

ANNUAL REPORT



2021
/22



KWAZULU-NATAL PROVINCE
ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**GROWING
KWAZULU-NATAL
TOGETHER**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

PHYSICAL ADDRESS: 270 Jabu Ndlovu Street
Pietermaritzburg
3200

POSTAL ADDRESS: Private Bag 9152
Pietermaritzburg
3201

TELEPHONE NUMBER/S: 033 264 2500

EMAIL ADDRESS: info@kznedtea.gov.za

WEBSITE ADDRESS: www.kznedtea.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AOP	-	Annual Operational Plan
APP	-	Annual Performance Plan
AQMPs	-	Air Quality Management Plans
AWG	-	Action Work Group
B-BBEE	-	Broad-Based Black Economic Empowerment
BEC	-	Bid Evaluation Committee
BPO	-	Business Process Outsourcing
CARC	-	Cluster, Audit and Risk Committee
CCIs	-	Cultural and Creative Industries
CD	-	Chief Director
CFO	-	Chief Financial Officer
CMT	-	Cut, Make and Trim
DSBD	-	Department of Small Business Development
DDG	-	Deputy Director General
DPSA	-	Department of Public Service and Administration
DTI	-	Department of Trade and Industry
DTP IDZ	-	Dube Trade-Port Industrial Development Zone
DTP	-	Dube Trade Port
DTPC	-	Dube Trade-Port Corporation
DUT	-	Durban University of Technology
EDTEA	-	Department of Economic Development, Tourism and Environmental Affairs
EIA	-	Environmental Impact Assessment
EKZNW	-	Ezemvelo KwaZulu-Natal Wildlife
EPMDS	-	Employee Performance Management and Development System
EHW	-	Employee Health Wellness
EXCO	-	Executive Committee
FTE	-	Full Time Equivalent
GDP	-	Gross Domestic Product
GDPR	-	Gross Domestic Product Regional
HOD	-	Head of Department
HR	-	Human Resources
IASP	-	Invasive Alien Species Programme
ICOREF	-	Integrated Compliance and Enforcement Forum
ICT	-	Information and Communications Technology
ICTE	-	Information and Communication Technology and Electronics

IDFC	-	Ithala Development Finance Corporation
IDZ	-	Industrial Development Zone
IT	-	Information Technology
KSIA	-	King-Shaka International Airport
KZN IE	-	KwaZulu-Natal Informal Economy
KZN PPC	-	KwaZulu-Natal Provincial Planning Commission
KZNFC	-	KwaZulu-Natal Film Commission
KZNGBB	-	KwaZulu-Natal Gaming and Betting Board
KZNLA	-	KwaZulu-Natal Liquor Authority
LED	-	Local Economic Development
LMs	-	Local Municipalities
METT	-	Management Effectiveness Tracking Tool
MKI	-	Moses Kotane Institute
MoA	-	Memorandum of Agreement
MoU	-	Memorandum of Understanding
MPAs	-	Marine Protected Areas
MTEF	-	Medium-Term Expenditure Framework
MTSF	-	Medium-Term Strategic Framework
NDP	-	National Development Plan
NGP	-	New Growth Path
NHRBC	-	National Home Builders Registration Council
OHS	-	Occupational Health and Safety
OVF	-	Operation Vula Fund
PERSAL	-	Personnel and Salary System
PFMA	-	Public Finance Management Act
PGDP	-	Provincial Growth and Development Plan
PMU	-	Programme Management Unit
PPE	-	Protective Personal Equipment
PPPFA	-	Preferential Procurement Policy Framework Act
PSCBC	-	Public Service Coordinating Bargaining Council
RASET	-	Radical Agrarian Socio-Economic Transformation
RBIDZ	-	Richards Bay Industrial Development Zone
RLED	-	Regional and Local Economic Development
SEZ	-	Special Economic Zone
SLA	-	Service Level Agreements
SMME	-	Small Medium and Micro Enterprise
SMS	-	Senior Management Service
SP	-	Strategic Plan
SPLUMA	-	The Spatial Planning and Land Use Management Act 16 of 2013

SSGs	-	Small-Scale Sugarcane Growers
TIKZN	-	Trade & Investment Kwazulu-Natal
TVET	-	Technical and Vocational Education and Training
UKZN	-	University of KwaZulu-Natal

3. FOREWORD BY THE MEMBER OF EXECUTIVE COMMITTEE(MEC)



Name: Mr Ravi Pillay, MPL

Title: MEC for Economic Development, Tourism and Environmental Affairs

The global economy is resurging as economic activity continues to stabilise across the world following the devastating impact of the Covid-19 pandemic. However, the recovery is highly uneven and with considerable uncertainty about the strength and durability of the upturn in the future. Therefore, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022 and 3.8% in 2023.

Economic growth in South Africa and KwaZulu-Natal suffered a triple setback due to Covid- 19, the July 2021 social unrest that erupted in KwaZulu-Natal and the impact of the recent floods. These three devils exacerbated the wicked challenges of unemployment, poverty and inequality. The recent devastating floods were a blow to the recovering economy. Just as businesses and the entire community of KwaZulu-Natal were finding their feet after the July unrest, the province was hit by torrential rains and heavy, widespread flooding. The timing couldn't have been worse for the province's economy.

Despite the aforementioned challenges, many lessons have been learned from this natural disaster. There is a lot of work ahead, but I am confident that, working together, we will succeed. It is through partnership and collaboration that we will be able to recover and rebuild in a manner that leaves no-one behind. As government, we are firmly committed to giving the business community in KwaZulu-Natal all the necessary support, resources and technical capacity to recover from these catastrophic events.

The provincial government has worked closely with the Development Finance Institutions to assist businesses affected by the social unrest and floods. We are pleased to advise that to date; substantial progress has been made. The ardent desire to develop and transform the economy saw the province, through EDTEA, registering significant achievements in the empowerment of small businesses. The Operation Vula Fund opened opportunities for historically disadvantaged groups within the provincial economy who demonstrate sustainable and profitable initiatives that create jobs

gained traction during the year under review. The fund became a key instrument amidst the ravaging Covid-19.

As a department whose mandate is ensuring sustainable economic development, during the period under review, EDTEA and its family of public entities were at the forefront in the implementation of the recovery efforts, which include offering relief to the tourism sector, which was one of the severely affected sectors; scaling up support for SMMEs and cooperatives; providing economic infrastructure as a basis for economic investment and prioritising investment in strategic economic sectors to promote localisation of sectoral value chains.

As we march towards an inclusive and growing economy, we must ensure that such growth is achieved within the parameters of sustainable development. EDTEA will continue with efforts aimed at ensuring the sustainable management and protection of our natural resources in support of economic development. To carry out this mandate, the department has intensified local government support in relation to waste and air quality management. The success of all our efforts to execute our mandate as the department relies heavily on the performance and efficiency of our personnel and entities.

The finalisation of the process will ensure better efficiencies which in turn should result in better service delivery being achieved by the entities and by the department. We will also strive for better coordination of activities by entities to ensure collaboration in matters of common interest.

To improve the efficiency of staff, the department focused on the overall well-being of employees, the filling of vacant critical posts and the finalisation of the organisational structure. Consequence Management is crucial, and we have put measures in place to ensure that disciplinary matters do not drag on longer than necessary. A sound performance management system was implemented to ensure our deliverables are met.

The unyielding support of the Executive Council, Legislature and its Committees, Oversight Institutions, and the management of the Department, entities and all our stakeholders is highly appreciated.



Mr Ravi Pillay, MPL

Member of Executive Committee for Economic Development, Tourism and Environmental Affairs

11 July 2022

4. REPORT OF THE ACCOUNTING OFFICER



Name: Mr Nhlakanipho Nkontwana
Title: Accounting Officer

Performance Overview of 2021/2022

The period under review was one of the most challenging periods in recent years owing to the double setbacks the Province has endured due to global effects of the Covid-19 pandemic and 2021 July social unrest. Furthermore, these setbacks exacerbated the impact of the triple challenges of unemployment, poverty and inequality on the lives of the people in the country and KZN particular. After performance decreased by 7% in 2020, the economy improved performance in the 1st and 2nd quarters of 2021 before suffering a significant shock brought about by July social unrest. As a result, the growth forecast for South Africa in 2021 was revised from around 5% to 4.8%. In line with the national trend, the KwaZulu-Natal regional economy was expected to grow at 4.2% in 2021 and 1.7% in 2022.

The global economy is resurging as economic activity stabilises worldwide following the devastating impact of the Covid-19 pandemic. However, the recovery is highly uneven with considerable uncertainty about the strength and durability of the upturn in the future. Therefore, global growth was expected to moderate from 5.9% in 2021 to 4.4% in 2022 and 3.8% in 2023.

The advent of Covid-19, the social unrest also worsened unemployment, with the rate rising to 28.7% in KwaZulu-Natal from about 23% before the pandemic. South African unemployment rate skyrocketed from an average of 25% in the 4th quarter of 2019 to the current 34.9%. As this happens, it is disheartening to note that the increase in discouraged work-seekers adds to the labour market plight.

During the reporting year, the department created 195 603 job opportunities through various initiatives which were implemented in the province, with the EPWP having created 139 422 full-time equivalent work opportunities. The Special Economic Zones (SEZs), namely, Dube Trade Port and Richards Bay IDZ, jointly contributed 4 499 job opportunities through construction activities.

As government, we are firmly committed to giving the business community in KwaZulu-Natal all the necessary support, resources and technical capacity to recover from these catastrophic events. We are also keenly aware that the economy of KwaZulu-Natal is still struggling to recover from 2021 July's unrest and the impact of a global pandemic whose negative effects are still evident.

The Department's programmes continue to be underpinned by the KwaZulu-Natal Economic Reconstruction and Transformation Plan and the Department continues to work closely with the Development Finance Institutions to assist businesses affected by the July 2021 civil unrest, with substantial progress having been registered in the 2021/2022 financial year.

Enterprise Development and Economic Empowerment

Enterprise development remains one of the catalytic programmes to accelerate economic empowerment and economic growth in the province. During the reporting year, we continued to strengthen our support to small enterprises through training and incubation, infrastructure (Shared Manufacturing and Production Services), and improved access to finance and markets. Enterprises producing operation Vula commodities received priority during the reporting year. The Department also continued to implement the Black Industrialists programme in partnership with the Dube TradePort Industrial Corporation to stimulate industrialisation and promote black economic empowerment.

The Operation Vula Fund is targeted at opening up opportunities for historically disadvantaged groups within the provincial economy who demonstrate sustainable and profitable initiatives that create jobs. It is essential to indicate that the Fund became a key instrument to ameliorate the impact of the Covid-19 pandemic with 1 016 approved applications worth R339.2 million. On the other hand, the Radical Agrarian and Socio-Economic Transformation (RASET) initiative, which was introduced as a far-reaching programme that would transform the structure of the agricultural value chain in the province, has been transferred from EDTEA to the Department of Agriculture and Rural Affairs in the current 2022/23 financial year. This move will enable the government to streamline its mandate and create much-needed synergies.

Informal Economy

As part of efforts to support the informal economy, the construction of the KwaMajomela Centre, Ward 17, Nongoma for small and informal businesses has been completed during the year under review. Over and above this, the Department continued during his period to provide funding support for municipal employment initiatives.

Township and Rural Strategy

The KwaZulu-Natal government is committed to ensuring that the Rural and Township economy contributes significantly to the provincial economy. The Executive approval of the Township and Rural Economy Revitalization Strategy (TRERS), which sets out a programme of action, illustrates how the government, together with key stakeholders, will lead the revitalization of the township and rural economies. As part of the economic reconstruction and transformation plan (post-covid-19) of the province, we have placed the revitalisation of rural and township economies at the apex of our list of our priorities. This is based on the understanding that there can be no holistic development in our province when the economic potential of rural and township economies is not being fully exploited.

Industry Development

The Department's Special Economic Zones (SEZ) has stepped up efforts to create a conducive environment to attract investment in the SEZ precincts. The SEZs attracted over R6,685 billion worth of investments into the zones in the 2021/2022 financial year. Going forward, the SEZs will continue to drive the implementation of crucial industrialisation projects such as the Automotive Supplier Park in the 2022/23 financial year. This project is vital in advancing the automotive sector in the Province.

The Department continued with the rollout of the KZN One-Stop-Shops across the province. During the year under review, MoUs were initiated with five District Municipalities, namely eThekwini, Municipality, uMgungundlovu District Municipality, iLembe District Municipality, uGu District Municipality, and King Cetshwayo District Municipality. The signing of MOUs will be extended to other districts during the next financial year.

In pursuit of accelerating the implementation of the KZN Economic Recovery and Transformation Plan, the KZN Economic Council closely monitored the performance of and impact of interventions contained in the Social Compact, which was concluded by Social Partners including Government,

Labour, Civil Society and Private Business in April 2021. The signing of the social compact was a direct response to His Excellency the President of the Republic of South Africa's directive of the 21st of April 2020 on measures to respond to Covid-19.

Air Connectivity

The Passenger numbers at King Shaka International Airport have steadily increased from 156,191 passengers in January of 2021, climbing to 326,132 by December 2021. In total, 2.8 million passengers passed through the airport in 2021, which is 550,582 more passengers than in 2020. The Tourism sector benefitted significantly from the return of Qatar and Emirates Airways to Durban, and South African Airways having resumed its operations after months of being grounded bolstering air transportation and connectivity in the Province.

Business Regulation and Compliance

The department is are fully cognisant of the potential an inadequately regulated business industry can have on our society. EDTEA's Business Regulation Programme has been instrumental in licensing businesses and informal traders and ensuring adherence to the laws regulating general trade, sale of alcohol in the province as detailed in the following:

- The Department conducted in excess of 595 business inspections targeted at addressing the scourge of illicit and illegal business activities and practices with regards to illicit and counterfeit products, expired food and funeral parlours.
- These inspections were conducted at the Port of Entry (Durban harbour), freight industry, taverns, liquor outlets, retail outlets among others. The success in effective inspections was made possible through collaboration with other state agencies such as SAPS, National Consumer Commission, SARS Department of Home Affairs, Department of Labour etc. These inspections resulted in the arrest of illegal undocumented foreign nationals and the confiscation of counterfeit and illicit goods.
- A total of 286 KwaZulu-Natal businesses have signed the business pledges in support of KwaZulu-Natal government's efforts to inculcate responsible trading and ensure that they will comply with applicable prescripts and ethical business standards.
- A total of 1700 consumer awareness programmes were offered on various platforms such as radio, 1KZN TV and imbizos.
- The KZN Automated Business Licensing and Information Management System is currently being implemented by 95% Municipalities across the Province and it has

become a platform of choice for Municipalities and business alike with regards to online application and processing of Business Licenses and Informal Trading Permits; and

- The launch of the KZN Consumer Tribunal in March 2022.

Public Entities

The thirteen public entities of the Department are mandated to implement the broad provincial mandate of economic development, tourism and environmental affairs in a robust, efficient and efficient manner.

A total budget of R2.45 billion was allocated to the Department's thirteen public entities in the reporting year financial year to drive the implementation of the following mandates:

- Nature conservation and bather protection: Ezemvelo KZN Wildlife – R881,657 million, Natal Sharks Board – R 70,245 million;
- Special economic zones: Richards Bay IDZ – R107,189 million, KZN Dube Tradeport – R477,537 million;
- Promotion of trade, investment, tourism and the film industry: KZN Trade and Investment - R98,306 million; KZN Tourism Authority - R142,342 million, KZN Film Commission - R84,082 million;
- Banking and development finance: KZN Growth Fund Trust - R285,782 million, Ithala Limited - R138,382 million;
- Gaming, betting and liquor regulation: KZN Gaming & Betting Board - R51,361 million; and KZN Liquor Authority - R87,382 million; and
- Research: Moses Kotane Institute - R56,125 million.

The department has made great progress towards the rationalisation process of provincial entities. The merger of KZNLA and KZNGBB is progressing well. Key interim governance structures have been established to co-ordinate this process with key work streams leading strategic matters pertaining to HR, ICT, Finance, Communications, Legal and Governance. This process is quite advanced, and we hoping to finalise this rationalisation by the end of the 2022/2023 Financial Year.

The plans and preparations for the merger of the KwaZulu-Natal Film Commission with Tourism KwaZulu-Natal are now at an advanced stage. A joint Board Strategic Planning meeting was held in 2021, and a draft five-year Strategic Plan was developed for the new entity and various work streams and the Champions for Change Committee (CFCC) are working towards the finalisation of this process.

The merger of Ezemvelo and the KZN Sharks Board saw the development of a joint Business Case. In a concurrent process, the draft Bill is currently undergoing official approval processes.

The department (EDTEA) through the Government Technical Advisory Committee (GTAC) is assisting all the mergers processes by ensuring that they adhere to the applicable national prescripts and have sound business cases.

Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2021/2022			2020/2021		
	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	678 223	621 569	56 654	642 864	431 818	211 046
Casino taxes	560 618	464 108	96 510	531 391	291 527	239 864
Horse racing taxes	88 592	133 621	(45 029)	83 973	117 370	(33 397)
Liquor licences	29 013	23 840	5 173	27 500	22 921	4 579
Sale of goods and services other than capital assets	2 986	12 674	(9 688)	2 831	1 488	1 343
Transfers received		850	(850)			
Fines, penalties and forfeits	653	1 540	(887)	619	2 438	(1 819)
Interest, dividends and	7	1 140	(1 133)	7	242	(235)

rent on land						
Sale of capital assets	223	2	221	211	1 448	(1 237)
Financial transactions in assets and liabilities	70	13 926	(13 856)	66	47 646	(47 580)
Total	682 162	651 701	30 461	646 598	485 080	161 518

The actual revenue collected in the 2021/22 financial year was R651 701 million against a budget of R682 162 million, resulting in under collection at year end of R30 461 million. The over/under collection is explained per economic classification as follows:

Tax Receipts are derived from **taxes** collected by KZN Gaming and Betting (Casino Taxes & Horse Racing taxes) as well as KZN Liquor Authority for licenses as per licensing act, 2010.

- *Casino Taxes*: under collection is due to restrictions placed by National Government during the Strict lockdown to curb COVID 19 infections. This meant that casinos were not able to operate at full capacity. The casinos were also affected by the liquor trade limitations and the trading hours related thereto, as regulated by the various stages of the national lockdown regulations.
- *Horse Racing*: This category was not affected by the national lockdown because the licensees with online access continued to trade during the various stages of the national lockdown and were thus even operational under the more stringent level 4 national lockdown. Furthermore, a licensee transferred their online betting platform to the province resulting in higher than anticipated revenue collection.
- *Liquor licences*: under collection is due to a lower number of outlets requesting their licences. The liquor industry was also closed by government Covid-19 regulations on more than one occasion during the year.

Sale of goods and services other than capital assets - The revenue collected under this category relates to parking fees, commission received on PERSAL deductions and sale of tender documents. The over collection was mainly due to an amount recovered from South African Petroleum

Refineries (SAPREF) in respect of the arrear lease fees for servitude rights for the pipeline running through state land that should have been paid to the department for the period of 2016 to 2019.

Transfers received – The revenue collected without a budget is due to unanticipated Insurance claim received in respect of furniture damaged during social unrest, which took place in July 2021.

Fines, penalties and Forfeits – The revenue collected under this category relates the payment of fines by companies or individuals that transgress EIA regulations. Over collection is due to uncertain nature of revenue collected which depends on the number of offenses reported and it is impossible to predict.

Interest, dividends and rent on land – Revenue collected against this category is mainly from interest earned on project accounts and staff debt. The over collection is due to an interest amount deposited by Tongaat Hulett for the interest earned on the funds that were transferred by department in prior years for the Operation Sakhinzuzo project, after the completion of the project in line with the Service Level agreement.

Sale of capital assets - The under collection against this item was due to the number of machinery and equipment auctioned were lower than anticipated.

Transactions in financial assets and liabilities - Revenue generated against this category attributes from recoveries from previous financial years such as staff debts, salary over payments, recovery from previous years' expenditure. It is often difficult to accurately forecast for this category due to its indeterminate nature. The over collection is due to a Refund made by Moses Kotane institute for funds that were transferred by the department in prior years for Cannabis, as only the National Department of Agriculture has a mandate to issue cannabis licenses. The balance was received on Capital portion from Tongaat Hulett for Operation Sakhinzuzo, after the completion of the project.

Programme Expenditure

Programme Name	2021/22			2020/21		
	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	304 902	294 016	10 886	255 349	255 237	112
Integrated Economic Development Services	570 953	567 091	3 862	372 295	372 276	19
Trade and Sector Development	901 681	898 888	2 793	760 074	759 067	1 007
Business Regulation and Governance	184 048	184 048	-	179 756	179 756	-
Economic Planning	21 170	20 369	801	19 302	19 302	-
Tourism	253 670	247 670	6 000	222 670	221 798	872
Environmental Affairs	1 130 251	1 125 751	4 500	1 209 005	1 200 630	8 375
Total	3 366 675	3 337 833	28 842	3 018 451	3 008 066	10 85

Programme 1: Administration – The programme underspent due to *Payment of capital assets* because of delays in the construction of park-homes for office space as well implementation of financial controls in finance leases (cell phone contracts) as well as delays in payment of foreign payment for Microsoft software.

Programme 5: Economic Planning - The under spending was due on BER Macroeconomic service package subscription.

Programme 6: Tourism - The under spending was mainly due to delays in the implementation of transfer payments to various Municipalities. Howick Falls project was delayed due to UMEDA as they did not meet the requirements of PFMA section 38(1)(j) as well as Balele Game Reserve project was delayed due to delays in the signing of SLA because eMadlangeni municipality was under administration.

Programme 7: Environmental Affairs – underspending was due to transfers to KwaDukuza Municipality for the Greenest Municipality Competition and for the Natural Resource Management competition. This competition between local municipalities focuses on service delivery in areas such as waste management, green initiative, awareness and education, planning and public participation, as well as a way of responding to the impact of climate change and advancing climate change adaptation and mitigation efforts through local municipalities.

Virements

The main appropriation of EDTEA was **R3.342 billion** as per the EPRE. During the reporting year, the baseline was increased by R25 million, resulting in an adjusted appropriation of R3.367 billion.

The following post virements were made between Programmes:

Summary by Programme

R thousand	Adjusted appropriation	Post Adjustments movements			Total Adjustments	Final Apropriation
		Shift	Virement	Adjustment		
1. Administration	320 854		(15 952)		(15 952)	304 902
2. Integrated Economic Development Services	528 660		42 293		42 293	570 953
3. Trade and Sector Development	907 768		(6 087)		(6 087)	901 681
4. Business Regulation and Governance	185 190		(1 142)		(1 142)	184 048
5. Economic Planning	23 006		(1 836)		(1 836)	21 170
6. Tourism	265 471		(11 801)		(11 801)	253 670
7. Environmental Affairs	1 135 726		(5 475)		(5 475)	1 130 251
Total	3 366 675	-	-	-	-	3 366 675

An amount of R42. 293 million identified from other programmes as a result savings against Goods and services was moved to Programme 2 under Transfers and subsidies; Non-Profit Institutions to KZNGFT to cater for Operation Vula rollout. Further details are indicated below under Economic classification.

