



edtea

Department :

Economic Development, Tourism and
Environmental Affairs

PROVINCE OF KWAZULU-NATAL



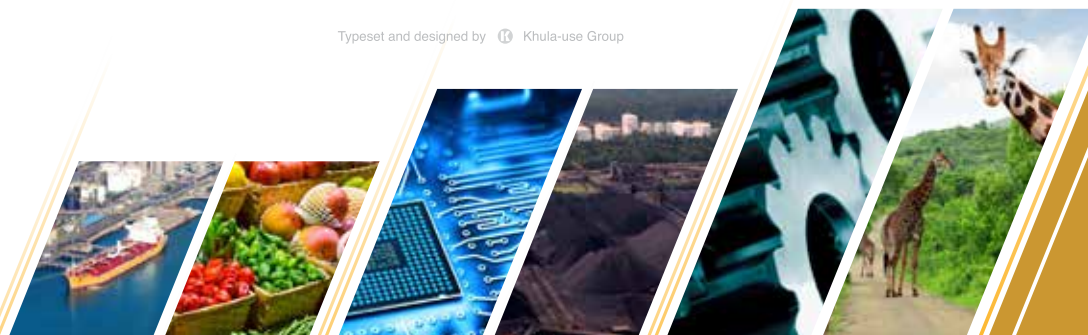
ANNUAL REPORT
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Durban Harbour, South Africa



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PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CSP	Customised Sector Programme Policies
DTP	Dube Trade Port
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Regional
HRM&D	Human Resource Management and Development
IDS	Industrial Development Strategy
IDZ	Industrial Development Zone
IEDS	Integrated Economic Development Services
IPAP	Industrial Policy Action Plan
KM	Knowledge Management
KZN EDTEA	KwaZulu-Natal: Department of Economic Development, Tourism and Environmental Affairs
KZNWPSS	KwaZulu-Natal Wood Processing Sector Strategy
LED	Local Economic Development

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



3. FOREWORD BY THE MEC



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

The first two decades of the democratic government have sought to entrench democratic culture through establishing and solidifying institutions to support the vision of prosperous, non-racial, non-sexist and equal society.

The first phase of our democratic transition has elapsed and recorded major gains in developing South Africa into a respected country in the League of Nations; and in the words of former President Mandela, no longer “the skunk of the world”. With that, the country is now seized with the pressing concerns of the second phase of its transition to a constitutional and development.

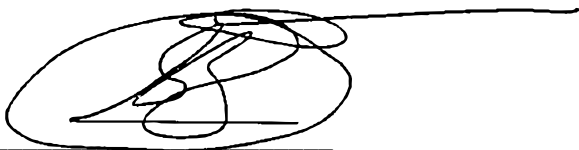
The Department has accelerated the development of appropriate policies and strategies to support its mandate and given effect to the clarion call of radical economic transformation. The radical aspect was to be evident in the robust government implementation of policies and strategies; promoting issues of localization (local content), industrialization, value addition (beneficiation), infrastructure development, skills development and entrepreneurship development, broad based black economic empowerment to ensure racial and gender diversity in terms of ownership and participation.

We have been working hard to align our policy programmes with the provincial vision of ensuring that “by 2030 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World”. The Department derives its Mandate from Schedule 4 of the Constitution of the Republic. It implements concurrent functions of government, shared with the national department. It is responsible for championing economic development, tourism and environmental management. The role of the Department makes its indispensable to economic policy of provincial government.

The Department has committed itself to the vision of “Leading the attainment of inclusive and sustainable economic growth for job creation”. This will be realised by the ensuring integrated economic planning; economic transformation and sustainable development; economic growth and environmental management; trade, investment and tourism and sound business and consumer regulations.

The department has identified 5 strategic pillars, namely, industrial economic hubs, maritime, Aerotropolis, tourism and environmental management. These pillars are given effect by a suite of policies and strategies that the provincial executive has approved to ensure that the provincial economic landscape is transformed and sustainable development achieved.

Herein, the Department provides an account of its service delivery track record within this previous financial year. The annual report narrates achievements registered by the Department for the year 2015/2016.



Mr Sihle Zikalala MPL

MEC for Economic Development, Tourism & Environmental Affairs

31 July 2016



4. REPORT OF THE ACCOUNTING OFFICER



Mr Desmond Khalid Golding
*Head of Economic Development, Tourism &
Environmental Affairs*

Overview of the operations of the department:

At the beginning of this term, the Department committed itself to a strategic journey centred on five pillars namely: industrial economic hubs (Industrial parks-special economic zones) maritime, aerotropolis, tourism and environmental management. This path was informed by the need to respond to the adverse socio economic conditions globally, nationally and in the province occasioned by the international economic meltdown of 2008; the prevailing spatial inequities; enabling economic opportunities for local development, as well as giving real programmatic expression to the radical economic transformation imperatives. The focus of the Department activities in 2015/2016 focused on these pillars, as well as the activities of the Department's family of public entities. The 2015/2016 Annual Report will highlight important achievements made in this regard.

Industrial Economic Hubs

In this term, the Department decided to pursue the development of Industrial Economic Hubs (IEH) as a provincial strategic intervention to improve growth of locally manufactured products and exports and decentralize economic development opportunities. The IEH aims to position district economies as key spatial development areas that will elevate the KwaZulu-Natal economy to a leadership position in the country.

The pursuit of industrial hubs is informed by global trends which have shown that industrialisation and re-industrialisation have benefitted developed countries. Investing in sector development has the potential to stimulate local economic development. In this instance, the industrial economic hubs can serve as catalyst for local economic development and focused industrial output. They promote manufacturing and beneficiation of products, facilitate exports and job creation

In view of the precarious economic situation and the obviously need to introduce economic growth stimulus, the conceptualisation of the industrial hub strategy was borne. The industrial hub strategy is intent on achieving these critical priorities that could appease investor sentiments politics of the day and sovereign credit status; energy generation capacity; industry support measures; availability of suitable skills; acquisition of new markets, and accessing additional unencumbered land.

The Department is responding to all factors by providing strong leadership, outlining alternative and renewable energy sources, consulting with stakeholders to finalise the industry support measures proposals, linking tertiary institutions to the hubs, sourcing new markets in Africa and the Middle East and as well as sourcing additional government and public land.

Special Economic Zones (SEZ)

The Department has overseen the designation of Dube Tradeport and the Richards Bay, which had hitherto been Industrial Economic Zones into Special Economic Zones. The President of the Republic of South Africa issued proclamation to operationalize the Special Economic Zones Act and SEZ Regulations in February 2016. There is now heightened activities and investor interest within the two designated SEZs in the province.

The Special Economic Zone activities at Dube Trade Port in 2015/2016 led to the creation of a combined total of 9 880 directly, indirectly and induced jobs in the country's economy of which 7 395 were employed within the Province of KwaZulu-Natal. Of the jobs created by DTP in the province, the majority, which is 4 160, were created through the DTP SEZ activities (Dube Trade Zone 1 & AgriZone 1).

With the recent proclamation of the SEZ Act, and the promulgation of the Regulations, it can be envisaged that the RBIDZ and other SEZs will utilize the SEZ Fund to amongst other things, take advantage of existing industrial and technological capacity, promote integration with local industry, increase value added production and promote regional development.

Aerotropolis

The provincial government has made it clear its intentions to utilise the iconic King Shaka International Airport and the Dube Trade Port as launch pads for Aerotropolis. Aerotropolis have become famous integrated modern urban development using an airport as an anchor for such development.



The Aerotropolis concept is premised upon rapid access to clients, customers and markets through the global portal of a well-linked airport. An aerotropolis implies the development of a new city, high tech industries, hotel and tourism, to take advantage of increased global connectivity. The integrated aerotropolis strategy was approved by Cabinet in 2014.

King Shaka International Airport is continuing to be a star attraction for this development. Impressively, last year, the airport added Dubai; Mauritius; Harare; Lusaka; Maputo; Turkey; Ethiopia and Qatar as new destinations.

During the World Routes 2015 hosted in Durban a number of key airlines such as British Airways, Air India, Air France and FastJet have also shown significant interest in operating to Durban in the near future.

The Aerotropolis Master Plan, which aims to address the land use and identify catalytic projects, will be completed in the second half of 2016. Catalytic projects including bulk infrastructure, access roads and public transport to unlock investment into the Durban Aerotropolis has been identified.

The Department has partnered with the University of KwaZulu-Natal, with the support of international experts to establish the Aerotropolis Institute to provide tertiary education in the aviation industry and other matters germane to the Durban Aerotropolis initiative.

Maritime and Oceans Economy

Government has shown admirable commitment to unlocking and optimising the full potential of the oceans economy through its maritime interventions. During this term of government, the Department, with the support of provincial executive, has moved with speed to restructure the KwaZulu-Natal Sharks Board and to position it as a capable maritime development agency that will be well resourced and capacitated to implement the provincial strategy in developing the maritime industry.

In 2015, the Department developed the Integrated Maritime Industry Development Strategy that outlined catalytic interventions to ensure the goals of the four oceans labs, namely marine transport and manufacturing; offshore oil and gas exploration; aquaculture; and marine protection services and governance.

Tourism

Tourism is an indispensable feature in the KwaZulu-Natal economy. Since taking responsibility for the tourism function, the Department has ensured that it is fully integrated and aligned with the main economic strategies of the province. Nowhere is this more evident than in the Route Development Strategy. The Department noticed that passengers are seeking cost effective means of travel and efficient connectivity between Durban as a destination is key to attract tourists into the KwaZulu-Natal region.

To ensure the growth of this industry is continuously harnessed, the department has undertaken a process to repeal the current KwaZulu-Natal Tourism Act of 1996 as amended in 2002 to ensure it is in line with latest developments, including compliance with the Tourism Act No.3 of 2014.

Environmental Management

The attainment of radical economic transformation is strongly dependent on the extent to which growth and development activities will advance principles of environmental sustainability. The depletion of natural resources in the province and the impact associated with the decline in resource quality is of major concern as it threatens the future well-being of people and the economy.

The Department is cognisant of the unfortunate reality that the poor will be the first to bear the brutal brunt of climate change. It is for the aforementioned reasons that environmental management forms a key strategic pillar in the department. The province is committed to ensure a sustainable economic growth and development.

Environmental Impact Assessment

The IEA process is a prerequisite for long term and sustainable development. The Department has dedicated significant effort to streamline processes in order to address delays in the processing of environmental impact assessments in the province. During 2015/2016 about 90% of the EIAs were finalized within target timeframes, with a capital project value of R9.3 billion. These projects helped to generate 20 226 job opportunities in construction and 13 133 at operational level.

Invasive Alien Species Programme

The Department is implementing the Invasive Alien Species Programme, using the Expanded Public Works Programme model. The removal of alien and invasive species not only addresses our environmental obligations to promote sustainable biodiversity but also address the challenge of unemployment, particularly in rural and peri-urban areas. In 2015/2016, against a target of creating 7500 jobs and 8399 jobs opportunities were created.

Biodiversity and Tourism Laboratory

The Department is currently participating in the Operation Phakisa's Biodiversity and Tourism Laboratory that was identified as part of the initial Operation Phakisa's Oceans Economy Laboratory. The laboratory constitutes three main working streams such as wildlife stream; Bio-prospecting Stream; and Coastal and Marine Tourism stream.

Administration

Administratively, the Department is finalising the approval of the organisational structure to provide enabling mechanism for institutional excellence. Tailored and robust business solutions are being applied to corporate services; strategic management and finance functions to ensure that the Department is effective and efficient as an institution of government. There is an on-



going process to rationalise public entities. However, these entities continue to play critical role as implementing agents of Department responsibilities and providers of services to support economic growth.

Overview of the financial results of the Department

The financial year 2015/16 began with the Department proceeding firmly in its journey towards good financial status.

Departmental receipts

Departmental receipts	2015/2016			2014/2015		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	27,577	25,306	2,271	6,015	25,596	(19,581)
Liquor licences	27,577	25,306	2,271	6,015	25,596	(19,591)
Sale of goods and services other than capital assets	2,219	1,908	311	2,202	2,363	(161)
Fines, penalties and forfeits	500	626	(126)	500	1,195	(695)
Interest, dividends and rent on land	6	8	(2)	4	5	(1)
Sale of capital assets	-	762	(762)	-	302	(302)
Financial transactions in assets and liabilities	54	35,116	(35,064)	49	105,700	(105,651)
TOTAL	30,356	63,726	(33,370)	8,770	135,161	(126,391)

Departmental receipts	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	193,500	185,577	7,923	201,513	195,975	5,538
Integrated Economic Development Services	427,357	427,599	(242)	541,684	502,886	38,798
Trade & Sector Development	946,588	939,786	6,802	834,370	832,777	1,593
Regulation Services	96,704	96,704	-	107,991	104,536	3,455
Economic Planning	29,532	29,492	40	24,449	23,186	1,263
Tourism	381,429	375,674	5,755	364,710	362,705	2,005
Environmental Affairs	922,009	928,753	(6,744)	933,738	933,738	-
TOTAL	2,997,119	2,983,585	13,534	3,008,455	2,955,803	52,652

Virements/roll overs

The following post Adjustments Estimate virements were undertaken at programme and economic classification level. Provincial Treasury approval was given for these virements, including the increase in transfer payments, and they are therefore included in the tables above:

Virements:

- Savings of R18.059 million were identified against Compensation of employees and Goods and services in Programme 1: Administration, amounting to R57, 000 and R17.482 million, respectively. An amount of R17.704 million was moved to other programmes, as follows:
- R2.830 million was moved to Programme 3: Trade and Sector Development with R2.815 million allocated to Goods and services to offset spending pressures in projects such as the KZN Craft Hub, and R15,000 under Payments for financial assets to address spending pressures brought about by debts written-off, as well as thefts and losses.
- R10.285 million was moved to Programme 6: Tourism as explained below:
- R5.179 million was moved to Transfers and subsidies to: Public corporations and private enterprises to fund the once-off settlement amount in respect of the World Amateur Golfers Tournament. The department terminated the contract with the service provider after the Strategic Cabinet Initiatives Fund was discontinued due to fiscal consolidation. The department had to pay the settlement in this regard, which was not budgeted for.
- R827,000 was allocated to Transfers and subsidies to: Departmental agencies and accounts to increase the transfer to Tourism KwaZulu-Natal (TKZN),



- R1.242 million was allocated to Transfers and subsidies to: Public corporations and private enterprises to defray over-spending relating to the Metro FM Awards. These pressures were brought about by inadvertently excluding the Value Added Tax (VAT) amount when the department budgeted for this event, which was held on 27 February 2016.
- R3.037 million was utilized for the World Pro-am Golfers Championship, also under Transfers and subsidies to: Public corporations and private enterprises.
- R4.589 million was moved to Programme 7, with R4.310 million moving to Transfers and subsidies to: Non-profit institutions for the Integrated Greening programme undertaken by the Wildlands Conservation Trust and R279,000 to Transfers and subsidies to: Households to offset pressures relating to higher than anticipated staff exit costs.
- The balance of R355,000 was moved within Programme 1, as follows:
- The department requested approval for a donation of R70,000 towards the Amantungwa Kholwa Clan annual event. These funds were moved to Transfers and subsidies to: Public corporations and private enterprises.
- Transfers and subsidies to: Households was increased by R153,000 to address pressures brought about by higher than anticipated staff exit costs.
- R132,000 was moved to Payments for financial assets to cater for debts written-off, thefts and losses, as well as various irrecoverable debts. This category is difficult to budget for.
- An amount of R956,000 was moved from Machinery and equipment in Programme 2, Programme 4: Business Regulation and Governance and Programme 7, amounting to R114,000, R69,000 and R773,000, respectively. These savings were possible due to lower than anticipated costs of replacing computers and were moved as follows:
- R878,000 was moved to Programme 1 to Machinery and equipment (R861,000) to address spending pressures driven by the purchase of motor vehicles and replacement of computers, and Buildings and other fixed structures (R17,000) to defray pressures relating to the unanticipated purchase of a guardhouse for the head office.
- Amounts of R26,000 and R52,000 were utilized to defray spending pressures against Machinery and equipment relating to higher than anticipated costs of replacing computers in Programmes 3 and 5: Economic Planning, respectively.
- In Programme 2, savings of R9.650 million were identified under Compensation of employees (R1.805 million) due to the moratorium on the filling of non-critical posts, and Goods and services (R7.845 million) resulting from delays in the registering of the Small Business Growth Enterprise (SBGE). These funds were moved as follows:
- R8.561 million was moved to Programme 3 against Transfers and subsidies to: Non-profit institutions to fund the Digital Television in KZN project that will help to empower youth in townships, and which is conducted by the KZN Film Commission (KZNFC).
- R500,000 was moved to Transfers and subsidies to: Public corporations and private enterprises in Programme 6 to fund the Amantshontsho ka Maskandi Awards.

- R457,000 was moved to Programme 3 under Goods and services to offset spending pressures in projects such as the KZN Craft Hub.
- R22,000 was moved to Transfers and subsidies to: Households to cater for higher than anticipated staff exit costs within Programme 2.
- R110,000 was utilized to address spending pressures brought about by the debts written-off, thefts and losses, as well as various irrecoverable debts against Payments for financial assets within Programme 2.
- Savings of R1.185 million were incurred due to lower than expected spending on external bursaries for students studying toward the Co-operative Management Diploma offered by the University of Zululand, as some students dropped out. These were moved from Programme 2 to Programme 7 to cater for bursaries to students studying towards environmental qualifications within Transfers and subsidies to: Households.
- Savings of R9 million, identified in Programme 3 against Goods and services due to delays in the establishment of the Industrial Economic Hubs, were moved to Transfers and subsidies to: Public corporations and private enterprises in Programme 6 to fund the following events:
 - R1.200 million for the KZN Liaison campaign in Ladysmith, Dundee, Greytown, Kokstad and Ulundi. The campaign was aimed at promoting and enhancing social economic development in KZN by establishing relationships and developing a comprehensive database between local government and private sector executive leadership in the major centres in the province. Also, where there is currently no existing Chamber of Commerce, this initiative aimed to assist in the establishment of such bodies.
 - R2.600 million for the Anton Lembede cultural festival which is aimed at inspiring the youth of Umbumbulu and KZN at large, fostering social cohesion through culture, educating the youth about the heritage and promoting the arts in Umbumbulu, among others.
 - R2.600 million for the Annual Tourism Expo 2015 to showcase some of the items produced during the year, with the aim of unlocking new market opportunities for young entrepreneurs in sectors relating to tourism, creative industries, and manufacturing. This expo assists young entrepreneurs to be known and recognised by local people in their areas.
 - R2.600 million for the Inanda/Ntuzuma/KwaMashu Tourism Expo.
- Savings of R3.303 million were identified against Goods and services in Programme 4 due to delays in the finalisation of SLAs relating to the Liquor Research and the Business Licensing PMU project. It should be noted that only the inception report was done and paid for in respect of the Business Licensing PMU project. Of this amount, R2.718 million was moved to Programme 6 to address spending pressures relating to the the World Pro-am Golfers Championship event under Transfers and subsidies to: Public corporations and private enterprises.
- The balance of R585,000 was utilised to offset spending pressures within Programme 4, as follows:



- R514,000 moved to Compensation of employees to offset pressures driven by contract employees required under the sub-programme: Regulation Services.
- R71,000 was utilised to address spending pressures brought about by debts written-off, thefts and losses, as well as various irrecoverable debts against Payments for financial assets.
- In Programme 5, savings of R2.687 million were identified against Compensation of employees due to the moratorium on the filling of non-critical posts and against Goods and services due to delays in the finalisation of SLAs for some projects including the Integrated Statistical database, amounting to R351,000 and R2.336 million, respectively. Of this amount, R2.620 million was moved to other programmes as follows:
 - R2.326 million was moved to Programme 6 to address spending pressures relating to the World Pro-am Golfers Championship under Transfers and subsidies to: Public corporations and private enterprises.
 - R294,000 allocated for operating expenditure against Goods and services in Programme 5: Economic Planning was moved to Programme 6 against Transfers and subsidies to: Departmental agencies and accounts under TKZN to provide for the renewal of the Forward Keys subscription for air passenger data. The data is used to assess the demand for air services between KZN and strategic markets and to determine the markets to target for tourism and route development.
- The balance of R67,000 was moved to offset pressures within Programme 5, as explained below:
 - R24,000 was moved to Transfers and subsidies to: Households to cater for higher than anticipated staff exit costs.
 - R43,000 was utilised to address spending pressures brought about by debts written-off, thefts and losses, as well as various irrecoverable debts against Payments for financial assets.
- Savings of R4.889 million were identified in Programme 6 against Goods and services in respect of projects such as the Drakensberg Cable car conference which was postponed to 2016/17, and KZN is Summer, where expenditure was below the budget due to the implementation of cost-cutting, as well on items such as catering: departmental activities, rental and hiring. These savings were moved as follows:
 - R200,000 was moved within Programme 6 to Compensation of employees to cater for higher than anticipated wage agreement costs.
 - R4.689 million was moved to Transfers and subsidies to: Public corporations and private enterprises to fund Signature Africa (R1.500 million), which is a project to facilitate conversations and inform global markets about African assets, investments and policies. An amount of R989,000 was utilised to fund the World Pro-am Golfers Championship event and R2.200 million was used to fund the Maphumulo Maskandi Festival.
- Savings of R4.530 million were identified in Programme 7 against Compensation of employees due to the moratorium on the filling of non-critical posts and against Goods and services resulting from the implementation of cost-cutting measures on items such

as travel and subsistence, transport provided: departmental activity, advertising and minor assets, amounting to R2.232 million and R2.298 million, respectively. These savings were moved as follows:

- R4.500 million was moved to Transfers and subsidies to: Provinces and municipalities for Environmental Management Frameworks (EMFs) and Strategic Environmental Assessments (SEAs). In this regard, R3 million was transferred to Amajuba, Harry Gwala, and uThungulu District Municipalities (R1 million each), and R1.500 million to Zululand District Municipality.
- R30,000 was moved to Transfers and subsidies to: Households to offset portion of higher than anticipated staff exit costs.

