage of Atmospheric Emission Licences with complete applications issued within legislated timeframes	Annually	100%	0	0	0	100%
47.4 % of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS)	Quarterly	70%	70%	0	0	70%
47.5 % of waste license applications finalised within legislated timeframes	Quarterly	85%	85%	85%	85%	85%

## SUB-PROGRAMME: BIODIVERSITY MANAGEMENT

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

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





**Strategic Goals:** Sustainable Environmental management

**Goal Statement:** Ensure effective implementation of policies and strategies for sustainable development

TABLE 48: STRATEGIC OBJECTIVES: SUB-PROGRAMME – BIODIVERSITY MANAGEMENT

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
48 To control the spread of invasive alien plants in communal, public and private spaces	48.1 Adopt 10 coastal management programme over MTSF period	New	6	2	2	2	2	
	48.2 840 000 of hectares cleared of invasive alien species over MTSF period	New	New	160 000	160 000	200 000	160 000	
	48.3 A 10% reduction of existing endangered species over MTST period	New	New	New	7%	8%	10%	

**PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2016/17**

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Progress Reports on Biodiversity Management	Number of coastal management programmes adopted	Reports and contracts	New	6	2	2	2	2	2
	No. of hectares cleared of invasive alien species	Reports and contracts	New	New	160 000	160 000	160 000	200 000	160 000
	Reduction in the percentage rate of decline of existing endangered species	Reports and contracts	New	New	New	7%	8%	10%	10%

**TABLE 49: PERFORMANCE INDICATORS: SUB-PROGRAMME – BIODIVERSITY MANAGEMENT**

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sep)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
49.1 Number of coastal management programmes adopted	Quarterly	2	0	0	0	2
49.2 No. of hectares cleared of invasive alien species	Quarterly	160 000	22 000	42 000	52 000	44 000
49.3 Reduction in the percentage rate of decline of existing endangered species	Annually	8%	8%	8%	8%	8%

## SUB-PROGRAMME: ENVIRONMENTAL EMPOWERMENT SERVICES

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### PURPOSE

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

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### SPECIFIC POLICIES, PRIORITIES, AND STRATEGIC OBJECTIVES

To:

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

**Strategic Goals:** Sustainable Environmental management

**Goal Statement:** Ensure effective implementation of policies and strategies for sustainable development

TABLE 50: STRATEGIC OBJECTIVES: SUB-PROGRAMME – ENVIRONMENTAL EMPOWERMENT SERVICES

Strategic Objective	Strategic Plan Target	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013-14	2014-15		2016/17	2017/18	2018/19
50. To promote and facilitation of an integrated environment management through capacity building and awareness.	50.1 194 environmental capacity building activities conducted over MTST period	New	33	New	44	50	50	50
	50.2 5000 environmental awareness activities conducted over MTSTF period	New	950	1000	1000	1000	1 000	1 000
	50.3 38500 employment opportunities created through environmental initiatives over MTSTF period	New	16000	7000	7 500	8 000	8 000	8 000
	50.4 9650 full Time Equivalent (FTEs) created through environmental initiatives	New	New	New	1 826	2 608	2 608	2608

Outputs	Programme Performance Indicator	Means of verification	Audited Performance			Estimated Performance 2015/16	Medium-term targets		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Progress reports on the implementation of environment empowerment services	50.1.1 No. of environmental capacity building activities conducted	Reports and contracts	New	33	New	44	50	50	50
	50.2.1 No. of environmental awareness activities conducted	Reports and contracts	New	950	1000	1000	1000	1 000	1 000
	50.3.1 No. of employment opportunities created through environmental	Reports and contracts	New	16000	7000	7 500	8 000	8 000	8 000
	50.4.1 No of Full Time Equivalent (FTEs) created through environmental initiatives	FTEs progress reports	New	New	New	1 826	2 608	2608	2608

TABLE 51: PERFORMANCE INDICATORS: SUB-PROGRAMME – ENVIRONMENTAL EMPOWERMENT SERVICES

Performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			1 <sup>st</sup> (April-June)	2 <sup>nd</sup> (July-Sept)	3 <sup>rd</sup> (Oct-Dec)	4 <sup>th</sup> (Jan-March)
51.1 No of work opportunities created through environmental programme	Quarterly	8000	2000	2000	2000	2000
51.2 No. of environmental capacity building activities conducted	Quarterly	50	12	13	12	13
51.3 No. of environmental awareness activities conducted	Quarterly	1000	200	300	200	300
51.4 No of Full Time Equivalent (FTEs) created through environmental initiatives	Quarterly	2 608	652	652	652	652