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Vote 4: Department of Economic Development, Tourism and Environmental Affairs
Province of KwaZulu Natal

Summary by economic classification

R thousand	Adjusted appropriation	Post Adjustments movements			Total Adjustments	Final Appropriation
		Shift	Virement	Adjustment		
Current payments	773 483	20 032	(64 838)	-	(44 806)	728 677
Compensation of employees	403 722		(2 487)		(2 487)	401 235
Goods and services	369 761	20 032	(62 351)		(42 319)	327 442
Interest and rent on land	-				-	-
Transfers and subsidies to:	2 567 915	(20 032)	62 349	-	42 317	2 610 232
Provinces and municipalities	82 549		5 500		5 500	88 049
Departmental agencies and accounts	1 808 830				-	1 808 830
Higher education institutions	5 342				-	5 342
Foreign governments and international organisations	-				-	-
Public corporations and private enterprises	250 621				-	250 621
Non-profit institutions	417 401	(20 032)	56 293		36 261	453 662
Households	3 172		556		556	3 728
Payments for capital assets	25 277	-	2 489	-	2 489	27 766
Buildings and other fixed structures	1 444		164		164	1 608
Machinery and equipment	15 398		1351		1 351	16 749
Heritage assets	-				-	-
Specialised military assets	-				-	-
Biological assets	-				-	-
Land and subsoil assets	-				-	-
Software and other intangible assets	8 435		974		974	9 409
Payments for financial assets	-	-	-	-	-	-
Total	3 366 675	-	-	-	-	3 366 675

Various post virements and shifts were made between economic classification items within the various programmes and sub-programmes.

An amount of R64 838 million savings was identified from *Goods and services* as well as payments for *Compensation of employees* were moved as follows:

R62 349 million was moved to Transfers and subsidies as follows:

- *Provinces and municipalities* – R5.5 million was moved to Provinces and municipalities for Natural Resource Management competition, as a way of responding to the impact of climate change and advance climate change adaptation.
- *Non-profit Institutions:* - R56.293 million was moved to cater for Operation Vula roll out.
- *Households:* - R595 000 was moved to cater for staff exit costs.

An amount of R2.489 million was moved to Payment for capital assets to defray over expenditure under the following items.

- R164 000 was moved to *Buildings and other fixed structures* for for upgrade for Zamimpilo Visitors Information Centre which included tiling, reroofing, new windows, tanks, electricity and painting.
- R1 351 million was moved to *Machinery & Equipment* to cater for staff furniture and equipment that was under budgeted for new employees.

- R974 000 was moved to *Software and other intangible assets*

Shifts

An amount of R20.033 million for operational costs of Operation Vula was reclassified to *Goods and services* from *Transfers and subsidies; Non-profit Institution-KZNGFT*.

All Virements were approved by the Accounting Officer of the department in terms of Section 43(1) of the Public Finance Management Act and Public Finance.

2021/22 Rollovers

The department has requested a roll-over of **R16.308 million** for Goods and Services and Transfers & subsidies for Greenest Municipality Competition project aiming at reducing vulnerability of key sectors to climate change. R10 million unspent under *Transfers and subsidies to Provinces and municipalities* for Greenest Municipality Competition, Natural Resource Management competition, refurbishment of Babele Game Park and Upgrading of Howick Falls and refurbishment of refurbishment of Mpophomeni Tourism Centre. R 6.308 million for Microsoft Microsoft operating systems (such as Windows 10, Windows 8.1, Windows 8, Windows 7, or Windows Vista) have either a full operating system license or the combination of an upgrade operating system license and a pre-existing, full operating system license.

The department did not incur any unauthorised, fruitless and wasteful expenditure in 2021/2022 financial year.

Events after the reporting date.

During April 2022, the province experienced flooding and landslides which caused large scale infrastructure damage. In response, the department moved R67.5m out of various projects in the 2022/23 budget into a flood relief fund to be administrated by its public entity Trade & Investment KZN. This has no effect on the Impairment or Receivables as well as on the going concern assumption of the Department.

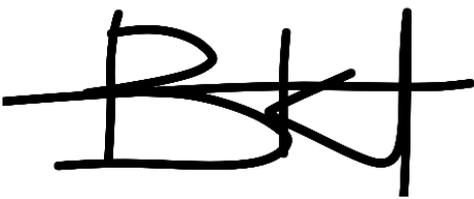
In rebuilding the province after the dreadful floods, much interim work has already been done. The following support packages have been introduced:

- We have activated Section 30A of the National Environmental Management Act (NEMA) which deals with authorisations for Emergency Situations to fast-track the rebuilding programme;

- The Department of Small Business Development unveiled R60 million Business Recovery support which is made up of R50 million for small businesses and R10 million for the informal sector. This package entails access of between R2 million and R10 million by formal businesses and R10 000 for informal businesses; DTIC through the Industrial Development Corporation also availed a R500 million recovery package for infrastructure rebuilding, bridging finance for businesses, recapitalization and working capital. The package targets businesses that are not insured, insured and underinsured. The Fund minimum was R1 million and is capped at R60 million per applicant;
- Trade and Investment KwaZulu-Natal are at an advanced discussion with the IDC to lobby for additional financial support for businesses that have gone into distress; and
- Finally, IDFC has identified a number of properties within their industrial parks which are available for companies that would like to temporarily or permanently relocate their business operations whilst the rebuilding programme is underway.

I would like to conclude by extending my humble gratitude, particularly to the Portfolio Committee on Economic Development and Tourism, the Portfolio Committee on Environmental Management, former MEC Ravi Pillay and the entire staff of the Department of Economic Development, Tourism and Environmental Affairs, including our public entities; for the support they rendered during the year 2021/2022.

Now is the time to empower our people. We have a collective responsibility to, working in concert with all social partners, breathe new life into the economy of our province in order to improve the lot of the province and her people.



Accounting Officer

Mr Nhlakanipho Nkontwana

Department of Economic Development, Tourism and Environmental Affairs
25 August 2022

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 2022.

Yours faithfully

Signed by: Brightboy Nhlakanipho Nkont
Signed at: 2022-08-25 19:49:46 +02:00
Reason: Witnessing Brightboy Nhlakaniph



Accounting Officer

Mr Nhlakanipho Nkontwana

Department of Economic Development, Tourism and Environmental Affairs

6. STRATEGIC OVERVIEW

6.1. Vision

Attainment of a radically transformed, growing, inclusive, innovative and sustainable economy, thereby optimizing employment in KwaZulu-Natal.

6.2. Mission

To provide creative and innovative leadership towards:

Facilitating integrated economic planning and growth.

- Being a catalyst for economic transformation, job creation and sustainable development.
- Implementing strategies that drive economic growth and promote sound environmental management and climate resilience.
- Creating a conducive environment for trade, investment and tourism; and
- Developing, monitoring and enforcing a sound business, environmental and consumer protection regulatory framework.

6.3. Values

Ubuntu	<i>In the spirit of “Ubuntu”, place citizens at the centre of public service planning and operations, and foster citizen participation through services and programmes of a democratic nature.</i>
Professionalism	<i>Work in a professional manner and attitude by treating others with respect; keeping your word; being loyal and exceeding expectations.</i>
Exponential, innovative and visionary leadership	Display Exponential, innovative and visionary leadership by, pacing with the ever changing times , not settling for less than the very best of ourselves, regardless of the circumstances; influencing one another to produce creative ideas, products, and services; and being resolute to achieve our collective vision.
Accountability and responsibility	Be Responsible for our corporate and individual mandates, and Accountable for the manner in which they are discharged, and the outputs achieved or not achieved.
Efficiency	<i>Promote Efficiency through professional planning and implementation of interventions, thereby optimising the ratio of input costs to outputs achieved.</i>
Service Excellence	<i>Embody service excellence by delivering commitments and responding well with any issues, questions and challenges that arise.</i>
Ethical Conduct	Embrace the values and principles set out in Chapter 10 (section 195) of the South Africa Constitution, namely: <ul style="list-style-type: none"> • “A high standard of professional ethics must be promoted and maintained; • Services must be provided impartially, fairly, equitably and without a bias; • Public administration must be accountable; and • Transparency must be fostered by providing the public with timely, accessible and accurate information.”
Integrity	Demonstrate integrity through sound moral and ethical principles at work , <i>with zero tolerance for corruption.</i>
Commitment	<i>Demonstrate commitment to Work through by diligently taking responsibility for the goals, mission, and vision of EDTEA and South African Government.</i>
Passion	<i>Display passion, through enthusiastically discharging each task at hand.</i>

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

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:

Schedule 4 A:

- Airports other than international and national airports;
- Casinos, racing, gambling and wagering, excluding lotteries and sports pools;
- Consumer protection;
- Environment;
- Industrial promotion;
- Nature conservation, excluding national parks, national botanical gardens and marine resources;
- Pollution control;
- Soil conservation;
- Tourism; and
- Trade.

Schedule 5 A:

- Liquor licences

7.2 Legislative and Policy Mandate

The Department operates within National Legislative, Policy and Strategic Frameworks, which can be summarized as follows:

- 1 the Public Service Act of 1994 amended in 2007.
- 2 the Public Service Regulations, 2016
- 3 the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the Treasury Regulations, 2005.
- 4 the National Small Enterprise Act, 1996 (Act No. 102 of 1996).
- 5 the Co-operative Act, 2005 (Act No. 14 of 2005).
- 6 the National Environmental Management Act, 1998 (Act No. 107 of 1998).
- 7 the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).
- 8 the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004).
- 9 the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of

2008).

- 10 the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003).
- 11 the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008).
- 12 the Tourism Act, 2014 (Act No. 3 of 2014).
- 13 the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).
- 14 the Special Economic Zones Act, 2014 (Act No. 16 of 2014).
- 15 the Integrated National B-BBEE Strategy and KZN B-BBEE Strategy.
- 16 the B-BBEE Codes of Good Practice.
- 17 the National Development Plan, the New Growth Path, and the Industrial Policy Action Plan.
- 18 Local Economic Development Policy Guideline.
- 19 the South Africa Trade Policy Framework.
- 20 the Green Economy Framework.
- 21 the Mining Beneficiation Strategy.
- 22 the National Spatial Economic Development Perspective.
- 23 the Special Economic Zones Policy.
- 24 the National Framework for Sustainable Development.
- 25 the National Climate Change Response Strategy.
- 26 the National Air Quality Management Strategy.
- 27 the National Waste Management Strategy.
- 28 the White Paper on the Development and Promotion of Tourism.
- 29 the National Integrated Coastal Management Strategy.
- 30 the White Paper on Environmental Management Policy.
- 31 National Biofuels Framework
- 32 Integrated Resource Plan
- 33 the Industrial Policy Action Plan; and
- 34 the Informal Economic Policy.

The Department's mandate is further guided by, amongst others, the following Provincial Legislative, Policy and Strategic Frameworks:

- (a) the Ithala Development Finance Corporation Act, 2013 (Act No. 5 of 2013).
- (b) the Nature Conservation Ordinance, 1974 (Ordinance No. 15 of 1974),
- (c) the KwaZulu-Natal Nature Conservation Management Act, 1997 (Act No. 9 of 1997).
- (d) the KwaZulu-Natal Tourism Act, 1996 (Act No. 11 of 1996).
- (e) the KwaZulu-Natal Gaming and Betting Act, 2010 (Act No. 8 of 2010).
- (f) the KwaZulu-Natal Gaming and Betting Tax Act, 2010 (Act No. 9 of 2010); KwaZulu-Natal Liquor Licensing Act, 2010 (Act No. 6 of 2010).
- (g) the Businesses Act, 1991 (Act No. 71 of 1991).
- (h) the KwaZulu-Natal Dube Tradeport Corporation Act, 2010 (Act No. 2 of 2010).

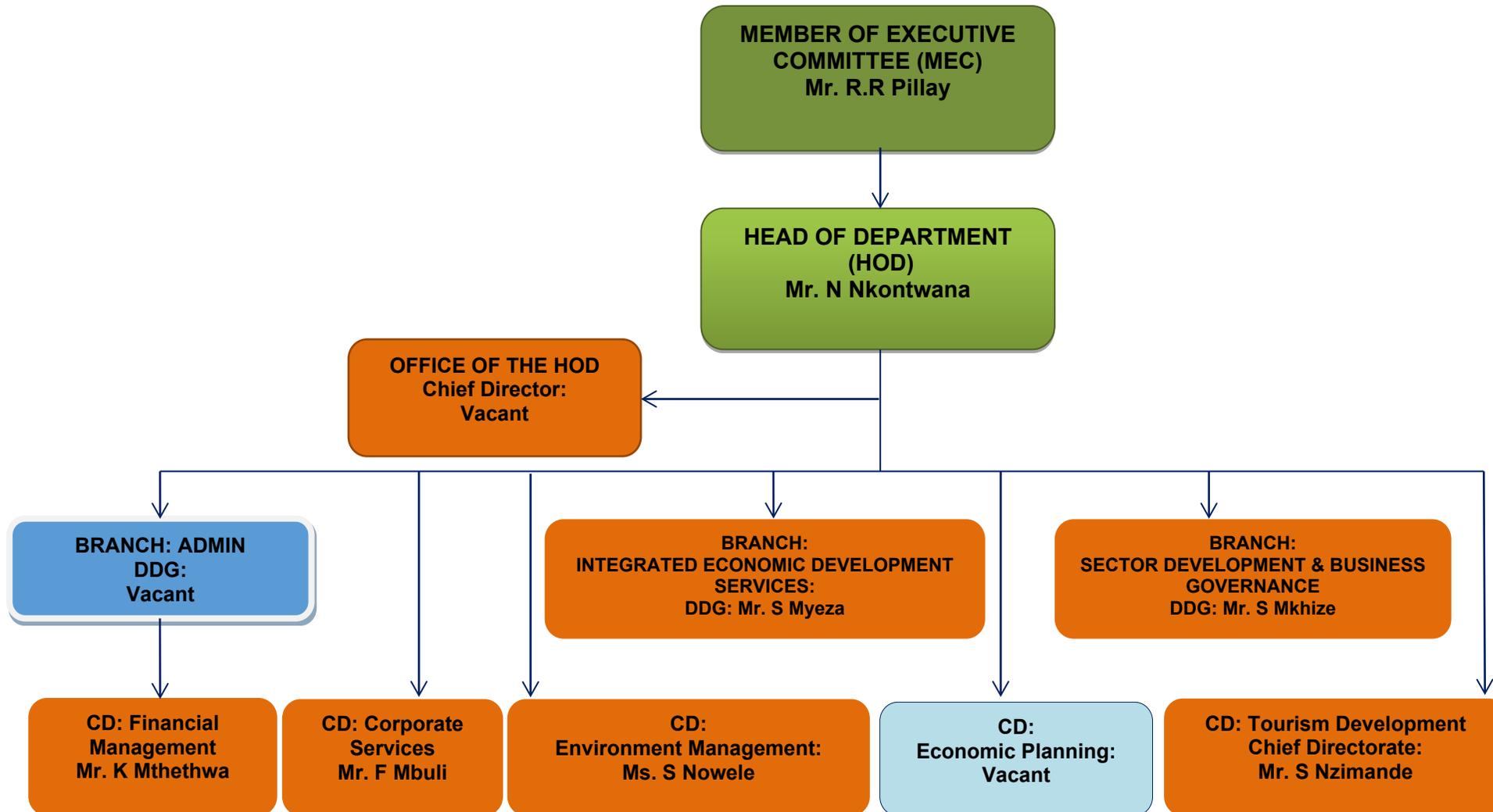
- (i) the KwaZulu-Natal Film Commission Act, 2010 (Act No. 3 of 2010).
- (j) the KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 5 of 2010).
- (k) the KwaZulu-Natal Consumer Protection Act, 2013 (Act No. 4 of 2013).
- (l) the KwaZulu-Natal Provincial Growth and Development Strategy.
- (m) the KwaZulu-Natal Provincial Spatial Economic Development Strategy.
- (n) the Draft KwaZulu-Natal Export Strategy.
- (o) the KwaZulu-Natal Industrial Development Strategy.
- (p) the KwaZulu-Natal Investment Promotion Strategy.
- (q) the Draft KwaZulu-Natal Green Economy Strategy.
- (r) the KwaZulu-Natal Airport Strategy.
- (s) the KwaZulu-Natal Small Enterprise Development Strategy.
- (t) the KwaZulu-Natal Cooperative Developments Strategy.
- (u) the KwaZulu-Natal Youth Economic Empowerment Strategy.
- (v) the KwaZulu-Natal Informal Economic Policy; and
- (w) the KwaZulu-Natal Tourism Master Plan.

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

- Job creation.
- Special economic zones and industrial economic hubs.
- Beneficiation and value addition.
- Infrastructure development.
- Rural economic development.
- Skills development.
- Economic transformation.
- Economic Growth with sustainable small enterprises participating in the mainstream economy
- The Kwazulu-Natal beach tourism policy
- Trade Policy.
- Spatial economic development.
- Black industrialization; and
- The revitalization 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 the legislation, policies and strategies that the Department can meaningfully contribute to the fight against the triple challenges of development.

8 ORGANISATIONAL STRUCTURE



9 ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Ithala Development Finance Corporation (IDFC)	<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 	Shareholder or Mother Department	Development Finance Institution
KZN Growth Fund Trust (KZNGF)	The Trust is the custodian of the KZN Growth Fund Trust a structured debt and equity fund. The Trust receives capital contribution from the KZN Provincial Government. The sole beneficiary of the Trust is EDTEA. The "Fund" is a closed, pooled infrastructure project debt and equity fund. It funds capital projects above R30m.	Shareholder or Mother Department	Development Finance Institution
Moses Kotane Institute (MKI)	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.	Shareholder or Mother Department	Research Agency
Trade and Investment (TIKZN)	To attract foreign and domestic investment and to generate exports and exports capacity in KwaZulu-Natal	Shareholder or Mother Department	Investment and Destination Promotion Agency
Dube Trade Port Corporation (DTPC)	<ul style="list-style-type: none"> • To develop the Dube TradePort; • To undertake or invest in projects associated with the Dube TradePort; • To facilitate economic growth in the Province through the Dube TradePort; 	Shareholder or Mother Department	Special Economic Zones

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Province of KwaZulu Natal

	<ul style="list-style-type: none"> • To attract long term investment to the Province; • To facilitate export and import through the Dube TradePort 		
Richards Bay Industrial Development Zone (RBIDZ)	To accelerate and improve infrastructure for industrial development through the government's Industrial Development Zone (IDZ) Programme	Shareholder or Mother Department	Special Economic Zones
KZN Film Commission (KZNFC)	<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. 	Shareholder or Mother Department	Investment destination Promotion Agency
KZN Liquor Authority (KZNLA)	To control and regulate the retail sale and micro manufacturing of liquor in the Province.	Shareholder or Mother Department	Regulatory Agency
KZN Gaming and Betting Board (KZNGBB)	<ul style="list-style-type: none"> • Ensure that all gambling authorised under the Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public interest • Ensure that all gaming authorised under the Act promotes the province's objectives for developing a gaming industry, the priorities of which are the promotion of tourism, employment and economic and social development in the province • Promote opportunities for persons contemplated in the definition of "broad-based black economic empowerment", as contained in the Broad-Based Black Economic Empowerment Act, 2003, to participate in the gambling industry of the Province in the capacity of licensees or registrants under the Act • Increase the ownership stakes of persons contemplated in the definition of "broad-based black economic empowerment", as contained in the Broad-Based Black Economic Empowerment Act, 2003 in the gambling industry of the Province • Develop appreciation for and knowledge of horse racing amongst all communities, particularly those comprised of historically disadvantaged persons • Limit restrictive practices, the abuse of dominant 	Shareholder or Mother Department	Regulatory Agency

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	market position and mergers in the betting industry, as contemplated in the Competition Act, 1998 (Act No. 89 of 1998), and the Board is, for the purposes of the said Act, a regulatory authority as defined in section 1 of that Act.		
Tourism Authority (KZNTA)	To directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal	Shareholder or Mother Department	Investment And Destination Promotion Agency
KZN Sharks Board (KZNSB)	To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.	Shareholder or Mother Department	Nature Conservation Agency
KZN Ezemvelo Wildlife (EKZNW)	<ul style="list-style-type: none"> • To manage the nature conservation within the Province of KwaZulu – Natal both inside and outside the protected areas and; • To develop and promote of ecotourism facilities within the protected areas. 	Shareholder or Mother Department	Nature Conservation Agency



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**GROWING
KWAZULU-NATAL
TOGETHER**



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. Annual performance report was submitted for auditing. These material misstatements were in the reported performance information of programme 3: trade and industry development. As management subsequently corrected the misstatements, there were no material findings on the usefulness and reliability of the reported performance information.

Refer to page 158 of the Report of the Auditor General, published as PART E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

There is wide acknowledgement that implementation of government policies and strategies has been weak leading to adverse outcomes such as:

- Poor service delivery
- Low levels of economic growth leading to high level of unemployment and chronic poverty
- High levels of crime
- Social unrest, looting and wanton destruction of economic infrastructure

There is further acknowledgement that implementation of projects and programmes is also subjected to strenuous bureaucratic processes. This annual report is tabled against the devastating backdrop of floods experienced in April and May 2022, Social unrest and presumed economic sabotage in July 2021 and Prolonged effects of Covid-19 induced hard lockdowns instituted globally. These triple external shocks severely affected the socio-economic profile of the KZN economy through; Low economic growth, billions worth of rands have been wiped out of the economy due to infrastructure damage, company liquidations and capital flight, unemployment breached the 30% mark in the 3rd quarter of 2020 and poverty levels have risen increasing. There are also adverse economic developments such as:

- Rising interest rates – dampens consumer spending
- Rising inflation- diminishes purchasing power
- Rising cost of production as a result of increasing fuel prices, fertilisers
- Distorted global supply chains as a result of geo-political tensions

There are however positive developments and outlook that have observed such as:

- 1st Quarter Economic Growth acceleration albeit lower pre-Covid-19 crisis shows that the economy is emerging from the doldrums
- Reduction in the unemployment rate in the 1st Quarter of 2022
- Further opening of the economy augurs well for tourism and economic growth

- Major investment boosts
- The return of Airlines (SAA, Turkish, Qatar) and new routes (Durban- Harare; Durban-eSwatini) expected to boost Tourism
- Credit rating agency S&P Global has upgraded its outlook for South Africa to “positive” from “stable”

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
Registration of Tourist Guides	Queries will be resolved as per the approved Complaints/ Compliments Management Framework, which prescribe a maximum of 25 working days.	<ul style="list-style-type: none"> ▪ Tourists ▪ Tourist Guides ▪ Tourism Products (game reserves, museums, etc.) ▪ Tourism Business Owners (Restaurants, Bed and Breakfasts etc.) ▪ Municipalities 	<ul style="list-style-type: none"> ▪ Tourist Guide complying in the sector 	<ul style="list-style-type: none"> ▪ Tourist Guides accredited by the department ▪ Tourist Guide Inspections
	Access		<ul style="list-style-type: none"> ▪ Print media notices for stakeholders ▪ Electronic media notices ▪ Forums ▪ Roadshows 	<ul style="list-style-type: none"> ▪ Print media notices for stakeholders ▪ Electronic media notices ▪ Forums ▪ Roadshows
	Information		<ul style="list-style-type: none"> ▪ Telephone, brochures & E-mails ▪ Reception services ▪ Departmental publication 	<ul style="list-style-type: none"> ▪ Telephone brochures and emails ▪ Reception services ▪ Departmental publications

			<ul style="list-style-type: none"> ▪ More training on universal accessibility programmes 	
--	--	--	---	--

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Refer to the SDIP information provided above.

Service delivery information tool

Refer to the SDIP information provided above.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Approved complaints/compliments Management Framework in place	Electronic based complaints management system	No outstanding complaints

2.3 Organisational environment

The Department has engaged itself in the development of organizational structures for its operations. The consideration of the structure is mostly informed by the regulated environment within which the Department operates. Functional structures are regarded by various Departments as suitable for a regulated environment. Notwithstanding their disadvantages they (functional structures) still allow greater operational control at a senior level and linked to this is the clear definition of roles and responsibilities.