Shifts:

- The department undertook certain shifting of funds to correct misallocations of the budget. In each instance, the original purpose of funds remains unchanged:
- An amount of R4,000 for TV and radio licence renewals was incorrectly budgeted for under Goods and services instead of Transfers and subsidies to: Departmental agencies and accounts within Programme 1. A shift was undertaken by the department to correct this error.
- R8.086 million in respect of Co-operatives Funding was inadvertently budgeted for under Goods and services instead of Transfers and subsidies to: Public corporations and private enterprises within Programme 2. A shifting of funds was undertaken to correct this, and these funds were transferred to the following organisations/co-operatives:
 - R1.685 million to Mkhize Farming (Pty) Ltd.
 - R1.701 million to the ITopaz Agricultural Youth Co-operative which plants seasonal crops, such as vegetables and fruit.
 - R4.200 million to the Siyaphambili Mbumbu Youth Co-operative (a beef feedlot co-operative) which provides assistance to emerging black and youth farmers to improve their efficiencies for them to become commercially viable.
 - R500,000 to the Lead by Example Co-operative for building block-making.
- An amount of R1.190 million for the Durban Maritime Initiative Extravaganza was moved from Goods and services to Transfers and subsidies to: Public corporations and private enterprises within Programme 2. This event was an initiative aimed at assisting youth to participate in the maritime sector.
- An amount of R2 million was moved from Transfers and subsidies to: Public corporations and private enterprises to Transfers and subsidies to: Provinces and municipalities within Programme 2, because of the transfers made to the eThekweni Metro in respect of the Durban Business Fair and the South African Music Conference. These events were incorrectly budgeted for and these movements were undertaken to correct the error.
- An amount of R500,000 was incorrectly budgeted for in respect of the Durban Fashion Fair under Transfers and subsidies to: Public corporations and private enterprises rather



than Transfers and subsidies to: Provinces and municipalities within Programme 3 and a shift was undertaken to correct this error.

- In Programme 3, R500,000 for Woza Durban New Year's Picnic was inadvertently budgeted for under Transfers and subsidies to: Public corporations and private enterprises instead of Transfers and subsidies to: Provinces and municipalities, and a shifting of funds was undertaken by the department to correct this error.
- R600,000 for the completion of the EIA for the Greenville Renewable Energy project was inadvertently allocated against Goods and services instead of Transfers and subsidies to: Public corporations and private enterprises within Programme 7. These funds were transferred to a private enterprise known as Greenville Renewable (Pty) Ltd. This is a recycling project which is aimed at promoting a sustainable environment and ensuring that Durban is an environmentally friendly city.

Supply chain management

- SCM processes and procedures are in place to prevent irregular expenditure. A circular was issued in April 2015 regarding irregular expenditure and more importantly to inform all employees of the procedures to be followed when irregular expenditure is detected as well as the consequence of not complying with the Supply Chain Management legislation. As a result of the above there has been a huge decline in the irregular expenditure incurred by the Department. All irregular expenditure detected is recorded in the irregular expenditure register and is duly disclosed in the financial statements.
- Poor planning and associated short lead times for the finalisation of procurement for events continue to remain unresolved despite being raised continuously. These impacts greatly on the cost cutting processes which requires Provincial Treasury approval. The late submission for approval and the subsequent late response by Provincial Treasury in some instances declining certain items or putting a limit on the event has resulted in the Department incurring irregular expenditure.
- No irregular expenditure is incurred with the SCM unit indicating that internal control measures are operating effectively. All the irregular expenditure is from units outside SCM, where it is detected after the event when payment is required. With events as well SCM does not proceed to issue any orders when it is noted that the total costs exceed the limitation of the cost cutting measures. In these instances it is incumbent on the unit to liaise with the Accounting Officer for authority before proceeding.

Challenges experienced in SCM and how they were resolved

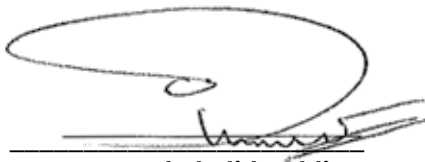
- Due to the EDTEA structure not being finalised, and the current Provincial austerity measures, the capacity restraint in the SCM unit continues to be a challenge. The Department has through Provincial Treasury appointed consultants in SCM, Asset Management and Contract Administration for a period of 6 months. A further challenge is

that the use of consultants is required for a further period as the structure is not resolved and the austerity measures continue.

- Events are still not planned ahead of time and SCM is still much pressurised to procure in a very limited time period.

Acknowledgement/s or Appreciation

I would hereby like to extend a vote of gratitude to the MEC for his political leadership during the year under review. To the senior management of the Department and Entities and their Boards, thank you for your contribution in implementing the mandate of the Department.



Mr Desmond Khalid Golding
Accounting Officer

Department of Economic Development, Tourism and Environmental Affairs

Date: 31 July 2016



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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

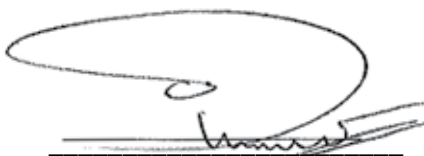
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2016.

Yours faithfully



Mr Desmond Khalid Golding

Accounting Officer

Department of Economic Development, Tourism and Environmental Affairs

Date: 31 July 2016

6. STRATEGIC OVERVIEW

6.1 Vision

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

6.2 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

6.3 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

7. 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;
- New Growth Path (NGP);
- Industrial Policy Action Plan (IPAP2);
- Informal Economic Policy;
- 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) Bill and policy;
- 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

The provincial government is aligned to these acts and policies and the Department's mandate is further guided by the following national and provincial strategies, among others:

- Ithala Development Finance Corporation Act;
- Ordinance 15 of 74, KwaZulu-Natal Nature Conservation Management Act 9 of 1997;
- KwaZulu Natal Tourism Act;
- KwaZulu Natal Tourism Master Plan;
- Liquor Act;
- 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 and
- 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:

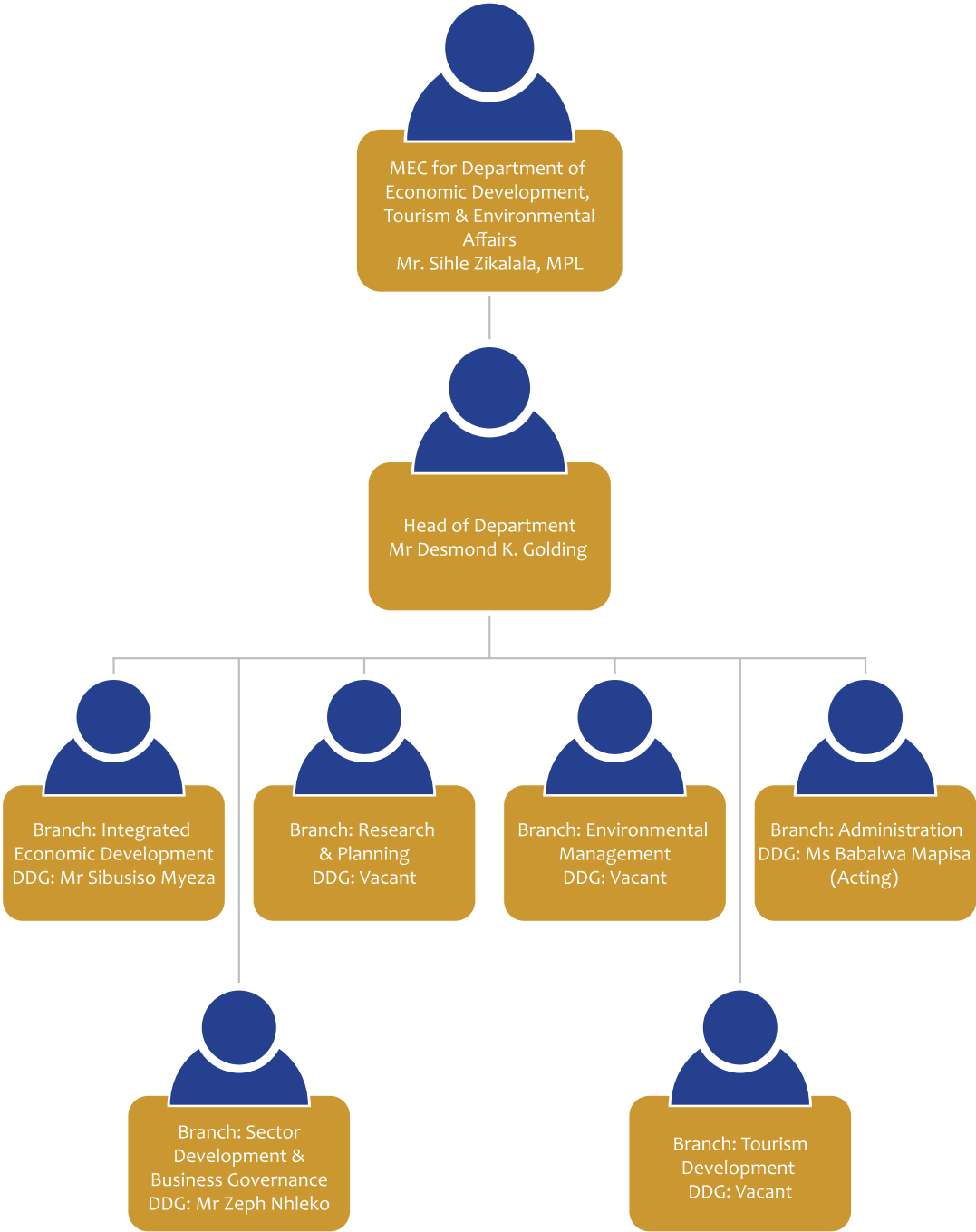
- Job creation;
- Special economic zones (SEZ) and Industrial Economic Hubs;
- Beneficiation/Value Addition;
- Infrastructure Development;
- Rural Economic Development;
- Skills Development;
- Economic Transformation;
- KwaZulu Natal Beach Tourism Policy
- Trade Policy;
- Spatial Economic Development;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



8. ORGANIZATIONAL STRUCTURE

High Level Organisational Structure for EDTEA



The current approved structure for the Department dates back to 2007 and comprises of six programmes and this takes into cognisance the merger with Environmental Affairs functions during the 2015/2016 financial year.

- Programme 1 is Administration which in terms of the budget structure, it also includes the Office of the MEC and the Office of the HOD. These add to other sub-programmes such as Financial Management and Corporate Services that all report to a Senior General Manager.
- Programme 2 is Integrated Economic Development Services that consists of the Regional & Local Economic Development, Enterprise Development and as well as Economic Empowerment. This programme is also headed by a Senior General Manager.
- Programme 3 is Trade & Sector Development which in terms of the organisational structure has Sector Development, Strategic Industrial Intervention and Trade and Investment promotion headed by a General Manager.
- Programme 4 is Business Regulation & Governance and this consists of Regulation Services, Consumer Protection with respect to the organisational structure. Meanwhile both programme 3 and 4 currently report to a single Senior General Manager.
- Programme 5 is Economic Planning that features Policy & Planning, Research & Development, Knowledge Management and as well as Monitoring & Evaluation. This programme is headed by a General Manager.
- Programme 6 is Tourism Development, a function that was transferred from the Department of Arts & Culture soon after the 2009 elections from Arts and Culture and this unit is presently led by a General Manager.
- Programme 7, which is Environmental Affairs, was aligned to this portfolio from the Department of Agriculture and Rural Development following the recent elections – and is also headed by a General Manager.

Meanwhile, the Department has developed a proposal for a new structure that encompasses the five (5) main strategy pillars that include:

- i) Industrial Hubs and Special Economic Zones,
- ii) Aerotropolis,
- iii) Maritime,
- iv) Tourism Development and
- v) Environmental Management.

In the proposed structure, Economic Planning, Tourism Development and Environmental Affairs will be headed by Senior General Managers because of their strategic importance to the service delivery mechanism of this portfolio. This proposed structure is currently in the consultative phase with DPSA.



9. ENTITIES REPORTING TO THE MEC

The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements and the information on the entities. The table below indicates the entities that report to the MEC.

Public Entity	Trade and Investment	2015/2016 Allocation R'000
Mandate	To attract foreign and domestic investment and to generate exports and exports capacity in KwaZulu Natal.	96,195
Enabling Legislation	Trade and Investment Act No. 5 of 2010.	
Other Policies	PGDP, Investment Strategy, Export Strategy	

Public Entity	Tourism Authority	2015/2016 Allocation R'000
Mandate	Directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal	117,566
Enabling Legislation	<ul style="list-style-type: none"> KwaZulu-Natal Tourism Act, Act 11 of 1996 Provincial Tourism Policy, Approved in March 2008 National Tourism Sector Strategy, Approved in March 2011 <p>There are three further important documents which will have an impact on the role of TKZN in the future. These are :</p> <ul style="list-style-type: none"> The National Tourism Sector Strategy The Provincial Growth and Development Strategy The Provincial Tourism Master Plan 	
Other Policies	<ul style="list-style-type: none"> KZN Provincial Tourism Master Plan 	

Public Entity	Sharks Board	2015/2016 Allocation R'000
Mandate	To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.	63,178
Enabling Legislation	KwaZulu-Natal Sharks Board Act, 2008 (No. 05 of 2008)	
Other Policies	Draft Provincial Maritime Strategy	

Public Entity	Dube Trade Port Corporation	2015/2016 Allocation R'000
Mandate	<p>The Dube TradePort Corporation must, through the Board</p> <ul style="list-style-type: none"> • ensure the strategic planning, establishment, design, construction, operation, management and control of the Dube TradePort; • implement and give effect to the Master Plan for the economic growth of the Dube TradePort Region and the Province; • manage and utilise its resources in accordance with its objectives and the requirements of the Master Plan; • identify, develop, market and promote investment opportunities in the Dube TradePort; and • Develop an investment plan for the Dube TradePort 	477,780
Enabling Legislation	KZN Dube TradePort Corporation Act, 2010 (Act no. 2 of 2010). This needs to be updated as the DTP is now a Special Economic Zone	
Other Policies	Special Economic Zones Act	

Public Entity	Moses Kotane Institute	2015/2016 Allocation R'000
Mandate	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.	49,577
Enabling Legislation	The Institute was established in 2009 by the Kwazulu-Natal Department of Economic Development in terms of Public Service Amendment Act No. 30 (2007).	



Public Entity	Richards Bay Industrial Zone	2015/2016 Allocation R'000
Mandate	To accelerate and improve infrastructure for industrial development through the government's Industrial Development Zone (IDZ) Programme	198,947
Enabling Legislation	The Industrial Development Programme promulgated in terms of 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. This needs to be updated as the DTP is now a Special Economic Zone	
Other Policies	Special Economic Zones Act	

Public Entity	Liquor Authority	2015/2016 Allocation R'000
Mandate	To control and regulate the retail sale and micro manufacturing of liquor in the province	70,008
Enabling Legislation	KwaZulu Natal Liquor Licensing ACT no. 06 of 2010	

Public Entity	Ithala Development Finance Corporation	2015/2016 Allocation R'000
Mandate	<ul style="list-style-type: none"> • mobilising financial resources and providing financial and supportive services to persons domiciled, ordinarily resident, or carrying on business within the Province; • planning, executing, financing and monitoring the implementation of development projects and programmes in the Province; • promoting, assisting and encouraging the development of the Province's human resources and its social, economic, financial and physical infrastructure; • 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; • 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 	192,100
Enabling Legislation	Ithala Development Finance Corporation Act No. 2 of 1999	

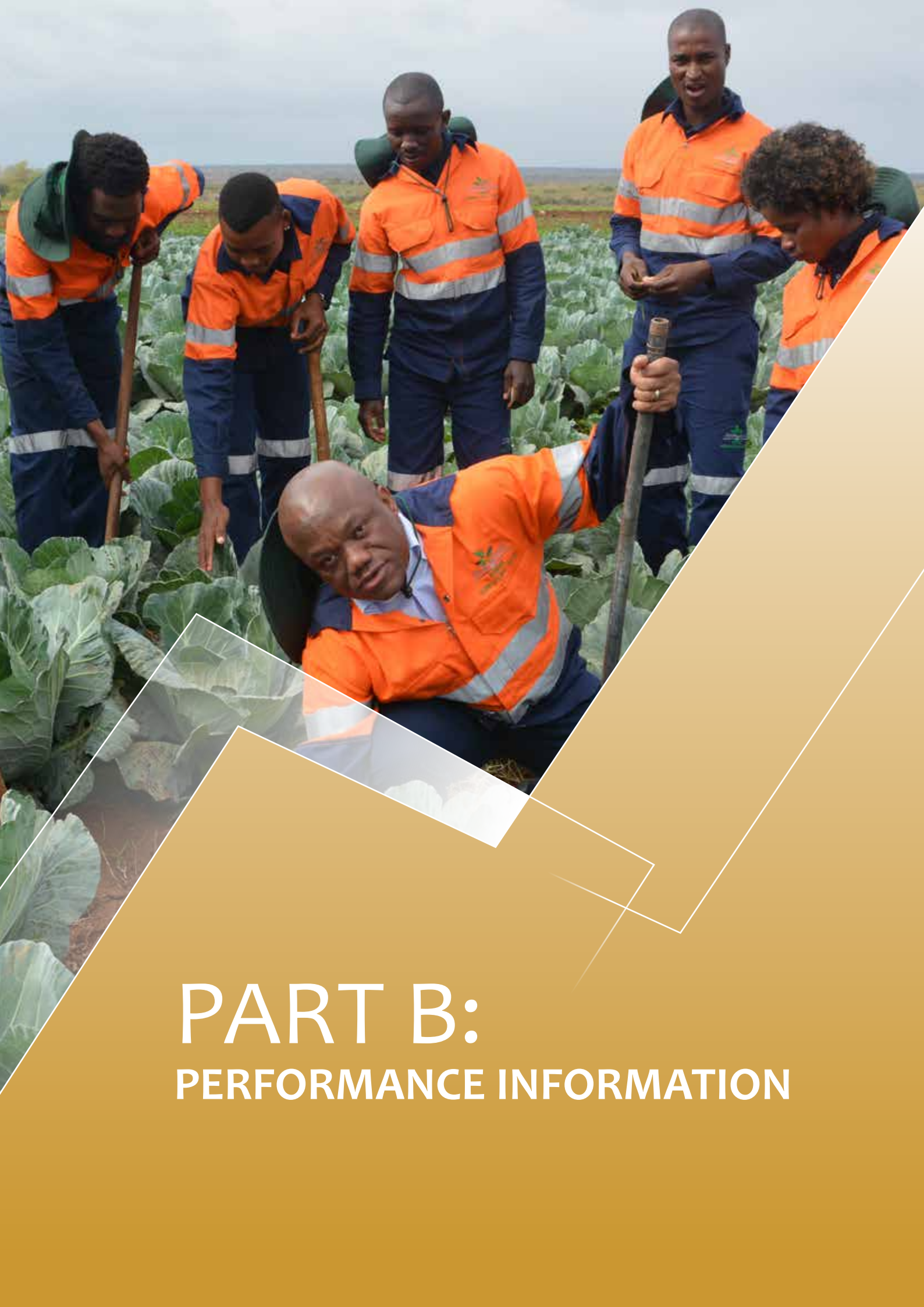
Public Entity	Growth Fund Trust	2015/2016 Allocation R'000
Mandate	The Trust is the custodian of the KZN Growth Fund a structured debt fund. The Trust received capital contribution from the KZN Provincial Government (33.3% of the fund). The KZN Growth Fund and the Trust has leveraged this capital against borrowings from the private lenders (66.7% of the fund). The sole beneficiary of the Trust is DEDT. The "Fund" is a closed, pooled infrastructure project debt fund. and is to fund capital projects above R30m.	95,000
Enabling Legislation	None (governed and operates as per the various agreements between the Beneficiary and the Lenders.	

Public Entity	Film Commission	2015/2016 Allocation R'000
Mandate	<ul style="list-style-type: none"> to promote and market the Province as a global destination for film production; to develop, promote and market, locally, nationally and internationally, the film industry in the Province; to facilitate investment in the film industry in the Province; to provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to enter and participate in the film industry in the Province; to address historical imbalances in the infrastructure and in the distribution of skills and resources in the film industry in the Province; and to contribute to an enabling environment for job creation in the film industry in the Province. 	71,741
Enabling Legislation	KwaZulu-Natal Film Commission Act No. 3 of 2010	

Public Entity	Ezemvelo Wildlife	2015/2016 Allocation R'000
Mandate	<ul style="list-style-type: none"> The management of nature conservation within the Province of KwaZulu – Natal both inside and outside the protected areas and; The development and promotion of ecotourism facilities within the protected areas. 	718,966
Enabling Legislation	<ul style="list-style-type: none"> KwaZulu–Natal Conservation Management Act (No. 9 of 1997) National Environmental Management: Biodiversity Act, No. 10 of 2004 National Environmental Management: Protected Areas Act, No. 57 of 2004 Ordinance 15 of 1974 	



Public Entity	Small Business Growth Enterprise	2015/2016 Allocation R'ooo
Mandate	<ul style="list-style-type: none">• One-Stop shop' for SMMEs in KZN• Strengthen and broad-base the existing institutional arrangement to meet the requirement and objectives of SMMEs• Business development and enterprise support for SMMEs• Sector focused geo-located interventions	



PART B:

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 106 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The year 2015 was difficult for the South African economy which faced both internal and external risks to economic growth. The South African economy will likely remain feeble in 2016 as a result of higher borrowing costs, slowing manufacturing and trade, diminishing business and consumer confidence. National Treasury projects economic growth in the country to be 0.9% in 2016 while IMF forecasts growth to be 0.7%, down from 1.3% in 2015. The provincial economy has been part of the global and national developments. It posted muted growth of 0.1% in 2015 compared to 1.1% posted in 2014. This is largely attributable to the struggling manufacturing sector in the province which has failed to capitalise on the weaker rand to boost exports as well as the severe drought which has left the agricultural sector devastated.