## PART C: LINKS TO OTHER PLANS

### 1. PUBLIC ENTITIES STRATEGIC ALIGNMENT

Public Entity Name	Public Entity Objective	Public Entity Indicators
<b>Trade and Investment</b>		
<p><b>Enabling Legislation is the KwaZulu-Natal Trade and Investment Act No. 5 of 2010.</b></p>	<ul style="list-style-type: none"> <li>To attract foreign and domestic investment and to generate exports and exports capacity in KwaZulu-Natal.</li> </ul>	<ul style="list-style-type: none"> <li>Value of investments (Foreign and Domestic Direct investments) attracted to KZN</li> <li>Value of exports where local companies have been assisted</li> <li>Total Annual Value for businesses assisted with retention or expansion</li> <li>Number of Jobs Created</li> <li>Procurement spend on targeted businesses</li> <li>Clean Audit</li> <li>% Achievement of APP targets</li> </ul>
<b>Tourism KZN</b>		
<p><b>Enabling Legislation is the KwaZulu-Natal Tourism Act, No. 11 of 1996.</b></p>	<ul style="list-style-type: none"> <li>Directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal</li> </ul>	<ul style="list-style-type: none"> <li>% increase of foreign and local tourists visiting KwaZulu-Natal</li> <li>Diversified tourism products offered by the province</li> <li>Number of business assisted as part of Transformation of the Tourism Industry</li> <li>Annual percent implementation of the Tourism Master Plan</li> <li>% increase of international routes flying directly to King Shaka International Airport</li> <li>Procurement spend on targeted businesses</li> <li>Clean Audit</li> <li>% Achievement of APP targets</li> </ul>
<b>Sharks Board</b>		
<p><b>Enabling Legislation is the KwaZulu-Natal Sharks Board Act, No. 05 of 2008.</b></p>	<ul style="list-style-type: none"> <li>To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.</li> </ul>	<ul style="list-style-type: none"> <li>Number of sharks attack</li> <li>% increase of maritime manufacturing activities in the province</li> <li>Number of Jobs Created</li> <li>Number of people trained in the Maritime industry and linked to opportunities</li> <li>Percent increase of own revenue</li> <li>Procurement spend on targeted businesses</li> <li>Clean audit</li> <li>% Achievement of APP targets</li> </ul>

Public Entity Name	Public Entity Objective	Public Entity Indicators
<b>Dube Trade Port Industrial Development Zone</b>		
<p><b>Enabling Legislation is the KwaZulu-Natal Dube Trade Port Corporation Act, No. 2 of 2010.</b></p>	<ul style="list-style-type: none"> <li>• Ensure the strategic planning, establishment, design, construction, operation, management and control of the Dube TradePort;</li> <li>• Identify, develop, market and promote investment opportunities in the Dube TradePort;</li> </ul>	<ul style="list-style-type: none"> <li>• % increase of international routes flying directly to King Shaka International Airport</li> <li>• Value of investments locating to the DTP Industrial Development Zone</li> <li>• Numer of Jobs Created</li> <li>• Number of aerotropolis projects completed</li> <li>• Percent increase of own revenue</li> <li>• Procurement spend on targeted businesses</li> <li>• Clean audit</li> <li>• % Achievement of APP targets</li> </ul>
<b>Moses Kotane Institution</b>		
<p><b>There is no enabling Legislation, this was formed through a Memorandum of Incorporation.</b></p>	<ul style="list-style-type: none"> <li>• To empower individuals through specialist education and training in mathematics, science, engineering, technology and business process outsourcing that will assist them to become employable, enhance service delivery and create employment opportunities for others.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of mathematics and science graduates in the province thru the institution</li> <li>• Number of educators trained in mathematics and science thru the institution</li> <li>• Percent increase of own revenue</li> <li>• Procurement spend on targeted businesses</li> <li>• Clean audit</li> <li>• % Achievement of APP targets</li> <li>• Clean Audit</li> <li>• % Achievement of APP targets</li> </ul>
<b>Richards Bay IDZ</b>		
<p><b>Enabling Legislation is the Manufacturing Development Act, 1993 (Act No. 187 of 1993) in Government Notice No R1224 of 1 December 2000 as amended by Government Notice No R1065 of 27 October 2006.</b></p>	<ul style="list-style-type: none"> <li>• To accelerate and improve infrastructure for industrial development through the government's Industrial Development Zone (IDZ) Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Value of investments locating to the Richards Bay Industrial Development Zone (RBIDZ)</li> <li>• Number of jobs created in the RBIDZ</li> <li>• Percent increase of own revenue</li> <li>• Procurement spend on targeted businesses</li> <li>• Clean audit</li> <li>• % Achievement of APP targets</li> </ul>