The Organizational structure reconfiguration will enable the department to deepen the focus on the following strategic pillars: -

- Industrial Economic Hubs and Special Economic Zones;
- Aerotropolis;
- Maritime (Ocean Economy);
- Tourism;
- Environmental Management and
- Empowerment of SMMEs and Co-operatives

It should be noted that the Department is one of the delivery Departments with concurrent competencies. These (delivery departments) represent a mix between policy-making and delivery. At a National level they are mainly responsible for policy development, executive oversight, monitoring and evaluation whilst at Provincial level they are responsible for operational delivery of the functional competence. It is noted that the operational delivery of the functional competence is in this department based on the framework of the line function programmes as dictated to by the strategic plan of the Department.

It should be highlighted that whilst the National Departments are responsible for policies to be implemented at all Levels of Government, Provinces are expected to operationalize National priorities programmes in order to discharge their Constitutional mandates. The investigation conducted reveals that in operationalizing the National priority programmes, Provinces rely heavily on various strategies designed both by National and Provinces.

The Department is in terms of the strategic plan constituted of six (6) programmes and their associated sub-programmes with their main objectives.

These programmes are the following:

- Administration Services;
- Integrated Economic Development Services;
- Trade and Sector Development;
- Business Regulation & Governance;
- Economic Planning;
- Tourism Development; and
- Environmental Management

2.4 Key policy developments and legislative changes

As part of austerity measures and in order to achieve alignment and efficiencies, the erstwhile President of the Republic issued an instruction to provinces to rationalise state-owned entities with a view to, in the main, reduce government expenditure. The KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (“EDTEA”), operates in terms of the provisions of Parts A and B of Schedules 4 and 5 to the Constitution of the Republic of South Africa, 1996 (“the Constitution”), which stipulate the concurrent and exclusive competencies of the provincial government on matters of economic development.

EDTEA fulfils its mandate through the provision of leadership and facilitation of integrated economic planning, being a catalyst for economic transformation and sustainable development, implementation of strategies that drive economic growth, promotion of sound environmental management, creation of a conducive environment for trade, investment and tourism, whilst also monitoring and enforcing sound business and consumer regulations.

The 13 public entities, clustered in terms of their mandate, are as follows:

- a) Development Finance Institutions (Ithala Development Finance Corporation; Ithala SOC Limited; and KwaZulu-Natal Growth Fund Trust);
- b) Investment and Destination Promotion Agencies (Trade and Investment KwaZulu-Natal; KwaZulu-Natal Tourism Authority; and KwaZulu-Natal Film Commission);
- c) Special Economic Zones (Dube TradePort Corporation; and Richards Bay Industrial Development Zone);
- d) Nature Conservation Agencies (KwaZulu-Natal Sharks Board; and Ezemvelo KwaZulu-Natal Wildlife);
- e) Regulatory Agencies (KwaZulu-Natal Liquor Authority; and KwaZulu-Natal Gaming and Betting Board); and
- f) Research Agency (Moses Kotane Institute).

The process to rationalise all public entities in KwaZulu-Natal commenced during 2015, and a Rationalisation of Public Entities Task Team (ROPETT) was appointed to assist the Sub-committee of the Provincial Executive Council to drive the project. A report from ROPETT, reflecting the recommendations of the task team on all KwaZulu-Natal public entities was submitted to the Executive Council during 2020, after submission of the recommendations to ROPETT, indicating that EDTEA is implementing the process with the following objectives in mind:

- (a) the streamlining of the EDTEA public entities;
- (b) delivery of services in the most cost-effective manner;
- (c) elimination of duplications between public entities and the Department; and
- (d) creating and maintaining efficiencies within the EDTEA portfolio.

In-principle approval has been obtained for the following rationalisation Bills, which are all substantially complete and will be submitted to the Provincial Executive Council in the near future for approval:

- (a) the *KwaZulu-Natal Ezemvelo KZN Wildlife Bill, 2022*, incorporating the functions of the Sharks Board into Ezemvelo KZN Wildlife;
- (b) the *KwaZulu-Natal Regulatory Authority Bill, 2022*, merging the Governance Structures of the KZN Liquor Authority and KZN Gaming and Betting;
- (c) the *KwaZulu-Natal Tourism and Audio-visual Agency Bill, 2022*, merging the powers, roles and functions of the KZN Film Commission and Tourism KZN into one entity;
- (d) the *KwaZulu-Natal Growth Fund Agency Bill, 2022*, converting the current private Trust to a provincial public entity; and

(e) the *Moses Kotane Research Institute Bill, 2022*, converting the NPC to a provincial public entity.

It is envisaged that economies-of-scale will reduce costs associated with Boards of the public entities, and that the implementation of shared services will further increase savings from the rationalisation process. The outcome of this process will however only be determinable once the above Bills have been enacted and implemented. The process to list the entities as public entities in Parts B and D of Schedule 3 to the Public Finance Management Act, 1999 (Act No. 1 of 1999), is ongoing, and DTAC, an entity of National Treasury is in the process of finalising Business Cases for the new entities, in order to submit same to National Treasury for consideration.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The table below outlines the progress that been achieved by the department as at March 2022 towards meeting the impact and outcomes by 2024:

MTSF Priority 1	A capable, ethical and developmental state					
Outcome	Outcome Indicator	Five-year target	Progress (2019 June – 2022 March)	Risks towards meeting the targets by 2024	Key challenges	Stakeholder contribution (<i>Role of diverse stakeholders in accelerating progress toward priorities.</i>)
Institutional Excellence	Good corporate governance	100%	100%	<ul style="list-style-type: none"> ▪ Manual Business Processes ▪ Procurement regulations (Court case) 	<ul style="list-style-type: none"> ▪ Budget limitation ▪ Employment Equity (Female SMS % and Disability %) 	<ul style="list-style-type: none"> ▪ Legislature Portfolio Committee ▪ Cluster Audit and Risk Committee ▪ Auditor General ▪ Internal Auditors ▪ Executive Authority ▪ Office of the Premier ▪ Provincial
	Sound cooperative governance	100%	100%			
	Financially unqualified audit opinion with no findings on other matters	Financially unqualified audit opinion with no findings on other matters	Financially unqualified audit opinion with no findings on other matters			

						Treasury
MTSF Priority 2	Economic Transformation and Job Creation					
Outcome	Outcome Indicator	Five-year target	Progress (2019 June – 2022 March)	Risks towards meeting the targets by 2024	Key challenges	Stakeholder contribution (Role of diverse stakeholders in accelerating progress toward priorities.
Inclusive and Transforme d Economic Growth	No. of projects implemented that improve the level of B-BBEE Compliance	30	26	<ul style="list-style-type: none"> ▪ The weak financial position of several state-owned companies that rely on government support to operate 	<ul style="list-style-type: none"> ▪ On-going effect of Covid-19 ▪ Effect of July Unrest ▪ Effect of Floods (Natural disaster) ▪ Budget reprioritisation ▪ Increasing unemployment 	<ul style="list-style-type: none"> ▪ Academia and Research Institutions ▪ Contractors and Suppliers ▪ National, Provincial and Local Government ▪ Public Entities
	No. of projects implemented that support Operation Vula	30	17			
	No. of projects implemented that	30	8			

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	support Black Industrialists Programme			<ul style="list-style-type: none"> ▪ Additional spending pressures from new spending programmes ▪ The government's debt redemptions ▪ Weak and constrained economic growth ▪ Widespread social and economic challenges ▪ A lack of reliable electricity supply (Frequent power outages) 	<ul style="list-style-type: none"> ▪ A lack of reliable electricity supply (Frequent power outages) 	<ul style="list-style-type: none"> ▪ Radical Economic Transformation ▪ Small enterprises (SMMEs and Cooperatives) ▪ Formal and Informal businesses ▪ Social Partners, Industry Bodies and Private Sector ▪ Targeted Groups-Priority Groups (PDIs)
	No. of employment opportunities supported	1000	42761			
	No. of people trained	2500	12541			
	Number of municipalities that have improved business processes	10	88			
	Number of jobs created through Trade and Industry Development	26000	7715			
	Number of people trained on sector specific skills	4675	3889			
	No. of consumers empowered through awareness programmes	7000	6333			
	No. of businesses transformed through compliance	3660	6158			
	No. of research publications to enhance decision making, policies and interventions that support growth, employment creation and	20	24			

	inclusion.					
	No. of Quarterly publications	30	16			
	No. of Policy briefs/ Economic Intelligence reports	40	19			
	Awareness and knowledge management in the sector (policy development)	90	54			
	No. of skill opportunities in the tourism sector	12500	2051			
MTSF Priority 5	Spatial integration, Human settlement and Local Government					
Outcome	Outcome Indicator	Five-year target	Progress (2019 June – 2022 March)	Risks towards meeting the targets by 2024	Key challenges	Stakeholder contribution (Role of diverse stakeholders in accelerating progress toward priorities.
Environmental sustainability and	Improved state of environment indicators	2017 Environment Outlook Report	Improved trend of Environment Outlook Report Indicators	<ul style="list-style-type: none"> ▪ Water pollution ▪ Air pollution ▪ Land 	<ul style="list-style-type: none"> ▪ Water pollution ▪ Air pollution ▪ Land degradation 	<ul style="list-style-type: none"> ▪ Academia and Research Institutions ▪ Contractors and

resilience				degradation <ul style="list-style-type: none"> ▪ Solid waste pollution ▪ Deforestation 	<ul style="list-style-type: none"> ▪ Solid waste pollution ▪ Deforestation ▪ Global warming (Climate Change) ▪ Natural disasters (floods) ▪ Alien Species 	Suppliers <ul style="list-style-type: none"> ▪ National, Provincial and Local Government ▪ Public Entities ▪ Radical Economic Transformation ▪ Small enterprises (SMMEs and Cooperatives) ▪ Formal and Informal businesses ▪ Social Partners, Industry Bodies and Private Sector ▪ Targeted Groups-Priority Groups (PDIs)
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4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

2020/21 Annual Performance Report: Dashboard Analysis

Programme	Total number Indicators	Over-achievement: above 100%	Target Achieved: 100%	Target Not-Achieved	Programme's Performance as a %
P1: Administration	8	2	3	3	63%
P2: Integrated Economic Development Services	10	6	3	1	90%
P3: Trade & Industry Development	15	8	4	3	80%
P4: Business Regulations & Governance	10	8	2	-	100%
P5: Economic Planning	4	-	3	1	75%
P6: Tourism Development	9	1	6	2	78%
P7: Environmental Management	47	18	28	1	98%
Overall Performance	103	43	49	11	89%

4.1 Programme 1: ADMINISTRATION

The principal objective of this programme is to oversee and provide executive support to the Executive Authority and Accounting Officer to fulfil 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
- Corporate Services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 1: Administration								
Sub-programme: Internal Audit								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Institutional Excellence	Implemented Annual Audit Plan	Number of Clean Audit Plan implemented	New	New	1	1	0	Target achieved
Corporate Services								
Sub-programme: Human Resources Management								
Outcome	Output	Output Indicator	Audited Actual	Audited Actual	Planned Annual	*Actual Achievement	Deviation from planned target to	Reasons for deviations

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			Performance 2019/2020	Performance 2020/2021	Target 2021/2022	Actual Achievement 2021/2022		
Institutional Excellence	Organisational reports on EDTEA's organogram submitted	Number of Organizational Reports on EDTEA's Organogram submitted	New	New	3	3	0	Target achieved
	Recruitment of females at Senior Management Service level	% of females recruited at SMS level	New	New	50%	42%	-8%	Target not achieved. Two females at SMS level have resigned in the fourth quarter.
	Recruitment of Persons with Disabilities	% of Persons with Disabilities Recruited	New	New	2%	1,26%	-0.74%	Target not achieved. The indicator is calculated based on the entire establishment including the interns as per the OTP.
	Vacancy Rate	% of Vacancy Rate	New	New	10%	6%	4%	Target overachieved. All posts that have been lying vacant for more than 6 months on Persal have been removed
	Compliance with Discipline Procedures	% of compliance when facilitating Discipline cases	New	New	100%	100%	0%	Target achieved.
	Signed Performance	% of signed performance	New	New	100%	91%	-9%	Target not achieved. Some employees have

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	Agreements	agreements submitted						not complied in terms of timeframes to submit performance agreements. Furthermore, some new employees have joined the Department and need to submit signed performance agreements.
	Implementation of Health and Wellness Initiatives in accordance to DSPA requirements	Number of Health & Wellness Initiatives Implemented	New	New	16	23	+7	Target overachieved. Due to COVID-19 gatherings limitations, most of these initiatives were conducted online, hence the overachievement.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
1. Office of the MEC	13 101	13 001	100	17 450	17 450	-
2. Office of the HOD	42 528	41 202	1 326	24 273	24 273	-
3. Financial Management	39 905	39 905	-	32 893	32 893	-
4. Corporate Services	209 368	199 908	9 460	180 733	180 621	112
Total	304 902	294 016	10 886	255 349	255 237	112

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose of the Programme:

To advance economic growth and job creation initiatives that prioritize historically disadvantaged individuals and groups through:

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 2: Integrated Economic Development Services								
Sub-programme: Enterprise Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Financially viable small enterprises supported	Number of (financially viable) small enterprises supported	New	1909	1679	4249	2570	Target overachieved. There was a high number of registration and compliance enquiries from entities that sought to participate in various business opportunities generated by some level of economic recovery.
	Jobs created by small enterprises funded through Operation Vula	Number of jobs created (by small enterprises funded through Operation Vula)	New	2425	544	914	370	Target overachieved. Jobs were created by companies who received funding and other forms of support this financial

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								year.
Sub-programme: Economic Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Target persons operating within the KZN priority sectors trained	Number of trained target persons operating within the KZN priority sectors	New	New	800	2731	1931	Target overachieved. The output was overachieved due to the organising of training for women on business skills and the Youth in Sports seminar.
	Target group entrepreneurs gained access to market	Number of target group entrepreneurs gained access to market	New	227	80	332	252	Target overachieved. The target was overachieved due to entrepreneurs assisted on the KZN youth in technology business graduation and awards.
	BBB-BEE Compliance	Percentage improvement of BBB-BEE compliance	New	New		8%		The indicator was rephrased at the end of Q2. The target applicable to Q2 was overachieved.
	BBB-BEE Compliance	Number of BBB-BEE compliance interventions implemented	7	14	6	4	0	The indicator was rephrased at the end of Q2. The indicator was implemented from Q3. The target applicable to Q2 and Q3 was achieved.

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	Black Industrialist funded	Number of black industrialist funded	New	New	6	3	3	The indicator was rephrased at the end of Q2. The target applicable to Q2 was overachieved.
	Black Industrialist funded	Number of OV support interventions implemented	New	11	6	5	-1	The indicator was rephrased at the end of Q2. The target applicable to Q3 and Q4 was overachieved.
Sub-programme: Regional Local Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	RLED Interventions implemented	Number of RLED employment supporting interventions	New	New	16	16	0	Target achieved
	Social entrepreneurs trained	Number of social entrepreneurs trained	New	New	45	59	14	Target overachieved. The project is application driven and more applications received than anticipated.
	Red tape reduction interventions implemented	Number of red tape reduction interventions implemented	New	4	6	6	0	Target achieved

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	Technical and financial support for Municipal Employment and Business Support Interventions	Number of municipalities supported with funding for municipal employment schemes	New	New	3	3	0	Target achieved
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Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Enterprise Development	493 839	489 978	3 861	295 317	295 317	-
Regional and Local Economic Development	51 047	51 046	1	42 576	42 576	-
Economic Empowerment	26 067	26 067	-	34 402	34 383	19
Total	570 953	567 091	3 862	372 295	372 276	19

PROGRAMME 3: TRADE AND INDUSTRIAL DEVELOPMENT

Purpose of the Programme:

To stimulate economic growth through trade and investment promotion, development of selected sectors and industry development

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

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 3: Trade and Industry Development								
Sub-programme: Strategic Industrial Interventions								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Jobs created	Number of jobs created	New	123	40	27	-13	Target under-achieved.
	Jobs retained	Number of jobs retained	New	0	520	174	-346	Intervention were conducted during March 2022 and therefore did not have direct impact to the job retention. The job retention will be recorded

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								as 2022/23 achievement.
	People trained in aerotropolis skills	Number of persons trained in Aerotropolis skills	New	New	100	171	+71	Due to the prevalence of the Covid-19 pandemic all AIA training has been offered via online platforms which has resulted in the over-achievement of the annual target. The variance is due to the change in training platforms from physical attendance of participants to webinar platform which have no restrictions of the venue capacity and thus afforded the institute the ability to have a wider stakeholder/participant reach.
	People trained in skins and hides skills programme for participation in the local leather hub value chain	Number of persons trained in Skins and Hides (Skills Programme for participation in the local leather hub value chain)	New	New	20	62	+42	Training is designed to cater for a group of 15-20 people at a time and 20 target was for the financial year to cater for 3 Districts that were outstanding which were uMzinyathi, King Cetshwayo and uThukela Districts. Planning was also to cater for the COVID-19 Regulations and Protocols. However, when the trainings were taking place the COVID-

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								19 Regulations & Protocols were relaxed and that work to our advantage as we managed to take bigger groups as per the initial training plan. Hence over-achievement of 42.
	Industrial interventions implemented and specialists studies completed	Number of industrial programmes packaged for implementation	New	New	8	10	+2	These are long-term infrastructure projects and interventions earmarked to be packaged for implementation over multiple-years depending on the availability of funding. There were processes that ran parallel to expedite deliver of the relevant and required reports that are geared towards the implementation of KZN Leather Processing Hub and KZN Clothing & Textiles SEZ in Madadeni, Newcastle Municipality.

Sub-programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	District business retention and expansion (BRE) scoping studies are conducted	Number of district business retention and expansion (BRE) scoping studies conducted	New	New	3	4	+1	Target overachieved. Due to the July unrest further scoping engagements were conducted by the KZN Growth Coalition.
	Companies supported for exports	Number of companies supported for exports, investment and job retention	New	0	20	47	+6	Target overachieved. Productivity SA increased its awareness programmes and more online sessions were held to broaden the reach.
	Jobs retained	Number of jobs retained	New	New	80	80	-	Target Achieved.
	Social compacts signed	Number of Social Compacts signed through the KZN Economic Council	New	New	4	4	0	Target achieved
	Action plan by social partners	Percentage of KZN Economic Council EDTEA Resolutions implemented	New	88%	80%	89%	+9%	Target overachieved. Activities with the said resolutions were required within a shorter timeframe by the KZN EC Social Partners, while the residual resolutions had

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								longer turn-around timeframes. As such, these were executed with immediate effect to meet the prescribed timeframes.
Sub-programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Sustainable projects implemented	Percentage Implementation of strategic projects	New	New	100%	100%	0	Target achieved.
	Sector strategic interventions implemented	Percentage implementation of sector strategic interventions to support job creation	New	New	100%	67%	-34%	Target not achieved. 1. Creative Industries' Incubation Hub was not implemented due to the budget "re-prioritization" that was undertaken after the Mid-Term Budget Estimates 2.The MOU for Broadband was signed on 15 March 2022, however the work started in April 2022 which falls within the new financial year.

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	People trained on specific expertise	Number of people trained on Business Processing Outsourcing (BPO) for economic inclusion	New	New	100	114	+14	Target overachieved. BPO Industry largely employs youth participants and has a high attrition rate. CCI-Career Box recruited slightly more numbers than our set target to ensure that if any candidate drops out of the programme does not affect and compromise their ability to deliver on the scope of work as required.
	People trained on Amarula processing skills for local skills supply	Number of people trained on Amarula processing skills for local skills supply	New	New	50	139	+89	Target overachieved. More people were trained to shorten the harvesting period.
	Industry cluster projects implemented	Number of industry cluster projects implemented	New	2	1	1	0	Target achieved

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Trade and Investment Promotion	580 538	580 192	346	486 326	486 326	-
Sector Development	213 954	211 507	2 447	186 673	185 666	1 007
Strategic Initiatives	107 189	107 189	-	87 075	87 075	-
Total	901 681	898 888	2 793	760 074	759 067	1 007

PROGRAMME 4: BUSINESS REGULATIONS AND GOVERNANCE

Purpose of the Programme:

To implement the Constitutional mandate of the Province within the Regulated industries in relation to regulating Trade, Consumer Protection, liquor licensing and gaming and betting; (policy and legislation function only), to ensure that an equitable and socially responsible business environment is developed and sustained which is supportive of growing the economy thereby contributing to job creation. The programme is made up of the following sub-programmes:

- Consumer Protection
- Business Regulation Services
- Policy and Legislation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 4: Business Regulations and Governance								
Sub-programme: Policy and Legislation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Liquor Authority monitored in terms of regulating its respective industry	Number of Liquor Authority monitoring reports produced	4	4	4	4	0	Target achieved
	KZN Gaming and Betting Board monitored	Number of KZN Gaming and Betting Board monitoring	New	4	4	4	0	Target achieved

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	in terms of regulating the Gaming and Betting industry	reports produced						
	Catalytic initiatives implemented to encourage an effective and conducive business regulatory environment	Number of catalytic initiatives implemented	7	7	7	8	+1	Target overachieved. Two gazettes drafted in Q4 - Event or Contingency Evolution Services and Notice of Liquor Fees.
Sub-programme: Regulations Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Automated business licencing and information management system implemented in municipalities for formal businesses	Number local of Municipalities implementing the KZN automated business licencing and information management system and license registration for formal businesses	New	42	40	46	+6	Target overachieved. After the local government elections, municipalities either changed political or administrative leadership. The sub-programme then had to go back to some municipalities to activate support for the new system usage with the new incumbents.