The persistent drought ravaging our country and KwaZulu-Natal is the worst affecting the regional economy in years, with agricultural yield declining to a mere 30% of previous harvests. As matter of fact, because the agricultural sector has forward linkages with the manufacturing sector, manufacturing output has been negatively affected. Employment in KwaZulu-Natal declined by 44 000 to 2.5 million over the three months period to December 2015. However, on an annual basis, employment increased by 9 000 jobs. This implies an annual growth of 0.4%.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main Services and Standards

Main Services	Service Standards	Beneficiaries	Desired standard of performance	Actual Achievement
Consumer Protection Services	<ul style="list-style-type: none"> ▪ Clients will be immediately attended and directed to the relevant office/person upon to the building; ▪ Complaints will be acknowledged within 24 hours; ▪ Complaints process should be completed within twenty five (25) working days from the time a complaint is lodged with the department; ▪ All stakeholders shall be addressed by the departmental officials in a culturally respectful manner; ▪ All telephone enquires will be responded to within 48 hours; and ▪ All service providers will be paid within 30 days. 	<ul style="list-style-type: none"> ▪ Cooperatives ▪ Local Municipalities ▪ Financial Institutions ▪ Government Institutions ▪ Private sector organizations (Consultants & big business) ▪ Public Entities Academic Institutions 	<ul style="list-style-type: none"> ▪ Planned monthly meetings with Municipalities OSS ▪ Quarterly meetings with National Consumer Protection Forums; ▪ Monthly workshops; 	<ul style="list-style-type: none"> ▪ Brochures & emails ▪ Decentralisation of Consumer ▪ Provisioning of helpdesk in all district offices; ▪ Stakeholders are engaged on all Consumer Protection Services, programmes, progress ▪ Monthly/quarterly and Annual reports are made available to all the stakeholders



RLED	<ul style="list-style-type: none"> Same as above 	<ul style="list-style-type: none"> Cooperatives Local Municipalities Financial Institutions Government Institutions Private sector organizations (Consultants & big business) Public Entities Academic Institutions 	<ul style="list-style-type: none"> RLED Forums(provincial , district and local) Project Steering Committees RLED summits RLED workshops Follow-up consultation via telephone, email and cell phone communication Annual survey- questionnaires templates Develop RLED portal 	<ul style="list-style-type: none"> Project Steering Committees RLED summits RLED workshops Clients addressed in the language they understand; Have proper office labels in place; Develop and publicize a complaints handling procedure
Cooperatives	<ul style="list-style-type: none"> Same as above 	<ul style="list-style-type: none"> Cooperatives Local Municipalities Financial Institutions Government Institutions Private sector organizations (Consultants & big business) Public Entities Academic Institutions 	<p>All cooperative officials at all levels will be trained on Batho Pele customer care/ stakeholder relationship management</p>	<ul style="list-style-type: none"> Consultation with beneficiaries prior to budgeting; District organogram in place

Batho Pele arrangements with beneficiaries (Consultation access etc)

Current/actual arrangements	Desired arrangements	Actual achievements
Conduct workshops with departmental officials	Awareness Campaigns	Monthly newsletters

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Batho Pele Handbook	Develop Batho Pele Policy	Approval of Batho Pele Policy

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints Management Framework	Implementation Plan	Approved complaints management framework



2.3 Organisational environment

Environmental Management operates using number of pieces of legislations: NEA, PGDS, ICM, etc. It is imperative to note that National Department of Environment Affairs, National Department of Treasury and DPSA have developed and approved the budget structure for Environmental Affairs in all the Provinces. The importance of the budget structure cannot be overemphasized, in a sense that all identified strategic functions on the budget structure should be implementation AS-IS. The proposed functional structure ensures that all the functions are accommodated.

The depletion of natural resources in the Province and the impact associated with the decline in resource quality is of major concern as it threatens the future well-being of people and the economy. It has been determined to streamline the processes in order to address delays in the processing of Environmental Impact Assessments in the Province. Through investigation, observation with concern, the rampant soil erosion in the Province and other critical matters and the mitigating strategies and interventions will be developed to deal with these matters.

The current organisational structure of the Department has led to the Department experiencing many challenges in its service delivery. Remedies for these challenges are being implemented and will continue over the coming five years. The transfer of skills to staff as well as targeted training and mentorship are important areas which will receive attention, however, the challenges can be better addressed within a new, holistic functional organisational structure that will ensure the successful implementation of the Department's mandate over the coming years. The structure has caused compartmentalisation of certain functions and channels of communication which has led to fragmentation.

Therefore, the Programme 7 Management has endorse the appointment of acting Director for the Invasive Alien Species Programme who will provide oversight into job creation through EPWP and ensure that the hectares targeted for Invasive Species clearing are cleared In addition to that, Project Officers will be appointed to oversee implementation of projects in districts. Furthermore, other MTSF targets will be revised as these are demand driven, for example, criminal enforcements and a realistic target or rephrasing of the indicator will be done in conjunction with the responsible Sub-Programme..

2.4 Key policy developments and legislative changes

During the period under review, no major changes to relevant policies or legislation that may have affected the Departmental operations.

3. 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.

KZN EDTEA Strategic Outcome Oriented Goals and Objectives

Strategic outcome oriented goal 1	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.
Goal indicator	Effective implementation of Provincial interventions by relevant stakeholders
Strategic objectives	<ul style="list-style-type: none"> 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	Achieved 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	<ul style="list-style-type: none"> 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



Strategic outcome oriented goal 3	Preferred tourism destination in the country
Goal statement	Deepen and develop the positioning of KZN as a preferred tourism destination for domestic and global tourism
Goal indicator	Increased number of tourists visiting KZN
Strategic objectives	3.1 Provide guidance, support and direction in terms of tourism policies, legislation and strategies 3.2 Implementation of the KZN Tourism Master Plan

Strategic outcome oriented goal 4	Sustainable environmental management
Goal statement	Ensure effective implementation of policies and strategies for sustainable development
Goal indicator	Improved responsible environmental management and impact
Strategic objectives	4.1 Implement environmental management strategies and plans 4.2 Streamline the process of Environmental Impact Assessment 4.3 Promotion and facilitation of integrated environmental management through capacity building and awareness raising programmes and projects.

Strategic outcome oriented goal 5	Achieve institutional excellence responsive to the needs of the country
Goal statement	Establish a dynamic institution through a high performance and value based culture
Goal indicator	Accountable delivery of the mandate of the Department
Strategic objectives	<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>

4. PERFORMANCE INFORMATION BY PROGRAMME

The activities of the Department were organized according to the following 7 programmes for the financial year under review: Programme 1: Administration; Programme 2: Integrated Economic Development Services; Programme 3: Trade and Industrial Development; Programme 4: Business Governance; Programme 5: Economic Planning; Programme 6: Tourism Development and Programme 7: Environmental Management Services.

Programme 1: Administration

Purpose of the Programme:

The principal objective of this programme is to oversee and provide executive support to the Executive Authority and Accounting Officer to fulfill the mandate as prescribed by legislation. Furthermore to provide effective and efficient support services to the whole Department regarding Human Resources (HR), Legal Services, Financial Management, Information Communication Technology and Auxiliary Services.

The programme is made up of the following sub-programmes:

- Office of the MEC
- Office of the Head of Department
- Financial Management Unit
- Corporative Services



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Office of the MEC						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
% achievement of APP targets per quarter	75.68%	100%	70%	Partly Achieved	-30%	Although the department may have not achieved some of it targets, the performance reflected in this report is due mainly to non-compliance with performance information processes by certain programmes.

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Office of the Head of Department						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
% achievement of APP targets per quarter	75.68%	100%	70%	Partly Achieved	-30%	Although the department may have not achieved some of its targets, the performance reflected in this report is due mainly to non-compliance with performance information processes by certain programmes.
APP developed and approved by the Executive Authority as per Provincial Treasury Guidelines	0	1	1	Achieved	-	
Number of monitoring reports	14	4	4 Quarterly Monitoring reports produced	Achieved	-	

Sub-Programme Name: Office of the Head of Department (continue)						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Approved Annual Performance Report	0	1	1	Achieved	-	
Number of progress reports on the implementation of risk mitigating strategies (critical risks)	0	4	4	Achieved	-	
Number of progress reports on the implementation of internal and external audit recommendations	0	4	4	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Human Resource Management Unit						
Performance Indicator	Audited for 2014/15	Planned Annual Targets	Actual Outputs verified	Actual Achievement	Variances	Comments
Vacancy rate of 10%	10%	10%	13%	Not Achieved	-3%	This is due to the long and slow process of filling posts, as well as monotonous or freezing thereof.
Staff turnover rate	4.60%	5%	4.70%	Partly Achieved	0.3%	Employees are opting to remain longer in their current jobs due to an unstable labour market.



Programme 2: Integrated Economic Development Services

Purpose of the Programme:

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 is made up of the following sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Enterprise Development						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of resolutions adopted by social partners and stakeholders	New	2	2	Achieved	-	The "Entrepreneur" a resolution by the Economic Council, the Procurement Indaba and Cooperatives summit resolutions were pursued.
Percentage of implementation of resolutions adopted by social partners	New	20%	20%	Achieved	-	
Number of SMMEs and Cooperative registered in KZN that have been in operation for more than two years***	223	1340	401	Not Achieved	-939	It is a challenge to obtain business status information from CIPC and small enterprise as access to operational status is not mandatory but is dependent to willingness and cooperation by small enterprises
Number of SMMEs and Coops supported***	451	2119	5596	Over achieved	3477	Business awareness workshops, small business fair and business conferences increased the demand for support beyond anticipated target

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Economic Empowerment Unit						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of resolutions adopted by social partners and stakeholders	New	3	4	Over achieved	1	Additional stakeholder meetings aimed at information dissemination were held.
Percentage of implementation of resolutions adopted by social partners	New	20%	20%	Achieved	-	
Number of specific interventions implemented	15	3	14	Over achieved	11	More interventions were implemented due to partnership with National Departments

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Regional and Local Economic Development						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of employment opportunities supported	216	50	309	Over achieved	259	Of the employment opportunities supported 82 were full time equivalents and the balance temporary/seasonal. The additional employment opportunities were predominantly in specific projects in the agricultural sector affected by market related demand and supply conditions. Hence our expectations/actual have been exceeded.
Number of people trained	167	100	165	Over achieved	65	Target exceeded as the Winter School training undertaken via the RLEDI initiative at the UKZN GSB&L is demand driven.



Programme 3: Trade and Industrial Development

Purpose of the Programme:

The Trade and Industry Development programme provides customised support services to prioritised sectors of the provincial economy. The strategic objective is to transform the provincial economy, to ensure job creation and long term sustainable growth. The programme is made up of three sub-programmes: Trade and Investment Promotion, Sector Development and Tourism Development sub-programmes.

The programme is made up of the following sub-programmes:

- Strategic Industrial Intervention
- Trade and Investment Promotion
- Sector Development

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Strategic Industrial Intervention						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
No. of resolutions adopted by social partners and stakeholders	New	1	1	Achieved	-	
Percentage of implemented of resolutions adopted by social partners.	New	60%	22%	Not achieved	38%	Delays within procurement process contributed to the late commencement of the project
No of jobs created through Aerotropolis initiative	New	150	1714	Over achieved	1564	Partnership with stakeholders enable more jobs
Number of jobs created through Maritime initiative	New	58	0	Not achieved	-	The Special Purpose Vehicles (SPV's) meant to create these jobs/opportunities are still in the process of being established; i.e. the KZN Maritime Institute and the UGu and UThungulu Maritime Clusters respectively
Number of Review Reports	New	2	2	Achieved	-	

Sub-Programme Name: Strategic Industrial Intervention (Continue)						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of jobs created through Industrial hubs initiative	New	50	66	Over achieved	16	Partnership with stakeholders enable more jobs
No of business plans or master plans completed	New	10	6	Partly achieved	-	Non –feasibility of the hub led to the cancellation of other business plan
No of international airlines flying directly to King Shaka Airport.	New	4	4	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Trade and Investment Promotion						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
No. of investment and/or export strategies completed	New	3	0	Not achieved	-	Due to administrative delays the KZN Export Strategy and the 3 District Municipality Investment Promotion and Facilitation Strategies (Zululand, Umkhanyakude, Harry Gwala) are still on-going and will be completed in the 2016/17 financial year
Value of investment (foreign and domestic) attracted to KZN	New	2bn	R 1.981bn	Partly achieved	-	Emerging market such as China, South Africa, Brazil are taking a knock due to unstable global economy
Value of export facilitated		1.5bn	0	Not achieved	-	TIKZN Indicator
No. of trade exhibitions hosted		1	0	Not achieved	-	Fiscal constrain has compelled the department exclude this indicator from the APP



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Sector Development						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of jobs created and sustained	10	50	0	Not achieved	-	POE's were not provided
Number of Business Plans Completed	2	2	2	Achieved	-	
Number of specific interventions implemented	0	20	6	Not achieved	-14	Budget constrains
Number of people trained and linked to opportunities	322	300	1438	Over achieved	1138	Partnership with the BPO Monyetla Programme
Number of Cluster Supported (KZN Music Cluster)	4	5	5	Achieved	-	

Strategy to overcome areas of under-performance

Based on the performance analysis of Programme 3, the posing challenge was around streamlining administrative processes of coordinating performance information. Therefore, Programme 3 has invited Monitoring and Evaluation Unit with an intention of providing Technical support.



Programme 4: Business Regulations**Purpose of the Programme:**

The purpose of Business Regulations as a programme housed within the branch Industry Development and 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 programme is made up of the following sub-programmes:

- Consumer Protection
- Business Regulation Services
- Policy and Legislation

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review.

Sub-Programme Name: Consumer Protection						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of consumer education programmes conducted	1557	1450	1057	Partially achieved	-393	Three districts are without Consumer Education Officers.
Number of inspections conducted	593	400	448	Over achieved	48	There was more demand to do more inspection from our education and awareness section.
No. of written complaints received	6429	2200	3716	Over achieved	1516	Received complaints were more than expected, this is a demand driven process.
No. of written complaints resolved	1531	1700	1124	Partially achieved	-576	Supporting evidence for walk in and telephonic complaints resolved was not in line with the M&E requirements; hence a new template has been introduced to address the issue going forward.



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Business Regulation Services						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of Municipalities Monitored and Evaluated with Implementation of Regulations	53	31	32	Over achieved	1	The department has received high demand from Municipalities in respect of both monitoring the implementation of Regulations and policy alignment as EDTEA MEC called for all Municipalities to get their house in order before the 2015 LED Summit.
Number of Provincial Informal Economy Policy Alignment Programmes facilitated	29	20	22	Over achieved	2	The department has received high demand from Municipalities in respect of both monitoring the implementation of Regulations and policy alignment as EDTEA MEC called for all Municipalities to get their house in order before the 2015 LED Summit.
Number of barriers identified	1	1	1	Achieved	-	
Number of barriers addressed	1	1	1	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Policy and Legislation						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of Liquor Authority monitoring report (Tracking the effectiveness of the KZNLA in regulating the industry)	4	4	4	Achieved	-	
Number of reviews of the legislatives framework relating to liquor, consumer and regulation services	2	4	4	Achieved	-	

Strategy to overcome areas of under-performance

The unit had underachieved on its set targets for 2 performance indicators under the consumer Business unit. The shortfall of the targets under the sub unit viz Number of consumer education programmes conducted is due to the limited human resources within the business unit due to resignations, death and unfilled vacant posts. This shortfall had been discussed with all staff in terms of the Programmes overall performance and it was resolved that the current staff will perform extra duties over and above their current responsibilities within those districts where human resources are scarce. This intervention will address the shortfall in the targets for the next financial year.

With regards to the shortfall of targets for the sub unit relating to No. of written complaints resolved, it was discovered that the shortfall is due to the reporting template utilised by consumer staff and hence the incorrect reporting on the target Discussions have been held with the M & E Unit and a new template has been designed. This should resolve the incorrect calculation of the targets going forward in the 2016/2017 financial year.



Programme 5: Economic Planning

Purpose of the Programme:

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 programme is made up of the following sub-programmes:

- Research and Development
- Knowledge Management
- Monitoring and Evaluation
- Policy and Planning

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Research and Development						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of research reports	8	13	13	Achieved	-	
Number of Research and Development initiatives supported	5	5	5	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Knowledge Management						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of operation integrated statistical database	New	1	0	Not achieved	-	The procurement process of the database took longer than anticipated; hence the target was not achieved. Currently, the BEC has recommended that BAC approves the appointment of Service Provider.
Number of economic publication produced	New	6	6	Achieved	-	
Number of reports tracking provincial knowledge base indicators	New	4	4	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Monitoring and Evaluation						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of impact assessment reports	New	5	5	Achieved	-	
Number of implemented economic interventions reports	New	1	1	Achieved	-	



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Policy and Planning						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of policy advocacy reports	New	2	2	Achieved	-	
Number of economic strategies developed	New	1	1	Achieved	-	
Number of Policy briefs	New	2	2	Achieved	-	
Number of Strategy implementation tracking reports	New	1	1	Achieved	-	

Strategy to overcome areas of under-performance

Taking into account the challenges experienced during 2015/16 procurement process, Department has decided to collaborate with Stats SA to develop Centralised Integrated Statistical Database.

Programme 6: Tourism Development

Purpose of the Programme:

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 programme is made up of the following sub-programmes:

- Tourism Planning
- Tourism Growth and Development
- Tourism Sector Transformation

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Tourism Planning						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of resolutions adopted by social partners and stakeholders	New	9	12	Over achieved	3	The projected output was exceeded due to the number of resolutions that were taken at the Provincial Tourism Committee which needed implementation by stakeholders and social partners
Percentage of implementation of resolutions adopted by social partners and other stakeholders	New	90%	148%	Over achieved	50%	The planned project output was exceeded due to positive participation from stakeholders leading to accelerated implementation of resolutions
Number of Tourism research, policies, strategies and frameworks identified and developed	New	6	6	Achieved	-	



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Tourism Growth and Development						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of interventions implemented	New	5	5	Achieved	-	
Number of tourist guides/tourism businesses registered	New	500	500	Achieved	-	

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Tourism Sector Transformation						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of specific interventions implemented	New	15	17	Over achieved	2	Additional to the projected outputs, the department was requested by uMkhambathini Local Municipality to conduct an Enterprise Development and Tourism Awareness workshop. The department further received another request from uMtubatuba to conduct an Enterprise Development and Tourism Awareness workshop for the youth.

Strategy to overcome areas of over-performance

During 2015/16 planning process, targets were set based on the past performance of the structures whose resolutions had to be recorded and implemented. Due to rapid changes within tourism industry, unique challenges were presented within each district of KZN. Therefore the estimated numbers were below than the actual performance. It was also surprising to observe the positive support from the key players when it comes to the actual implementation of resolutions. Targets will be reviewed during planning for the next financial year taking cognisance of the latest development.

The Department works with different key stakeholders as part of the execution of its mandate. Collaboration with key stakeholders with a view to stretch our limited resources is important to our performance. During the year under period various requests were received from Municipalities to partner with them in implementation of programmes hence sharing of resources led to exceeding of targets. Unfortunately, communities can't be deprived of their rights to access resources due to the fear of exceeding the set targets. In short more communities benefited due these collaborations.



Programme 7: Environmental Management

Purpose of the Programme:

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

The programme is made up of the following sub-programmes:

- Policy Coordination and Environmental Planning
- Compliance and Enforcement
- Environmental Quality Management
- Biodiversity Management
- Environmental Empowerment Services

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Policy Coordination and Environmental Planning						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of intergovernmental sector tools reviewed	69	61	61	Achieved	-	
Number of legislative tools developed	12	4	4	Achieved	-	
Number of environmental research projects undertaken	5	3	1	Not achieved	-2	The indicator is customised nationally but is performed by green economy unit of EDTEA
Number of functional environmental information management systems	12	12	12	Achieved	-	
Number of climate change response tools development	1	1	0	Not achieved	-	The indicator is customized nationally but is performed by the sector including the municipalities

Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Compliance and Enforcement						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of enforcement actions finalised for non-compliance with environmental legislation	New	360	399	Over achieved	39	Some people/developers still take chances by not complying with environmental legislation while the department is not taking kind to any non-compliance (this is demand driven). Reprioritisation and support from other law enforcement agencies played a key role in this achievement.
Number of compliance inspections conducted	New	750	739	Partly achieved	-11	The vacant critical posts in CME have a serious impact on service delivery. Some offices are running with skeleton staff with no Control Environmental Officer: Grade A (Assistant Director). Some experienced staff is also leaving the department for better offers.
Number of S24G applications received	New	20	19	Partly Achieved	1	This is a demand driven indicator. One of the ways to respond to enforcement action taken is through application for s24G. More applications than anticipated were received.
Number of S24G fines paid	New	12	9	Partly achieved	3	Even though offenders apply for s24G, some still take long to pay for the administrative fine and some appeal the fine to the MEC which then delay the process.



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Environmental Quality Management						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Percentage of EIA applications finalised within legislated timeframes	New	98%	98.48%	Over achieved	0.48%	National planned output (combined target for all provinces) is 98%, however KZN aim is to achieve 100%.
Number of designed organs of state with approved AQMP's	New	1	1	Achieved	-	
Percentage of Atmospheric Emission Licenses with complete applications issued within legislated timeframes	New	100%	100%	Achieved	-	
Percentage of facilities with Atmospheric Emissions Licenses reporting to the National Atmospheric Emissions Inventory System (NAEIS)	New	50%	79%	Over Achieved	-	
Percentage of waste license applications finalised within legislated timeframes	New	80%	75%	Partly achieved	-5%	The Pollution and Waste Management component has a number of vacant posts in some district offices which have resulted in challenges for these offices to meet the timeframes.



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Biodiversity Management						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of coastal management programmes adopted	New	2	0	Not achieved	2	There was a delay in the SCM processes
Number of hectares cleared of invasive alien species	New	160 000	130 667	Partly achieved	-29333	Delays on the commencement of the clearing projects has led to some 2015/16 earmarked projects not being Implemented. For projects/areas such as Zululand, Makhasa, etc. projects operational plans had to be reviewed due to the reduction on the invasion of alien plants as a result of the drought effect.
Reduction in the percentage rate of decline of existing endangered species	New	7%	0	Not achieved	-	



Strategic objectives, performance indicators, planned targets and actual achievements

The table below provide the details of achievements of targets for the strategic objectives, outputs and performance indicators for the programme for the financial Year under review

Sub-Programme Name: Environmental Empowerment Services						
Performance Indicator	Audited for 2014/15	Planned Annual Target	Actual Outputs verified	Actual Achievement	Variances	Comments
Number of job opportunities created through environmental programmes	New	7500	7234	Partly achieved	-266	
Number of environmental capacity building activities conducted	New	50	60	Over achieved	10	Partnership with other stakeholders enabled the component to conduct more capacity building activities
Number of environmental awareness activities conducted	New	1000	1041	Over achieved	41	Partnership with other stakeholders enabled the component to conduct more capacity building activities

Strategy to overcome areas of under-performance

In order to ensure that in 2016/17 all set targets are realistic and they are achievable. Social partners have agreed to establish alignment of environmental sector framework with the APPs of public entity (EKZNW) and EDTEA. Furthermore, the alignment will be captured in an oversight indicator for the transferring departments DEA and EDTEA going forward in the next planning cycle.