Public Entity Name	Public Entity Objective	Public Entity Indicators
<b>Ithala</b>		
<p><b>Enabling Legislation is the Ithala Development Finance Corporation Act No. 2 of 1999.</b></p>	<ul style="list-style-type: none"> <li>• Mobilizing financial resources and providing financial and supportive services to persons domiciled, ordinarily resident, or carrying on business within the Province;</li> <li>• Promoting, assisting and encouraging the development of the Province’s human resources and its social, economic, financial and physical infrastructure;</li> <li>• Promoting, encouraging and facilitating private sector investment in the Province and the participation of the private sector and community organisations in development projects and in contributing to economic growth and development generally;</li> <li>• Acting as the government’s agent for performing any development-related tasks and responsibilities that the government considers may be more efficiently or effectively performed by a corporate entity;</li> </ul>	<ul style="list-style-type: none"> <li>• Number of SMMEs and Cooperatives funded</li> <li>• % of industrial estates fully functional and occupied</li> <li>• Permanent Banking License for Ithala Limited</li> <li>• Value of personal banking products offered to targeted groups</li> <li>• Value of assets</li> <li>• Percent increase of own revenue</li> <li>• Procurement spend on targeted businesses</li> <li>• Clean audit</li> <li>• % Achievement of APP targets</li> </ul>
<b>Growth Fund Trust</b>		
<p><b>There is no enabling Legislation, this is governed and operates as per various agreements between the Beneficiary and the Lenders and through a trust deed. The Trust received capital contribution from the KZN Provincial Government (33.3% of the fund). The Trust has leveraged this capital against borrowings from the private lenders (66.7% of the fund).</b></p>	<ul style="list-style-type: none"> <li>• The Trust is the custodian of the KZN Growth Fund a structured debt fund. The “Fund” is a closed, pooled infrastructure project debt fund and is to fund capital projects above R30m;</li> </ul>	<ul style="list-style-type: none"> <li>• Value of funding disbursed to catalytic projects</li> <li>• Value of repayments from funded catalytic projects</li> <li>• Number of jobs created through funding of catalytic initiatives</li> <li>• Percent increase of own revenue</li> <li>• Procurement spend on targeted businesses</li> <li>• Clean audit</li> <li>• % Achievement of APP targets</li> </ul>



Public Entity Name	Public Entity Objective	Public Entity Indicators
<b>Liquor Authority</b>		
<p><b>Enabling Legislation is the KwaZulu Natal Liquor Licensing ACT, No. 06 of 2010.</b></p>	<ul style="list-style-type: none"> <li>To control and regulate the retail sale and micro manufacturing of liquor in the province;</li> </ul>	<ul style="list-style-type: none"> <li>Number of liquor licenses issued and or renewed</li> <li>Number of social responsibility programmes initiated</li> <li>Percent increase of own revenue</li> <li>Procurement spend on targeted businesses</li> <li>Clean audit</li> <li>% Achievement of APP targets</li> </ul>
<b>Film Commission</b>		
<p><b>Enabling Legislation is the KwaZulu-Natal Film Commission Act, No. 3 of 2010.</b></p>	<ul style="list-style-type: none"> <li>To promote and market the Province as a global destination for film production;</li> <li>To develop, promote and market, locally, nationally and internationally, the film industry in the Province;</li> <li>To facilitate investment in the film industry in the Province;</li> </ul>	<ul style="list-style-type: none"> <li>Number of international films produced in KZN</li> <li>Number of targeted groups and emerging film makers supported to penetrate the national and international film market</li> </ul>
<b>Small Business Growth Enterprise (SBGE)</b>		
<p><b>There is no enabling Legislation, this will be formed through a Memorandum of Incorporation.</b></p>	<ul style="list-style-type: none"> <li>One-Stop shop' for SMMEs in KZN;</li> <li>Strengthen and broad-base the existing institutional arrangement to meet the requirement and objectives of SMMEs;</li> <li>Business development and enterprise support for SMMEs;</li> </ul>	<ul style="list-style-type: none"> <li>Number of SMMEs and Cooperatives supported and sustained thru the institution</li> <li>Number of job created</li> <li>Percent increase of own revenue</li> <li>Procurement spend on targeted businesses</li> <li>Clean audit</li> <li>% Achievement of APP targets</li> </ul>
<b>Ezemvelo KwaZulu-Natal Wildlife</b>		
<p><b>Enabling Legislation is the KwaZulu–Natal Conservation Management Act (No. 9 of 1997).</b></p>	<ul style="list-style-type: none"> <li>The management of nature conservation within the Province of KwaZulu–Natal both inside and outside the protected areas and;</li> <li>The development and promotion of ecotourism facilities within the protected areas.</li> </ul>	<ul style="list-style-type: none"> <li>% reduction of killing of endangered species</li> <li>Value of assets base</li> <li>Percent increase of own revenue</li> <li>Procurement spend on targeted businesses</li> <li>Clean audit</li> <li>% Achievement of APP targets</li> <li>% of conservation estate managed effectively</li> <li>% of expansion of the conservation estate</li> <li>Revenue generated from Commercial Services</li> </ul>

## ANNEXURE 1

TECHNICAL INDICATOR DESCRIPTIONS (UPLOADED IN EDTEA WEBPAGE)



- Programme 1: Administration
- Programme 2: Integrated Economic Development Services
- Programme 3: Trade and Industry Development
- Programme 4: Business Governance
- Programme 5: Economic Planning
- Programme 6: Tourism Development
- Programme 7: Environmental Management Services



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