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	Municipalities supported for business licencing function (capacity)	Number of Municipalities supported for business licensing function	New	11	43	44	+1	Target overachieved. After the local government elections, municipalities either changed political or administrative leadership. The sub-programme then had to go back to some municipalities to activate business licencing support with the new incumbents.
	Programmes to support informal economy implemented	Number of programmes implemented to support informal economy	New	4	5	8	+3	Target overachieved. As more municipalities ensure compliance with applicable laws, the unit has introduced more programmes to support municipalities to ensure compliance with the informal economy space.
	Business inspections conducted for compliance with business legislation	Number of Business Inspections conducted	91	362	75	289	+214	Target overachieved. The sub-programme had an increase in staff complement in the last two quarters hence there is increased capacity to conduct more business inspections.
Sub-programme: Consumer Protection Services								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual	*Actual Achieveme	Deviation from planned target to Actual	Reasons for deviations

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			2019/2020	2020/2021	Target 2021/2022	Actual 2021/2022	Achievement 2021/2022	
Inclusive and Transformed economic growth	Consumer educational programmes are implemented	Number of consumer educational programmes implemented	982	2798	927	2332	+1405	Target overachieved. The Unit utilised other avenues to reach consumers in disseminating information such as the community radio stations and the mini workshops.
	Inspected businesses	Number of businesses inspected	485	501	300	516	+216	Target overachieved. Increase in capacity of staff due to support received from staff from the Consumer Tribunal and Complaints meant more inspections could be conducted.
	Resolved complaints	Percentage of consumer complaints resolved	78%	81%	70%	81%	+11%	Target overachieved. Complaints were able to be resolved expeditiously due to assistance received from Consumer Tribunal staff and Managers.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Regulation Services	8 531	8 531	-	7 106	7 106	-
Consumer Protection	34 067	34 067	-	31 063	31 063	-
Liquor Regulation	87 382	87 382	-	83 586	83 586	-
Gaming and Betting	54 068	54 068	-	58 001	58 001	-
Total	184 048	184 048	-	179 756	179 756	-

PROGRAMME 5: ECONOMIC PLANNING

Purpose of the Programme:

Economic Planning undertakes research, planning and knowledge management activities that inform development of provincial economic policies, strategies & interventions that result in economic growth and employment creation. The programme achieves this through activities implemented within three sub-programmes:

- Research and Development
- Policy and Planning; and
- Knowledge Management.
- Monitoring and Evaluations

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 5: Economic Planning								
Sub-programme: Research and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Innovative technologies funded	Number of innovative technologies funded	New	0	3	3	0	Target achieved
Sub-programme: Policy and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	*Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations

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			2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	
Inclusive and Transformed economic growth	Economic strategies formulated	Number of economic strategies formulated	New	2	2	2	0	Target achieved.
	Quarterly economic publications produced	Number of quarterly economic publications produced	New	5	5	5	0	Target achieved.
Sub-programme: Monitoring and evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Evaluation research conducted	Number of Evaluation research conducted	0	0	3	0	-3	Target not achieved. The Directorate experienced prolonged delays with the appointment of the service provider to assist the department on the execution of the indicator and target. The service provider was appointed late in the financial year, specifically in January 2022.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Policy and Planning	6 725	6 716	9	5 550	5 550	-
Research and Development	6 134	5 372	762	7 162	7 162	-
Knowledge Management	3 232	3 202	30	3 139	3 139	-
Monitoring and Evaluation	5 079	5 079	-	3 451	3 451	-
Total	21 170	20 369	801	19 302	19 302	-

PROGRAMME 6: TOURISM DEVELOPMENT

Purpose of the Programme:

Tourism is a concurrent function between the national and provincial governments. 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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 6: Tourism Development								
Sub-programme: Tourism Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Supported strategic tourism fora	Number of functional strategic tourism fora	12	9	14	14	0	Target achieved
	Strategic frameworks developed	Number of Tourism strategic frameworks	New	3	4	4	0	Target achieved

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		developed						
	Workshops on tourism	Number of Tourism workshops conducted	New	3	4	4	0	Target achieved
Sub-programme: Tourism Growth and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Inclusive and Transformed economic growth	Niche tourism products	Number of niche Tourism products supported	3	2	2	2	0	Target achieved
	Tourism products and experiences implemented	Percentage implementation of tourism products projects	New	4	100%	100%	0	Target achieved
	Professional tourist guides	Number of Tourist Guides accredited in line with the Tourism Act 3 of 2014	262	195	250	193	-57	Target not achieved. The number of tourist guides registering and renewing their applications decreased due to lockdown and Covid-19. One of the requirements for registration is a first aid certificate which expire every 3 years and tourist guides were unable to do this training

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								to allow them to register hence the decrease in number.
	Compliant tourist guides	Number of Tourist Guides inspections conducted to curb illegal guiding	1	8	12	12	0	Target achieved
Sub-programme: Tourism Sector Transformation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	People trained within the tourism sector	Number of tour operators capacitated within the tourism sector	655	792	500	631	+131	Target overachieved. High interest by the sector to attend the grading workshop as well as the professionalisation of the sector workshop. Attendance was maximised due to workshops being held virtually.
	People assisted with employment opportunities	Number of Tourism graduates placed in the tourism sector	53	104	100	99	-1	Target underachieved. This was due to resignations from the programme.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Tourism Planning	3 309	3 309	-	5 252	4 380	872
Tourism Growth and Development	238 446	232 446	6 000	212 470	212 470	-
Tourism Sector Transformation	11 915	11 915	-	4 948	4 948	-
Total	253 670	247 670	6 000	222 670	221 798	872

PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

Purpose of the Programme:

To advance environmental sustainability for socioeconomic development.

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 7: Environmental Management								
Sub-programme: Environmental Planning, Governance and Information Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Provincial development plans reviewed for ecological sustainability principles	Number of intergovernmental sector tools reviewed	54	54	54	54	0	Target achieved
	Environmental management tools informing	Number of environmental legislative tools	2	2	2	2	0	Target achieved

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	the development at planning, management and implementation levels	developed						
	Environmental decision-making systems supported by evidence	Number of environmental research projects completed	1	1	1	1	0	Target achieved
	Faster, efficient and effective Environmental management systems based on technology	Number of functional environmental information management systems	11	1	1	1	0	Target achieved
	Local government support	Number of local government support implementation reports	New	New	4	4	0	Target achieved
Sub-programme: Climate Change Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Tools for climate change planning	Number of climate change response tools developed	1	1	1	1	0	Target achieved

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	Climate change resilient plan	Number of district climate change adaptation interventions supported	11	10	7	10	+3	Target overachieved. There was an additional request from iNkosi YamaQadi for a workshop on climate change in February resulting in exceedance, as this was unplanned.
	Public awareness on disaster events for precautionary measures	Number of severe weather watch notifications released and trend analysis report	1	38	32	35	+3	Target overachieved. There were adverse weather conditions created by La Nina resulting in an increase in the number of notifications issued.
	Green Economy reports developed	Number of provincial green economy reports developed	1	1	1	1	0	Target achieved
Sub-programme: Environmental Compliance Monitoring and Enforcement								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Administrative enforcement notices for non-compliance with environmental legislation	Number of administrative enforcement notices issued for non-compliance with environmental legislation	250	190	175	202	+27	Target overachieved. Some districts had new appointments which resulted in additional resources issuing administrative notices. Furthermore, a lot of non-

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								compliance was uncovered during site inspections.
	Completed criminal investigations handed to NPA for prosecutions	Number of completed criminal investigations handed to NPA for prosecutions	1	3	2	4	+2	Target overachieved. There was more non-compliance with Environmental Legislation which resulted in additional cases handed to NPA.
	Compliance inspections	Number of compliance inspections conducted	900	524	450	601	+151	Target overachieved. Over and above the proactive inspections, there were reactive inspections conducted in response to complaints received by the Department. Furthermore, some proactive inspections triggered follow up inspections.
	Permitted landfill sites monitored	Number of permitted landfill sites monitored for compliance	15	10	8	10	+2	Target overachieved. As a result of the complaints received pertaining landfill site non-compliance, 2 additional landfills were added to the landfill monitoring schedule.
	Compliance promotion conducted	Number of compliance promotion activities conducted for priority economic	New	New	100	264	+164	Target overachieved. Compliance promotions were conducted for the first time within the financial year and were

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		sectors						driven by need. This resulted in a greater number of facilities being visited.
	Sector compliance inspections conducted	Number of sector compliance inspections conducted	New	New	8	32	+24	Target overachieved. Over and above the planned proactive inspections, there were reactive inspections conducted in response to complaints received by the Department. Furthermore, some proactive inspections triggered follow up inspections.
Sub-programme: Environmental Quality Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Waste minimization projects supported	Number of Waste minimization projects supported	New	New	44	44	0	Target achieved
	Reviewed waste management licences	Number of waste licenses reviewed	50%	5	5	6	+1	Target overachieved. There was an urgent review of one Waste Management Licence due to non-compliance of

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								the landfill site.
	Compliance with waste management policies and regulations	Number of waste facilities audited as per environmental legislative requirement	133%	101	75	76	+1	Target overachieved. The Department received a suspicion of malfunction of waste water treatment works, there an audit was planned to check compliance of the Waster Water treatment works.
	Waste Management Indaba	Number of Provincial Waste Management engagements convened	New	0	1	1	0	Target achieved
	EIA applications finalized within timeframes	Percentage of EIA applications finalized within legislated timeframes	98%	100%	100%	100%	0	Target achieved
	Air Quality Monitoring Reports	Number of ambient air quality monitoring reports produced	3	3	4	4	0	Target achieved
	Jobs created in the circular economy	Number of jobs created in circular economy	New	New	1000	1000	0	Target achieved
	Municipal support report produced (waste management)	Number of municipal support reports on Waste Management interventions produced	New	New	4	4	0	Target achieved
	Proactive integrated environmental	Number of environmental management	New	New	2	2	0	Target achieved

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	management tools developed	instruments developed to streamline environmental authorisation process for activities involving basic service delivery and strategic infrastructure projects (SIPs)						
	Municipal support report produced (Air Quality Management)	Number of municipal support reports on air quality management interventions produced	New	New	4	4	0	Target achieved
Sub-programme: Coastal and Biodiversity Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Work opportunities created	Number of work opportunities created through environmental programmes (IASP)	15 888	9271	7725	8225	+500	Target overachieved. IASP Unit accumulated savings from its allocated budget. The savings were then utilised to recruit and enrol more beneficiaries in projects, hence the variance.

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	Work opportunities created	Number of work opportunities created through NRM Interventions	New	New	2500	1701	-799	Target not achieved. Municipalities could not recruit in some areas due to the procurement moratorium from Treasury which prevented them from procuring the necessary tools of trade. Municipalities then requested to implemented parts of the project in the following year.
	Beneficiaries trained on various areas within biodiversity / green economy	Number of beneficiaries trained IASP eradication	922	1304	1000	1649	+649	Target overachieved. With more jobs created than initially planned, more training of participants had to be conducted.
	Coastal management programmes	Number of coastal management programmes developed	1	1	1	1	0	Target achieved.
	Estuarine management plans	Number of estuarine management plans developed	1	3	2	2	0	Target achieved.
	Estuaries monitoring	Number of estuarine monitoring reports produced	New	New	1	1	0	Target achieved.
	Source to Coast clean up interventions	Number of Source to Coast clean up interventions implemented	3	2	3	3	0	Target achieved

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	Coastal monitoring and enforcement activities	Number of coastal monitoring and enforcement activities conducted	5	3	3	3	0	Target achieved
	Management of boat launch sites	Number of boat launch sites reports produced	New	New	1	1	0	Target achieved
	Management of coastal information sharing portal	Number of functional coastal management information systems maintained	New	New	1	1	0	Target achieved
	ICM training and capacity development programme	Number of Integrated Coastal Management (ICM) training courses conducted	New	New	1	1	0	Target achieved
	Aerial coastal inspection survey	Number of coastal aerial inspection survey reports produced	New	New	1	1	0	Target achieved
	Hectares cleared of invasive species	Number of hectares cleared of invasive alien species	145 977,52	161 630	100 000	176 387	+76 387	Target overachieved. EKZNW has cleared more hectares than initially planned, due to money being channelled to clearing operations which could not be done in the past financial year due to budget limitations.
	Fulltime equivalents created	Number of fulltime equivalence /created FTE's	2689,7	1835	2183	2223	+40	Target overachieved. The increase in the number of beneficiaries and the extension of contracts for

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								some projects resulted in the exceeding of the planned annual FTE target.
	Entity oversight reports	Number of oversight reports produced on Biodiversity Mandate implementation by KZN Wildlife	1	1	1	1	0	Target achieved
Sub-programme: Environmental Empowerment Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Environmental sustainability and resilience	Environmental capacity building activities	Number of environmental capacity building activities conducted	81	105	60	82	+22	Target overachieved. As a result of COVID-19 there was an increase in demand for capacity building activities hence the increase in planned workshops.
	Environmental awareness activities	Number of environmental awareness activities conducted	1 261	1195	1000	1334	+334	Target overachieved. Due to COVID-19, activities are conducted in small groups so more activities are conducted.
	School Environmental Education Programme	Number of SEEP Programmes implemented	New	New	1	1	0	Target achieved.

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	Green Good Deeds Concept review	Number of Green Good Deeds Implementation Plan Reviewed	New	1	1	1	0	Target achieved
	Clean up campaigns	Number of clean up campaigns hosted	300	156	120	171	+51	Target overachieved due to partnerships with stakeholders.
	Provincial Environmental Events	Number of provincial environmental events to commemorate environmental days hosted	New	2	3	6	+3	Target overachieved due to response to environmental sustainability.
	Environmental learning resources	Number of environmental learning-resource materials developed	New	New	5	5	0	Target achieved.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	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
Environmental Policy Planning and Co-Ordination	23 200	20 700	2 500	22 113	14 113	8 000
Compliance and Enforcement	26 705	26 705	-	28 470	28 470	-
Environmental Quality Management	52 907	51 407	1 500	44 339	43 964	375
Biodiversity Management	986 188	986 188	-	1 081 536	1 081 536	-
Environmental Empowerment Services	36 934	36 434	500	29 990	29 990	-
Environmental Services Administrative Support	4 317	4 317	-	2 557	2 557	-
Total	1 130 251	1 125 751	4 500	1 209 005	1 200 630	8 375

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Ithala Development Finance Corporation (IDFC)	<ul style="list-style-type: none"> • CS2(a). Percentage preferential procurement spend on enterprises that are: Black-owned. (target = Black-60%) • CS2 (b). Percentage preferential procurement spend on enterprises that are: Women-owned. (Target = Women-25%). • CS2 c. Percentage preferential procurement spend on enterprises that are: Youth-owned. (Target = Youth_10%). • CS7. Gross collections (cumulative). (Target = R930.5 million). • CS8. Net profit (cumulative). (Target = R29.75 million) • CS10. Number of days with cash on hand. (Target = >20 days cash on hand) • CS12. Percentage utilisation of all ICT systems. (Target= 80%). • BF1. Average turnaround time for approval of loans from date of valid application (All documentation in order). (Target = Within 28 working days). • BF2. Percentage of the total loan book disbursed per annum. (Target = 7%) • BF3. Average turnaround time for disbursement of first drawn approved loans. (Target = Average 50 working days from approval date). • BF5. Percentage of businesses pre-supported that accessed funding. (Target: 75%). 	138 382	95 303	<ul style="list-style-type: none"> • 90% was spent on black owned enterprises against a target of 60%. • 34% was spend on enterprises that are women owned against a target of 25%. • 14% was spend on enterprises that are youth owned against a target of 10%. • R1.12 billion gross collections (cumulative) was accrued to the entity against a budget of R930.5 million. • R90 million net profit (cumulative) was generated against a target of R29.75 million. • 77.0% cost to income ratio was achieved against a target (inclusive grant and Fair value adjustment) of 84.3%. • 87.0% cost to income ratio was achieved against a target of 97.61% (excl. grant). • 51 days cash held on hand ratio achieved against a target of 20 days. • 88% utilisation of all ICT systems against a target of 80%. • Loans were approved within 8 working days from the date of valid application (for all documentation that were in order) against a target of within 28 working days. • 17% of loan book was disbursed per annum

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<ul style="list-style-type: none"> BF6. Percentage of businesses funded that are performing two years after first disbursement. (Target: 45%). BF8 (a). Percentage of funding allocated to designated groups per annum: Black, African. (Target = Black, African in particular: 85%). BF8 (b). Percentage of funding allocated to designated groups per annum: Women. (Target= Women: 20%). BF9. Rand value of IDFC supported SMMEs and co-operatives benefiting from Provincial Government procurement spend. (Target= R75 million). BF10. Number of SMMEs and co-operatives supported to supply the KZN government with prioritised commodities. (Target = 1). Pr4. Number of new leases concluded with tenants. (Target = 140). Pr6. Return on investment in property portfolio. (Target = 3.98%). Pr7. Average percentage achievement of agreed infrastructure development project milestones. (Target = > 70% achievement of agreed project milestones. G31). 			<p>against a target of disbursing 7%.</p> <ul style="list-style-type: none"> The first drawn down approved loans were disbursed within 14 working days against a target of 50 working days from approval date. 94% of the businesses were funded still performing (two years after first disbursement) against a target of 45%. 97% of funding was allocated to designated groups (Blacks or Africans) against a target of 85%. 23.4% of funding was allocated to designated groups (Women) against a target of 20%. An amount of R94 million was utilised to support SMMEs and co-operatives beneficiaries from procurement spend against a budget of R75 million. 26 SMMEs and co-operatives were supported to supply the KZN government with prioritised commodities against a target of 1. 159 new leases were concluded with tenants against a target of 140. 5.23% return on investment in property portfolio was achieved against a target of 3.98%.
KZN Growth Fund (KZNGF)	<ul style="list-style-type: none"> 1.2.1 Achieve % procurement spend on targeted B-BBEE suppliers (procurement spend on targeted suppliers/total procurement spend). (Target = 75% of total procurement from suppliers with a BEE level of 3 and above 	285 782	250 131	<ul style="list-style-type: none"> 78% of total procurement from suppliers with a BEE level of 3 and above and/or 39% of total spend on targeted suppliers as at 31 March 2022 was achieved against a target of 75%.

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<p>and/or 20% of total spend on targeted suppliers as at 31 March 2022.).</p> <ul style="list-style-type: none"> 2.1.2 % of disbursed projects meeting B-BBEE Investment policy criteria (no of projects meeting the B-BBEE criteria / total no of projects disbursed). (Target= 70% of disbursed projects meeting the new B-BBEE Investment policy criteria as at 31 March 2022.). 2.3.2 At the time of valuation of the investment portfolio, the valuation reductions should be less than or equal to 35% of the cost of the portfolio (Equity). (Target= At least 50% of the total cost of the investment portfolio to be maintained based on annual valuations and provisions as at 31 March 2022.) 			<ul style="list-style-type: none"> 100% disbursed projects meeting the new B-BBEE Investment policy criteria was achieved by the 31st of March 2022 against a target of 70%. 60% of the total cost of the investment portfolio to be maintained was achieved by the 31st of March 2022 against a target of 50%.
Moses Kotane Institutes (MKI)	<ul style="list-style-type: none"> Number of partnerships established. (Target = 3). Number of research projects completed per year. (Target = 3) Number of students funded through MKI Bursary Scheme per year. (Target = 150). Number of learners trained through Maritime initiatives. (Target: 10). Number of entrepreneurs participated in the Enterprise development. (Target: 15). 	56 125	45 403	<ul style="list-style-type: none"> The entity achieved a clean audit opinion. 4 partnerships were established against a target of 3. 4 research projects were completed in the year against a target of 3. 158 students were funded through MKI bursary scheme against a target of 150. 16 learners were trained through Maritime initiatives against a target of 10. 67 entrepreneurs participated in the enterprise development training against a target of 15.
Trade and Investment KZN (TIKZN)	<ul style="list-style-type: none"> Rand value of new domestic and foreign investments committed (Target = R500 Million) Number of jobs created from new projects (Target=750) 	98 306	89 939	<ul style="list-style-type: none"> The entity achieved a clean audit opinion. R8.011 billion Rand value of new domestic and foreign investments was committed against a budget of R500 million. Property development for

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<ul style="list-style-type: none"> • Number of investment opportunities facilitated for priority groups (youth/women/PWDs/black-owned) (Target=4) • Number of international investment and trade platforms hosted (buying, selling and investment generation, e-lead Generation) (Target=5) • Number of jobs created by KZN Exporters (Target=350) • Number of Youth, Women and PWD groups companies developed for export readiness. (Target=9) • Number of Existing and Seasoned Exporters assisted with focused Training and Capacity Building. (Target=8) • Number of deals/orders for KZN Exporters. (Target=19) • Number of distressed businesses supported through business retention interventions. (Target=30) • Rand value of expansion projects committed. (Target= R100 million) • Number of businesses supported with enterprise/supplier development intervention undertaken. (Target= 20) • Number of jobs from expansion and retention support interventions. (Target= 375) • Number of precinct revitalisation projects 			<p>Tourism and Infrastructure and Infrastructure development logistics contributed large amounts of investments in the pipeline and projects committed.</p> <ul style="list-style-type: none"> • 2182 jobs were created from new projects against a target of 750 jobs. • Seven (7) investment opportunities were facilitated for the priority groups (youth/women/PWDs/black-owned) against a target of 4. • The entity was able to host 18 platform within the 2021/22 financial year against a target of 15. • 536 jobs were created by KZN Exporters against a target of 350 job. • 33 companies from priority groups, Youth, Women and PWD (People with Disabilities) were developed for export readiness. • 36 existing and seasoned exporters were assisted with focused training and capacity building against a target of 8. • 20 deals/ orders were received for KZN Exporters against a target of 19. • 64 distressed businesses were supported through business retention initiatives interventions against a target of 30. • Expansion projects valued at R402.3 million were committed against a budget of R100 million. • 85 businesses were supported with

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<p>facilitated. (Target= 3)</p> <ul style="list-style-type: none"> • Percentage of risks identified and properly mitigated or resolved (As identified through the risk management process and documented in the risk register). (Target= 95%) • Number of high impact projects resolved through project brokering support interventions. (Target= 1) • Number of strategic partnerships with District Development Agencies for One Stop Shop services. (Target= 1) • Number of investment and export led investment projects packaged for investors and traders (Localisation/import substitution). (Target= 8) • Number of comprehensive Sector profiles. (Target=4) • Number of Quarterly KZN Economic Overviews, trend analysis, board reports and country targeting reports and Business Intelligence Documents. (Target= 3) • Number of policy advocacy initiatives facilitated. (Target= 3) • Number of ICT Infrastructure Systems implemented. (Target= 2) • Percentage of internal audit findings resolved prior to AG audit. (Target= 95%) • Number of staffs trained. 			<p>enterprise/supplier development intervention against a target of 20.</p> <ul style="list-style-type: none"> • 1343 jobs were created from expansion and retention support interventions against the target of 375. • Six (6) precinct revitalisation projects were facilitated against a target of 3. • 96% of the risks identified were properly mitigated or resolved (as identified through the risk management process and documented in the risk register) against a target of 95%. • 2 high impact projects were resolved through project brokering interventions against a target of 1. • 2 Strategic partnerships with District Development Agencies for One Stop Shop services were achieved against a target of 1. A funding co-operation agreement between EDTEA and TIKZN was concluded, and a draft business plan was crafted and circulated for comments and inputs. • 10 investment and export led investment projects were packaged for investors and traders against a target of 8. • 6 comprehensive sector profiles were achieved against a target of 4. • 6 quarterly KZN Economic Overviews, trend analysis, board reports and country targeting reports and business intelligence documents were

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<p>(Target= 25%)</p> <ul style="list-style-type: none"> • Number of organisational development programmes implemented. (Target = 1) • Number of monitoring activities conducted. (Target = 1) • Number of strategic marketing campaigns and activations. (Target= 3) • Number of strategic stakeholder and media engagements. (Target= 3) • Manage TIKZN digital platforms. (Target= 1) • Number of Qualified leads generated. (Target= 10) • Number of "Proudly Made in KZN" and " Buy Local" awareness campaigns. (Target= 4) • Number of international marketing initiatives implemented. (Target= 3) • Number of investments, trade, sector-based, international organisation information sharing engagements with stakeholders. (Target= 5) • Number of intra-trade platforms created for KZN companies. (Target= 5) • Percentage of payments made within 30 days to TIKZN suppliers. (Target= 95%) • Number of interventions facilitated through the One Stop Shop. (Target= 60) 			<p>achieved against a target of 3.</p> <ul style="list-style-type: none"> • 7 policy advocacy initiatives were facilitated against a target of 3 due to requests from internal and external stakeholders. • 4 of ICT Infrastructure Systems were implemented against a target of 2. • 96% of the internal audit findings were resolved prior to Auditor-General audit against a target of 95%. • 80% of the staff were trained against a target of 25%. • 2 organisational development programmes were implemented against a target of 1. • 3 monitoring activities were conducted against a target of 1. • 5 strategic marketing campaigns and activities were achieved against a target of 3 due to marketing collateral provided for KZN Investment Conference. • 5 strategic stakeholder and media engagements were achieved against a target of 3. • 6 TIKZN digital platforms were achieved against a target of 1. • 11 qualified leads were generated against a target of 10. • 7 "Proudly Made in KZN " and Buy Local" awareness campaigns were achieved against a target of 4. • 6 International marketing initiatives were