The Programme 7 Management has endorse the appointment of acting Director for the Invasive Alien Species Programme who will provide oversight into job creation through EPWP and ensure that the hectares targeted for Invasive Species clearing are cleared. In addition to these, Project Officers will be appointed to oversee implementation of projects in districts. Furthermore, other MTSF targets will be revised as these are demand driven, for example, criminal enforcements and a realistic target or rephrasing of the indicator will be done in conjunction with the responsible Sub-Programme.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Trade and Investment	96,195	96,195

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Tourism Authority	117,566	117,566

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Sharks Board	63,178	63,178

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Dube Trade Port Corporation	477,780	477,780

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Moses Kotane Institute	49,577	49,577

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Richards Bay Industrial Zone	198,947	198,947

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Liquor Authority	70,008	70,008

Public Entity	2015/2016 Allocation R'000	Actual Spent R'000
Ithala Development Finance Corporation	192,100	192,000



Public Entity	2015/2016 Allocation R'ooo	Actual Spent R'ooo
Growth Fund Trust	95,000	95,000

Public Entity	2015/2016 Allocation R'ooo	Actual Spent R'ooo
Film Commission	71,741	66,739

Public Entity	2015/2016 Allocation R'ooo	Actual Spent R'ooo
Ezemvelo Wildlife	718,966	718,966

5.2 Transfer payments to all organisations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.



Hluhluwe Game Reserve, KwaZulu-Natal, South Africa

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
KwaDukuza Municipality	Municipality	Beach development	Yes	1,000	1,000	N/A
Amajuba Municipality	Municipality	Environmental Management Framework and Strategic Environmental Assessments	Yes	1,000	1,000	Transaction requirements were not met in time
Zululand municipality	Municipality	Environmental Management Framework and Strategic Environmental Assessments	Yes	1,500	1,500	Transaction requirements were not met in time
Harry Gwala municipality	Municipality	Environmental Management Framework and Strategic Environmental Assessments	Yes	1,000	1,000	Transaction requirements were not met in time
EThekweni Municipality	Municipality	To promote Tourism in KZN	Yes	4,000	1,000	Funds were only transferred at financial year end.
UThungulu Municipality	Municipality	Environmental Management Framework and Strategic Environmental Assessments	Yes	1,000	1,000	Transaction requirements were not met in time
University of KwaZulu-Natal	Higher Education	To ensure scientific and technological developments	Yes	640	-	Funds were only transferred at financial year end.
Mangosuthu University of Technology	Higher Education	To ensure scientific and technological developments	Yes	893	-	Funds were only transferred at financial year end.



Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Durban University of Technology	Higher Education	To ensure scientific and technological developments	Yes	467	-	Funds were only transferred at financial year end.
Co-Op Funding	Private Enterprises	To assist Co-Ops with infrastructure, proper equipment and financial resources. This will ensure increased production volume and beneficiation of products to satisfy the anticipated increased demand of cooperative products.	Yes	8,086	108	Funds were only transferred at financial year end.
KZN Fashion council	Private Enterprises	To organise and facilitate market workplace for the local designers so that they can have access to raw materials.	Yes	3,000	3,000	N/A
KZN Music Cluster	Private Enterprises	To support and promote KZN music industry in order to enhance competitiveness of the sector.	Yes	1,000	1,000	N/A
Igu ICT Incubator	Private Enterprises	Training and capacity building for ICT SMMEs.	Yes	2,788	2,788	N/A
Maritime Cluster	Private Enterprises	To ensure the development of maritime industry.	Yes	2,000	2,000	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
KZN Tooling Initiative	Private Enterprises	Re-development and alignment of SA's manufacturing skills delivery capacity with that of leading reindustrializing manufacturing economies globally.	Yes	900	900	N/A
World Pro-Am Golf	Private Enterprises	To promote Tourism in KZN	Yes	18,140	18,140	N/A
SABC	Private Enterprises	Metro FM Awards	Yes	20,742	20,742	N/A
MTV Awards	Private Enterprises	MTV Awards	Yes	40,235	40,235	N/A
World Amateur Golf	Private Enterprises	To promote Tourism in KZN	Yes	7,900	7,900	N/A
Spring Day Explosion	Private Enterprises	To promote Tourism in KZN	Yes	1,500	1,500	N/A
Durban July Wrap up	Private Enterprises	To promote Tourism in KZN	Yes	2,117	2,117	N/A
Richards bay Imbizo	Private Enterprises	To promote Tourism in KZN	Yes	1,500	1,500	N/A
Indlamu Sakhizwe	Private Enterprises	To promote Tourism in KZN	Yes	1,500	1,500	N/A
Impucuzeko kaMasikandi Festival	Private Enterprises	To promote Tourism in KZN	Yes	1,000	1,000	N/A
Durban Summer Beach Festival	Private Enterprises	To promote Tourism in KZN	Yes	1,200	1,200	N/A
Umgababa New Year's Eve Picnic	Private Enterprises	To promote Tourism in KZN	Yes	1,200	1,200	N/A
Fact Durban Rocks	Private Enterprises	To promote Tourism in KZN	Yes	1,200	1,200	N/A



Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Kasi Tour	Private Enterprises	To promote Tourism in KZN	Yes	900	900	N/A
Telefestival Dialogue	Private Enterprises		Yes	464	464	N/A
Manufacturing Youth Initiative	Private Enterprises	To support co-operatives in the manufacturing sector	Yes	1,954	1,954	N/A
Ilembe Chamber of Commerce	Private Enterprises	2015 Entrepreneur training programme	Yes	2,900	2,595	Funds were only transferred at financial year end.
Mkuze Airport	Private Enterprises	Fencing of Mkuze airport	Yes	5,461	461	Funds were only transferred at financial year end.
Aerotropolis conference	Private Enterprises	Conference held in China	Yes	104	104	N/A
KwaDukuza Festival	Private Enterprises	To promote Tourism in KZN	Yes	1,500	1,500	N/A
Ugu Jazz	Private Enterprises	To promote Tourism in KZN	Yes	1,000	1,000	N/A
Annual DAF Youth	Private Enterprises	Youth leadership training and exhibition networking	Yes	90	90	N/A
Durban Chamber of Business	Private Enterprises	To create a directory for women owned businesses.	Yes	350	350	N/A
Annual Tourism Expo	Private Enterprises	To promote Tourism in KZN	Yes	2,600	2,600	N/A
Inanda, Ntuzuma, KwaMashu Tourism Expo	Private Enterprises	To promote Tourism in KZN	Yes	2,600	2,600	N/A
KZN Liaison Campaign	Private Enterprises		Yes	1,200	1,200	N/A
Antony Lembede Cultural Festival	Private Enterprises	To promote unity and community cohesion in KZN	Yes	2,600	2,600	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Amantshontsho KaMasikandi	Private Enterprises	To promote Tourism in KZN	Yes	500	500	N/A
Greenville Renewable Energy	Private Enterprises	Environmental Impact assessment is conducted in order to establish Material Recovery Facility which will contribute to waste minimisation and renewable energy generation.	Yes	300	300	Funds were only transferred at financial year end.
Signature Africa	Private Enterprises	To facilitate conversation and informing global markets about Africa's asset investments, policies, people and places	Yes	1,500	1,500	N/A
Maphumulo Maskandi Festival	Private Enterprises	To promote Tourism in KZN	Yes	2,200	2,200	N/A
Durban Maritime Initiative Extravaganza	Private Enterprises	Youth in maritime initiative aimed at supporting them to participate in the sector	Yes	1,190	1,190	N/A
Amantugwa Kholwa Club	Private Enterprises	Donation towards Amantugwa clan annual event	Yes	70	70	N/A
Umthayi	Private Enterprises	Umthayi Marula Festival	Yes	4,000	4,000	N/A
Sakhizwe Management Agency	Private Enterprises	Stop killing the Rhino campaign	Yes	96	96	N/A



Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
SAAMBR	Non-Profit Institution	Marine biological research	Yes	5,795	5,795	N/A
WESSA	Non-Profit Institution	Environmental education programmes	Yes	400	400	N/A
Wildlands Conservation Trust	Non-Profit Institution		Yes	4,310	4,310	N/A
Afika Ignite	Non-Profit Institution	Dukuduku resettlement	Yes	600	600	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
KZN Clothing Textile	To organise and facilitate market workplace for the local designers	700	-	
UMzinyathi Municipality	Dundee July	250	-	Due to none co-operation from the municipality
Tourism Mentorship Programme	To assist developing tourism related businesses	500	-	Delays in process for appointing mentors
Nelson Mandela Golf		5,000	-	
KZN Integrated Hub		1,000	-	

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2015 to 31 March 2016.

Conditional Grant 1:

Department who transferred the grant	Public Works
Purpose of the grant	To increase and maximise job creation in the implementation of environmental projects within the Department.
Expected outputs of the grant	WO:666 / FTEs:260.61/ HA: 5568
Actual outputs achieved	WO:2 154 / FTEs:385.1.3/ HA:6 373
Amount per amended DORA	9599
Amount received (R'ooo)	9599
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'ooo)	10734
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	The outputs reported include projects funded through the 2014/15 roll-over. Hence, actual outputs reported are higher than the targeted outputs.
Measures taken to improve performance	Monitoring the implementation of the improvement plans
Monitoring mechanism by the receiving department	Quarterly monitoring reports in place



The MEC for Economic Development, Tourism and Environmental Affairs; Mr Sihle Zikalala recently visited Umvoti Municipality to launch KZN Youth Technical Skills in Greytown.



PART C:

GOVERNANCE

1. INTRODUCTION

The Corporate Governance requirements of the King III report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant to this legislative duty and responsibility towards sound governance, the Department has an established and functioning Governance Committee chaired by the Accounting Officer and composed of all Top management members. This committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Department's entire stakeholder constituent. During the 2015/16 financial year, the Committee made great advances in the areas of governance of information technology, fraud prevention awareness. This was primarily possible due to the maturing of thinking around true governance and the obligation the Department has towards its stakeholders.

The Department's risk management approach is aligned with the KKZN Provincial Treasury's Risk Management Framework. The Internal Control Unit champions this. The Head of Department has elevated the status of Risk Management by ensuring that it is an agenda item at both Senior Management and Executive Management meetings.

2. RISK MANAGEMENT

The department takes risk management seriously in its business operations. Matters of risk management are discussed at Top management meetings. The Accounting Officer commits the Department to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA).

The Provincial Cluster Audit and Risk committee is furnished with progress updates on the implementation of mitigating strategies on risks the department is faced with to strengthen the control environment. The department is gradually developing into more robust risk management culture. A new organisational structure has been proposed in order to strengthen the Risk management component.

There is regular interaction with Provincial Cluster Audit and Risk committee. The Audit committee advises the department on risk management matters and independently monitors the effectiveness of the system of risk management.

The department has an approved Risk management policy. The policy provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value. The Department has and maintains effective, efficient and transparent risk management by ensuring that relevant risk assessments are conducted regularly to identify existing and, continuously emerging new risks. It is emphasised that risk management is not only the responsibility of the Accounting Officer, but is extended to all levels of employees.



Risk management is recognised as an integral part of responsible management and the Department therefore has adopted a comprehensive approach to the management of risk. Risks are identified via Risk Workshops as well as through the department's strategies and subsequently the risk register is updated.

The department has a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The committee mainly facilitates the management of risk facing the department and ensures appropriate action is taken to address those risks. The risk management committee is chaired by the Head of department. The department's risk committee regularly review the risk ratings (on a quarterly basis). This is based on the committee perception of the control effectiveness as well as utilising work conducted by the internal control and risk management unit, and the reports of the internal and external auditors (Provincial Internal Audit Services and Auditor General) and forensic investigators (if any), to make an informed assessment of the rating of residual risk.

3. FRAUD AND CORRUPTION

The department has an approved fraud prevention plan. The approved fraud prevention plan incorporates fraud response policy which features mechanisms in place to report fraud and corruption. It's also includes a whistle blowing policy to limit the risk of employees victimisation.

The department recognises that in order to effectively prevent fraud all fraudulent activities detected by employees and other stakeholders are reported and investigated. The forensic unit within Provincial treasury conducts independent investigations and provides reports to department for implementation of recommendations. The Provincial Cluster Audit and Risk committee is furnished with progress updates on the implementation of the forensic investigation recommendations. As at 30 April 2016 the department had finalised 86% of alleged corruption cases reported through National Anti – corruption hotline (NACH).

The department has identified a need to improve the mechanisms in place to mitigate the fraud and corruption risks. It is mainly focusing on creating awareness of the fraud prevention plan through Education and communication. Internal Control unit has conducted Ethics Awareness workshops as part of rolling out the Fraud Prevention Plan.

The department continues to implement the fraud and corruption matrix of tasks and responsibilities. Quarterly progress reports are tabled at departmental management committee meetings and to Provincial Cluster Audit and risk committee meetings.

4. INTERNAL CONTROL UNIT

Internal control unit focused on the following crucial areas in 2015/2016:

1. Compliance with prescripts (BAS and HARDCAT payments)
2. Conducted follow up review on the implementation of recommendations made by the Auditor – General in 2014/2015 and 2015/2016
3. Conducted follow up review on the implementation of recommendations made by the Provincial Treasury in 2014/2015 and 2015/2016
4. Conducted follow up review on the implementation of recommendations made by the Provincial Treasury forensic unit
5. Irregular expenditure investigations
6. Inventory stock count

5. MINIMISING CONFLICT OF INTEREST

For the financial year under review, the Department ensured 100% compliance with The Public Service Regulations (2001), which stipulates that all designated employees in the public service, must disclose the particulars of their financial interest on an annual basis to the relevant Executive Authority. Therefore, SMS members and those joined the Department during the year declared their financial interests within 30 days of assuming duties.

Employees are required to obtain MEC approval prior to conducting remunerative work outside the Public Service. Through effective governance structures, conflicts of interests are declared by members of Bid Specification and Adjudication Committees and interview panels.

6. CODE OF CONDUCT

The Department adheres to the Code of Conduct which now forms part of PSCBC Resolution 1 of 2013. The code of conduct serves as a guideline of what's expected of employees from an ethical perspective.

Labour Relations creates awareness on the Code of Conduct and employees generally adhere to the provisions.

In instances where there has been breach, the Disciplinary Code & procedure for the Public Service is utilised to correct unacceptable behaviour.

In the 2015/2016 Financial Year, there have been 5 breaches reported for various acts of misconduct. Depending on the seriousness of the breach employees were subjected to either the informal or formal discipline process & all cases were finalized.



7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

OHS in our department is run by AD level 10 who report to the Employee Health and wellness unit. OHS is guided by the OSHA 85 OF 1993 and the provincial policy to ensure occupational health and safety of our employees.

EDTEA has two main objectives, (1) To prevent accidents; and (2). Reduce adverse effects that may result from normal operations. The department regularly do in-house audits to identify possible hazards that could potentially harm our employees. Working closely with auxiliary services we deal with potential hazards to ensure safety of our employees.

We are due for training of reps in fire fighting, first aid, accident response, emergency preparedness and safety & health reps. The certificates expired at the end of the year (31/03/2016). Budgetary constraints are proving a great deal of a hindrance.

We are still behind in ergonomics. Air quality and lighting efficiency audit since these fall outside our skills base and we need to outsource these services. This matter is urgent as the building we occupy does not have windows and the employees solely depend on air-conditioning for breathing air. We have also been affected by the drought that is currently being experienced in the country. We rely on the municipality for water and if their reserves run dry we don't have safe drinking water and we usually "close shop", however, we are in a process of procuring alternatives in a form of water tanks to ensure that our employees have water and ablution facilities at all time.

We have recently been joined by Environmental affairs, and the nature of their work demands specific PPE and we have not done audit for this as well due to lack of resources. This is a concern as it means their safety has not been ensured.

To ensure that employees are well informed about their rights to a safe and healthy environment we regularly send pamphlets electronically and at least once a quarter do face to face sessions.

8. PORTFOLIO COMMITTEES

The Department met with the EDTEA Portfolio Committees on the quarterly sessions during the 2015/2016 financial year. The strategic focus of the sessions ranged from strategic alignment of the Department's priorities to the National Development Plan and Provincial Growth & Development Plan as well as both financial and non-financial performance information.

8.1 Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments and is further sub-divided into three Cluster Audit and Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Economic Development, Tourism & Environmental Affairs is served by the Economic Cluster Audit & Risk Committee.

The PARC is primarily responsible for reviewing the following:

- a) the effectiveness of the internal control systems;
- b) The effectiveness of the internal audit function including its annual work programme, co-ordination with external auditors, the reports of significant investigations and responses of management to specific recommendations;
- c) The risks associated with the Department's operations covered in the scope of internal and external audits;
- d) The adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information;
- e) Any accounting and auditing concerns identified as a result of internal and external audits;
- f) The effectiveness of strategies, policies and procedures to prevent and detect fraud and corruption and
- g) The institution's compliance with legal and regulatory provisions.

The Committee reports that it has discharged all of its responsibilities in compliance with the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, that it has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter. The Committee is pleased to present its report for the financial year ended 31 March 2016.

The PARC was appointed on 23 February 2015. During the financial year under review, certain terms and conditions of the members' conditions of appointment were amended and the contracts of five members were renewed effective from the 30th of October 2015.



The table below also outlines the PARC and Economic CARC meetings held and attendance thereof by members during the reporting period.

#	Name of Member	PARC Meetings Attended	Economic Meetings Attended	Special Meetings
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	3	4	2
2.	Mr V Ramphal	3	4	2
3.	Mr P Christianson	3	2	2
4.	Mr D O'Connor	3	N/A	2
5.	Ms T Njozela	2	N/A	2

8.2 The Effectiveness of Internal Control

The Committee has reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Expenditure Management, with specific concern being Irregular Expenditure
- Auditor General Follow-up audit
- Human Resource Management
- Performance Information

8.3 Risk Management

The Committee has, as defined in its Charter, adequately provided oversight on management's processes of identifying and monitoring business risks. For the period under review, the committee's responsibilities have been focused, among other things, on the quarterly review of the department's risk register and progress made by the department with regard to implementation of risk mitigation plans. The Department has constantly been advised about best practices to consider to improve the management of key business risks and opportunities.

As at the end of this financial year, the department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of risks identified	0	9	7	5	0	21
Number action Plans Identified	0	18	9	4	0	31
Number of action plans completed	0	9	4	4	0	17

The Committee is concerned about the slow progress made by the department in addressing risks classified as Major. The Committee has also been concerned about the department's failure to review and update its risk register on a regular basis. The department is, therefore, urged to treat the risk register as a dynamic document which should be reviewed and updated continuously to include emerging risks, and risk that has materialized. Furthermore, the department was urged to improve its risk management systems and procedures to ensure the linkage to department's business strategy (encompassing its vision, mission and objectives), its operational imperatives and philosophies, policies plans and initiatives with positive impact on service delivery.

8.4 Forensics Investigations

During the period under review, the Committee noted that there were six (6) forensic investigations, all relating to alleged procurement irregularities and mismanagement of funds, which the department has referred to the Provincial Internal Audit Services for investigation. All of these investigations were finalised during the year. The department and the Provincial Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalised investigation.

8.5 Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

8.6 Evaluation of Financial Statements

The Committee has:

Reviewed and discussed the Annual Financial Statements Report, with the Auditor General and the Accounting Officer;

Reviewed the Auditor General's Management Report;

Reviewed the Department's processes for compliance with legal and regulatory provisions and a concern was noted around the failure to prevent irregular expenditure of R12, 8 million.

8.7 Internal Audits

In line with the PFMA and the King III Report on Corporate Governance, the Internal Audit Function is required to provide the Audit & Risk Committee, as well as Management, with reasonable assurance on the adequacy and effectiveness of internal controls. This is primarily achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports at its quarterly meetings detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department.



The Committee also considered the appropriateness of the corrective actions proposed by management to improve the control environment.

The Committee has noted with concern, imposed financial and other limitations place upon Internal Audit during the year under review. During the forthcoming financial year, the Committee will monitor the progress made by the Internal Audit Function in resolving any potential budgetary or operational difficulties in order to ensure that it fulfills its mandate and continues to add value to the department.

8.8 Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior financial year. Furthermore, the Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of detailed findings emanating from the current regulatory audit continued to be monitored on a quarterly basis through the CARC processes.


The Committee notes the Auditor General's unqualified opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

8.9 Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



Mr S Simelane
Acting Chairman: Provincial Audit and Risk Committee
05 August 2016

A group of construction workers in blue uniforms and hard hats are shaking hands with a man in a suit. The scene is outdoors at a construction site. The workers are wearing blue jumpsuits with reflective yellow stripes and various colored hard hats (white, green, red, yellow). The man in the suit is wearing a dark suit, a white shirt, and a red tie. They are standing on a dirt ground with a white fence in the background.

▼ with one of the construction worker during during the sod-turning Launch of HBM-SA HEALTH PROTECTION Condom Manufacturing Plant in Dube Trade-port in Durban.

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

Currently, there are a number of vacancies that have yet to be filled in the Department. Whilst this is the case, some of these vacancies will be redesigned to accommodate new activities, projects and programmes in terms of the revised strategic plan of the Department. Some key strategic positions have been re-designed (such as, HRM; Maritime & Economic Industrial Hubs); so as to align the strategic goals of the department with the Provincial Priorities.

The current status on vacancies has been exacerbated by the moratorium in filling of vacant positions in the province due to cost-cutting measures.

The Department is on track in terms of the assessment of employees, and payments are being processed within the stipulated time frames. The performance management unit is operating proficiently.

The Department has structured Employee Assistance Programme (EAP). However, due to the budget constraints there are some wellness programmes that could not be rolled-out. The most critical programmes have been provided for, namely: Education & awareness, counselling services as well as OHS Compliance.

Another priority is to strictly align our HRM to the approved generic functional structure for human resource components & consequently strengthening the configuration of Programme 1 administration functions.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands for the period 1 April 2014 to 31 March 2015. In particular they provide an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2015 and 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	85 658	71 157	891	13 610	83	429
Integrated Economic Development	103 464	54 286	1 079	48 099	52	460
Trade & Sector Development	29 295	10 673	100	18 558	36	485
Business Regulations & Governance	18 128	16 794	0	1 334	93	454
Economic Planning	19 104	14 282	27	4 795	75	476
Tourism	60 450	10 546	0	49 905	17	459
Environmental Management	100 701	98 969	1 550	182	98	352
Total	416 800	276 707	3 647	136 482	66	409

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	13 798	5	150	92
Skilled (level 3-5)	7 983	3	26	307
Highly skilled production (levels 6-8)	65 750	24	216	304
Highly skilled supervision (levels 9-12)	122 299	44	221	553
Senior and Top management (levels 13-16)	36 833	13	32	1 151
Others	30 044	11	32	938
Total	276 707	100	677	409



Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	62 277	93	1 741	2.5	1 402	2	1 737	2.4
Integrated Economic Development	52 745	97	0	0	757	1.4	784	1.4
Trade & Sector Development	10 456	98	0	0	112	1	105	1
Business Regulations & Governance	16 023	95	34	0.2	258	1.5	479	2.9
Economic Planning	13 854	97	0	0	238	1.8	190	1.3
Tourism	10 237	97	0	0	120	1	189	1.8
Environmental Management	94 235	95	0	0	1 719	1.7	3 015	3.1
Total	263 827	95	1 775	0.6	4 606	1.7	6 499	2.4

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	13 691	99	107	0.8	0	0	0	0
Skilled (level 3-5)	7 377	92	47	0.6	226	1.8	333	2.4
Highly skilled production (levels 6-8)	59 913	91	708	1.1	2 023	3.1	3 106	4.7
Highly skilled supervision (levels 9-12)	117 358	96	710	0.6	1 738	1.4	2 493	2.0
Senior management (level 13-16)	36 063	98	0	0	421	1.1	349	1
Others	29 425	98	203	0.7	198	0.7	218	0.7
Total	263 827	95	1 775	0.6	4 606	1.7	6 499	2.4

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	146	119	18	47
Business Regulations	36	29	19	8
Integrated Economic Development	102	85	17	33
Trade and Industry	28	16	43	6
Economic Planning	19	18	5	12
Tourism	31	20	35	3
Environmental Management	242	208	14	73
TOTAL	604	495	18	182

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0	150
Skilled(3-5)	32	26	19	4
Highly skilled production (6-8)	258	216	16	17
Highly skilled supervision (9-12)	265	221	17	9
Senior management (13-16)	49	32	35	2
Total	604	495	18	182



Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	74	68	8	45
Communication and information related	10	8	20	0
Finance and economic related	18	17	6	0
General legal administration and professionals	7	3	57	0
Human resource related	28	24	14	0
Light vehicle drivers	3	3	0	2
Messengers, porters	2	2	0	0
Secretaries and other keyboard operating	48	36	25	0
Trade and industry advisor and related	92	74	19	57
Senior managers	49	30	39	2
VIP protection	4	4	0	0
Tourism	29	18	38	3
Others/Environmental Management	240	18	38	3
Total	604	208	13	73

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	3	2	66.8	1	33.3
Salary Level 14	13	7	53.8	6	46.2
Salary Level 13	32	20	62.5	12	37.5
Total	49	30	61.2	19	38.8

Table 3.3.2 SMS post information as on 30 September 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	3	2	66.8	1	33.3
Salary Level 14	13	8	61.5	5	38.5
Salary Level 13	32	22	68.8	10	31.3
Total	49	33	67.4	16	32.7

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	3	2	66.8	1	33.3
Salary Level 14	13	7	53.9	6	46.2
Salary Level 13	32	20	62.5	12	37.5
Total	49	30	61.2	19	38.8

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months

Budget cut due to cost cutting measures across the provincial department

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months

Posts were withheld pending restructuring within the Department

Reasons for vacancies not filled within six months

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	32	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	258	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	265	0	0	0	0	0	0
Senior Management Service Band A	32	0	0	0	0	0	0
Senior Management Service Band B	13	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	604	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Skilled	0	0	0	0
Highly skilled production	0	0	0	0
Highly skilled supervision	0	0	0	0
SMS	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Notes

If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

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

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of employees at beginning of period- 1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	23	3	4	17.4
Highly skilled production (Levels 6-8)	158	14	16	10
Highly skilled supervision (Levels 9-12)	217	12	17	7.8
Senior Management Service Bands A	21	1	4	19
Senior Management Service Bands B	8	0	2	25
Senior Management Service Bands C	2	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	284	166	165	58
Total	714	196	208	29.1

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period- April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	196	19	22	11.2
Communication and Information Technology related	8	0	0	0
Finance & Economics related	17	0	0	0
General Legal administration & professionals	3	0	0	0
Human Resources related	26	0	0	0
Light vehicle drivers	3	0	0	0
Messengers, porters	3	0	0	0
Secretaries and other keyboard operators	34	0	1	2.9
Trade & Industry Advisors & related	104	9	1.4	13.5
VIP Protection	4	1	0	0
Senior Managers	32	1	6	18.8
Others/contracts	284	166	165	58.1
Total	714	196	208	29.1

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2015 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death	2	1
Resignation	27	13
Expiry of contract	165	79.3
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	1	0.5
Discharged due to ill-health	0	0
Retirement	4	1.9
Transfer to other Public Service Departments	8	3.9
Other	1	0.5
Total	208	100
Total number of employees who left as a % of total employment	0	0

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	196	5	7.4	75	38.3
Communications & Information Technology related	8	0	0	5	62.5
Finance & Economics related	17	0	0	11	64.7
General Legal Administration & professionals	3	0	0	0	0
Human Resources Related	26	0	0	20	83.3
Light vehicle drivers	3	0	0	2	66.7
Messengers , porters	3	0	0	0	0
Secretaries & other keyboard operators	34	0	0	19	52.8
Trade & Industry/ Environ Advisors & related	104	1	0	70	67.3
VIP protection	4	0	0	4	100
Senior Managers	32	0	0	19	63.3
Total	430	6	1.4	262	60.9



Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	23	0	0	12	52.2
Highly skilled production (Levels 6-8)	158	1	0.6	82	51.9
Highly skilled supervision (Levels 9-12)	217	5	2.3	138	63.6
Senior Management (Level 13-16)	32	0	0	30	93.8
Total	430	6	1.4	262	60.9

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	1	2	1	8	0	2	0	32
Professionals / Specialists	93	1	10	4	80	2	11	3	204
VIP Protection/ Drivers	6	0	0	0	0	0	0	0	6
Administrative Related	99	0	6	2	100	1	7	2	217
Messengers	1	0	0	0	1	0	0	0	2
PA's	2	0	1	0	25	0	6	0	34
Total	219	2	19	7	214	3	26	5	495
Employees with disabilities	1	0		0	1	0	0	1	3

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	1	1	0	3	0	1	0	11
Senior Management	13	0	0	1	5	0	2	0	21
Professionally qualified and experienced specialists and mid-management	93	1	10	4	80	2	11	3	204
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	103	0	6	2	100	1	7	2	221
Semi-skilled and discretionary decision making	6	0	1	0	25	0	6	0	38
Total	220	2	18	7	213	3	27	5	495

Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	
Professionally qualified and experienced specialists and mid-management	4	0	0	0	8	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	0	1	6
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	7	0	0	0	12	0	0	1	20
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	5	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	0	1	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0



Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

[illegible]

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Formal	2	0	1	0	0	0	0	0	3
Informal	2	0	1	0	0	0	0	0	3
Deeming clause: abscondment	1	0	0	0	0	0	0	0	1
Withdrawn	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

[illegible]

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department	1	1	1	100
Salary Level 16	0	0	0	0
Salary Level 15	3	2	2	100
Salary Level 14	13	8	8	100
Salary Level 13	32	22	22	100
Total	49	33	33	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
None



3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	102	219	46.6	931	9.13
Female	120	214	56.1	761	6.34
Asian					
Male	10	19	52.6	98	9.80
Female	20	26	76.9	172	8.60
Coloured					
Male	0	2	0	0	0
Female	1	3	33.3	4	4
White					
Male	4	7	57.1	52	13
Female	5	5	100	31	6.2
Total	262	495	52.9	2049	7.82

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (level 3-5)	12	23	52	25	2.08	0.2
Highly skilled production (level 6-8)	82	158	51.9	268	3.27	0.1
Highly skilled supervision (level 9-12)	138	217	63.6	1 170	8.48	0.1
Total	232	398	58.3	1463	631	0.1

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	88	196	44.9	475	5.4
Communication & information related	6	8	75	29	4.8
Finance & Economic related	11	17	64.7	93	8.45
General Legal Administration & professionals	2	3	66.7	5	2.5
Human Resources related	17	26	65.4	113	6.65
Light vehicle drivers	0	3	0	0	0
Messengers, porters	0	3	0	0	0
Secretaries & other keyboard operators	23	34	67.7	61	2.65
Trade and Industry Advisors & related professions	81	104	77.9	674	8.32
VIP Protectors	3	4	75	13	4.33
SMS	30	32	93.8	586	19.53
Total	262	410	63.9	2 049	7.82

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	1	0	0	0	0
Band B	0	3	0	0	0	0
Band C	0	13	0	0	0	0
Band D	0	32	0	0	0	0
Total	0	49	0	0	0	0

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2015 and 31 March 2016

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	2	66.7	2	66.7	0	0
Contract (level 13-16)	1	33.3	1	33.3	0	0
Total	3	100	3	100	0	0



Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Professional & Managers	3	100	3	100	0	0

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2016

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Skilled (levels 3-5)	64	100	7	2	9	45
Highly skilled production (levels 6-8)	948	78.1	158	47	6	1 078
Highly skilled supervision (levels 9 -12)	777	83.3	132	39	5	1 632
Top and Senior management (levels 13-16)	93	83.9	17	5	5	304
Others	87	93.8	24	7	3	81
Total	1 969	81.5	338	100	6	3 140

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2016

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	122	100	8	38	15	136
Highly skilled supervision (Levels 9-12)	92	100	11	52	8	216
Senior management (Levels 13-16)	31	100	2	10	16	100
Total	245	100	21	100	12	452

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

Table 3.10.3 Annual Leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled Levels 3-5)	438	27	16
Highly skilled production (Levels 6-8)	4 220	226	19
Highly skilled supervision(Levels 9-12)	4 690	228	21
Senior management (Levels 13-16)	709	35	20
Others	788	129	6
Total	10 845	645	17

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2016

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 Dec 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

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

Table 3.10.5 Leave payouts for the period 1 April 2015 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	272	27	10
Capped leave pay-outs on termination of service for 2015/16	818	6	136
Total	1 090	33	330.3

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
1. Young employees 2. project based employees who spend most of their time away from the office and their families. 3. Substance using employees	Awareness, condom distribution, behavioural change campaigns, substance abuse campaigns



Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr. G Naidu
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		The EAP Practitioner No budget allocated; cost cutting has been given as a reason
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		Counselling services on personal and work-related issues Personal Finance Management programme HIV/AIDS Programme Gender and Disability programme Occupational Health and Safety Health & Productivity Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		Mr G Naidu HRM (Chairperson) Nokuthula Dlamini – EAP Practitioner Dr. S Buthelezi – Safety & Security Ms. M Mkhize - OHS
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		The Recruitment, Selection and Benefits Policies and practices Skills development and training policy practices HIV AIDS & TB POLICY and Wellness policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		An HIV/AIDS policy has been approved. The policy clearly outlines that discrimination on the basis of HIV status is and prohibited. Education and awareness around the issue of HIV/AIDS also assist in dealing with some of the misconceptions and myths around HIV/AIDS. We also have an open door policy where at any time an HIV positive employee can come and discuss his/her concerns. We also have the behaviour change program, stigma fighting program & human rights program.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		We are vigorously encouraging HCT in the Department and the response has been very positive. We can pin the success of this program to the stigma and behaviour change programs that we have in the Department, more people have participated in the program, however, this year we are targeting at least 75% of our staff. We are also planning to do a prevalence study as this will help us allocate our resources appropriately. Budgetary constraints are still a hindering factor
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Monitoring the use of sick and vacation leave Continuous wellness & health screens Continuous inspection of work environment, this includes physical, emotional and organizational environment. One on one random interviews General mood of the department

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016

Subject matter	Date
None	

Notes

If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.



Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	12.5
Verbal warning	0	0
Written warning	1	12.5
Final written warning	1	12.5
Suspended without pay	1	12.5
Fine	0	0
Demotion	0	0
Dismissal	3	37.5
Not guilty	0	0
Case withdrawn	1	12.5
Total	8	100
Total number of Disciplinary hearings finalised		None

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Type of misconduct	Number	% of total
Insubordination	1	12.5
Failure to comply with the instruction	2	25
Absenteeism	0	12.5
Victimisation of employee	1	12.5
Misleading MEC to effect illegal upgrades	1	12.5
Driving state vehicle under the influence	1	12.5
Sexual harassment	1	12.5
Abscondment	1	12.5
Total	8	100

Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	6	60
Number of grievances not resolved	4	40
Total number of grievances lodged	10	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	20
Total number of disputes lodged	5	100

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2015 and 31 March 2016

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	28
Cost of suspension(R'000)	R68 581.43

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	3	0	3
	Male	22	0	3	0	3
Professionals	Female	103	0	5	0	5
	Male	120	0	5	0	5
Administrative related	Female	95	0	3	0	3
	Male	74	0	3	0	3
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
VIP protectors/Drivers	Female	0	0	0	0	0
	Male	6	0	1	0	1
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	208	0	12	0	12
	Male	222	0	11	0	11
Total		430	0	23	0	23



Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	1	0	1
	Male	22	0	1	0	1
Professionals	Female	103	0	2	0	2
	Male	120	0	2	0	2
Administrative related	Female	95	0	2	0	2
	Male	74	0	1	0	1
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
VIP protectors/Drivers	Female	0	0	0	0	0
	Male	6	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	208	0	5	0	5
	Male	222	0	4	0	4
Total		430	0	9	0	9

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2015 and 31 March 2016

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

3.15 Utilisation of Consultants

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Establishment of One Village One Product-Ethekwini Municipality	4	120	R465 145.00
SBGE Human Resource and Recruitment Specialist	2	60	R263 340.00
Develop KZN Environmental Information Management Strategy	6	120	R499 958.40
Development Of A District Municipality Investment Promotion Facilitation Strategy For Umgungundlovu	3	720	R358 731.00
Drafting of the KZN Provincial Regulatory Impact Assessment (RIA) Bill	3	120	R482 007.00
Drafting of Regulations for the KZN Business Bill	3	60	R486 000.00
Events Administration, PR and Commutations Support Services	1	480	R400 000.00
Develop a Corporate Identity and Brand Design Specialists Services for the KZN SBGE	4	60	R476 712.66
Investment Promotion Facilitation Strategy for Ilembe	3	200	R358 731.00
Establishment of One Village One Product UThukela Municipality	4	120	R465 145.00
Public Entity Oversight Support Services	1	480	R487 680.00
Voucher Control Services	1	240	R211 200.00
IGR Secretariat, Admin and Management Services	1	480	R440 000.00
Aerotropolis Programme Management Administration	1	480	R460 800.00
Establishment of One Village One Product-Zululand Municipality	5	180	R500 000.00
BEE Awareness and Training	3	240	R469 805.00
Feasibility Study and Business Plan KwaMbonambi Wild Palace	3	80	R476 794.00
Municipal Business Licensing Project Management Specialist	4	80	R5 800 .00
Research in Liquor Industry	4	120	R422 113.00
Catfish Farming Feasibility Study in KZN	5	80	R495 754.00
WI-FI	3	40	R500 000.00
KZN Environmental Information Management Strategy	5	80	R 499 958.40
Training and Development on Terms of Reference	1	30	R380 308.00
Establishment of Aerotropolis Institute	6	720	R9 874 395.00
Technical and financial support Sugarcane small scale growers in KZN	3	960	R51 826 935.00
KZN Energy and Fund	3	720	R11 973 900.00
Due Diligence Assessment and evaluation of the Gijima LCF Project	3	720	R1 015 131.00
Maritime Strategy-Uthungulu	5	120	R490 112.00
World Route Marketing and Communication Agency	2	100	R1 486 000.00
Establishment Project Planning and Performance Mechanism	5	720	R11 777 091.48
KZN Economic Council Secretariat	3	70	R5 485 430.12
Track Implementation of Provincial Economic Strategies	3	240	R1 094 214.00
Specialised Investment Advisory Team	5	720	R23 577 200.00
Project Management for Development of Dukuduku onsite settlement project	6	720	R24 997 959.90
Maritime Strategy-Ugu	5	120	R498 408.00
Conference and Exhibition for Drakensburg cable car	2	20+	R4 508 017.62
Aerotropolis Management Unit	2	720	R8 986 345.48



Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Nil			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016

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



PART E:

FINANCIAL INFORMATION

REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 4: Department of Economic Development, Tourism and Environmental Affairs

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Economic Development, Tourism and Environmental Affairs set out on pages 112 to 138, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the Financial Statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

- 5 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

- 6 In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Tourism and Environmental Affairs as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Report on other legal and regulatory requirements

- 7 In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

- 8 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for programme on page 42 - 43 and page 56 - 60 presented in the annual performance report of the department for the year ended 31 March 2016.
- 9 I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.



- 10 I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 11 I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Additional matters

- 12 Although I did not identify material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

- 13 Refer to the annual performance report on pages 39 to 60 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

- 14 I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for integrated economic development services, trade and industry development and environmental management. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

- 15 The supplementary information set out on pages 63 to 68 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

- 16 I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

- 17 Effective steps were not taken to prevent irregular expenditure of R12,8 million as disclosed in note 31 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

Internal control

- 18 I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report:

Financial and performance management

- 19 Although the department developed a plan to address external audit findings, the appropriate level of management did not timeously monitor adherence to the plan to prevent irregular expenditure.

Other reports

- 20 I draw attention to the following engagements that could potentially have an impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are in progress or have been completed.

Investigations

- 21 The provincial treasury performed seven (7) investigations, which covered the period from 2011 to 2016. Six (6) investigations have been finalised and one (1) investigation is in progress. The investigations were initiated based on allegations of possible irregularities relating to processes followed in securing departmental district offices, possible mismanagement of funds by a co-operative, fraud and corruption on local economic development project, and possible irregularities relating to events management expenditure.



Auditor-General

Pietermaritzburg
29 July 2016



ANNUAL FINANCIAL STATEMENTS FOR DEPARTMENT OF ECONOMIC
DEVELOPMENT, TOURISM AND ENVIROMENTAL AFFAIRS

For the year ended 31 March 2016

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APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per programme									
	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Final Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	210,326	-	(16,826)	193,500	185,577	7,923	95.9%	201,513	195,975
2. Integrated Economic Development Services	438,174	-	(10,817)	427,357	427,599	(242)	100.1%	541,684	502,886
3. Trade and Sector Development	943,714	-	2,874	946,588	939,786	6,802	99.3%	834,370	832,777
4. Business Regulation and Governance	99,491	-	(2,787)	96,704	96,704	-	100.0%	107,991	104,536
5. Economic Planning	32,100	-	(2,568)	29,532	29,492	40	99.9%	24,449	23,186
6. Tourism	356,306	-	25,123	381,429	375,674	5,755	98.5%	364,710	362,705
7. Environmental Affairs	917,008	-	5,001	922,009	928,753	(6,744)	100.7%	933,738	933,738
TOTAL	2,997,119	-	-	2,997,119	2,983,585	13,534	99.5%	3,008,455	2,955,803
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				63,726				135,161	
				3,060,845				3,143,616	
Actual amounts per Statement of Financial Performance (Total Revenue)									
Actual amounts per Statement of Financial Performance Expenditure									
					2,983,585				2,955,803

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	2015/16			Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
				R'000	R'000	R'000		R'000	R'000
Current payments	707,732	(9,280)	(48,732)	649,720	650,090	(370)	100.1%	684,275	626,825
Compensation of employees	283,711	-	(4,325)	279,386	276,699	2,687	99.0%	273,176	264,793
Salaries and wages	248,649	-	(2,619)	246,030	244,082	1,948	99.2%	243,757	234,820
Social contributions	35,062	-	(1,706)	33,356	32,617	739	97.8%	29,419	29,973
Goods and services	424,021	(9,280)	(44,407)	370,334	373,391	(3,057)	100.8%	411,099	362,032
Administrative fees	1,860	-	1,404	3,264	3,264	-	100.0%	2,459	2,295
Advertising	10,962	-	6,781	17,743	17,743	-	100.0%	11,747	9,977
Minor assets	2,189	-	(1,578)	611	611	-	100.0%	3,126	660
Audit costs: External	4,636	-	(1,214)	3,422	3,422	-	100.0%	2,775	2,468
Bursaries: Employees	414	-	(286)	128	128	-	100.0%	120	77
Catering: Departmental activities	5,183	-	(1,941)	3,242	3,242	-	100.0%	4,983	3,650
Communication (G&S)	11,480	(4)	(1,474)	10,002	10,002	-	100.0%	9,560	8,656
Computer services	12,298	-	(1,411)	10,887	10,887	-	100.0%	12,908	11,944
Consultants: Business and advisory services	190,985	(9,276)	(46,498)	135,211	136,482	(1,271)	100.9%	124,556	82,143
Laboratory services	86	-	(86)	-	-	-	-	4	-
Legal services	3,540	-	2,748	6,288	6,288	-	100.0%	6,046	11,394
Contractors	10,957	-	10,721	21,678	21,678	-	100.0%	27,223	25,438
Agency and support / outsourced services	40,709	-	4,713	45,422	52,466	(7,044)	115.5%	76,606	89,274
Entertainment	26	-	(26)	-	-	-	-	21	-
Fleet services (including government motor transport)	2,308	-	(107)	2,201	2,201	-	100.0%	2,388	2,351
Inventory: Clothing material and accessories	5	-	-	5	5	-	100.0%	139	223



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2015/16			2014/15		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation		Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000		
Inventory: Farming supplies	10,843	-	431	11,274	11,274	-	100.0%		5,299	5,824		
Inventory: Food and food supplies	1	-	(1)	-	-	-			41	-		
Inventory: Fuel, oil and gas	22	-	(22)	-	-	-			21	-		
Inventory: Learner and teacher support material	83	-	(83)	-	-	-			162	-		
Inventory: Materials and supplies	17	-	(17)	-	-	-			12	-		
Inventory: Medical supplies	70	-	(70)	-	-	-			66	-		
Consumable supplies	5,871	-	3,430	9,301	9,301	-	100.0%		5,668	3,523		
Consumable: Stationery, printing and office supplies	3,783	-	(1,566)	2,217	2,217	-	100.0%		4,368	3,738		
Operating leases	35,374	-	(14, 992)	20,382	15,124	5,258	74.2%		28,517	28,160		
Property payments	16,114	-	1,448	17,562	17,562	-	100.0%		15,932	15,792		
Transport provided: Departmental activity	3,282	-	(2,843)	439	439	-	100.0%		4,151	1,589		
Travel and subsistence	37,650	-	737	38,387	38,387	-	100.0%		37,910	36,784		
Training and development	3,198	-	449	3,647	3,647	-	100.0%		3,802	2,362		
Operating payments	4,721	-	(1,632)	3,089	3,089	-	100.0%		7,521	5,469		
Venues and facilities	4,241	-	(724)	3,517	3,517	-	100.0%		9,604	4,877		
Rental and hiring	1,113	-	(698)	415	415	-	100.0%		3,364	3,364		
Transfers and subsidies	2,285,179	9,280	48,361	2,342,820	2,329,045	13,775	99.4%		2,291,073	2,295,860		
Provinces and municipalities	1,319	4,000	4,500	9,819	9,552	267	97.3%		22,134	17,029		
Provinces	69	-	-	69	52	17	75.4%		-	-		
Provincial agencies and fund	69	-	-	69	52	17	75.4%		-	-		
Municipalities	1,250	4,000	4,500	9,750	9,500	250	97.4%		22,134	17,029		