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
				<p>implemented against a target of 3.</p> <ul style="list-style-type: none"> • 7 Investment, trade, sector-based, international organisation information sharing engagements with stakeholders was achieved against a target of 5. • 7 intra-trade platforms were created for KZN companies against the target of 5. • 98.33% of payments were made within 30 days to TIKZN suppliers against a target of 95%. • A total of 259 applications were facilitated through the KZN One Stop Shop against a target of 60.
Dube Trade port (DTPC)	<ul style="list-style-type: none"> • Cumulative reach of marketing and communication activities. (Target = 3 509 086) • % of SLA conditions met. (Target = 100%). • Total revenue generated from cargo terminal services. (Target = R2.03 million). • Total revenue from all DTPC owned buildings. (Target = R15.2 million) • % Reduction in property operations input costs. (Target = 4%) • % Effectiveness of service level standards. (Target = 82,6%). • %Occupancy of Agri Zone facilities. (Target = 100%). • Number of hectares rehabilitated and maintained. (Target = 58,23ha) • %Uptime of core network environment. (Target = 99,99%). 	477 537	294 674	<ul style="list-style-type: none"> • 95% of the ICT objectives were achieved against a target of 90%. • 3 509 086 cumulative reach of marketing and communication activities was achieved against a target of 265 000. Digital media platforms were strategically used to achieve greater reach. The DTPC social media platforms were also used to create awareness on marketing campaigns implemented during the year which included the investment opportunities. • 100% of the SLA conditions were met against a target of 95%. • R2.03million total revenue was generated from Cargo Terminal services against a budget of R1.25 million. • R65.24 million was the total capital expenditure incurred on infrastructure projects and

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<ul style="list-style-type: none"> Total capital expenditure on infrastructure projects and developments. (Target = R65.24 million). Construction expenditure on EMEs and QSEs. (Target = R36.90 million). % achievement of the relevant management control criteria of the B-BBEE scorecard. (Target = 89,93%). 			<p>developments against a budget of R58 million.</p> <ul style="list-style-type: none"> R36,90 million was the total construction expenditure incurred on EMEs and QSEs against a budget of R20 million. R15.2 million total revenue was generated from all DTPC properties against a budget of R11.075 million. There was a 4% reduction in property operations input costs against a target of 2,50%. 82.6% of the entity's service level standards were assessed to be effective against a target of 75%. There was 100% occupancy of Agri Zone facilities against a target of 90%. All Agri Zone leasable facilities remain fully occupied. 58,23ha of land was rehabilitated and maintained against a target of 50ha under Programme 4: Agri Zone. 99,9% uptime core network environment achieved against a target of 99% under Programme 5: Dube iConnect.
Richards bay IDZ (RBIDZ)	<ul style="list-style-type: none"> Percentage of own revenue generated. (Target = 2.50%). Percentage of RBIDZ operational properties fully serviced with ICT infrastructure. (Target = 80%) Number of construction jobs created (investor projects). (Target = 650). Rand value of investments approved by the Board. (Target = R800 million) 	107 189	107 189	<ul style="list-style-type: none"> The entity achieved a clean audit opinion. 9% of total revenue generated was own revenue against a budget of 2.5%. 100% of RBIDZ operational properties were fully serviced with ICT infrastructure against a target of 80%. This included fibre installation for Phase 1F, Meet Me Room Configuration Fibre taken Nyanza

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
				<p>building server room, ISP Assessment completed, ISP Planning documents were approved.</p> <ul style="list-style-type: none"> • 852 construction jobs were created against a target of 202. • R25 billion project investments were approved by the Board against a budget of R800 million.
Film Commission (KZNFC)	<ul style="list-style-type: none"> • Percentage of film fund projects awarded funding to designated groups. (Target = 87%) • Number of research papers produces. (Target = 2). • Percentage of film fund projects awarded funding o designated groups. (Targets = 87% (Women - 50%, Youth - 40%, Disabled - 2%) • IsiZulu or Zulu Cultural made for TV movies and short films awarded funding in development and production. (Target = 8 (Women - 50%, Youth - 60%) • Number of productions awarded funding through KZNFC film fund. (Target = 6) • Number of development projects awarded funding through KZN film fund. (Target = 7) • Number of temporary jobs created through KZN film fund. (Target = 150) • Percentage temporary jobs created through KZN film fund. (Target = 64%) 	84 082	59 861	<ul style="list-style-type: none"> • The entity achieved a clean audit opinion. • 100% Film Fund projects awarded to designated groups against a target of 87%. (Women - 30% was achieved against a target of 50%, Youth - 80% was achieved against a target a target of 40%, People with Disability - 0% achieved against a target of 2%). • 4 research papers produced • 100% of film fund projects were awarded funding on designated groups (Women - 30%, Youth - 80%, Disabled - 0%). • 9 IsiZulu or Zulu Cultural made for TV movies and short films awarded funding in development and production. (Women - 30% against a target of 50%, Youth - 80% against a target of 60%) • 12 productions awarded funding through KZNFC film fund • 14 Development projects awarded funding through KZNFC film fund against no set target. (Women - 28,60% against a target of 50%, Youth - 64% against a target of 85,70%, People with disabilities - 0% against no target). • 628 temporary jobs

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
				<ul style="list-style-type: none"> created through KZN film fund 68% temporary jobs created through KZN film fund.
KZN Liquor Authority (KZNLA)	<ul style="list-style-type: none"> Number of Legal reports appraising the Board of legal matters processed. (Target = 1). Number of job opportunities created from licenses issued. (Target = 3 jobs per license). Percentage of annual evaluations compliance inspections concluded (section 64 renewals). (Target = 80%). Percentage of applications processed and finalized within the prescribed timeframes. (Target = 80%). 	87 382	87 054	<ul style="list-style-type: none"> 3 Appeal Reports submitted to the Board Adjudication Committee. 3 Litigation Reports submitted to the Board Adjudication Committee. 345 job opportunities created from 47 licenses issued, each job created more than 3 jobs. 89,25% (1395) inspection reports completed within prescribed timeframes against a target of 80%. A total of 1563 inspection reports were completed in the quarter and 1227 of these reports were completed within the prescribed timeframe. 81,41% 127 Out of 156 applications processed and finalised within timeliness. 29 Out of 156 applications processed and finalised beyond timelines.
KZN Gaming and Betting Board (KZNGBB)	<ul style="list-style-type: none"> Percentage achievement of APP targets against planned targets. (Target = 85%). Number of renewal applications processed in terms of the KZNGBB Act. (Target = 400). Number of new corporate gaming and betting applicants processed in terms of the KZNGBB Act probed and making commitments on B-BBEE requirements. (Target = 2). Number of reports compiled on illegal gambling raids conducted. (Target = 15). 	51 361	51 361	<ul style="list-style-type: none"> Obtained clean audit outcome for the 2020/21 financial period. 88% was obtained on APP targets achieved against a target of 85%. 730 new applications processed in terms of the KZNGBB Act against a target of 400. 7 new corporate gaming and betting applicants processed in terms of the KZNGBB Act probed and making commitments on B-BBEE requirements against a target of 2. 23 reports compiled on illegal gambling raids conducted against a target of 15.
KZN Tourism	<ul style="list-style-type: none"> Number of board reports on the 	142 342	138 442	<ul style="list-style-type: none"> 4 Board reports on the

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Authority (KZNTA)	<p>performance of coordination structures. (Target = 2).</p> <ul style="list-style-type: none"> • Cumulative Number of tourism investment promotion activities facilitated. (Target = 1). • Cumulative Number of interventions implemented in support of small black owned tourism enterprises. (Target = 3) • Number of enterprises benefiting from enterprise development support programme. (Target = 150). • Number of tourism deals generated. (Target = 2). • Number of trade engagements for destination promotion. (Target = 1). • Drive positive media coverage for destination KZN. (Target R75 million). • Number of seasonal media partnerships implemented. (Target = 1). • Number of destination activations implemented for destination promotion. (Target = 1). • Number of training interventions conducted as per the annual Workplace Skills Plan. (Target = 4) • Percentage of procurement budget ring fenced for Previously Disadvantaged Individuals (PDIs) through competitive bidding to contribute to transformation. (Target = 70%). 			<p>performance of coordination structures were written against a target of 2.</p> <ul style="list-style-type: none"> • 2 tourism investment promotion activities were facilitated against a target of 1. <ul style="list-style-type: none"> a. Isimangaliso Investment Summit; and b. Isimangaliso Broacher • 4 interventions were implemented in support of small black owned tourism enterprises against a target of 3: <ul style="list-style-type: none"> a. Supported SMMEs for the WTM Africa; b. Rand Show; c. India Road Show; and d. Kwande Festival. • 230 enterprises benefited from enterprise development support programme against a target of 150. • 15 tourism deals were generated against a target of 10 because of services opening for travel. • 4 trade engagements for destination promotion were conducted against a target of 2 due to the trade training visits within the Province. • R358 315 211,94 was achieved to drive the positive media coverage for destination KZN against a target of R75 million due to exposure received because of media partnership during this quarter. • 3 seasonal media partnerships were implemented against a target of 1: <ul style="list-style-type: none"> a. Due to partnerships with Ukhozi and Heart FM, b. Isolezwe and

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
				<p>c. Ilanga langomqgibelo.</p> <ul style="list-style-type: none"> • 4 destination activations were implemented for destination promotion against a target of 1. • 5 training interventions were conducted as per the annual workplace skills plan against a target of 4 due to additional training on the training plan, POPI Act Training and Introduction to policy formulation and implementation • 88% of the procurement budget ring fenced for PDIs through competitive bidding to contribute to transformation was achieved against a target of 70%.
KZN Sharks Board (KZNSB)	<ul style="list-style-type: none"> • Percentage of salary budget spent on training annually. (Target = 1.5%). • Percentage budget allocated to capital infrastructure spent. (Target = 90%) • Percentage of outstanding debt collected from Municipalities / relevant stakeholders. (Target = 80%). • Status of annual audit opinion. (Target = Unqualified audit opinion). • Percentage achievement of Annual Performance Plan (APP) target. (Target 75%). • Number of collaborative scientific partnerships/projects signed. (Target = 8). • Number of services carried out on Shark Repellent Gear (SSG). (Target = 1887) • Annual catch of non-target species combined with nets and drumlines. (Target = 85) • Number of marketing products produced. 	70 245	60 988	<ul style="list-style-type: none"> • The entity achieved a clean audit opinion. • 1.96% of salary budget was spent on training employees against a target of 1.5%. • 94% of budget allocated to capital infrastructure was spent against a target of 90%. • 95% of outstanding was debt collected from municipalities against a target of 80%. • Obtained a clean audit in the 2020-21 financial year. • 100% of the APP targets were achieved against a target of 75%. • 10 collaborative scientific partnerships were signed against a target of 8. • 2073 services were carried out on shark safety gear in all the seas against a target of 1887. • 60 non-targeted species were caught against a target of 85. • 9 marketing products

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	(Target = 3).			were produced against a target of 3 due to the availability of opportunities provided for the KZN Sharks Board to participate in.
Ezemvelo Wildlife (EKZNW)	<ul style="list-style-type: none"> • Total No. of visitors to Ezemvelo Parks. (Target = 450 000). • Number of districts managed to the minimum effectiveness standard. (Target = 9). • % of biodiversity legislative compliance levels. (Target = >90%). • % of employment equity targets met within Ezemvelo. (Target = 1.50%). • % of discretionary subsidy spent on maintenance. (Target = 4%) • % of budget spent (Target = >90%). • % procurement amount spent including committed on local suppliers. (Target = >40%) • % of black SMMEs participating in the global value chain. (Target = >60%) • Number of jobs created aligned to the provincial poverty profile (Previously Disadvantaged Individuals (PDI)). (Target = 9345) • % of PDI receiving green accredited skills. (Target = >22%) • Number of hectares of land 	881 657	836 773	<ul style="list-style-type: none"> • 592 379 visitors came upon the Ezemvelo Parks against a target of 450 000 due to better domestic tourism market recovery during the festive season. • 11 districts were managed to the minimum effectiveness standards against a target of 9. • 95% of biodiversity legislative compliance levels was achieved against a target of 90%. • 1.73% of employment equity targets was met within Ezemvelo against a target of 1.5%. • 6.15% of the discretionary subsidy was spent on maintenance against a target of 4% as some of the projects were in progress from the prior year. • 99% of budget was spent (including committed) against a target of 90%. • 90% of procurement amount was spent (including commitments) on local suppliers against a target of 40%. • 74% of black SMMEs participated in the global supply chain management against a target of 60%. • 11 751 jobs were created aligned to the Provincial poverty profile (Previously Disadvantaged Individual (PDI) profile against a target of 9345. The Invasive Alien Species

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	<p>under conservation.</p> <p>(Target = 920 000 hectares).</p> <ul style="list-style-type: none"> Number of Previously Disadvantaged Individuals (PDIs) benefiting from natural resource uses from protected areas (i.e. incema, meat, clean water etcetera). <p>(Target = 250)</p> <ul style="list-style-type: none"> Number of conservation leadership and innovation publications. <p>(Target = 10)</p> <ul style="list-style-type: none"> % of development application within 2km around protected areas processed. <p>(Target = 46%)</p> <ul style="list-style-type: none"> % of complete biodiversity management permits issued within legislative timeframes. <p>(Target = >90%)</p>			<p>Programme allocation was received early and the project plans were also approved on time hence the over achievement.</p> <ul style="list-style-type: none"> 934 622 hectares of land under conservation was achieved against a target of 920 000 hectares. 24.28% of PDI receiving green accredited skills was achieved against a target of 22%. 596 PDIs benefited from natural resource use from the protected areas against a target of 250. 15 conservation leadership and innovation publications were achieved against a target of 10. 67% of the development applications within the 2kms around the protected areas were processed timeously against a target of 46%. 91% of complete biodiversity management permits were issued within legislative timeframes against a target of 90%.

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

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
KUMISA	Private enterprise	Music Cluster		4000		
KZN Clothing	Non-Profit Institution	Clothing & Textile Cluster		2 000		

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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
Textile						
Durban Chemicals Man Cluster	Non-Profit Institution	Chemical & Man cluster		1 000		
Durban Automotive Cluster	Non-Profit Institution	Automobile Cluster		1 000		
Downstream Aluminium Centre of Tech.	Non-Profit Institution	Women Entrepreneurship Project		1 000		
SAAMBR	Non-Profit Institution	Coastal Reaserch		7968		
South African Farmers Development Association	Non-Profit Institution	Small Scale Sugar Cane Growers		7 550		
Tembe Marula Development Trust	Private enterprise	Amarula Training		1 000		
University of KwaZulu Natal	Higher Education Institution	Rledi- Social Entrepreneurs		3 094		
Durban University of Technology	Higher Education Institution	Social Economy Initiative		2 247		
Zululand Municipality	Municipality	Kwamajomela Light Mc		7 821	3 925	
Dr Nkosazane Dlamini Zuma	Municipality	Greenest Municipality Competition		375	375	
Ray Nkonyeni Municipality	Municipality	Ezingolweni tradestalls		817	817	N/A
Phongola Municipality	Municipality	Long term development strategy		3 500	700	Delays in the finalisation of the strategy emanating from stakeholder consultations that have taken longer than expected
Greater Kokstad Municipality	Municipality	Long term development strategy		1 000	103	Delays in the finalisation of the strategy due to poor

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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
						quality deliverables by the Service Provider. The Service Provider has been requested to revise the submission
Ilembe District Municipality	Municipality	KwaShushu hot spring		2 500	-	
UMkhanyakude District Municipality	Municipality	Umkhuze Airport		31 000		
Okhahlamba Municipality	Municipality	Employment Initiative		1 000	-	
KwaHlabisa Municipality	Municipality	Hlabisa Tradestalls		3 000	1 948	
Umtubatuba Municipality	Municipality	Mtubatuba Visitors Information centre		6 000	-	
UMhlabuyalingana Municipality.	Municipality	Mangusi Informal Trade stalls		4 720		
UMdoni Municipality .	Municipality	Scottburgh Inf Trade stalls		2 000	1 668	
eThekweni Municipality	Municipality	Folweni Informal Trade stalls		4 200		
Newcastle Municipality	Municipality	Newcastle Informal Trade stalls		3 000		Unspent funds is due to delays in procurement of a contractor.
UMzimkhulu Municipality	Municipality	Umzimkhulu Employment Initiative		1 000	1 000	N/A
Ubuhlebezwe Municipality	Municipality	Ubuhlebezwe Employment Initiative		1 000	1 000	N/A
Harry Gwala District	Municipality	Biomass Factory		2 000		
KwaDukuza Municipality	Municipality	Natural Resource Management competition		1 700	-	
eNdumeni Municipality	Municipality	Natural Resource Management competition		1 300		

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
Demazane Enterprise	Private enterprise	Subsidy		50	50	N/A

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

There were no conditional grants paid in the year under review.

6.2. Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received during for the period 1 April 2021 to 31 March 2022

Conditional Grant:

Department who transferred the grant	Public Works (EPWP Integrated Grant for Province)
Purpose of the grant	The bulk of this grant is used by Environmental Affairs for Invasive Alien Species Programme (IASP)
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	5 080 000
Amount received (R'000)	5 080 000
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	5 080 000
Reasons for the funds unspent by the entity	Not Applicable
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	Monthly budget expenditure reviews and improvement measures where applicable
Monitoring mechanism by the receiving department	Monthly budget expenditure reviews and improvement measures where applicable

7. DONOR FUNDS

7.1. Donor Funds Received

Name of donor	Government of the Swiss Confederation (SECO)
Full amount of the funding	R100 143 730.58
Period of the commitment	2017 to 2023 (The third contract addendum was concluded in June 2022 and the project end date is 31 January 2023).
Purpose of the funding	The objective of the programme is to improve the economic future of the iLembe District Municipality and the quality of life for its inhabitants. The team of Experts were appointed to form the Programme Co-ordinating Unit (PCU). The programme is primarily a technical assistance programme that integrates various strategic components that impact local economic development.
Expected outputs	<p>Inception phase completed. Programme to progress to implementation phase and focus following components:</p> <p>Public Finance Management <i>Outcome 1: Empowered municipal councils that exercise robust oversight on PFM functions</i> <i>Outcome 2: Enhance Revenue Management</i> <i>Outcome 3: Investment and Capital Budget – Improved Infrastructure Investments and Municipal Assets</i> <i>Outcome 4: Procurement – Legal, transparent, and efficient management of municipal procurement processes</i></p> <p>Municipal Infrastructure Programme <i>Outcome 1: Reduced Infrastructure Constraints</i> <i>Outcome 2: Increased Planning Capacity</i> <i>Outcome 3: Enhanced Planning</i></p> <p>Private Sector Development <i>Outcome 1: Implement Property Registration Pilot</i> <i>Outcome 2: Implement Getting electricity project</i> <i>Outcome 3: Implement Construction permits / Building Plans</i> <i>Outcome 4: Skills Development</i> <i>Outcome 5: Implement the Youth Employment Service (YES) in iLembe</i></p> <p>Building Inclusive Growth <i>Outcome: Finalise and implement resource efficiency interventions in the iLembe District</i> <i>Outcome 2: Support to other sectors with inclusive growth potential and relevant projects</i> <i>Outcome 3: Assess feasibility and make application for SEZ status of Isithebe Industrial Park</i> <i>Outcome 4: Digitization</i></p> <p>Partnership and co-operation <i>Outcome 1: Sustainable Capacity for LED and Local Economic Governance: Partnership and capacity for LED</i> <i>Outcome 2: Improved National Context for LED</i></p>
Actual outputs achieved	<p>The inception phase commenced in June 2017 and was completed. The programme progressed to the implementation period. To date Of the 43 Vuthela programme contracts, 18 have been completed, 14 are in implementation, 1 is ready for invite, 3 are being finalized and 7 have yet to commence</p> <p>High-level achievements on each component to date are outlined below:</p> <p>a) Public Finance Management (PFM)</p> <ul style="list-style-type: none"> • The compilation of a Single Indigent Register for the district of 28 930 people. • Data cleansing of 30 000 municipal accounts was undertaken through Data management project. • 3 Developers' Contribution Policy completed and 1 finally adopted by Council to ensure a predictable and clear process for determining developer contributions for bulk infrastructure linked to private developments. • 2 Supply Chain Management projects undertook skills audit, strengthened policies, procedures,

and capacity of 3 Supply Chain Management units and addressed irregular, fruitless and wasteful expenditure

- The learning from the Single Indigent Policy and Register Phase 1 project is being utilized by Cooperative Governance and Traditional Affairs (COGTA) in the KZN provincial roll out.
- Budget Management project played a critical role in finalizing budget related policies and Municipal Standard Chart of Accounts (MSCOA) alignment for revision and adoption of 2021/22 budgets.
- The Business Development Continuity Plan has been completed at IDM, KDM, Mandeni and Ndwedwe, and Maphumulo will start in July. Business Continuity Management strategies have been completed for UDM and KDM. Survey on fraud and ethics, and gap analysis on fraud and corruption was undertaken and final reports with recommendations have been presented to municipalities. The project is being supported by Provincial Treasury's Audit and Risk unit.

b) Municipal Infrastructure (MI) Programme

- Functional Design and specifications completed for Supervisory Control and Data Acquisition (SCADA) system for KwaDukuza and Mandeni and R 22 million leveraged from European Union (EU) General Budget Support for implementation of the system; currently in implementation.
- Updated Electricity Master Plan for KwaDukuza and full Master Plan for Mandeni.
- Pilot Non- Revenue Water (NRW) Project was successfully completed in Sundumbili.
- Integrated Waste Management Plans completed for 3 municipalities and approved by MEC and Council.
- The 5 Year Review for the Siza Water Public-Private Concession Contract finalized
- Asset Management Procedure Manuals and Plans completed for 3 municipalities.
- Successful submission for R15 million Credit Proposal to SECO approved for Non- Revenue Water project in iLembe.

c) Private Sector Development (PSD)

- Initial success in building plan reform project. By Jan 2020 time involved in securing building plan approval had been reduced from approximately 6 months to 1.5 months.
 - Building plans smaller of than 500m² taking 20 days (down from 30), minor building works being approved in 11 days (down from 35 days). Unfortunately, many of these gains have subsequently reversed during the COVID 19 Period.
- Business Plan and funds successfully raised from European Union National Treasury General Budget Support for systems and tools to make it easier to do business in KwaDukuza (digitalization).
- Facilitated successful credit proposal on Skills Development relating to the National Business Initiative (NBI) Install, repair and Maintain (IRM) Artisan programme and the iLembe ICT programme, both of which are now in implementation.
- Artisan Recognition of Prior Learning (ARPL) – 10 candidates have commenced their practical and assessment on the NBI IRM Artisan programme.
- There are 51 youth undergoing training in KwaDukuza Municipality and 21 in Mandeni Municipality on the iLembe ICT training project.
- Facilitating the processing of title deeds in Mandeni - 168 title deeds restored with more than 1500 title deeds in processing.

d) Building Inclusive Growth (BIG)

- Completed 2 surveys -impact of the COVID-19 lockdown and Civil Unrest of July 2021 on iLembe businesses.

e) Partnership and Co-operation (P&C)	<ul style="list-style-type: none"> • Institutional Review and 5-Year Change Management Strategy undertaken for Enterprise iLembe. The new Board of Directors for Enterprise iLembe whose composition and selection was informed by the 5-year Strategy and Board Recruitment policy formulated through VILP were inaugurated in January 2021. 3 further Change Management projects to initiate shortly. • 3 Local Economic Development Strategies formulated and approved for 3 municipalities. • Together with PSD/BIG, District Economic Recovery Strategy and Implementation Plan formulated and approved by the District Command Council (DCC)/District Development Model Political Hub in July 2020. The assessment of the District Economic Plan undertaken in June 2021 was approved by District Economic Cluster. • First Generation “One Plan” formulated and approved by District Development Model Political Hub in July 2021.
Amount received in current period (R'000)	Total amount received to date is R67 510 107,51 from SECO and R7 194 894,00 from municipal contributions (iLembe, KwaDukuza and Mandeni)
Amount spent by the department (R'000) to date	<ul style="list-style-type: none"> • PCU expenditure - R 32 420 64.00 • Programme expenditure -R37 154 431.30
Challenges	<ul style="list-style-type: none"> • Procurement Modality - The procurement policy of the programme is mainly based on the Swiss Procurement Framework. There were extensive discussions and consultations on the procurement modality to be used in the programme. The final Procurement Manual was only approved in April 2018 resulting in a 10-month delay. • First Programme Fund tranche payment - There were delays in receiving the first tranche payment from the programme funds from the National Treasury RDP account which resulted in Mariswe (Pty) Ltd temporarily suspending the implementation of the programme in September 2018. • COVID 19 Pandemic - The COVID 19 pandemic directly impacted on the Vuthela LED programme and the beneficiary municipalities. Restriction on travel, remote working and virtual trainings had negatively impacted on the procurement and implementation of the projects. • Moratorium on contracts - The disagreement between EDTEA and Mariswe (Pty) Ltd on risk and liabilities on third party contracts delayed contracting on Non-Revenue Water (NRW) project. It was then agreed that the NRW would be implemented by the iLembe District Municipality. • Events of July 2021 have caused significant economic and job losses in the District. The past events and possible future events put the programme at risk of not being reaching targets related to economic development and job creation. Some projects have been effected by not being able to operate. Municipal staff were away from the office over the week reducing productivity. • The recent devastating floods in KZN - The negative impact of the floods on infrastructure and local economy will negatively impact on PFM and MI indicators as well as the planning and implementation of MI projects going forward. • The modality for direct funding by SECO for the Non-Revenue Water project has taken longer than expected.
Monitoring mechanism by the donor	The Programme Co-ordinating unit is expected to report monthly on all programme activities and financial expenditure. There are Project Management Team meetings monthly to monitor programmes on the programme. There are quarterly Project Steering Committee meetings attended by the political and administrative heads of the participating municipalities as well as the Donor.