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic Classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal bank accounts	-	-	-	-	-	-	-	1,000	900
Municipal agencies and funds	1,250	4,000	4,500	9,750	9,500	250	97.4%	21,134	16,129
Departmental agencies and accounts	1,542,575	4	1,121	1,543,700	1,543,700	-	100.0%	1,546,482	1,544,482
Departmental agencies (non-business entities)	1,542,575	4	1,121	1,543,700	1,543,700	-	100.0%	1,546,482	1,544,482
Higher education institutions	2,000	-	-	2,000	2,000	-	100.0%	3,030	3,030
Public corporations and private enterprises	513,702	5,276	29,361	548,339	540,534	7,805	98.6%	540,056	551,961
Public corporations	391,243	-	-	391,243	391,043	200	99.9%	347,770	346,970
Other transfers to public corporations	391,243	-	-	391,243	391,043	200	99.9%	347,770	346,970
Private enterprises	122,459	5,276	29,361	157,096	149,491	7,605	95.2%	192,286	204,991
Other transfers to private enterprises	122,459	5,276	29,361	157,096	149,491	7,605	95.2%	192,286	204,991
Non-profit institutions	214,552	-	12,871	227,423	222,421	5,002	97.8%	164,528	164,515
Households	11,031	-	508	11,539	10,838	701	93.9%	14,843	14,843
Social benefits	651	-	508	1,159	1,159	-	100.0%	1,147	1,147
Other transfers to households	10,380	-	-	10,380	9,679	701	93.2%	13,696	13,696
Payments for capital assets	3,972	-	-	3,972	3,843	129	96.8%	33,107	33,107
Buildings and other fixed structures	-	-	17	17	17	-	100.0%	28	28
Other fixed structures	-	-	17	17	17	-	100.0%	28	28
Machinery and equipment	3,872	-	(17)	3,855	3,826	29	99.2%	10,079	10,079
Transport equipment	1,200	-	826	2,026	2,026	-	100.0%	4,024	4,024
Other machinery and equipment	2,672	-	(843)	1,829	1,800	29	98.4%	6,055	6,055



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic Classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land and sub-soil assets	-	-	-	-	-	-	-	23,000	23,000
Software and other intangible assets	100	-	-	100	-	100	-	-	-
Payment for financial assets	236	-	371	607	607	-	100.0%	-	11
Total	2,997,119	-	-	2,997,119	2,983,585	13,534	99.5%	3,008,455	2,955,803

Programme 1: Administration									
Sub programme	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Office of the MEC	23,633	-	539	24,172	24,172	-	100.0%	29,221	29,125
2. Office of the HOD	30,109	-	(792)	29,317	29,316	1	100.0%	30,049	29,191
3. Financial Management	38,450	-	(5,052)	33,398	33,381	17	99.9%	33,987	31,293
4. Corporate Services	118,134	-	(11,521)	106,613	98,708	7,905	92.6%	108,256	106,366
Total	210,326	-	(16,826)	193,500	185,577	7,923	95.9%	201,513	195,975

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	207,139	(4)	(18,059)	189,076	181,171	7,905	95.8%	190,975	185,522
Compensation of employees	74,381	-	(577)	73,804	71,157	2,647	96.4%	75,404	70,809
Salaries and wages	65,510	-	(547)	64,963	63,015	1,948	97.0%	67,746	63,165
Social contributions	8,871	-	(30)	8,841	8,142	699	92.1%	7,658	7,644
Goods and services	132,758	(4)	(17,482)	115,272	110,014	5,258	95.4%	115,571	114,713
Administrative fees	1,123	-	774	1,897	1,897	-	100.0%	1,905	1,905
Advertising	4,046	-	4,587	8,633	8,633	-	100.0%	4,211	4,211
Minor assets	350	-	(76)	274	274	-	100.0%	121	121
Audit costs: External	4,262	-	(840)	3,422	3,422	-	100.0%	2,468	2,468
Bursaries: Employees	335	-	(207)	128	128	-	100.0%	77	77
Catering Departmental activities	2,379	-	(1,042)	1,337	1,337	-	100.0%	349	347
Communication (G&S)	8,650	(4)	(1,234)	7,412	7,412	-	100.0%	5,979	5,939
Computer services	11,645	-	(1,498)	10,147	10,147	-	100.0%	11,915	11,915
Consultants: Business and advisory services	21,779	-	(8,169)	13,610	13,610	-	100.0%	12,623	12,288
Legal services	2,711	-	1,738	4,449	4,449	-	100.0%	2,802	2,696
Contractors	3,434	-	5,537	8,971	8,971	-	100.0%	7,278	7,278
	120	-	278	398	398	-	100.0%	23	23
Agency and support / outsourced services									
Entertainment	6	-	(6)	-	-	-	-	-	-
Fleet services (including government motor transport)	2,264	-	(63)	2,201	2,201	-	100.0%	2,123	2,123
Inventory: Materials and supplies	1	-	(1)	-	-	-	-	-	-
Consumable supplies	107	-	7	114	114	-	100.0%	185	149

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumables: Stationery, printing and office supplies	2,684	-	(883)	1,801	1,801	-	100.0%	2,119	2,086
Operating leases	34,742	-	(14,643)	20,099	14,841	5,258	73.8%	25,205	25,205
Property payments	15,961	-	1,491	17,452	17,452	-	100.0%	15,623	15,623
Transport provided: Departmental activity	547	-	(525)	22	22	-	100.0%	210	210
Travel and subsistence	11,284	-	(329)	10,955	10,955	-	100.0%	14,206	14,206
Training and development	798	-	93	891	891	-	100.0%	2,042	2,042
Operating payments	1,304	-	(265)	1,039	1,039	-	100.0%	3,266	3,266
Venues and facilities	1,794	-	(1,779)	15	15	-	100.0%	625	319
Rental and hiring	432	-	(427)	5	5	-	100.0%	216	216
Transfers and subsidies	1,088	4	223	1,315	1,297	18	98.6%	1,900	1,804
Provinces and municipalities	69	-	-	69	52	17	75.4%	24	24
Provinces	69	-	-	69	52	17	75.4%	-	-
Provincial agencies and funds	69	-	-	69	52	17	75.4%	-	-
Municipalities	-	-	-	-	-	-	-	24	24
Municipal agencies and funds	-	-	-	-	-	-	-	24	24
Departmental agencies and accounts	3	4	-	7	7	-	100.0%	548	548
Departmental agencies (non-business entities)	3	4	-	7	7	-	100.0%	548	548
Public corporations and private enterprises	186	-	70	256	256	-	100.0%	96	-

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations	96	-	-	96	96	-	100.0%	-	-
Other transfers to public corporations	96	-	-	96	96	-	100.0%	-	-
Private enterprises	90	-	70	160	160	-	100.0%	96	-
Other transfers to private enterprises	90	-	70	160	160	-	100.0%	96	-
Non-profit institutions	-	-	-	-	-	-	-	-	129
Households	830	-	153	983	982	1	99.9%	1,103	1,103
Social benefits	330	-	153	483	483	-	100.0%	104	104
Other transfers to households	500	-	-	500	499	1	99.8%	999	999
Payments for capital assets	2,099	-	878	2,977	2,977	-	100.0%	8,638	8,638
Buildings and other fixed structures	-	-	17	17	17	-	100.0%	28	28
Other fixed structures	-	-	17	17	17	-	100.0%	28	28
Machinery and equipment	2,099	-	861	2,960	2,960	-	100.0%	8,610	8,610
Transport equipment	1,200	-	826	2,026	2,026	-	100.0%	4,024	4,024
Other machinery and equipment	899	-	35	934	934	-	100.0%	4,586	4,586
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	132	132	132	-	100.0%	-	11
Total	210,326	-	(16,826)	193,500	185,577	7,923	95.9%	201,513	195,975



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Programme 2: Integrated Economic Development Services									
	2015/16					Expenditure as % of final appropriation	2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Appropriation	Final	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme									
1. Enterprise Development	371,530	-	(2,652)	368,878	367,978	900	445,638	418,037	
2. Regional and local Economic Development	22,736	-	(4,603)	18,133	18,004	129	42,547	39,892	
3. Economic Empowerment	43,908	-	(3,562)	40,346	41,617	(1,271)	53,499	44,957	
Total	438,174	-	(10,817)	427,357	427,599	(242)	541,684	502,886	

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic Classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	133,487	(9,276)	(9,650)	114,561	115,832	(1,271)	101.1%	151,696	113,698
Compensation of employees	56,091	-	(1,805)	54,286	54,286	-	100.0%	53,111	51,482
Salaries and wages	49,679	-	(843)	48,836	48,836	-	100.0%	48,088	46,393
Social contributions	6,412	-	(962)	5,450	5,450	-	100.0%	5,023	5,089
Goods and services	77,396	(9,276)	(7,845)	60,275	61,546	(1,271)	102.1%	98,585	62,216
Administrative fees	144	-	131	275	275	-	100.0%	153	153
Advertising	915	-	(10)	905	905	-	100.0%	2,253	1,772
Minor assets	398	-	(388)	10	10	-	100.0%	170	74
Audit costs: External	-	-	-	-	-	-	-	40	-
Bursaries: Employees	(6)	-	6	-	-	-	-	-	-
Catering: Departmental activities	589	-	329	918	918	-	100.0%	2,319	2,248
Communication (G&S)	1,476	-	(607)	869	869	-	100.0%	1,119	773
Computer services	-	-	608	608	608	-	100.0%	-	-
Consultants: Business and advisory services	65,780	(9,276)	(9,676)	46,828	48,099	(1,271)	102.7%	68,913	40,190
Legal services	203	-	-	203	203	-	100.0%	368	368
Contractors	21	-	50	71	71	-	100.0%	3,420	3,249
Agency and support / outsourced services	3	-	-	3	3	-	100.0%	15	15
Consumable supplies	12	-	(10)	2	2	-	100.0%	1,745	1,745



for the year ended 31 March 2016

Appropriation per economic classification									
Economic Classification	2015/16				2014/15			Expenditure as % of final appropriation	Variance
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Appropriation	Final Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Consumable: Stationery, printing and office supplies	43	-	(41)	2	2	-	139	100.0%	16
Operating leases	100	-	(33)	67	67	-	170	100.0%	170
Property payments	-	-	62	62	62	-	-	100.0%	-
Transport provided: Departmental activity	119	-	44	163	163	-	939	100.0%	866
Travel and subsistence	5,674	-	(369)	5,305	5,305	-	8,027	100.0%	6,341
Training and development	82	-	997	1,079	1,079	-	30	100.0%	30
Operating payments	624	-	(551)	73	73	-	1,582	100.0%	69
Venues and facilities	1,093	-	1,399	2,492	2,492	-	4,389	100.0%	1,343
Rental and hiring	126	-	214	340	340	-	2,794	100.0%	2,794
Transfers and subsides	304,362	9,276	(1,163)	312,475	311,575	900	389,576	99.7%	388,776
Provinces and municipalities	-	2,000	-	2,000	2,000	-	992	100.0%	992
Municipalities	-	2,000	-	2,000	2,000	-	992	100.0%	992
Municipal agencies and funds	-	2,000	-	2,000	2,000	-	992	100.0%	992
Higher education institutions	-	-	-	-	-	-	2,780	-	2,780

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic Classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations and private enterprises	199,404	7,276	-	206,680	206,480	200	99.9%	317,990	317,190
Public corporations	192,200	-	-	192,200	192,000	200	99.9%	279,600	278,800
Other transfers to public corporations	192,200	-	-	192,200	192,000	200	99.9%	279,600	278,800
Private enterprises	7,204	7,276	-	14,480	14,480	-	100.0%	38,390	38,390
Other transfers to private enterprises	7,204	7,276	-	14,480	14,480	-	100.0%	38,390	38,390
Non-profit institutions	95,000	-	-	95,000	95,000	-	100.0%	55,000	55,000
Households	9,958	-	(1,163)	8,795	8,095	700	92.0%	12,814	12,814
Social benefits	78	-	22	100	100	-	100.0%	117	117
Other transfers to households	9,880	-	(1,185)	8,695	7,995	700	91.9%	12,697	12,697
Payments for capital assets	325	-	(114)	211	82	129	38.9%	412	412
Machinery and equipment	225	-	(114)	111	82	29	73.9%	412	412
Other machinery and equipment	225	-	(114)	111	82	29	73.9%	412	412
Software and other intangible assets	100	-	-	100	-	100	-	-	-
Payment for financial assets	-	-	110	110	110	-	100.0%	-	-
Total	438,174	-	(10,817)	427,357	427,599	(242)	100.1%	541,684	502,886

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Programme 3: Trade and Sector Development									
	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Trade and Investment Promotion	584,216	-	(3,511)	580,705	580,705	-	100.0%	599,881	599,746
2. Sector Development	160,551	-	6,385	166,936	160,134	6,802	95.9%	166,319	164,861
3. Strategic Initiatives	198,947	-	-	198,947	198,947	-	100.0%	68,170	68,170
Total	943,714	-	2,874	946,588	939,786	6,802	99.3%	834,370	832,777

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification	2015/16						2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Economic classification								
Current payments	39,989	-	(5,728)	34,261	34,261	-	100.0%	37,731
Compensation of employees	10,747	-	(74)	10,673	10,673	-	100.0%	8,970
Salaries and wages	9,445	-	136	9,581	9,581	-	100.0%	8,117
Social contributions	1,302	-	(210)	1,092	1,092	-	100.0%	853
Goods and services	29,242	-	(5,654)	23,588	23,588	-	100.0%	28,761
Administrative fees	110	-	71	181	181	-	100.0%	60
Advertising	2,640	-	1,726	4,366	4,366	-	100.0%	1,146
Minor assets	129	-	(125)	4	4	-	100.0%	28
Bursaries: Employees	86	-	(86)	-	-	-	-	-
Catering: Departmental activities	239	-	(2)	237	237	-	100.0%	79
Communication (G&S)	200	-	(72)	128	128	-	100.0%	194
Consultants: Business and advisory services	21,411	-	(7,854)	13,557	13,557	-	100.0%	18,636
Contractors	1,500	-	542	2,042	2,042	-	100.0%	1,754
Agency and support / outsourced services	6	-	-	6	6	-	100.0%	8
Consumable supplies	-	-	-	-	-	-	-	3
Consumable: Stationery, printing and office supplies	16	-	(16)	-	-	-	-	6
Operating leases	30	-	-	30	30	-	100.0%	2,294
Property payments	-	-	-	-	-	-	-	167



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	2015/16			Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
				R'000	R'000	R'000		R'000	R'000
Transport provided:	180	-	-	-	180	-	100.0%	-	-
Departmental activity									
Travel and subsistence	2,406	-	133	-	2,539	2,539	100.0%	2,735	2,735
Training and development	1	-	99	-	100	100	100.0%	-	-
Operating payments	257	-	(120)	-	137	137	100.0%	38	38
Venues and facilities	(13)	-	50	-	37	37	100.0%	1,607	1,607
Rental and hiring	44	-	-	-	44	44	100.0%	-	-
Transfers and subsidies	903,696	-	8,561	-	912,257	905,455	99.3%	773,511	773,513
Provinces and municipalities	-	500	-	-	500	500	100.0%	-	-
Municipalities	-	500	-	-	500	500	100.0%	-	-
Municipal agencies and funds	-	500	-	-	500	500	100.0%	-	-
Departmental agencies and accounts	573,975	-	-	-	573,975	573,975	100.0%	596,851	596,851
Departmental agencies (non-business entities)	573,975	-	-	-	573,975	573,975	100.0%	596,851	596,851
Public corporations and private enterprises	216,964	(500)	-	-	216,464	214,464	99.2%	79,440	79,442
Public corporations	198,947	-	-	-	198,947	198,947	100.0%	68,170	68,170
Other transfers to public corporations	198,947	-	-	-	198,947	198,947	100.0%	68,170	68,170
Private enterprises	18,017	(500)	-	-	17,517	15,717	89.7%	11,270	11,272
Other transfers to private enterprises	18,017	(500)	-	-	17,517	15,717	89.7%	11,270	11,272

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	112,757	-	8,561	121,318	116,316	5,002	95.9%	97,159	97,159
Households	-	-	-	-	-	-	-	61	61
Social benefits	-	-	-	-	-	-	-	61	61
Payments for capital assets	29	-	26	55	55	-	100.0%	23,128	23,128
Machinery and equipment	29	-	26	55	55	-	100.0%	128	128
Other machinery and equipment	29	-	26	55	55	-	100.0%	128	128
Land and sub-soil assets	-	-	-	-	-	-	-	23,000	23,000
Payment for financial assets	-	-	15	15	15	-	100.0%	-	-
Total	943,714	-	2,874	946,588	939,786	6,802	99.3%	834,370	832,777

Programme 4: Business Regulation and Governance									
	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Regulation Service	7,677	-	(805)	6,872	6,872	-	100.0%	6,208	4,398
2. Consumer Protection	21,806	-	(1,982)	19,824	19,824	-	100.0%	24,501	22,856
3. Liquor Regulation	70,008	-	-	70,008	70,008	-	100.0%	77,282	77,282
Total	99,491	-	(2,787)	96,704	96,704	-	100.0%	107,991	104,536

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29,308	-	(2,789)	26,519	26,519	-	100.0%	30,359	26,904
Compensation of employees	16,280	-	514	16,794	16,794	-	100.0%	16,524	16,716
Salaries and wages	14,211	-	424	14,635	14,635	-	100.0%	14,505	14,697
Social contributions	2,069	-	90	2,159	2,159	-	100.0%	2,019	2,019
Goods and services	13,028	-	(3,303)	9,725	9,725	-	100.0%	13,835	10,188
Administrative fees	40	-	34	74	74	-	100.0%	35	35
Advertising	1,841	-	281	2,122	2,122	-	100.0%	2,426	1,800
Minor assets	17	-	(10)	7	7	-	100.0%	244	68
Catering: Departmental activities	926	-	(900)	26	26	-	100.0%	870	499
Communication (G&S)	331	-	204	535	535	-	100.0%	435	435
Consultants: Business and advisory services	3,101	-	(1,767)	1,334	1,334	-	100.0%	1,313	1,110
Contractors	2,548	-	453	3,001	3,001	-	100.0%	4,427	3,459
Agency and support / outsourced services	-	-	-	-	-	-	-	3	3
Consumable supplies	7	-	(6)	1	1	-	100.0%	8	4
Consumable: Stationery, printing and office supplies	10	-	(10)	-	-	-	-	35	32
Transport provided: Departmental activity	426	-	(426)	-	-	-	-	649	247
Travel and subsistence	3,192	-	(845)	2,347	2,347	-	100.0%	2,216	1,704

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	2015/16			2014/15		
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	409	-	(187)	222	222	-	100.0%	397	397
Venues and facilities	180	-	(124)	56	56	-	100.0%	490	108
Rental and hiring	-	-	-	-	-	-	-	287	287
Transfers and subsidies	70,065	-	-	70,065	70,065	-	100.0%	77,407	77,407
Departmental agencies and accounts	70,008	-	-	70,008	70,008	-	100.0%	77,282	77,282
Departmental agencies (non-business entities)	70,008	-	-	70,008	70,008	-	100.0%	77,282	77,282
Households	57	-	-	57	57	-	100.0%	125	125
Social benefits	57	-	-	57	57	-	100.0%	125	125
Payments for capital assets	118	-	(69)	49	49	-	100.0%	225	225
Machinery and equipment	118	-	(69)	49	49	-	100.0%	225	225
Other machinery and equipment	118	-	(69)	49	49	-	100.0%	225	225
Payment for financial assets	-	-	71	71	71	-	-	-	-
Total	99,491	-	(2,787)	96,704	96,704	-	100.0%	107,991	104,536



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Programme 5: Economic Planning									
	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Policy and Planning	7,274	-	(1,994)	5,280	5,240	40	99.2%	5,157	4,348
2. Research and Development	12,093	-	3,291	15,384	15,384	-	100.0%	10,870	10,688
3. Knowledge Management	6,680	-	(3,991)	2,689	2,689	-	100.0%	2,626	2,626
4. Monitoring and Evaluation	6,053	-	126	6,179	6,179	-	100.0%	5,796	5,524
Total	32,100	-	(2,568)	29,532	29,492	40	99.9%	24,449	23,186

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	30,975	-	(2,687)	27,388	27,348	40	99.9%	23,930	22,667
Compensation of employees	14,672	-	(351)	14,321	14,281	40	99.7%	13,063	13,031
Salaries and wages	12,821	-	(30)	12,791	12,791	-	100.0%	11,716	11,706
Social contributions	1,851	-	(321)	1,530	1,490	40	97.4%	1,347	1,325
Goods and services	15,403	-	(2,336)	13,067	13,067	-	100.0%	10,867	9,636
Administrative fees	41	-	82	123	123	-	100.0%	25	25
Advertising	219	-	(19)	200	200	-	100.0%	27	27
Minor assets	402	-	(388)	14	14	-	100.0%	115	115
Catering: Departmental activities	62	-	(43)	19	19	-	100.0%	58	31
Communication (G&S)	120	-	38	158	158	-	100.0%	196	167
Computer services	542	-	(410)	132	132	-	100.0%	32	29
Consultants: Business and advisory services	9,778	-	18	9,796	9,796	-	100.0%	5,813	5,813
Contractors	-	-	-	-	-	-	-	34	34
Agency and support / outsourced services	-	-	40	40	40	-	100.0%	-	-
Consumable supplies	97	-	(60)	37	37	-	100.0%	32	28
Consumable: Stationery, printing and office supplies	11	-	104	115	115	-	100.0%	190	190
Travel and subsistence	2,287	-	(683)	1,604	1,604	-	100.0%	1,546	1,486
Training and development	110	-	(83)	27	27	-	100.0%	190	21



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	837	-	(192)	645	645	-	100.0%	1,482	633
Venues and facilities	897	-	(740)	157	157	-	100.0%	1,127	1,037
Transfers and subsidies	2,007	-	24	2,031	2,031	-	100.0%	266	266
Higher education institutions	2,000	-	-	2,000	2,000	-	100.0%	250	250
Households	7	-	24	31	31	-	100.0%	16	16
Social benefits	7	-	24	31	31	-	100.0%	16	16
Payments for capital assets	18	-	52	70	70	-	100.0%	253	253
Machinery and equipment	18	-	52	70	70	-	100.0%	253	253
Other machinery and equipment	18	-	52	70	70	-	100.0%	253	253
Payment for financial assets	-	-	43	43	43	-	100.0%	-	-
Total	32,100	-	(2,568)	29,532	29,492	40	99.9%	24,449	23,186

Programme 6: Tourism							2014/15		
Sub programme	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Tourism Sector Transformation	5,469	-	(1,709)	3,760	3,010	750	80.1%	5,476	4,724
2. Tourism Planning	11,484	-	(6,762)	4,722	4,722	-	100.0%	8,896	6,209
3. Tourism Growth and Development	339,353	-	33,594	372,947	367,942	5,005	98.7%	350,338	351,772
Total	356,306	-	25,123	381,429	375,674	5,755	98.5%	364,710	362,705

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	77,449	-	(4,689)	72,760	72,760	-	100.0%	38,856	26,057
Compensation of employees	10,346	-	200	10,546	10,546	-	100.0%	9,530	8,743
Salaries and wages	9,021	-	449	9,470	9,470	-	100.0%	8,508	7,820
Social contributions	1,325	-	(249)	1,076	1,076	-	100.0%	1,022	923
Goods and services	67,103	-	(4,889)	62,214	62,214	-	100.0%	29,326	17,314
Administrative fees	45	-	96	141	141	-	100.0%	49	49
Advertising	87	-	532	619	619	-	100.0%	1,013	945
Minor assets	-	-	3	3	3	-	100.0%	5	5
Catering: Departmental activities	481	-	(420)	61	61	-	100.0%	654	209
Communication (G&S)	66	-	73	139	139	-	100.0%	138	108
Consultants: Business and advisory services	63,425	-	(13,521)	49,904	49,904	-	100.0%	15,666	4,644
Contractors	314	-	4,750	5,064	5,064	-	100.0%	9,358	9,358
Agency and support / outsourced services	-	-	-	-	-	-	-	3	3
Consumable supplies	-	-	-	-	-	-	-	15	15
Consumable: Stationery, printing and office supplies	65	-	(45)	20	20	-	100.0%	11	11
Transport provided: Departmental activity	516	-	(449)	67	67	-	100.0%	524	252
Travel and subsistence	1,572	-	3,981	5,553	5,553	-	100.0%	1,747	1,573

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	21	-	(14)	7	7	-	100.0%	76	75
Venues and facilities	-	-	610	610	610	-	100.0%	-	-
Rental and hiring	511	-	(485)	26	26	-	100.0%	67	67
Transfers and subsidies	278,621	-	29,812	308,433	302,678	5,755	98.1%	325,854	336,648
Provinces and municipalities	1,250	1,500	-	2,750	2,500	250	90.9%	14,118	14,113
Municipalities	1,250	1,500	-	2,750	2,500	250	90.9%	14,118	14,113
Municipal agencies and funds	1,250	1,500	-	2,750	2,500	250	90.9%	14,118	14,113
Departmental agencies and accounts	179,623	-	1,121	180,744	180,744	-	100.0%	168,906	166,906
Departmental agencies (non-business entities)	179,623	-	1,121	180,744	180,744	-	100.0%	168,906	166,906
Public corporations and private enterprises	97,148	(1,500)	28,691	124,339	118,834	5,505	95.6%	142,530	155,329
Private enterprises	97,148	(1,500)	28,691	124,339	118,834	5,505	95.6%	142,530	155,329
Other transfers to private enterprises	97,148	(1,500)	28,691	124,339	118,834	5,505	95.6%	142,530	155,329
Non-profit institutions	600	-	-	600	600	-	100.0%	300	300
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Payment for financial assets	236	-	-	236	236	-	100.0%	-	-
Total	356,306	-	25,123	381,429	375,674	5,755	99.9%	364,710	362,705

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Programme 7: Environmental Affairs									
	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Environmental Policy Planning and Coordination	7,135	-	3,808	10,943	10,943	-	100.0%	5,283	3,764
2. Compliance and Enforcement	35,424	-	(2,606)	32,818	32,818	-	100.0%	29,793	32,593
3. Environmental Quality Management	42,878	-	(10,342)	32,536	32,536	-	100.0%	44,086	28,098
4. Biodiversity Management	795,919	-	8,342	804,261	811,305	(7,044)	100.9%	807,322	823,924
5. Environmental Empowerment Services	30,756	-	3,214	33,970	33,970	-	100.0%	43,941	35,567
6. General Manager Environmental Affairs	4,896	-	2,585	7,481	7,181	300	96.0%	3,313	9,792
Total	917,008	-	5,001	922,009	928,753	(6,744)	100.7%	933,738	933,738



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	2015/16		Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	Final Appropriation	Actual Expenditure	R'000	%	R'000-	R'000
Current payments	190,285	-	(5,130)	185,155	192,199	(7,044)	103.8%	210,728	215,841
Compensation of employees	101,194	-	(2,232)	98,962	98,962	-	100.0%	96,574	95,668
Salaries and wages	87,962	-	(2,208)	85,754	85,754	-	100.0%	85,077	83,548
Social contributions	13,232	-	(24)	13,208	13,208	-	100.0%	11,497	12,120
Goods and services	89,091	-	(2,898)	86,193	93,237	(7,044)	108.2%	114,154	120,173
Administrative fees	357	-	216	573	573	-	100.0%	232	77
Advertising	1,214	-	(316)	898	898	-	100.0%	671	76
Minor assets	893	-	(594)	299	299	-	100.0%	2,443	254
Audit costs: External	374	-	(374)	-	-	-	-	267	-
Bursaries: Employees	(1)	-	1	-	-	-	-	43	-
Catering: Departmental activities	507	-	137	644	644	-	100.0%	654	237
Communication (G&S)	637	-	124	761	761	-	100.0%	1,499	1,063
Computer services	111	-	(111)	-	-	-	-	961	-
Consultants: Business and advisory services	5,711	-	(5,529)	182	182	-	100.0%	1,592	382
Laboratory services	86	-	(86)	-	-	-	-	4	-
Legal services	626	-	1,010	1,636	1,636	-	100.0%	2,876	8,330
Contractors	3,140	-	(611)	2,529	2,529	-	100.0%	952	306
Agency and support / outsourced services	40,580	-	4,395	44,975	52,019	(7,044)	115.7%	76,554	89,222
Entertainment	20	-	(20)	-	-	-	-	21	-
Fleet services (including government motor transport)	44	-	(44)	-	-	-	-	265	228

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000-	R'000
Inventory: Clothing material and accessories	5	-	-	5	5	-	100.0%	139	223
Inventory: Farming supplies	10,843	-	431	11,274	11,274	-	100.0%	5,299	5,824
Inventory: Food and food supplies	1	-	(1)	-	-	-	-	41	-
Inventory: Fuel, oil and gas	22	-	(22)	-	-	-	-	21	-
Inventory: Learner and teacher support material	83	-	(83)	-	-	-	-	162	-
Inventory: Materials and supplies	16	-	(16)	-	-	-	-	12	-
Inventory: Medical supplies	70	-	(70)	-	-	-	-	66	-
Consumable supplies	5,648	-	3,499	9,147	9,147	-	100.0%	3,674	1,579
Consumable: Stationery, printing and office supplies	954	-	(675)	279	279	-	100.0%	1,868	1,403
Operating leases	502	-	(316)	186	186	-	100.0%	848	491
Property payments	153	-	(105)	48	48	-	100.0%	142	2
Transport provided: Departmental activity	1,494	-	(1,487)	7	7	-	100.0%	1,829	14
Travel and subsistence	11,235	-	(1,151)	10,084	10,084	-	100.0%	7,433	8,739
Training and development	2,207	-	(657)	1,550	1,550	-	100.0%	1,540	269
Operating payments	1,269	-	(303)	966	966	-	100.0%	680	991
Venues and facilities	290	-	(140)	150	150	-	100.0%	1,366	463
Transfers and subsidies	725,340	-	10,904	736,244	735,944	300	100.0%	722,559	717,446



APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification							2014/15		
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000-	R'000
Provinces and municipalities	-	-	4,500	4,500	4,500	-	100.0%	7,000	1,900
Municipalities	-	-	4,500	4,500	4,500	-	100.0%	7,000	1,900
Municipal bank accounts	-	-	-	-	-	-	-	1,000	900
Municipal agencies and funds	-	-	4,500	4,500	4,500	-	100.0%	6,000	1,000
Departmental agencies and accounts	718,966	-	-	718,966	718,966	-	100.0%	702,895	702,895
Departmental agencies (non-business entities)	718,966	-	-	718,966	718,966	-	100.0%	702,895	702,895
Public corporations and private enterprises	-	-	600	600	300	300	50.0%	-	-
Private enterprises	-	-	600	600	300	300	50.0%	-	-
Other transfers to private enterprises	-	-	600	600	300	300	50.0%	-	-
Non-profit institutions	6,195	-	4,310	10,505	10,505	-	100.0%	11,940	11,927
Households	179	-	1,494	1,673	1,673	-	100.0%	724	724
Social benefits	179	-	309	488	488	-	100.0%	724	724
Other transfers to households	-	-	1,185	1,185	1,185	-	100.0%	-	-
Payments for capital assets	1,383	-	(773)	610	610	-	100.0%	451	451
Machinery and equipment	1,383	-	(773)	610	610	-	100.0%	451	451
Other machinery and equipment	1,383	-	(773)	610	610	-	100.0%	451	451
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	917,008	-	5,001	922,009	928,753	(6,744)	100.7%	933,738	933,738

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2016

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexures to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3 Detail on payments for financial assets

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

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

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'ooo	R'ooo	R'ooo	%
P1: Administration	193,500	185,577	7,923	4.09%

The Programme under spent, mainly due to delays in receiving invoices for property leases from the Department of Public works.

P2: Integrated Economic Dev	427,357	427,599	-242	-0.06%
P3: Trade and Sector Development	946,588	939,786	6,802	0.72%
P4: Business Regulation	96,704	96,704	0	0.00%
P5: Economic Planning	29,532	29,492	40	0.14%
P6: Tourism	381,429	375,674	5,755	1.51
P7: Environmental Affairs	922,009	928,753	-6,744	-0.73



Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%

Current expenditure

Compensation of employees	279,386	276,699	2,687	0.96%
Goods and services	370,334	373,391	-3,057	-0.83%

Transfers and subsidies

Provinces and municipalities	9,819	9,552	267	2.72%
Departmental agencies and accounts	1,543,700	1,543,700	0	0.00%
Higher education institutions	2,000	2,000	0	0.00%
Public corporations and private enterprises	548,339	540,534	7,805	1.42%
Non-profit institutions	227,423	222,421	5,002	2.20%
Households	11,539	10,838	701	6.08%

Payments for capital assets

Buildings and other fixed structures	17	17	0	0.00%
Machinery and equipment	3,855	3,826	29	0.75%
Software and other intangible assets	100	0	100	100.00%

Payments for financial assets

607	607	0)	0.00%
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Provinces & Municipalities: the under spending is due to admin challenges with regards to Dundee July.

Non Profit Institution under spending is due to delays in the signing of SLA as a result of technical challenges with KZN Film commission.

Households is due to Unizulu students who dropped off before completing the course.

Software and other intangible is due to failure to obtain suitable supplier for Gijima website

Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Only show the conditional grants applicable to the department				
EPWP Intergrated Grant for Provinces	9,599	10,734	-1,135	-11.82%

EPWP Grant was reduced by R1.135m during adjustment budget however the same was re-allocated by Provincial Treasury from provincial cash resources and is therefore treated as Equitable share although the funds had to be spent for EPWP grant.

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	2,997,119	3,008,455
Departmental revenue	2	63,726	135,161
TOTAL REVENUE		3,060,845	3,143,616
EXPENDITURE			
Current expenditure			
Compensation of employees	3	276,698	264,794
Goods and Services	4	373,392	362,030
Total current expenditure		650,090	626,824
Transfers and subsidies			
Transfers and subsidies	6	2,329,045	2,295,859
Total transfers and subsidies		2,329,045	2,295,859
Expenditure for capital assets			
Tangible capital assets	7	3,844	33,109
Total expenditure for capital assets		3,844	33,109
Unauthorised expenditure approved without funding	8	236	-
Payments for financial assets	5	370	11
TOTAL EXPENDITURE		2,983,585	2,955,803
SURPLUS FOR THE YEAR		77,260	187,813
Reconciliation of Net Surplus for the year			
Voted funds		13,534	52,652
Annual appropriation		13,534	52,652
Departmental revenue and NRF Receipts	14	63,726	135,161
SURPLUS FOR THE YEAR		77,260	187,813



STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	Notes	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets			58,735
Unauthorised expenditure	8	6,986	15,571
Cash and cash equivalents	9	-	39,269
Prepayments and advances	10	3,164	1,737
Receivables	11	780	2,158
Non-current assets		1,041,167	1,037,381
Investments	12	1,008,607	1,008,607
Receivables	11	32,560	28,774
TOTAL ASSETS		1,052,097	1,096,116
LIABILITIES			
Current liabilities		39,809	87,043
Voted funds to be surrendered to the Revenue Fund	13	25,520	91,683
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	(14,398)	(4,714)
Bank overdraft	15	28,165	-
Payables	16	522	74
TOTAL LIABILITIES		39,809	87,043
NET ASSETS		1,012,288	1,009,073
Represented by:			
Capitalisation reserve		1,008,607	1,008,607
Recoverable revenue		3,681	466
TOTAL		1,012,288	1,009,073

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2016

NET ASSETS	Notes	2015/16 R'000	2014/15 R'000
Capitalisation Reserves			
Opening balance		1,008,607	1,008,607
Closing balance		<u>1,008,607</u>	<u>1,008,607</u>
Recoverable revenue			
Opening balance		466	484
Transfers:		3,215	(18)
Debts recovered (included in departmental receipts)		(208)	(160)
Debts raised		3,423	142
Closing balance		<u>3,681</u>	<u>466</u>
TOTAL		<u><u>1,012,288</u></u>	<u><u>1,009,073</u></u>



CASH FLOW STATEMENT for the year ended 31 March 2016

CASH FLOW	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,065,083	3,143,314
Annual appropriated funds received	1.1	3,002,119	3,008,455
Departmental revenue received	2	62,956	134,854
Interest received	2.3	8	5
Net increase in working capital		5,198	(21)
Surrendered/(Received from) to Revenue Fund		(165,093)	394,785
Surrendered to RDP Fund/Donor		-	-
Current payments		(643,340)	(626,824)
Payments for financial assets		(370)	(11)
Transfers and subsidies paid		(2,329,045)	(2,295,859)
Net cash flow available from operating activities	17	(67,567)	615,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3,844)	(33,109)
Proceeds from sale of capital assets	2.4	762	302
Net cash flows from investing activities		(3,082)	(32,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		3,215	(18)
Net cash flows from financing activities		3,215	(18)
Net increase/(decrease) in cash and cash equivalents		(67,434)	582,559
Cash and cash equivalents at beginning of period		39,269	(543,290)
Cash and cash equivalents at end of period	9	(28,165)	39,269

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.4 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.5 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have

been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.



1.6 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

2.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position

2.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

3.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

3.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

3.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost

3.4 Leases**3.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements

3.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.



4. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts

5. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost

6. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

7. Investments

Investments are recognised in the statement of financial position at cost

8. Payables

Loans and payables are recognised in the statement of financial position at cost.

9. Capital assets**9.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

9.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

9.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.



10. Provisions and contingents

10.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the

obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

10.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably

10.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department

10.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

11. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

12. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable

13. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

14. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is

impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.



15. Events after the reporting date

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable

16. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

17. Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length

1. Annual Appropriation

1.1 Annual Appropriation

	2015/16			2014/15	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation received R'000
Administration	193,500	193,500	-	201,513	201,513
Integrated Economic Development Services	427,357	427,357	-	541,684	541,684
Trade & Sector Development	946,588	946,588	-	834,370	834,370
Business Regulation and Governance	96,704	96,704	-	107,991	107,991
Economic Planning	29,532	29,532	-	24,449	24,449
Tourism	381,429	386,429	(5,000)	364,710	364,710
Environmental Affairs	922,009	922,009	-	933,738	933,738
Total	2,997,119	3,002,119	(5,000)	3,008,455	3,008,455

1.2 Conditional grants

	Notes	2015/16 R'000	2014/15 R'000
Total grants received	31	9,599	16,827

2. Departmental Revenue

Tax revenue		25,306	25,596
Sales of goods and services other than capital assets	2.1	1,908	2,363
Fines, penalties and forfeits	2.2	626	1,195
Interest, dividends and rent on land	2.3	8	5
Sales of capital assets	2.4	762	302
Transactions in financial assets and liabilities	2.5	35,116	105,700
Departmental revenue collected		63,726	135,161

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	1,908	2,363
Sales by market establishment	64	141
Administrative fees	964	1,994
Other sales	880	228
Sales of scrap, waste and other used current goods	-	-
Total	1,908	2,363



	Notes	2015/16 R'000	2014/15 R'000
2.2 Fines, Penalties and Forfeits			
Fines	2	626	1,195
Total		626	1,195
		2015/16 R'000	2014/15 R'000
2.3 Interest, dividends and rent on land			
Interest	2	8	5
Total		8	5
2.4 Sale of capital assets			
Tangible assets			
Machinery and equipment	2	762	302
		762	302
2.5 Transactions in financial assets and liabilities			
Receivables	2	82	15
Other Receipts including Recoverable Revenue	2	35,034	105,685
Total		35,116	105,700
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		194,145	185,814
Performance award		108	2,098
Service Based		(8)	101
Compensative/circumstantial		4,459	3,595
Periodic payments		3,684	4,044
Other non-pensionable allowances		41,692	39,168
Total		244,080	243,820

3.2 Social contributions

Employer contributions

Pension	23,323	22,447
Medical	9,162	7,468
Bargaining council	128	59
Insurance	5	-
Total	32,618	29,974
Total compensation of employees	276,698	264,794
Average number of employees	696	521

4. Goods and services

	Notes	2015/16 R'000	2014/15 R'000
Administrative fees		3,263	2,295
Advertising		17,741	9,978
Minor Assets	4.1	611	659
Bursaries (employees)		128	77
Catering		3,241	3,649
Communication		10,003	8,656
Computer services	4.2	10,886	11,944
Consultants: Business and advisory services		136,483	82,143
Legal services		6,289	11,395
Contractors		21,678	25,438
Agency and support / outsourced services		52,467	89,273
Audit cost – external	4.3	3,422	2,468
Fleet services		2,202	2,351
Inventory	4.4	11,279	6,047
Consumables	4.5	11,516	7,262
Operating leases		15,123	28,159
Property payments	4.6	17,564	15,792
Rental & hiring		414	3,365
Transport provided as part of the departmental activities		438	1,589
Travel and subsistence	4.7	38,387	36,782
Venues and facilities		3,517	4,888
Training and staff development		3,648	2,361
Other operating expenditure	4.8	3,092	5,459
Total		373,392	362,030



4.1. Minor assets**Tangible assets**

Machinery and equipment

Transport assets

Intangible assets**Total**

4

611

651

611

640

-

11

-

8

611

659

4.2. Computer services

SITA computer services

External computer service providers

Total

4

9,022

11,915

1,864

29

10,886

11,944

4.3. Audit cost – External

Regularity audits

Total

4

Notes

3,422

2,468

3,422

2,468

4.4. Inventory

Clothing material and accessories

Farming supplies

Total

4

5

223

11,274

5,824

11,279

6,047

2015/16

R'000

2014/15

R'000

4.5. Consumables

Consumables supplies

Uniform and clothing

Household Supplies

Building material and supplies

Communication accessories

IT consumables

Other consumables

Stationery, printing and office supplies

Total

4

9,299

3,525

2,297

1,523

299

15

308

49

3

4

-

4

6,392

1,930

2,217

3,737

11,516

7,262

4.6. Property payments

Municipal services		3,639	3,485
Other		13,925	12,307
Total	4	17,564	15,792

4.7. Travel and subsistence

Local		33,010	30,289
Foreign		5,377	6,493
Total	4	38,387	36,782

4.8. Other operating expenditure

Professional bodies, membership and subscription fees		657	2,701
Resettlement costs		222	615
Other		2,213	2,143
Total	4	3,092	5,459

5. Payments for financial assets

Debts written off		370	11
Total	5.1	370	11

5.1 Debt written off

		2015/16 R'000	2014/15 R'000
Other debt written off			
Cellphone debt		160	11
Salary Overpayment		124	-
Salary Tax Debt		81	-
Other		5	-
Total	5	370	11

6. Transfers and subsidies

Provinces and municipalities	32	9,552	17,029
Departmental agencies and accounts	Annex 1A	1,543,700	1,544,482
Higher education institutions	Annex 1B	2,000	3,030
Public corporations and private enterprises	Annex 1C	540,534	551,960
Non-profit institutions	Annex 1D	222,421	164,515
Households	Annex 1E	10,838	14,843
Total		2,329,045	2,295,859

Unspent funds transferred to the above beneficiaries		405,061	379,206
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7. Expenditure for capital assets

Tangible assets

		3,844	33,109
Buildings and other fixed structures	30	18	28
Machinery and equipment	28.1	3,826	10,081
Land and subsoil assets		-	23,000
Total		3,844	33,109

7.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds	Total
	R'000	R'000
Tangible assets	3,844	3,844
Buildings and other fixed structures	18	18
Machinery and equipment	3,826	3,826
Land and subsoil assets	-	-
Total	3,844	3,844

7.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds	Total
	R'000	R'000
Tangible assets	33,109	33,109
Buildings and other fixed structures	28	28
Machinery and equipment	10,081	10,081
Land and subsoil assets	23,000	23,000
Software and other intangible assets	-	-
Computer software	-	-
Total	33,109	33,109

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

Opening balance	15,571	15,571
Unauthorised expenditure - discovered in the current year (as restated)	6,986	-
Less: Amounts approved by Parliament/Legislature with funding		
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance	(15,335)	-
	(236)	-
current	(236)	
Closing balance	6,986	15,571

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2015/16 R'000	2014/15 R'000
Current	6,986	15,547
Capital	-	-
Transfers and subsidies	-	24
Total	6,986	15,571

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within the vote	6,986	15,547
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	24
Total	6,986	15,571

8. Cash and cash equivalents

Consolidated Paymaster General Account	-	39,269
Total	-	39,269

9. Prepayments and advances

Travel and subsistence	14	10
Prepayments (Not expensed)	3,150	1,727
Total	3,164	1,737

10.1 Prepayments (Not expensed)

Goods and services	-	1,727
Other	3,150	-
Total	3,150	1,727

		2015/16			2014/15		
		Current	Non-current	Total	Current	Non-current	Total
Notes		R'000	R'000	R'000	R'000	R'000	R'000
11. Receivables							
Claims recoverable	11.1	-	-	-	2,080	-	2,080
Recoverable expenditure	11.2	50	220	270	8	221	229
Staff debt	11.3	718	975	1,693	70	1,404	1,474
Other debtors	11.4	12	31,365	31,377	-	27,149	27,149
Total		780	32,560	33,340	2,158	28,774	30,932