8. CAPITAL INVESTMENT

There were no capital investments done in the year under review.



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**GROWING
KWAZULU-NATAL
TOGETHER**



PART C: GOVERNANCE

1. INTRODUCTION

The Corporate governance requirements of the King IV report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant to this legislation duty and responsibility towards sound governance, the Department has established a Risk Management Committee. Risk Management Champions Steering Committee and an Ethics Management Committee. These committees ensure that corporate, ethical, social responsibility and accountability are imparted to the Department's entire stakeholder constituency.

During the 2021/2022 financial year, the committee made great advances in the areas of Governance of information technology, business continuity, Occupational Health & Safety, 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 KZN Provincial Management Framework and this is championed by the Risk and Integrity Management Unit.

Moreover, the department complies with corporate governance requirements of the King IV report which has to be maintained through various functional structures of the organization, including top management, risk management and public entity oversight forums. The department ensures that good corporate governance resonates with the content of its strategy, culture, relations, performance, compliance and accountability.

2. RISK MANAGEMENT

The department takes risk management seriously hence efforts were made to prevent risky activities taking place in all its business operations. 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 Accounting Officer has elevated the status of risk management by ensuring that Executive Management are the members of the Risk Management Committee.

The Provincial Cluster Audit and Risk committee is furnished with quarterly progress updates on the implementation of mitigating strategies on risks the department is faced with to strengthen the control environment. The committee therefore advises the Department on risk management matters and independently monitors the effectiveness of the system of risk management. The department is gradually developing into more robust risk management culture. A new organisational structure has been approved to strengthen the Risk Management component.

The department continues to implement the approved risk management policy, risk management strategy as well as a risk tolerance and appetite statement. Its guides risk management process and instil risk management culture in the department. The quarterly risk assessments are conducted to determine the effectiveness of risk management policy and to identify new and emerging risks. Risks are identified through risk assessment sessions as well as through the department's strategies and subsequently the risk register is updated.

Moreover, the department has a Risk Management Committee (Chaired by the Accounting Officer) 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 activities are reported to the Audit Committee on a quarterly basis. There has been significant progress in the implementation of risk mitigation plans compared to previous years

3. FRAUD AND CORRUPTION

The department continues to implement the approved fraud prevention plan, this plan was recently reviewed to ensure that it is still relevant. 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 employee's victimisation.

The department recognises that in order to effectively prevent fraud, all fraudulent activities detected by employees and other stakeholders are timeously investigated. All allegations received through the National Anti – corruption hotline (NACH) fraudulent in nature are referred to Provincial Forensic unit for investigation. The forensic unit conducts independent investigations and provides reports to department for implementation of recommendations and institute consequence management where necessary.

The department has improved mechanisms in place to mitigate the fraud and corruption risks. The main focus area is to create awareness of the fraud prevention plan through Education and communication. The department has implemented all actions outlined in the fraud prevention improvement plan to address weaknesses identified. Quarterly progress reports were tabled at Provincial Cluster Audit and Risk committee meetings.

4. MINIMISING CONFLICT OF INTEREST

The department has approved an integrity management policy that provides guidance in terms of dealing with ethics and issues of conflict of interest.

The Department ensures that designated officials submit their disclosure of financial benefits to minimise the risk of conflict of interest. Discrepancies are followed up and transgressions are reported to labour relations for consequence management. Awareness campaigns are conducted on a quarterly basis. Also, the interest is declared in all key committee meeting including Bid Committees.

5. CODE OF CONDUCT

In order to give practical effect to the relevant constitutional provisions relating to the Public Service, all employees are expected to comply with the Code of Conduct. The Code of conduct acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. It also indicates the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests and what is expected of them in terms of their personal conduct in public and private life. Therefore, the primary purpose of the Code is a positive one, viz. to promote exemplary conduct and it is being adhered to in EDTEA.

An employee shall be guilty of misconduct and may be dealt with in accordance with the disciplinary procedure if they contravene any provision of the Code of Conduct or fails to comply with any provision thereof.

Supervisors/ managers alert the employee of the breach and seek a response. Depending on the nature of the breach, impact of the breach on the public service, level of the employee and mitigating factors supervisors may sanction the employee.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) (OHSA), read with its regulations and incorporated standards, requires the employer to provide and maintain as far as is reasonably practicable a working environment that is safe and without risks to the health of workers and to take such steps as may be reasonably practicable to limit or mitigate the hazard or potential hazard. Although the OHS Act largely places the duty for health and safety on the shoulders of management, employees at EDTEA are also legally bound to comply with the prescriptions of the OHS Act, carry out and obey lawful orders and the health and safety rules and procedures laid down by the employer. Employees can report accidents or any observed unsafe or unhealthy conditions to the employer or to the health and safety representative of EDTEA. EDTEA has an existing OHS committee that is formulated to discuss any occupational incident at the workplace; pressing occupational health and safety matters; and to make recommendations to the employer regarding matters affecting the health and safety of employees at the workplace. In its response to COVID-19, EDTEA developed plans that were based on the need to contain virus and save lives. This response has been in accordance with the regulation issues in terms of the Disaster Management Act of 2002, the Occupational Health and Safety Act of 1993 and related Government Gazettes.

7. PORTFOLIO COMMITTEES

The dates of the meetings:

Environmental Affairs Portfolio Committee	Economic Development, Tourism and Environmental Affairs Portfolio Committee
8 June 2021	11 June 2021
16 July 2021	30 July 2021
3 August 2021	31 August 2021
24 August 2021	8 November 2021
28 August 2021	15 December 2021
2 September 2021	17 March 2022
19 November 2021	
13 December 2021	

15 March 2022	
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- **Matters raised by the Portfolio Committee and how has the department addressed these matters**

Quarterly meetings are held with the respective Portfolio Committees wherein the department is required to report and account on its quarterly performance amongst other matters pertaining to the department. There are 12 public entities that report to the Department and also account to the respective Portfolio Committees with regards to their performance and other related matters. The Department has addressed all the matters raised by the committees as required.

- **During the year under review the department and its public entities were required to present on the following matters:**

- Quarterly Performance (non-financial performance report and financial performance report)
- Update on the appointment of Ezemvelo Board
- Findings Report on all the landfill sites monitored in the 2020/2021 financial year
- List of all Invasive Alien Species Projects
- Provincial Green Economy Report
- Air Quality Monitoring Report
- Sand Mining Challenges in KZN
- Agricultural activities conducted by the Department
- Report on the fire that broke out at the UPL Chemicals in Cornubia
- Interim Report on the fire at the Refinery
- Interim Report on fire at KZN Resins Factory
- Environmental Affairs and Ezemvelo's Fraud and Risk Presentation Plans
- APP and Budget 2022/2023 (Environmental Affairs)
- Rationalisation of Public Entities
- KZN Sharks Board Maritime School of Excellence
- EDTEA and Public Entities Capital Projects
- Filling of vacant posts
- Economic Response to the Social Unrest
- Workshop with EDTEA and Public Entities
- APP and Budget 2022/2023 (Economic Development, Tourism and Environmental Affairs Portfolio Committee)

- Mkhuze Airport
- Progress Report on Operation Vula Fund

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
24/2021	Irregular Expenditure	Irregular expenditure of R55 850 000 was identified relating to expenditure incurred in the prior years. This was due to proper procurement processes not being followed.	The Department is awaiting feedback on the application for condonation that was submitted to Provincial Treasury.	Yes
25/2021	Fruitless and wasteful expenditure	Fruitless and wasteful expenditure of R839 000 was identified relating to expenditure incurred in the prior year's relating to an undue salary payment.	The court process has commenced, but in the event that the First Defendant defends the action, it is possible that it will take some time to recover the amount claimed.	Yes
26/2021	Matter of interest: Investigations	This resolution relates to the process and the outcome of the 12 cases and the steps implemented to prevent a recurrence.	A detailed progress report on forensic investigations was provided with steps taken to prevent reoccurrence.	Yes
29/2021	KZN Business Rehabilitation Trust Fund: Qualification Area	The Department was required to provide progress made on the implementation of the proposed interventions to address the finding and measures to prevent future occurrence.	The final report on the KZN Rehabilitation Trust Fund was prepared and submitted to the AGSA. The proceeds of the Sanlam shares that were held by the Trust were transferred to the provincial revenue fund. The AGSA has advised that they will not issue an Audit Report for the KZN Business Rehabilitation Trust Fund. The matter is considered as closed.	Yes
Transversal Resolution: 115/2021	All Provincial Departments – Irregular Expenditure	All Provincial Departments – Irregular Expenditure Recorded in the 2019/20 Financial Year -	The response has since been received from Provincial Treasury. Where condonation was granted the department has implemented the recommendations and adjusted	No

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Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Economic Development and Tourism – R 55 850 000	the Annual Financial Statements for period ending 31 March 2022 accordingly. However, the department Legal services directorate is reassessing the forensic reports and annexures in light of the recommendations received from the Condoning committee where condonation was not granted.	
Transversal Resolution: 117/2021	Fruitless and wasteful expenditure	Fruitless and wasteful expenditure of R839 000 was identified relating to expenditure incurred in the prior year's relating to an undue salary payment.	The court process has commenced, but in the event that the First Defendant defends the action, it is possible that it will take some time to recover the amount claimed.	No
Transversal Resolution: 118/2021	Procurement and Contract Management	The Department was required to report on the detailed audit action plans to address findings on procurement, contract management and the effectiveness of the audit plans. This included the steps implemented to ensure risk assessment processes and reviews are adequate and prevent recurrence.	The SCM Risk assessment was conducted and it covered compliance issues. The implementation of risk mitigation plans are monitored on a regular basis and reported to the Risk Management Steering Committee, Risk Management Committee and CARC for consideration and approval. All action plans in the SCM Risk Register have been implemented. These are ongoing day to day activities of the Department.	Yes
Transversal Resolution: 119/2021	Internal Investigations	The Department was required to provide a report on the progress made on the implementation of the recommendations contained in the report and anticipated timeframes for those investigations still in progress and challenges experienced.	A detailed progress report was submitted with anticipated timeframes for investigations that are still in progress and challenges experienced.	Yes
Transversal Resolution: 120/2021	Risk Management	The Department was required to report on the steps taken to	The overall percentage implementation of risk mitigation plans was at 91% at the end of	Yes

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Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		implement all outstanding risk mitigation plans identified in the 2019/20 departmental risk registers, implementation of the 2020/2021 departmental risk mitigation plans, steps to capacitate the departmental risk management function and linking risks to departmental performance indicators.	Quarter 1 of 2021/22, which is a huge improvement from the previous year. The outstanding action plans were as a result of operational challenges caused by the COVID 19 pandemic, financial and human resource constraints. These were carried over to the current quarter with new targeted dates. All mitigation plans were fully implemented as 31 March 2022.	
Transversal Resolution: 124/2021	Material Misstatements in Annual Financial Statements	The Department was required to provide a report on the reasons for non-compliance with section 40(1) (b) of the PFMA, disciplinary steps taken against any official who acted wilfully or negligently and measures put in place to prevent a recurrence.	This finding has been cleared. The Department had no material findings relating to material misstatements of the AFS in the 2020/2021 financial year. The financial statements that were submitted to the AGSA were fairly presented resulting in the clean audit outcome.	Yes
Transversal Resolution: 126/2021	Transversal Audit Findings and related matters	The Department was required to provide a report on the reasons for the commitments being unresolved, the steps taken to resolve the commitments and the time frames for finalisation thereof.	<ul style="list-style-type: none"> • Irregular expenditure cases not referred to forensic, will investigated and finalised by 31 March 2022. The delays are due to the capacity constrains within the responsible unit. • The vacancy rate remains stagnant at 14% as at 31 August 2021. There will be a significant shift upon approval of the organogram by MPSA. 	Yes
Transversal Resolution: 132/2021	Officials Doing Business with the State	This resolution related to officials doing business with the State, steps taken to monitor compliance, verification with the Central Supplier Database,	Two employees were identified as having failed to provide the necessary authority to conduct remunerative work outside of the Public Service. Both officials were consulted and provided	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		reports or notifications are received and steps taken to implement consequence management.	sufficient responses were The two cases have been closed.	
Resolution 161/2021	Regression in financial viability	The Department was requested to provide a report on measures implemented to address this audit finding.	Detailed response below	Yes
<p>The Cash Flow Statement reflected a Net Cash Outflow of R73 million from operating activities. This resulted in the negative cash and cash equivalent at the end of period of R22 million (overdraft). In the 2019/20 financial year, the department had payables (Tax Receipts) of R58 million (R0 in 2020/21) which was not paid to the Revenue Fund in March 2020 but paid over in this audited financial year (2020/21). This means that in 2020/21 financial year the amount collected in 2020/21 and the balance of 2019/20 was paid in one financial year which resulted in the overdraft. The cash flow is now strictly monitored regularly to ensure that this does not reoccur. Furthermore, there was no outstanding amount at the end of the 2020/21 financial year that needed to be paid in this current financial year.</p> <p>The Statement of Financial Position of the department for the 2020/21 period shows that the metric of current assets minus current liabilities remained unchanged from the 2019/20 previous financial year at R27 million, and not R85 million as stated above. The reason current liabilities will always exceed current assets in the department is due to the time difference on the surrender of revenue. Revenue collected in March 2021 is paid to the Provincial Revenue Fund on April 2021 and as such is recorded as a current liability on the face of the Annual Financial Statements. In addition the time difference in expenditure which is processed on the final day of the financial year was only physically disbursed in cash in April 2021. This resulted in a cashbook overdraft, when in fact the bank balance reflected a positive balance on the 31st of March 2021. Both of the abovementioned time differences did not have an impact on the financial viability of the department as the department's total assets exceed the total liabilities. It should also be noted that the Auditor General's financial viability assessment is based on the department's financial statements amounts adjusted to reflect certain accrual accounting concepts.</p>				
Resolution 162/2021	Material impairment of R31.58 million	This resolution related to the measures implemented to address this finding and progress made in the recovery of the debts amounting to R31.58 million.	Detailed response below	No
<p>Impairment of Assets seeks to ensure that an entity's (Department's) assets are not carried more than their recoverable amount. In a case where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value is done to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset. This is recorded in the notes to the financial statements.</p> <p>In the Auditor General's report, material impairment has been brought to the attention of the users as an emphasis of the matter and not as an audit finding in the report since this information was correctly disclosed on the Annual Financial Statement (AFS). Depending on the court process in finalising the cases related to</p>				

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
<p>these debtors, the department is compelled to apply the correct and accurate accounting disclosure of the impairment.</p> <p>With regards to the progress made in recovering the amount, the matters remain pending in the High Court. The action between the MEC for EDTEA v Soft Skills Communications 100 CC & Another, and the action between the MEC for Finance v Golding & Another are both awaiting Notices of Set Down for trial by the Registrar of the High Court. It is evident that the High Court Trial Roll has been delayed substantially due to the Covid-19 Pandemic, and that only urgent matters have been enrolled since April 2019. The attorneys of record representing the Hon. MEC for EDTEA have been instructed to apply for a preferential date for the Pre-trial Conference, which must occur prior to the matter being set down for trial, and EDTEA has informed that the attorneys for the Hon. MEC for Finance have similarly been instructed. In addition, the criminal trial against Messrs. Golding and Mkhize commenced during 2020 and numerous witnesses have testified in the matter, which was last on the roll during November 2021. The matter has been postponed to a future date that is yet to be determined, but the Senior State Advocate who is prosecuting the matter has nonetheless been instructed to apply for a Compensation Order in terms of section 300 of the Criminal Procedure Act, 1977 (Act No. 51 of 1977), in the event that the Accused are convicted of the crimes that they stand accused of.</p>				
Resolution 163/2021:	Irregular Expenditure	Irregular Expenditure in 2020/21 - R581 000 (Balance of prior years' irregular expenditure of R220.131 million not yet condoned)	Detailed response below	No
<ul style="list-style-type: none"> • The Department has completed the determination tests for the irregular expenditure incurred during the 2014/15 to 2019/20 financial years. The irregular expenditure of R581 000 incurred in 2020/21 and those matters that were referred for forensic investigations are still in progress. All forensic investigations are dealt with by the Forensic Unit in the OTP after the function was transferred from Provincial Treasury. • The Department made the submission to Provincial Treasury requesting for condonation of R 62 592 882.91 that relates to expenditure incurred in the 2015/16 and 2017/18 Financial Year. The condonation approval is still pending by Provincial treasury. The submission for the remaining financial years will be made to Provincial Treasury by 31 March 2022. 				
Resolution 164/2021:	Fruitless and wasteful Expenditure	Fruitless and wasteful Expenditure in 2020/21 - R78 000 (Prior years' fruitless and wasteful expenditure of R3.747 million not yet resolved)	The investigations of the fruitless and wasteful expenditure incurred in 2020/21 and in the prior years are in progress. The respective managers have requested the relevant officials to make written representations in respect of the fruitless and wasteful expenditure incurred during the reporting financial year prior making an informed decision. The anticipated completion time including implementation of consequence management, write-offs and	No

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Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			recovery, where applicable, is 31 March 2022.	
Transversal Resolution: 290/2021	Filling of critical posts	The Department was requested to provide a progress report on the filling of critical management posts and the time frames for the filling of those posts.	<p>The Department has filled all senior management positions and is also seized with filling all vacant critical positions. The current vacancy rate is at 7%, which is below the minimum threshold of 10% set by the DPISA.</p> <p>All approved critical management positions have been filled as follows:</p> <ul style="list-style-type: none"> • Chief Director District management: 01 January 2022 • Chief Director: Economic Planning – 01 January 2022 • Director: Office of the HOD – 1 February 2022 	Yes
Transversal Resolution: 292/2021	Officials doing business with the State	This resolution related to officials doing business with the State, steps taken to monitor compliance, verification with the Central Supplier Database, reports or notifications are received and steps taken to implement consequence management.	Detailed response below	Yes
<p>SMS members and employees in various categories, namely; middle managers, employees working in SCM and Finance units and Ethics Officers declare their financial interests annually as per the Financial Disclosure Framework. Ethics Officers verify financial interests disclosed by SMS members and other various categories. The 2020/21 verification process for SMS was finalised on 31 May 2021 whilst the verification for other categories was finalised on 31 August 2021. The newly appointed employees under the categories mentioned above are expected to declare their financial interests within 30 days of their appointment and this process is coordinated by the Ethics Officers. Through the quarterly anti-fraud and corruption awareness, EDTEA employees are encouraged to utilise the National Anti-Corruption Hotline (NACH) to report any incidents of fraud/corruption. SCM checks the CSD to ensure that suppliers are not state employees prior to awarding any contracts. A contract is not awarded if any director is an employee of the State. No reports were received on cases of EDTEA officials doing business with the state.</p>				

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department achieved a financially unqualified audit opinion (with no findings) in the 2020/2021 financial year. The audit outcome improved from 2019/20 to 2020/21 as management has implemented the audit action plan that was developed for the previous identified findings and initiated the process of implementing the recommendations as per the investigation report for the completed investigations.

10. INTERNAL CONTROL UNIT

Internal control unit focused on the following key areas during the year.

- I. Follow up review on the implementation of recommendations made by the Auditor – General in 2021/2022.
- II. Follow up review on the implementation of recommendations made by the Provincial Treasury in 2021/2022.
- III. Determination tests on Irregular expenditure.
- IV. Determination tests on fruitless and wasteful expenditure.
- V. Compliance to legislations and policies review.
- VI. Compliance with prescripts (Monthly BAS and Hardcat payments).
- VII. Quarterly Inventory stock count.

11. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON

VOTE 4 – ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

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 & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The KZN Department of Economic Development, Tourism and Environmental Affairs is served by the Economic Sector and Infrastructure Development (ESID) Cluster Audit & Risk Committee.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

1. Audit Committee Members and Attendance

The PARC and ESID CARC consisted of the members listed hereunder who have met as reflected below.

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

*refers to PARC members who did not serve on the ESID CARC

The contracts of five members ended on 31 October 2021 following a two-term of 3 years each. On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. The new Provincial Audit and Risk Committee met on 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year; and held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year. The table below provides details of the newly constituted PARC and attendance of meetings held subsequent to the financial year-end:

#	NAME & SURNAME	MEETING	
		AFS Review	Special PARC
1.	Mr Z Zulu – PARC Chairperson	√	√
2.	Mr M Tarr	√	√
3.	Ms S Makhathini	√	√
4.	Mr S Mthethwa	√	√
5.	Ms R Ramphal	√	√
6.	Mr S Maharaj	√	√

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), 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 in the following processes:

- Fleet Management
- Performance Information
- Reporting of lease commitments

The Committee noted the control deficiencies identified by the auditors, both internal and external. Although management interventions on certain control weaknesses were considered by the Committee, the Accounting Officer is urged to urgently implement strategies that will prevent any further regression on audit outcomes.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct fourteen (14) audit assignments for the period under review, of which eleven (11) were finalised; one (1) was carried over and two (2) were cancelled with the approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2022/23 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of the 2021/22 financial year, the Department's risk register status was as follows:

Focus areas	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
No of identified risks	10	42	30	4	2	88
No of agreed action plans due by Quarter 4	21	81	60	5	3	170
No of action plans completed by Q4	15	52	46	5	3	121
% Action plans implemented	71%	64%	77%	100%	100%	71%

The Committee noted the significant progress made by the Department in implementing 71% of risk mitigation plans, and urged the Department to ensure the timely mitigation of risks, particularly for risks classified as critical and major. The Committee further advised the Department to ensure that

the planned and implemented risk mitigations are adequate and effective, such that they have an effect on reducing the risk exposure.

In addition, the Committee advised the Department to begin implementation of the newly approved Provincial Risk Management Framework, together with the minimum risk management standards contained therein, as these would assist the Accounting Officer to embed risk management within the Department. Coupled with the risk management framework implementation, the Department was also urged to implement the combined assurance framework as this would enable directing prioritised efforts/actions to achieve synergies and efficiencies in key processes, thereby enhancing the control environment and minimising risk events.