	Notes	2015/16 R'000	2014/15 R'000
11.1 Claims recoverable			
Provincial department		-	2,080
Total	11	<u>-</u>	<u>2,080</u>
11.2 Recoverable expenditure (disallowance accounts)			
Pension Recoverable Acc		-	(10)
Sal: Tax Debt: CA		-	3
Sal: Reversal Control: CA		50	16
Disallowance payment fraud: CA		220	220
Disall: Damages & losses: Recover: CA		129	129
Disall: Damages & losses: CA		(129)	(129)
Total	11	<u>270</u>	<u>229</u>
11.3 Staff debt			
Bursary		635	-
Ex Employee		461	781
Miscellaneous		3	1
Private telephone & Cellphone		349	557
Salary & allowance overpayments		206	103
Tax debt		39	32
Total	11	<u>1,693</u>	<u>1,474</u>
11.4 Other debtors			
Suppliers		31,374	27,146
Sal: Medical Aid		3	3
Total	11	<u>31,377</u>	<u>27,149</u>
12. Investments			
Non-Current			
Shares and other equity			
Ithala Development Finance Co-operation		1,008,582	1,008,582
African Bank		25	25
Total		<u>1,008,607</u>	<u>1,008,607</u>
Analysis of non current investments			
Opening balance		1,008,607	1,008,607
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		<u>1,008,607</u>	<u>1,008,607</u>

13. Voted funds to be surrendered to the Revenue Fund

Opening balance		91,683	(496,089)
Prior Period Error		-	-
As restated		91,683	(496,089)
Transfer from statement of financial performance		13,534	52,652
Add: Unauthorised expenditure for current year	8	6,986	-
Voted funds not requested/not received	1.1	5,000	-
Paid during the year		(91,683)	535,120
Closing balance		25,520	91,683

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance		(4,714)	460
Transfer from Statement of Financial Performance as restated		63,726	135,161
Paid during the year		(73,410)	(140,335)
Closing balance		(14,398)	(4,714)

15. Bank Overdraft

Consolidated Paymaster General Account		28,165	-
Total		28,165	-

16. Payables – current

Advances received	16.1	250	-
Clearing accounts	16.2	272	74
Total		522	74

Notes

		2015/16 R'000	2014/15 R'000
16.1 Advance Received			
Other institutions		250	-
Total		250	-
16.2 Clearing accounts			
Sal: income tax		74	65
Sal:Pension fund		5	7
Sal: ABC Recall		185	2
Sal: Tax Debt		1	-
Sal: Fin Institut Study Loans		7	-
Total	16	272	74



	Notes	2015/16 R'000	2014/15 R'000
17. Net cash flow available from operating activities			
		2015/16 R'000	2014/15 R'000
Net surplus as per Statement of Financial Performance		77,260	187,813
Add back non cash/cash movements not deemed operating activities		(144,827)	427,571
Decrease /(Increase) in receivables – current		(2,408)	405
Decrease in prepayments and advances		(1,427)	219
(Increase)/decrease in other current assets		15,571	-
(Decrease) /Increase in payables – current		448	(645)
Proceeds from sale of capital assets		(762)	(302)
Expenditure on capital assets		3,844	33,109
Surrenders to Revenue Fund		(165,093)	394,785
Voted funds not requested/not received		5,000	
Net cash flow generated by operating activities		(67,567)	615,384
18. Reconciliation of cash and cash equivalents for cash flow purposes			
		2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		(28,165)	39,269
Total		(28,165)	39,269
19. Contingent liabilities and contingent assets			
19.1 Contingent liabilities			
Liable to			
Housing loan guarantees	Annex 3A	136	136
Claims against the department	Annex 3B	17,634	17,634
Intergovernmental payables(unconfirmed balances)	Annex 5	157	1,711
Total		17,927	19,481
19.2 Contingent Assets			
Nature of contingent assets			
Duplicate payment to Supplier		290	290
Damage to vehicle		154	154
Misappropriation of funds		800	800
Breach of contract		3,231	5,635
Erronous payments		27	90
Total		4,502	6,969

	Notes	2015/16 R'000	2014/15 R'000
20. Commitments			
Current expenditure			
Approved and contracted		580,274	455,516
Approved but not yet contracted		130,272	2,132
		710,547	457,648
Capital expenditure			
Approved and contracted		12,000	23,851
Approved but not yet contracted		-	827
		12,000	24,678
Total Commitments		722,547	482,327

			2015/16 R'000	2014/15 R'000
21. Accruals and payable not recognised				
21.1 Accruals				
Listed by Economic classification	30 Days	30+ Days	Total	Total
Goods and services	16,728	5,596	22,324	15,600
Transfers and subsidies	-	-	-	14,070
Capital asset	284	-	284	-
Total	17,012	5,596	22,608	29,670

Listed by programme level

Programme 1: Administration	15,949	23,944
Programme 2: Integrated economic development Services	3,915	694
Programme 3: Trade & Industry development	258	540
Programme 4: Business Regulations & Governance	33	467
Programme 5: Economic Planning	180	606
Programme 6: Tourism	651	82
Programme 7: Environmental Affairs	1,622	3,337
Total	22,608	29,670



21.2 Payable not recognised

Listed by Economic classification	30 Days	30+ Days	Total	Total
Goods and services	22,625	18,056	40,681	-
Total	22,625	18,056	40,681	-
Listed by programme level				
Programme 1: Administration			28,910	-
Programme 2: Integrated Economic Development Services			1,311	-
Programme 3: Trade & Industry Development			162	-
Programme 4: Business Regulations & Governance			213	-
Programme 5: Economic Planning			2,040	-
Programme 6: Tourism			79	-
Programme 7: Environmental Affairs			7,966	-
Total			40,681	-

Accruals have been split to Payables in the current financial year but not for the comparative figures

Included in the above totals is the following:

Confirmed balances with other departments	Annex 5	17,148	-
Total		17,148	-

	Notes	2015/16 R'000	2014/15 R'000
22. Employee benefits			
Leave entitlement		15,563	12,530
Service bonus (Thirteenth cheque)		6,894	6,693
Performance awards		1,282	986
Capped leave commitments		9,735	9,741
Other		-	525
Total		33,474	30,475

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23. Lease commitments**23.1 Operating leases expenditure**

2015/16	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	20,693	803	21,496
Later than 1 year and not later than 5 years	42,091	917	43,008
Later than five years	-	-	-
Total lease commitments	62,784	1,720	64,504
2014/15	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	20,714	255	20,969
Later than 1 year and not later than 5 years	62,238	-	62,238
Later than five years	-	-	-
Total lease commitments	82,952	255	83,207

23.2 Finance leases expenditure

2015/16

Not later than 1 year
Later than 1 year and not later than 5 years
Later than five years
Total lease commitments

Machinery and equipment	Total
793	793
-	-
-	-
793	793

2014/15

Not later than 1 year
Later than 1 year and not later than 5 years
Later than five years
Total lease commitments

Machinery and equipment	Total
3,844	3,844
618	618
-	-
4,462	4,462

Notes

2015/16
R'000

2014/15
R'000

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	
Prior year error	
As restated	
Add: Irregular expenditure – relating to prior year	
Add: Irregular expenditure – relating to current year	
Less: Prior year amounts condoned	
Less: Amounts recoverable (not condoned)	
Less: Amounts not recoverable (not condoned)	
Irregular expenditure awaiting condonation	

24.2

24.4

79,000	66,088
-	-
79,000	66,088
12,767	28,532
-	(10,839)
-	(3,906)
(2,501)	(875)
89,266	79,000

Analysis of awaiting condonation per age classification

Current year
Prior years
Total

12,767	28,532
72,549	50,468
89,266	79,000



24.2 Details of irregular expenditure – current year

Incident	2015/16
Proper procurement process not followed on appointing the service provider	4,749
Approval of extension of scope was not obtained before services were rendered	96
No approval for deviation obtained when contract extended beyond initial scope and contract value	397
Transfer payment not authorised by Provincial Treasury	1,500
No tax clearance at the time of award	5,579
Contract expired and no approval was obtained to extend the contract before the services were done	446
	12,767

24.3 Details of irregular expenditure recoverable (not condoned)

Incident	Condoned by (condoning authority)	2015/16 R'000
Unsolicited bidding process not followed		-
Total		-

24.4 Details of irregular expenditure not recoverable (not condoned)

Incident	Condoned by (condoning authority)	2015/16 R'000
No tax clearance certificate or expired tax clearance certificate		275
Month to month contract		-
Competitive bidding process not followed		1,827
3 quotes not requested		399
Total		2,501

24.5 Details of irregular expenditure under investigation

Incident	2015/16 R'000
Unsolicited bidding process not followed	11,883
Competitive bidding process not followed	7,626
Tax clearance certificate and 3 quotes not obtained	16,282
Contract expired and no approval was obtained to extend the contract before the services were done	446
Approval of extension of scope was not obtained before services were rendered	433
Proper procurement process not followed on appointing the service provider.	5,316
Exceeded contract value.	
No approval for deviation obtained	5,164
Transfer payment not authorised by Provincial Treasury	15,500
No tax clearance certificate at time of awards	26,058
SCM compliance not done at time of deviation award	558
	89,266

25. Fruitless and wasteful expenditure
25.1 Reconciliation of fruitless and wasteful expenditure

	2015/16 R'000	2014/15 R'000
Opening balance	1,626	1,626
Fruitless and wasteful expenditure – relating to current year	-	-
Closing balance	1,626	1,626

26. Related party transactions
26.1 Guarantees issued

Guarantees issued/received	300,000	300,000
Total	300,000	300,000

26.2 Listing of related party relationship

DEDT has a significant number of Public Entities under its mandate. These Public Entities budget is included as part of DEDT budget and the department transfers funds to these entities during the course of the financial year as tranche payments.

These Public Entities are:

1. KZN Tourism authority	2. Dube Trade Port Corporation.
3. Trade and Investment KZN	4. Richards Bay IDZ
5. KZN Liquor Authority	6. Moses Kotane Institute
7. KZN Sharks Board	8. KZN Film Commission
9. KZN Growth fund	10. Ithala Development Finance Corporation.
11. KZN Ezemvelo Wildlife	

	Note	2015/16 R'000	2014/15 R'000
27. Key management personnel			
	No. of Individuals		
Political office bearers (provide detail below)	1	2,022	1,825
Officials:			
Level 15 to 16	4	6,603	7,109
Level 14	9	9,057	9,541
Total		17,682	18,475



28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustmen R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	56,087	1,624	4,126	3,552	58,285
Transport assets	19,086	1,389	2,026	3,046	19,455
Computer equipment	24,507	(814)	1,432	20	25,105
Furniture and office equipment	8,391	775	185	-	9,351
Other machinery and equipment	4,103	274	483	486	4,374
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	56,087	1,624	4,126	3,552	58,285

28.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	3,827	299			4,126
Transport assets	2,026	-	-	-	2,026
Computer equipment	1,133	299	-	-	1,432
Furniture and office equipment	185	-	-	-	185
Other machinery and equipment	483	-	-	-	483
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3,827	299	-	-	4,126

28.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	2,664	888	3,552	762
Transport assets	2,664	382	3,046	762
Computer equipment	-	20	20	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	486	486	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2,664	888	3,552	762

28.3 Movement for 2014/15

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	35,950	-	22,485	2,348	56,087
Transport assets	6,586		13,729	1,229	19,086
Computer equipment	17,739		7,768	1,000	24,507
Furniture and office equipment	7,724		709	42	8,391
Other machinery and equipment	3,901		279	77	4,103
TOTAL MOVABLE TANGIBLE ASSETS	35,950	-	22,485	2,348	56,087

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	916	9,383	10,299
Value adjustments	(8)	(927)	(935)
Additions	-	621	621
Disposals	-	79	79
TOTAL	908	8,998	9,906

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	2,976	2,976
Number of minor assets at cost	260	5,238	5,498
TOTAL NUMBER OF MINOR ASSETS	260	8,214	8,474

28.5 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	908	7,738	8,646
Additions	8	1,713	1,721
Disposals	-	68	68
TOTAL	916	9,383	10,299

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	2,721	2,721
Number of minor assets at cost	259	5,225	5,484
TOTAL NUMBER OF MINOR ASSETS	259	7,946	8,205



28.6 Movable Assets Written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016

	Machinery and Equipment R'000	Total R'000
Assets written off	79	79
TOTAL MOVABLE ASSETS WRITTEN OFF	79	79

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2015

	Machinery and Equipment R'000	Total R'000
Assets written off	68	68
TOTAL MOVABLE ASSETS WRITTEN OFF	68	68

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	16,950	-	-	16,950
TOTAL INTANGIBLE CAPITAL ASSETS	16,950	-	-	16,950

29.1 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	16,950	-	-	-	16,950
TOTAL INTANGIBLE CAPITAL ASSETS	16,950	-	-	-	16,950

30. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	6,367	17		6,384
Other fixed structures	6,367	17	-	6,384
Land and subsoil assets	23,000	-	-	23,000
Land	23,000	-	-	23,000
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	29,367	17	-	29,384

30.1 Additions

ADDITIONAL TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital work-in-progress current cost and finance lease payment) R'000	Total R'000
BUILDINGS AND OTHER FIXED STRUCTURES	17	-	-	17
Other fixed structures	17	-	-	17
Land and soil subsoil assets	-	-	-	-
TOTAL IMMOVABLE TANGIBLE ASSETS	17	-	-	17

30.2 Movement for 2014/15

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	6,339		28		6,367
Other fixed structures	6,339		28		6,367
Land and subsoil assets	-		23,000		23,000
Land	-		23,000		23,000
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	6,339		23,028		29,367



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

31. STATEMENT OF CONDITIONAL GRANT RECEIVED

NAME OF Department	GRANT ALLOCATION				SPENT				2014/15	
	Division of Revenue Act/Provincia I Grants	Roll Overs	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under/ (overspend ing)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
EPWP Integrated Grant for Province	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	8,162	2,572	(1,135)	9,599	9,599	10,734	(1,135)	112%	16,827	13,120
	8,162	2,572	(1,135)	9,599	9,599	10,734	(1,135)	112%	16,827	13,120

32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		2014/15	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	Re-allocations by National treasury or National Department	
	R'000	R'000	R'000	R'000	R'000		
EThekweni	-	-	4,000	4,000	4,000	-	-
Msunduzi (License Fees)	69	-	-	69	52	-	-
KwaDukuza	1,000	-	-	1,000	1,000	-	-
UMzinyathi	250	-	-	250	-	-	-
UThungulu	-	-	1,000	1,000	1,000	-	-
Amajuba	-	-	1,000	1,000	1,000	-	-
Zululand	-	-	1,500	1,500	1,500	-	-
Harry Gwala	-	-	1,000	1,000	1,000	-	-
	1,319	-	8,500	9,819	9,552	-	-

ANNEXURE 1A STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
KZN Liquor Authority	70,008	-	-	70,008	70,008	100%	77,282
KZN Dube Tradeport Corp	477,780	-	-	477,780	477,780	100%	515,375
Ezemvelo KZN Wildlife	718,966	-	-	718,966	718,966	100%	705,395
KZN Tourism Authority	116,445	-	1,121	117,566	117,566	100%	109,297
Natal Sharks Board	63,178	-	-	63,178	63,178	100%	57,109
KZN Trade & Investment	96,195	-	-	96,195	96,195	100%	81,476
PSETA	-	-	-	-	-	-	543
SABC	3	-	4	7	7	100%	5
	1,543,575	-	1,125	1,543,700	1,543,700		1,546,482

ANNEXURE 1B STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2014/15 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	R'000	%	
University of KwaZulu Natal	640	-	-	640	640	-	0%	250
Mangosuthu University of Technology	893	-	-	893	893	-	0%	2,780
Durban University of Technology	467	-	-	467	467	-	0%	-
	2,000	-	-	2,000	2,000	-		3,030

ANNEXURE 1C

[illegible]

ANNEXURE 1C STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE				2014/15 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Metro FM awards	19,500	-	1,242	20,742	20,742	100.0%	-	12,269
MTV Awards	40,235	-	-	40,235	40,235	100.0%	-	26,153
Tourism Train Loliwe	-	-	-	-	-	-	-	9,000
World Amateur golf	2,721	-	5,179	7,900	7,900	100.0%	-	9,070
Spring day explosion	1,500	-	-	1,500	1,500	100.0%	-	300
SA Film India Awards	-	-	-	-	-	-	-	12,000
Nelson Mandela Golf	5,000	-	-	5,000	-	-	-	-
Durban July Wrap up	2,122	-	-	2,122	2,117	99.8%	-	600
Richardsbay Imbizo	1,500	-	-	1,500	1,500	100.0%	-	-
Indlamu Sakhisizwe Cultural	1,500	-	-	1,500	1,500	100.0%	-	-
Impucuzeko Kamaskandi	1,000	-	-	1,000	1,000	100.0%	-	-
Durban Summer Beach Festival	1,200	-	-	1,200	1,200	100.0%	-	-
Umgababa New Year's Eve	1,200	-	-	1,200	1,200	100.0%	-	-
SETE	-	-	-	-	-	-	-	2,500
Women In Business Summit	-	-	-	-	-	-	-	1,000
Newcastle Youth Empowerment	-	-	-	-	-	-	-	1,000
Youth Events	-	-	-	-	-	-	-	1,000
Umgqumeni Maskandi Festival	-	-	-	-	-	-	-	900
Fact Durban Rocks	1,200	-	-	1,200	1,200	100.0%	-	-
Kasi Tour	900	-	-	900	900	100.0%	-	-
Telefestival Dialogue	464	-	-	464	464	100.0%	-	-
Manufacturing Youth Initiative	1,954	-	-	1,954	1,954	100.0%	-	-
South African Music conference	1,500	-	(1,500)	-	-	-	-	-
Ilembe Chamber of Business	2,900	-	-	2,900	2,900	100.0%	-	-
KZN Integrated Hub	1,000	-	-	1,000	-	-	-	-
Mkhuze Airport	5,461	-	-	5,461	5,461	100.0%	-	-
Durban Business Fair	500	-	(500)	-	-	-	-	-
Durban Fashion Fair	500	-	(500)	-	-	-	-	-
Aerotropolis conference	104	-	-	104	104	100.0%	-	-
KwaDukuza Festival	1,500	-	-	1,500	1,500	100.0%	-	-
Ugu Jazz	1,000	-	-	1,000	1,000	100.0%	-	-
Woze Durban New Year's Picnic	1,500	-	(1,500)	-	-	-	-	-



ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE				2014/15 Appropriation Act
	Adjusted Appropriation in Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Annual DAF Youth	90	-	-	90	90	100.0%	-	-
Durban Chamber of Business	350	-	-	350	350	100.0%	-	-
Annual Tourism Expo	-	-	2,600	2,600	2,600	100.0%	-	-
Inanda/ Ntuzuma /kwaMashu	-	-	2,600	2,600	2,600	100.0%	-	-
KZN Liason campaign	-	-	1,200	1,200	1,200	100.0%	-	-
Antony Lembede Cultural	-	-	2,600	2,600	2,600	100.0%	-	-
Greenville Renewable energy	-	-	600	600	300	50.0%	-	-
Signature Africa	-	-	1,500	1,500	1,500	100.0%	-	-
Maphumulo Maskandi Festival	-	-	2,200	2,200	2,200	100.0%	-	-
Durban Maritime Initiative	-	-	1,190	1,190	1,190	100.0%	-	-
Amantungwa kholwa club	-	-	70	70	70	100.0%	-	-
Umthayi Marula Festival	4,000	-	-	4,000	4,000	100.0%	-	4,347
Royal Sovie Awards	-	-	-	-	-	-	-	500
KZN Winter Air Tour	-	-	-	-	-	-	-	2,300
Sakhisizwe Management	96	-	-	96	96	100.0%	-	96
Amantshontsho Kamaskandi	-	-	500	500	500	100.0%	-	-
Sub total: Private enterprises	122,555	-	34,637	152,192	149,587	95.2%	-	192,285
TOTAL	513,602	-	34,637	548,239	540,534	98.6%	-	540,955

ANNEXURE 1D STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION		EXPENDITURE		2014/15		Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	Adjusted appropriation Act		Roll Overs		Adjustments					
	R'000	R'000	R'000	R'000	R'000	R'000				
Transfers										
Moses Kotane Institute	49,577		-		-		49,577	49,577	100%	38,478
KZN Film Commission	63,180		-		8,561		71,741	66,739	93%	58,681
Growth Fund Trust	95,000		-		-		95,000	95,000	100%	55,000
SAAMBR	5,795		-		-		5,795	5,795	100%	5,540
WESSA	400		-		-		400	400	100%	400
Wildlands Conservation Trust	-		-		4,310		4,310	4,310	100%	6,000
Afrika Ignite (Dukuduku Resttlement)	600		-		-		600	600	100%	300
Destiny House NGO	-		-		-		-	-	-	32
Durban SAPS Widows and Orphans Fund	-		-		-		-	-	-	7
	214,552		-		12,871		227,423	222,421		164,438



ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
H/H Empl S/Ben:Leave Gratuity	651		508	1,159	1,159	100%	1,147
H/H: Bursaries (Non-Employee)	10,380		-	10,380	9,679	93%	13,696
Total	11,031	-	508	11,539	10,838		14,843

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding	Unconfirmed balance outstanding	Total	Cash in transit at year end 2015/16	Payment date up to six(6) working days before year end	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Current						
Department of Transport KZN	-	2	-	1	-	-
Departments of Public Works KZN	16,147	1,588	157	1,488	16,304	3,076
Department of Justice &	-	751	-	150	-	901
Department of Sports and	1,000	-	-	-	1,000	-
Department of Government Printing	-	148	-	72	-	220
Department of Health KZN	1	-	-	-	1	-
TOTAL	17,148	2,489	157	1,711	17,305	4,200

ANNEXURE 6 INTER-ENTITY ADVANCES PAID (NOTE 10)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Standard Bank	2,901	-	-	-	2,901	-
Standard Bank	86	-	-	-	86	-
ABSA Bank	163	-	-	-	163	-
Isimangaliso Wetland	-	1,500	-	-	-	1,500
SMME Risk Sharing	-	227	-	-	-	227
Subtotals	3,150	1,727	-	-	3,150	1,727
Totals	3,150	1,727	-	-	3,150	1,727

ANNEXURE 7 INTER-ENTITY ADVANCES RECEIVED (NOTE 16)

	Confirmed balance		Unconfirmed balance		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
Swiss State	250	-	-	-	-	-
Subtotals	250	-	-	-	-	-
Totals	250	-	-	-	-	-







edtea

Department :
Economic Development, Tourism and
Environmental Affairs
PROVINCE OF KWAZULU-NATAL

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VOTE FOUR