5. Quality of in year management and monthly/quarterly reports

Due to the Committee not being constituted for the full financial year, the Committee did not review all reports in respect to in year management and quarterly performance prepared and issued by the Accounting Officer during the year under review in terms of the PFMA and the Division of Revenue Act. The newly appointed Committee will in the 2022/23 financial year ensure that all its responsibilities are met.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions and did not identify any instances of material non-compliance; and
- Reviewed the conclusion on the reliability of performance information resulting from the audit of the Department. The Committee notes with concern the material adjustments made to the performance information of programme 3.

7. Forensic Investigations

The Committee draws attention to the paragraph in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

8. Auditor-General's Report

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions

in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with no findings and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

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 Z Zulu
Chairperson: Provincial Audit and Risk Committee
15 August 2022

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	<ul style="list-style-type: none"> Under EDTEA there is KZN Liquor Authority and Liquor Licences are issued by the KZN Liquor Authority. B-BBEE compliance is part of the requirements when applying. The current requirements for environmental Authorisations do not require B-BBEE compliance. There is a need to amend the legislations used to be in-line with the B-BBEE act.
Developing and implementing a preferential procurement policy?	Yes	<ul style="list-style-type: none"> The Department follows the Treasury and Provincial Treasury legislations and guidelines. The Preferential Procurement Policy Framework Act (PPPFA) Regulations uses a preferential procurement point system and a prequalification criteria. The preferential point system has a loophole as companies who are not B-BBEE compliant can still benefit from procurement based on price.
Determining qualification criteria for the sale of state-owned enterprises?	No	<ul style="list-style-type: none"> The function is not applicable to EDTEA
Developing criteria for entering into partnerships with the private sector?	Yes	<ul style="list-style-type: none"> Public Private Partnerships (PPP's) are guided by the Treasury and Provincial Treasury guidelines where B-BBEE compliance is a requirement and EDTEA also follows those guidelines
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	<ul style="list-style-type: none"> The Department has developed the Operation Vula Fund Policy which is a grant to assist small businesses. The policy targets Blacks and Africans in particular. Tier 2 and 3 applicants have to submit B-BBEE certificates as part of their applications.



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**
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PART D: HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

Human Resources within EDTEA comprises of 7 functional areas namely: Organizational Design & Change Management, HR Policy & Planning, Labour Relations, Service Conditions, Practices, Human Resource Development and Employee Health & Wellness. The Directorate receives its mandate from the Strategic Plan and Strategic Human Resources Plan of the organization.

2. OVERVIEW OF HUMAN RESOURCES

2.1 Recruitment and Selection

The department currently has a vacancy rate of 7% which is within the 10% DPSA threshold. Challenges have been experienced holistically over the years in the department in terms of lack of capacity. This has been as a result of non-approval of the organisational structure which has finally been endorsed by the DPSA in May 2022. Subsequently, this has resulted in staff exhaustion, burnout and low morale. The implementation of the new structure has commenced and posts are being prioritised and filled to mitigate these challenges.

2.2 Organizational Development & Change Management

The approved departmental structure which is aligned to the department's mandates in consultation with OTP and the DPSA is in the process of implementation. All posts have been benchmarked according to DPSA's recommendation and any disputes will be addressed on an individual basis. The structure is approved; thus, the department's vacancy rate will increase and it is essential that critical and scarce skills are filled urgently to reduce the vacancy rate. Recruitment over the MTEF will be in accordance with the OD proposals and funding model. Funding must be made available to support the proposals. It is also crucial to note that with the changing circumstances of the department it is critical to have a change management plan with strategic interventions in place.

2.3 Employee Health & Wellness

Apart from COVID, HIV and AIDS is still a silent killer which has claimed more deaths than Covid should not be taken lightly. In this regard, the EHW Unit promotes safer living with continuous awareness around matters that effects employee health. Funding must be made available to support the initiative of the EHW Unit. It is also recommended that the department source alternative accommodation urgently to address the space issue and the "sick building" syndrome.

2.4 Training and Development

The Department has identified a number of scarce and critical skill areas and most are focused in Maritime, Aerotropolis, Environmental Management and Economists. Subsequent to the approval of

the organisational structure, the department will be able to fill all vacant posts and implement measures to ensure that there is a balance between supply and demand. The department is ensuring that the graduate development programme is fully effective by ensuring that graduates are placed in scarce and critical areas. The department continuously markets itself at symposiums to stimulate interest from matriculants and with the consideration of offering external bursaries to promote future supply. Furthermore, the department continuously identifies skills that needs to be enhanced and these include; Financial Management for Non-financial employees, Project Management, Diversity Management, Management of Discipline and Grievances and Emerging Management. During the course of the MTEF training interventions are implemented to supplement these skills. At least 40% of the training budget is ring fenced to support the interventions of addressing scarce and critical skills and the identified training interventions.

2.5 Performance Management

The Performance Management process within the department has improved. During the financial year 2021-2022, 98% SMS submission compliance was received. This has been further cascaded to levels below, 1-12. Challenges are still experienced in terms of previous years backlog in finalisation of performance assessments. This has been addressed by putting extra working hours to complete all pending cases and payments due thereof. Staff shortages within the unit is also being addressed now that the organisational structure has been approved.

2.6 Ethics and Labour Relations

All labour matters are being finalised within the legislated time frames. Challenges are being experienced in terms of discipline as various supervisors continuously fail to adequately address discipline as their supervisory function. At times, discipline is implemented selectively or not at all and this has created unwarranted precedence. To mitigate this challenge, various departments' circulars have been shared and meetings have been held where supervisors have been made to understand the role of supervision and further to understand relevant procedures to be followed when disciplining and not to pass the responsibility to the Labour Relations Unit. A number of incidents of unethical behaviour and conduct amongst employees and supervisors have increased. These range from insubordination, failure to make timeous decisions, Remunerative Work outside the Public Service without consent to failure in terms of complying to financial disclosures. Various training interventions have been recommended to address unethical conduct and behaviour in the form of consequence management.

2.7 Diversity Management

The department has leaped strides in terms of achieving transformation within the department. The achievement of gender equality across the department is currently 64.5% females and 35.5% males with Blacks making up 98.5% of the establishment. However, we are still falling seriously short in terms of achieving gender equality at SMS which currently stands at 40% females and 1.27% persons with disabilities. We need to achieve the national target 50% females and 2% PWD's. There needs to be commitment from various levels of management to ensure this target is achieved. It is recommended that a Directive be issued by the HOD to recruitment committees to ensure compliance on these matters. It is also recommended that posts be identified only for the recruitment of PWD's also the inclusion of a special internship programme to benefit PWD's.

2.8 Service Condition & Benefits

The department has implemented the on-line leave management system. This has been successfully endorsed by staff. Temporary incapacity leave is still posing a challenge since there is an additional requirement with the revised policy. Officials need to be aware of the relevant changes and requirements and the section intends to embark on information sessions in respect of Leave, Temporary Incapacity Leave and Special Leave within the entire department. Exit interviews are currently being analysed at management level to determine reasons why employees are leaving and action must be taken to address these reasons, a committee is considered to be formed.

2.9 Human Resource Policy and Planning

Currently the department has 584 employees employed in posts on the permanent structure and 301 recruits in developmental programmes which include Interns, Graduates and Learners. In total there are 886 employees on the establishment. These employees are distributed amongst the 7 programmes of the department based on the mandates of each programme. At the beginning of the financial year the department had a vacancy rate of 15% of which the department managed to reduce to 7% by March 2022. The department's 3-year Strategic HR Plan was approved and assessed by the Office of the Premier in 3 November 2021. The HR Planning research had identified the following areas that required improvement and also provided strategies to achieve the desired targets and goals:

	Strategic HRP Objectives	Strategic HRP Interventions
1.	Elevate human resource as a strategic partner within the organization	Improve the rating of human resource as a strategic role player within the department
2.	Have an approved structure that meets the needs of each programme such that there is alignment with the departments mandates and Strategic Plan	Have an approved structure in place with correctly evaluated posts and to ensure there is a mutual understanding of OSD
3.	Implement Change Management strategy across the department such that employees have a mutual understanding of the strategic direction the department is embarking on, inclusive of all other change management issues	Develop and Implement a Change Management Strategy with appropriate interventions to address all areas of change within the organization
4.	Reduce the vacancy rate to address the human capital shortfalls to ensure the strategic goals and outcomes of the department are achieved,	Reduce vacancy rate from 15% to 10%
5.	Ensure gender Equality at SMS as per Gender Equality Strategic Framework	Increase recruitment of females at SMS from 40 to 50%
6.	Increase the recruitment of PWD's as per Job Access Strategy	Increase recruitment of PWD's in the department from 1.27% to 2%
7.	Improve supply in critical and scarce occupations and develop employees in critical and scarce skills areas such that they are better equipped to deliver	Address skills gaps at SMS and improve supply in critical and scarce occupations of the department
8.	Ensure effective and efficient management of the performance management to improve service delivery	Address all matters of performance management as per EPMDS implementation plan
9.	Address matters of high level of turnover to improve organizational stability	Reduce turnover rate from 5% to 3%
10.	Ensure effective and efficient control and management of all matters of leave	Introduce and Implement an electronic leave system to Fast Track the processes and ensure adherence to timeframes
11.	To identify and eliminate any fraudulent	Conduct employee verification exercise to

	appointments within the department	confirm no “ghost” employees
12.	Improve the quality and integrity of information on PERSAL System	Conduct PERSAL Cleanup exercise to improve integrity of PERSAL Reports from 95% to 99%
13.	Manage Health & Wellness of employees to ensure that we have a healthy and balanced workforce	Implement Employee Health and Wellness interventions to address identified gaps to ensure a healthy and balanced workforce and conducive working environment
14.	Ensure effective and efficient management of Labour Relations and employee relations matters within the organization in accordance to prescribed legislated frameworks	Develop and implement consequence management strategy to address unethical conduct and behaviour of employees.
15.	Ensure organizational continuity and institutional memory	Develop Strategy to preserve organizational memory

2021/22 was year 1 of the implementation process and our priorities for the first year of implementation were as follows:

- Elevate HR as a Strategic partner by being more involved in line function activities and by tabling HR Matters at EXCO and MANCO. As a result, there is an increase in recognition of HR as a strategic stakeholder in the department.
- Have the new reviewed structure approved and implement phase 1. This will ensure that the structure is aligned to the mandates of the department and provide the right number of employees in each programme such that the department is able to delivery on the mandates.
- Complete the consultation process of the Change Management Strategy. The department is continuously evolving on the back drop of Covid-19 and the changes in the technological field and it is essential that employees are involved and understanding the changing environment and work processes
- Reduce vacancy from 15% to 10%. With the filling of vacant posts existing employees are less stretched and less stressed from being over worked
- Increase females at SMS from 40% to 50%. With changes in work culture and equality it is essential that women are given fair and equal opportunities to be part of management, hence cabinet resolutions need to be implemented.

- Increase the recruitment of PWD's from 1.27% to 2%. It is vital that the department identifies and gives recognition to the disabled community by providing equal opportunities for recruitment and also the adherence to cabinet resolution of achieving at least 2% target.
- Increase training of SMS employees to improve levels of competency. For a healthy workforce to exist the leaders of the organisation must be well versed in all areas of management and key functional skill areas, therefore an investment in SMS training will have a positive ripple effect on the department as a whole.
- Issue at least 6 bursaries in scarce skill areas to improve future supply. The department has a number of new occupational areas and as a result the supply in the open labour market is limited, therefore, these bursaries will help attract individuals in these areas to boost future supply in these scarce skill areas.
- Ensure 100% compliance in EPMS – The monitoring and evaluation of employee performance is to identify any areas of challenges such corrective measures are instated immediately such that it does not have an overall impact on the department's performance holistically.
- Reduce the levels of turnover from 5% to 4.5%. The department want to avoid losing staff in scarce and critical areas, therefore, a close monitoring of these areas are vital as these staff are difficult to replace. The information on exit interviews are evaluated and corrective measures instituted
- Implement a new E-Leave System – With the large number of leave forms being received and processed and even delays in receiving these leave forms is resulting in a burden on the leave component which is already short staffed. By implementing the e-leave system this reduces the burden on the unit and there is no need to increase capacity in the unit.
- Conduct employee verification in October of each year – To prevent any matters of fraudulent activities in the department any annual physical verification of employees and appointments eradicates any opportunities of fraud and corruption relating to “Ghost” employees.
- Improve the integrity of information on PERSAL from 95% to 97% - The department is largely dependent on information in the form of PERSAL reports for all forms of reporting. The improved quality of information PERSAL leads to better quality reports being produced.
- Compile plans on the 4 pillars of EHW and implement interventions to ensure a balanced workforce – The department works on a principle of a healthy workforce leads to improved performance. Hence, by providing the quality support to employees, employees are able to fulfil their obligations to the department.

- Conduct consultation on the development of a Consequence Management Strategy – It is important that the department maintains a strong level of discipline within the organisation and by having a strategy in place employees are aware of the consequences of their actions.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- All recommended vacant posts approved for filling are submitted to the Office of the Premier for approval and to Treasury for funding prior to being advertised.
- All qualifications are verified prior to appointment and security vetting is done. Furthermore, a reference check is done on all appointments.
- The department markets itself as an “Employer of Choice” by providing experience in broad fields in 7 different programmes. By giving opportunities to youth, women and PWD’s across the spectrum of the department either, permanent post, or developmental programmes.
- Compilation, approval and assessment of 3-year strategic HR Plan for the period 2021-2024. Achievement of 100% for compliance and 100% for quality of information.
- Successful compilation, approval and assessment of HRP Implementation report for 2020/21 which was submitted in May 2021. Achievement of 100% for compliance and 100% for quality of information.
- Successful reporting of EE statistics to Department of Labour for 2020/2021.
- Successful Audit by Department of Labour on all EE matters for the period 2021/2022. Furthermore, successful approval of department’s new EE Plan for the period 01 January 2022 to 31 December 2026 by the Department of Labour.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides 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 2021 and 31 March 2022

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	294 016	116 430	373	965	39.6	448
Integrated Economic Development	567 019	60 919	0	0	10.7	597

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Trade & Sector Development	898 888	17 328	0	0	1.9	619
Business Regulations	184 048	32 695	0	0	17.8	519
Economic Planning	20 369	15 851	0	0	77.8	440
Environmental Services	1 125 751	136 725	5	0	12.2	495
Tourism	247 670	20 798	0	0	8.4	168
TOTAL	3 337 833	400 746	378	965	12.0	451

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

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)	21 535	5.4	293	73.5
Skilled (level 3-5)	12 450	3.1	47	264.9
Highly skilled production (levels 6-8)	88 152	22	215	410
Highly skilled supervision (levels 9-12)	204 159	50.9	269	759
Senior and Top management (levels 13-16)	74 450	18.6	58	1283.6
Total	400 746	100	882	451

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

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	100 369	86.2	596	0.51	2 801	2.4	4 178	3.6
Integrated Economic Development	52 716	86.5	0	0	1 278	3.6	1 551	2.5
Trade & Sector Development	16 570	95.6	0	0	443	2;6	244	1.4
Business Regulations	26 497	81	0	0	693	2.1	1 253	6.9
Economic Planning	13 792	87	0	0	350	2.2	260	1.6
Environmental Services	110 828	532.9	0	0	2 584	12.4	5 727	27.5
Tourism	23 345	17.1	0	0	533	0.4	1 401	1.0
Total	344 117	85.9	596	0.1	8 682	2.2	14 614	3.5

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

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)	21 703	100.8	42	0	0	0	0	0
Skilled (level 3-5)	9 525	76.5	189	1.50	673	5;40	979	7.9
Highly skilled production (levels 6-8)	70 892	80.4	214	0.20	3 148	3;50	6 687	13.8
Highly skilled supervision (levels 9-12)	175 509	86	151	0.10	3 461	1;70	6 555	3.8
Senior management (level 13-16)	66 488	89.3	0	0	1 401	2;00	394	0.6
Total	344 117	85.9	596	0.1	8683	2.2	14 615	3.5

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:

- 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 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	285	257	9.8	85
Integrated Economic Development	107	102	4.7	26
Trade and Industry Development	28	28	0	9
Business Regulations	65	63	3.1	10

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Economic Planning	36	36	0	16
Environmental Affairs	336	317	5.7	106
Tourism	90	79	12.2	46
TOTAL	947	882	6.9	298

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate
Lower skilled (1-2)	293	293	0
Skilled (3-5)	59	49	16.9
Highly skilled production (6-8)	251	216	13.9
Highly skilled supervision (9-12)	277	267	3.6
Senior management (13-16)	67	57	14.9
Total	947	882	6.9

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	470	447	4.9	293
Information Technology related	14	12	14.3	0
Finance and Economics related	31	31	0	0
General Legal administration and Professionals	7	6	14.3	1
Human Resources related	32	30	6.3	0
Light vehicles drivers	5	3	40	0
Messengers and porters	1	0	100	0
Secretaries and keyboard operators	44	40	9.1	1
Trade and industry advisers and other related profession	66	63	4.5	1
Environmental management and related	210	193	8.1	0

Senior Managers	67	57	14.9	2
TOTAL	947	882	6.9	298

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed time frames and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

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
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	18	14	77,8	4	22.2
Salary Level 13	45	39	86,7	6	13.3
Total	68	58	85,3	10	14.7

Table 3.3.2 SMS post information as on 30 September 2021

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
Director-General/ Head of Department	1	1	100	0	0

Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	18	14	77,8	4	22.2
Salary Level 13	45	39	86,7	6	13.3
Total	68	58	85,3	10	14.7

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	0	0	1
Total	1	0	2

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 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Recruitment process delayed due to COVID19 outbreak

Reasons for vacancies not filled within twelve months
Recruitment process delayed due to COVID19 outbreak

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Not applicable
Reasons for vacancies not filled within six months
Not applicable

Notes

- 3.4** In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the

prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

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 2021 and 31 March 2022

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)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-	-
Senior Management Service Band A	-	-	-	-	-	-	-
Senior Management Service Band B	-	-	-	-	-	-	-
Senior Management Service Band C	-	-	-	-	-	-	-
Senior Management Service Band D	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

The Job evaluation grading system has been stopped in the Public Service pending the finalisation of the new system/contract

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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total	-	-	-	-	-

The Job evaluation grading system has been stopped in the Public Service pending the finalisation of the new system/contract

Employees with a disability	-
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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 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
n/a	n/a	n/a	n/a	n/a
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				-

The Job evaluation grading system has been stopped in the Public Service pending the finalisation of the new system/contract

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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female					
Male					
Total	-	-	-	-	-

Employees with a disability					-
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The Job evaluation grading system has been stopped in the Public Service pending the finalisation of the new system/contract

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 2021 and 31 March 2022

Salary band	Number of employees	Appointments	Terminations	Turnover rate
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	at beginning of period- 1 April 20YY	and transfers into the department	and transfers out of the department	
Lower skilled (Levels 1-2)	293	24	20	6.8
Skilled (Levels 3-5)	46	14	6	13
Highly skilled production (Levels 6-8)	218	20	4	1.8
Highly skilled supervision (Levels 9-12)	230	17	8	3.5
Senior Management Service Bands A	37	2	1	2.7
Senior Management Service Bands B	12	0	2	16.7
Senior Management Service Bands C	2	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	25	5	17	68
Total	864	82	58	112.5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period- April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	442	40	39	8.8
Information Technology related	9	3	0	0
Finance and Economics related	30	6	1	4.2
General Legal administration and Professionals	7	0	0	0
Human Resources related	30	1	1	3.6
Light vehicles drivers	7	0	3	100
Messengers and porters	1	0	1	100
Secretaries and keyboard operators	38	3	1	2.6
Trade and industry advisers and other related profession	57	8	3	5.3
Environmental management and related	193	18	4	22.2
Senior Managers	50	3	5	10
TOTAL	864	82	58	6.7

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	4	6.9
Resignation	28	48.3
Expiry of contract	16	27.6
Dismissal – operational changes	0	0
Dismissal – misconduct	2	3.4
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	7	12.1
Transfer to other Public Service Departments	0	0
Other	1	1.7
Total	58	100

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	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	442	5	1.1	157	35.5
Information Technology related	9	0	0	10	111
Finance and Economics related	30	0	0	30	100

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General Legal administration and Professionals	7	0	0	2	28.6
Human Resources related	30	0	0	27	90
Light vehicles drivers	7	0	0	4	57
Messengers and porters	1	0	0	1	100
Secretaries and keyboard operators	38	0	0	39	130
Trade and industry advisers and other related profession	57	1	1.8	62	108.7
Environmental management and related	193	8	4.1	190	98.4
Senior Managers	50	2	4	49	98
TOTAL	864	16	1.9	571	66.1

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	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
Lower skilled (Levels 1-2)	293	0	0	1	0.30
Skilled (Levels3-5)	46	0	0	46	100
Highly skilled production (Levels 6-8)	218	1.0	0.50	199	91.30
Highly skilled supervision (Levels 9-12)	230	13	5.70	258	112.20
Senior Management (Level 13-16)	52	2	3.8	52	100
Contract	25	0	0	15	93.2
Total	864	16	1.9	571	66.1

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 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	0	2	2	18	1	2	0	50

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Professionals	44	0	6	2	74	2	8	2	138
Technicians and associate professionals	120	2	6	3	180	2	23	2	338
Clerks	9	0	1	0	34	2	5	1	52
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	1	0	0	0	0	0	0	3
Elementary occupations	1	0	0	0	2	0	0	0	3
Total	201	3	15	7	308	7	38	5	584
Employees with disabilities	2	0	0	2	4	0	1	1	10

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	0	0	0	0	4
Senior Management	25	0	2	2	21	1	2	0	53
Professionally qualified and experienced specialists and mid-management	68	1	9	5	82	3	16	1	185
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	85	2	4	0	178	2	20	4	295
Semi-skilled and discretionary decision making	19	0	0	0	27	1	0	0	47
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	201	3	15	7	308	7	38	5	584

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

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	1	0	0	0	3	0	0	0	4

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Professionally qualified and experienced specialists and mid-management	5	0	0	0	11	1	0	0	17
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	15	0	0	0	20
Semi-skilled and discretionary decision making	5	0	0	0	10	0	0	0	15
Unskilled and defined decision making	10	0	0	0	14	0	0	0	24
Total	26	0	0	0	53	1	0	0	80
Employees with disabilities									

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

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	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	10		0		4	0	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	1		3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making									
Total	13	0	0	0	5	0	1	0	19
Employees with disabilities									

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

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	1	0	0	0	3	0	0	0	4
Professionally qualified and experienced	8	0	0	0	1	0	0	0	9

specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	3	0	0	0	4
Semi-skilled and discretionary decision making	4	0	0	0	2	0	0	0	6
Unskilled and defined decision making	12	0	0	0	24	0	0	0	36
Total	26	0	0	0	33	0	0	0	59
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Formal and Informal	11		1		16		2	1	31

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	0	2	2	18	1	2	0	50
Professionals	44	0	6	2	74	2	8	2	138
Technicians and associate professionals	120	2	6	3	180	2	23	2	338
Clerks	9	0	1	0	34	2	5	1	52
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	1	0	0	0	0	0	0	3
Elementary occupations	1	0	0	0	2	0	0	0	3
Total	201	3	15	7	308	7	38	5	584
Employees with disabilities	2	0	0	2	4	0	1	1	10

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 2022

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
Director-General/ Head of Department	1	1	1	100%
Salary Level 16				
Salary Level 15		2	2	100%
Salary Level 14		14	14	100%
Salary Level 13		41	38	93%
Total	1	58	55	95%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
Some SMS members were appointed in the last quarter of the financial year and their agreements for the period become due within the three months of their appointment.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
Failure to sign and submit performance agreements may result in disciplinary action being instituted against SMS member and forfeit performance rewards.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

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 2021 to 31 March 2022

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	-	-	-	-	-
Female	-	-	-	-	-
Asian					
Male	-	-	-	-	-
Female	-	-	-	-	-
Coloured					
Male	-	-	-	-	-
Female	-	-	-	-	-
White					
Male	-	-	-	-	-
Female	-	-	-	-	-
Total	0	0	0	0	0

In relation to the above table there are no performance rewards that have been awarded to officials due to backlog that resulted to performance assessments for 2021/2022 not yet finalised.

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

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	
Lower Skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (level 3-5)	-	-	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	-	-	-	-	-	-
Total	0	0	0	0	0	0

In relation to the above table there are no performance rewards that have been awarded to officials due to backlog that resulted to performance assessments for 2021/2022 not yet finalised.

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
	-	-	-	-	-
Total	0	0	0	0	0

In relation to the above table there are no performance rewards that have been awarded to officials due to backlog that resulted to performance assessments for 2021/2022 not yet finalised.

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

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	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	0	0	0	0	0	0

In relation to the above table there are no performance rewards that have been awarded to officials due to backlog that resulted to performance assessments for 2021/2022 not yet finalised.

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 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		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)	2	50	2	50	0	0
Contract (level 9-12)	0	0	0	0	0	0
SMS Level (13-16)	2	50	2	50	0	0
Total	4	100	4	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0	0	0	0	0
	0	0	0	0	0	0

1.1 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 2021 to 31 December 2021

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)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	91	92.30	13	5.20	7	87 000
Highly skilled production (levels 6-8)	505	85	94	37.80	5	800 000
Highly skilled supervision (levels 9-12)	672	88.10	110	44.20	6	2 009 000
Top and Senior management (levels 13-16)	128	97.70	11	4.40	12	607 000
Total	1396	90.77	228	22.90	30	3 503 000

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

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)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	45	100	5	50	9	66 000
Highly skilled supervision (Levels 9-12)	111	100	4	40	28	431 000
Senior management (Levels 13-16)	7	100	1	10	7	32 000
Total	163	100	10	33.33	44	529 000

The table below 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 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	511	36	14
Highly skilled production (Levels 6-8)	3582	199	18
Highly skilled supervision (Levels 9-12)	4485	232	19
Senior management (Levels 13-16)	641	37	17
Total	9219	504	17

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

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 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	81
Highly skilled production (Levels 6-8)	0	0	0	44
Highly skilled supervision (Levels 9-12)	0	0	0	58
Senior management (Levels 13-16)	0	0	0	36
Total	0	0	0	54.75

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 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2021/22	1 435 000	4	358 750.00
Current leave payout on termination of service for 2021/22	1 192 000	26	45 846.15
Total	2 627 000	30	202 298.07

1.2 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
<p>1. EDTEA has employees who are at the child bearing age and these are deemed high risk as they are most likely to have unprotected sex.</p> <p>2. Most of our employees have had to leave their families and moved to Pietermaritzburg to get closer to place of employment</p> <p>3. Most of our employees are field based and spend most of their time traveling to site and sleeping in hotels.</p> <p>4. The nature of work is highly stressful and demands good coping mechanisms, some of our employees lack in this regard and end up employing unhealthy coping mechanisms</p>	<ul style="list-style-type: none"> • Emphasis on sexual health awareness, coping mechanisms, communication skills and basic family values. • Substance abuse awareness.

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.	Y		HR Manager Ms Nonhlanhla Msimango
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.	Y		The Employee Health and Wellness unit It has 5 staff members Approved budget of R 3 080 000
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.	Y		Counselling services on personal and work-related issues •Personal Finance Management programme •HIV/AIDS Programme

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			<ul style="list-style-type: none"> •Gender and Disability programme •SHERQ •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.	Y		<p>Mr Fezile Mbuli (Chairperson)</p> <p>Ms N Msimango - HRM</p> <p>Ms R M Mkhize- OHS</p> <p>Mr R James - OHS</p> <p>Mrs T Sithole Auxiliary Services</p> <p>Mr M Cele - Security</p> <p>NEHAWU</p> <p>PSA</p> <p>OHS Representatives</p>
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.	Y		<p>The Recruitment, Selection and Benefits Policies and practices</p> <ul style="list-style-type: none"> •Skills development and training policy practices •HIV Policy and Wellness Policy •Diversity policy •Wellness policy •Productivity management
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.	Y		<p>An HIV/AIDS policy reviewed and approved.</p> <ul style="list-style-type: none"> •The policy clearly outlines that discrimination on the basis on 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 and human rights program
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Y		<p>We are vigorously encouraging HCT (Health Counselling and testing in the department and the response has been very positive.</p> <p>We can pin this success of this program to the stigma and behaviour change programs that we have in the department, more people</p>

		have participated in the program however this year we were disturbed by COVID 19 and as a result could not get the desired number of employees who come to our wellness days to test. We encouraged our employees to continue being safe and test with their health care providers until it's safe to test in the workplace
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Y	Monitoring the use of sick and vacation leave 2. Internal surveys 3. MANCO Feedback

1.3 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Subject matter	Date
Nil	N/A

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 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	19	65.52%
Verbal warning	1	3.45%
Written warning	3	10.34%
Final written warning	3	10.34%
Suspended without pay	1	3.45%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn/ Employee resigned	2	6.90%
Total	29	100%

Notes

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

Total number of Disciplinary hearings finalised	29 cases
--	-----------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Failure to disclose assets in Financial disclosure form	12	41.38%
Failure to follow lawful instruction	3	10.34%
Absent without leave	3	10.34%
Breach of treasury regulations	1	3.44%
Fraud	2	6.90%
Irregular expenditure	2	6.90%
Dishonesty	2	6.90%
Processing invoices without supporting documents	2	6.90%
Assault	1	3.44%
Insubordination	1	3.44%
Total	29	100%

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	55	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	55	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	1	7.14%
Number of disputes dismissed	13	92.86%
Total number of disputes lodged	14	100%

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	2
Number of people who's suspension exceeded 30 days	Nil

Average number of days suspended	50 days
Cost of suspension(R'000)	R 202 690.85

1.4 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 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24	-	20	-	20
	Male	33	-	25	-	25
Professionals	Female	102	-	39	-	39
	Male	83	-	25	-	25
Technicians and associate professionals	Female	204	-	40	-	40
	Male	91	-	35	-	35
Clerks	Female	28	-	35	-	35
	Male	19	-	18	-	18
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	129	-
	Male	-	-	-	51	-
Sub Total	Female	358	-	134	129	263
	Male	226	-	103	51	154
Total		584	-	237	180	417

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24	-	17	-	17
	Male	33	-	18	-	18
Professionals	Female	102	-	39	-	39
	Male	83	-	22	-	22

Technicians and associate professionals	Female	204	-	30	-	30
	Male	91	-	28	-	28
Clerks	Female	28	-	21	-	21
	Male	19	-	18	-	18
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	146	146
	Male	-	-	-	67	67
Sub Total	Female	358	-	107	146	253
	Male	226	-	86	67	153
Total		584	-	193	213	406

1.4 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 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	0.002
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	0

1.5 Utilisation of Consultants

The following tables 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:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

1.6 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 and 31 March 2022

Salary band	Number of applications	Number of applications referred to the	Number of applications	Number of packages approved by

Annual Report for 2021/22 Financial Year
Vote 4: Department of Economic Development, Tourism and Environmental Affairs
Province of KwaZulu Natal

	received	MPSA	supported by MPSA	department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	1	0	0	0



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**GROWING
KWAZULU-NATAL
TOGETHER**



PART E: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Economic Development, Tourism and Environmental Affairs set out on pages 163 to 235, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. 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 2022 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards (MCS) prescribed by 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, 2021 (Act No. 9 of 2021) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

7. The supplementary information set out on pages 236 to 251 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on thereon.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of South Africa, 2004 (Act No 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 3: trade and industry development presented on pages 53 to 58 of the annual performance report of the department for the year ended 31 March 2022.
15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. The annual performance report on pages 45 to 83 for information on the achievement of planned targets for the year and management's explanations provided for the over and under achievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: trade and industry development. As management subsequently corrected the misstatements I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

27. I draw attention to the following engagements conducted which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or compliance with legislation.

Investigations

28. The forensic services unit housed at the Office of the Premier conducted 15 investigations covering the period 2018 to 2019. The investigations related to allegations of irregularities over procurement processes and alleged fraud and corruption. One investigation was completed and recommended for closure. One investigation has been completed for phase one, and has resulted in disciplinary hearings and criminal proceedings against three employees. The remaining 13 investigations are in progress at the date of my report.

Auditor-General

Pietermaritzburg

31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

***ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
VOTE 4***

For the year ended
31 March 2022

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

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**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Appropriation per programme									
	2021/22							2020/21	
	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
Voted funds and Direct charges									
Programme									
1. <u>ADMINISTRATION</u>	320,854	-	(15,952)	304,902	294,016	10,886	96.4%	255,349	255,237
2. <u>INTEGRATED ECONOMIC DEVELOPMENT SERVICES</u>	528,660	-	42,293	570,953	567,091	3,862	99.3%	372,295	372,276
3. <u>TRADE AND SECTOR DEVELOPMENT</u>	907,768	-	(6,087)	901,681	898,888	2,793	99.7%	760,074	759,067
4. <u>BUSINESS REGULATION AND GOVERNANCE</u>	185,190	-	(1,142)	184,048	184,048	-	100.0%	179,756	179,756
5. <u>ECONOMIC PLANNING</u>	23,006	-	(1,836)	21,170	20,369	801	96.2%	19,302	19,302
6. <u>TOURISM</u>	265,471	-	(11,801)	253,670	247,670	6,000	97.6%	222,670	221,798
7. <u>ENVIRONMENTAL AFFAIRS</u>	1,135,726	-	(5,475)	1,130,251	1,125,751	4,500	99.6%	1,209,005	1,200,630
Programme sub total	3,366,675	-	-	3,366,675	3,337,833	28,842	99.1%	3,018,451	3,008,066
Statutory Appropriation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL	3,366,675	-	-	3,366,675	3,337,833	28,842	99.1%	3,018,451	3,008,066

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Reconciliation with Statement of Financial Performance					
Add:					
Departmental receipts		30,132		53,262	
NRF Receipts		-		-	
Aid assistance		-		-	
Actual amounts per Statement of Financial Performance (Total Revenue)		3,396,807		3,071,713	
Add: Aid assistance			-		-
Prior year unauthorised expenditure approved without funding					
Actual amounts per Statement of Financial Performance Expenditure			3,337,833		3,008,066

Appropriation per economic classification									
	2021/22							2020/21	
	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	773,483	20,032	(64,838)	728,677	726,669	2,008	99.7%	701,594	692,678

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Compensation of employees	403,722	-	(2,487)	401,235	400,746	489	99.9%	358,065	358,065
Salaries and wages	355,071	-	(2,349)	352,722	352,274	448	99.9%	312,503	312,503
Social contributions	48,651	-	(138)	48,513	48,472	41	99.9%	45,562	45,562
Goods and services	369,761	20,032	(62,351)	327,442	325,923	1,519	99.5%	343,529	334,613
Administrative fees	706	-	129	835	832	3	99.6%	471	471
Advertising	12,994	-	(393)	12,601	12,587	14	99.9%	11,856	11,856
Minor assets	1,336	-	(809)	527	527	-	100.0%	807	807
Audit costs: External	5,497	-	43	5,540	5,540	-	100.0%	4,166	4,166
Bursaries: Employees	444	-	(89)	355	355	-	100.0%	171	171
Catering: Departmental activities	2,366	-	(1,929)	437	437	-	100.0%	65	65
Communication (G&S)	10,662	-	(4,573)	6,089	6,089	-	100.0%	5,995	5,995
Computer services	28,795	-	724	29,519	29,519	-	100.0%	23,835	23,835
Consultants: Business and advisory services	67,222	20,032	(47,550)	39,704	39,043	661	98.3%	114,463	105,591
Legal services	4,232	-	1,625	5,857	5,857	-	100.0%	3,589	3,589
Contractors	15,562	-	(816)	14,746	14,699	47	99.7%	3,403	3,403
Agency and support / outsourced services	64,336	-	8,296	72,632	72,632	-	100.0%	63,332	63,332
Fleet services (including government motor transport)	5,639	-	(1,059)	4,580	4,580	-	100.0%	4,719	4,719
Inventory: Clothing material and accessories	7,884	-	(7,124)	760	760	-	100.0%	2,123	2,123
Inventory: Farming supplies	2,770	-	134	2,904	2,904	-	100.0%	3,279	3,279
Inventory: Materials and supplies	-	-	7	7	7	-	100.0%	15	15

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**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Inventory: Other supplies	3,601	-	101	3,702	3,019	683	81.6%	260	260
Consumable supplies	2,150	-	(223)	1,927	1,927	-	100.0%	5,281	5,281
Consumable: Stationery, printing and office supplies	3,179	-	(180)	2,999	2,999	-	100.0%	2,704	2,704
Operating leases	39,495	-	(2,748)	36,747	36,747	-	100.0%	34,675	34,672
Property payments	39,323	-	(2,101)	37,222	37,222	-	100.0%	32,342	32,301
Transport provided: Departmental activity	297	-	252	549	549	-	100.0%	322	322
Travel and subsistence	20,267	-	2,842	23,109	23,005	104	99.5%	17,420	17,420
Training and development	8,806	-	(5,182)	3,624	3,624	-	100.0%	5,442	5,442
Operating payments	4,875	-	(1,214)	3,661	3,654	7	99.8%	2,289	2,289
Venues and facilities	16,946	-	(727)	16,219	16,219	-	100.0%	492	492
Rental and hiring	377	-	213	590	590	-	100.0%	13	13
Transfers and subsidies	2,567,915	(20,032)	62,349	2,610,232	2,593,072	17,160	99.3%	2,291,032	2,289,563
Provinces and municipalities	82,549	-	5,500	88,049	78,045	10,004	88.6%	57,010	56,567
Provinces	116	-	-	116	112	4	96.6%	110	42
Provincial agencies and funds	116	-	-	116	112	4	96.6%	110	42
Municipalities	82,433	-	5,500	87,933	77,933	10,000	88.6%	56,900	56,525
Municipal bank accounts	72,933	-	5,500	78,433	71,433	7,000	91.1%	51,900	51,525
Municipal agencies and funds	9,500	-	-	9,500	6,500	3,000	68.4%	5,000	5,000
Departmental agencies and accounts	1,808,830	-	-	1,808,830	1,808,830	-	100.0%	1,793,901	1,793,901
Departmental agencies	1,808,830	-	-	1,808,830	1,808,830	-	100.0%	1,793,901	1,793,901

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Higher education institutions	5,342	-	-	5,342	5,341	1	100.0%	1,000	-
Public corporations and private enterprises	250,621	-	-	250,621	250,621	-	100.0%	252,562	252,562
Public corporations	245,571	-	-	245,571	245,571	-	100.0%	248,887	248,887
Other transfers to public corporations	245,571	-	-	245,571	245,571	-	100.0%	248,887	248,887
Private enterprises	5,050	-	-	5,050	5,050	-	100.0%	3,675	3,675
Other transfers to private enterprises	5,050	-	-	5,050	5,050	-	100.0%	3,675	3,675
Non-profit institutions	417,401	(20,032)	56,293	453,662	446,507	7,155	98.4%	184,225	184,199
Households	3,172	-	556	3,728	3,728	-	100.0%	2,334	2,334
Social benefits	1,791	-	402	2,193	2,193	-	100.0%	2,334	2,334
Other transfers to households	1,381	-	154	1,535	1,535	-	100.0%	-	-
Payments for capital assets	25,277	-	2,489	27,766	18,092	9,674	65.2%	25,823	25,823
Buildings and other fixed structures	1,444	-	164	1,608	1,246	362	77.5%	1,824	1,824
Buildings	-	-	352	352	352	-	100.0%	-	-
Other fixed structures	1,444	-	(188)	1,256	894	362	71.2%	1,824	1,824
Machinery and equipment	15,398	-	1,351	16,749	14,334	2,415	85.6%	23,753	23,753
Transport equipment	-	-	476	476	476	-	100.0%	6,152	6,152
Other machinery and equipment	15,398	-	875	16,273	13,858	2,415	85.2%	17,601	17,601
Software and other intangible assets	8,435	-	974	9,409	2,512	6,897	26.7%	246	246
Payment for financial assets	-	-	-	-	-	-	-	2	2
	3,366,675	-	-	3,366,675	3,337,833	28,842	99.1%	3,018,451	3,008,066

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 1: ADMINISTRATION									
	2021/22							2020/21	
	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. <u>OFFICE OF THE MEC</u>	15,215	-	(2,114)	13,101	13,001	100	99.2%	17,450	17,450
2. <u>OFFICE OF THE HOD</u>	44,865	-	(2,337)	42,528	41,202	1,326	96.9%	24,273	24,273
3. <u>FINANCIAL MANAGEMENT</u>	37,582	-	2,323	39,905	39,905	-	100.0%	32,893	32,893
4. <u>CORPORATE SERVICES</u>	223,192	-	(13,824)	209,368	199,908	9,460	95.5%	180,733	180,621
	320,854	-	(15,952)	304,902	294,016	10,886	96.4%	255,349	255,237
Economic classification									
Current payments	299,325	-	(18,221)	281,104	279,804	1,300	99.5%	233,218	233,174
Compensation of employees	117,425	-	(995)	116,430	116,430	-	100.0%	99,207	99,207
Salaries and wages	104,136	-	(1,237)	102,899	102,899	-	100.0%	87,095	87,095
Social contributions	13,289	-	242	13,531	13,531	-	100.0%	12,112	12,112
Goods and services	181,900	-	(17,226)	164,674	163,374	1,300	99.2%	134,011	133,967

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	326	-	(2)	324	324	-	100.0%	130	130
Advertising	8,406	-	(2,378)	6,028	6,028	-	100.0%	7,356	7,356
Minor assets	132	-	153	285	285	-	100.0%	509	509
Audit costs: External	5,497	-	43	5,540	5,540	-	100.0%	4,166	4,166
Bursaries: Employees	377	-	(89)	288	288	-	100.0%	171	171
Catering: Departmental activities	362	-	(354)	8	8	-	100.0%	18	18
Communication (G&S)	10,661	-	(4,572)	6,089	6,089	-	100.0%	5,995	5,995
Computer services	28,795	-	724	29,519	29,519	-	100.0%	23,835	23,835
Consultants: Business and advisory services	6,126	-	(1,935)	4,191	2,891	1,300	69.0%	6,772	6,772
Legal services	3,972	-	1,759	5,731	5,731	-	100.0%	3,476	3,476
Contractors	6,002	-	(3,185)	2,817	2,817	-	100.0%	796	796
Fleet services (including government motor transport)	5,639	-	(1,059)	4,580	4,580	-	100.0%	4,719	4,719
Inventory: Other supplies	529	-	130	659	659	-	100.0%	-	-
Consumable supplies	1,109	-	(428)	681	681	-	100.0%	1,443	1,443
Consumable: Stationery, printing and office supplies	2,743	-	35	2,778	2,778	-	100.0%	2,460	2,460
Operating leases	39,452	-	(2,705)	36,747	36,747	-	100.0%	34,675	34,672
Property payments	39,295	-	(2,073)	37,222	37,222	-	100.0%	32,232	32,191
Transport provided: Departmental activity	67	-	(67)	-	-	-	-	3	3
Travel and subsistence	4,157	-	628	4,785	4,785	-	100.0%	4,058	4,058
Training and development	1,617	-	(1,244)	373	373	-	100.0%	236	236
Operating payments	2,459	-	(557)	1,902	1,902	-	100.0%	956	956
Venues and facilities	14,050	-	(50)	14,000	14,000	-	100.0%	-	-
Rental and hiring	127	-	-	127	127	-	100.0%	5	5
Transfers and subsidies	859	-	321	1,180	1,176	4	99.7%	1,213	1,145

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Provinces and municipalities	116	-	-	116	112	4	96.6%	410	342
Provinces	116	-	-	116	112	4	96.6%	110	42
Provincial agencies and funds	116	-	-	116	112	4	96.6%	110	42
Municipalities	-	-	-	-	-	-	-	300	300
Municipal bank accounts	-	-	-	-	-	-	-	300	300
Households	743	-	321	1,064	1,064	-	100.0%	803	803
Social benefits	343	-	167	510	510	-	100.0%	803	803
Other transfers to households	400	-	154	554	554	-	100.0%	-	-
Payments for capital assets	20,670	-	1,948	22,618	13,036	9,582	57.6%	20,917	20,917
Buildings and other fixed structures	444	-	-	444	85	359	19.1%	323	323
Buildings	-	-	85	85	85	-	100.0%	-	-
Other fixed structures	444	-	(85)	359	-	359	-	323	323
Machinery and equipment	11,791	-	974	12,765	10,439	2,326	81.8%	20,378	20,378
Transport equipment	-	-	476	476	476	-	100.0%	6,152	6,152
Other machinery and equipment	11,791	-	498	12,289	9,963	2,326	81.1%	14,226	14,226
Software and other intangible assets	8,435	-	974	9,409	2,512	6,897	26.7%	216	216
Payment for financial assets	-	-	-	-	-	-	-	1	1
	320,854	-	(15,952)	304,902	294,016	10,886	96.4%	255,349	255,237

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
	2021/22							2020/21	
	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. ENTERPRISE DEVELOPMENT	445,187	-	48,652	493,839	489,978	3,861	99.2%	295,317	295,317
2. REGIONAL AND LOCAL ECONOMIC DEVELOPMENT	51,594	-	(547)	51,047	51,046	1	100.0%	42,576	42,576
3. ECONOMIC EMPOWERMENT	31,879	-	(5,812)	26,067	26,067	-	100.0%	34,402	34,383
	528,660	-	42,293	570,953	567,091	3,862	99.3%	372,295	372,276
Economic classification									
Current payments	94,098	20,032	(14,011)	100,119	102,913	(2,794)	102.8%	141,938	141,938
Compensation of employees	61,437	-	(518)	60,919	60,919	-	100.0%	62,044	62,044
Salaries and wages	54,649	-	(486)	54,163	54,163	-	100.0%	55,145	55,145
Social contributions	6,788	-	(32)	6,756	6,756	-	100.0%	6,899	6,899
Goods and services	32,661	20,032	(13,493)	39,200	41,994	(2,794)	107.1%	79,894	79,894

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	79	-	(15)	64	64	-	100.0%	28	28
Advertising	414	-	(197)	217	217	-	100.0%	543	543
Minor assets	-	-	28	28	28	-	100.0%	33	33
Catering: Departmental activities	748	-	(645)	103	103	-	100.0%	13	13
Consultants: Business and advisory services	18,714	20,032	(12,603)	26,143	27,676	(1,533)	105.9%	72,609	72,609
Contractors	4,371	-	1,259	5,630	6,891	(1,261)	122.4%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	694	694
Inventory: Materials and supplies	-	-	-	-	-	-	-	15	15
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	22	22	22	-	100.0%	121	121
Consumable supplies	3	-	(3)	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	10	10
Operating leases	2	-	(2)	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	424	424	424	-	100.0%	319	319
Travel and subsistence	2,727	-	90	2,817	2,817	-	100.0%	1,701	1,701
Training and development	3,938	-	(1,985)	1,953	1,953	-	100.0%	3,759	3,759
Operating payments	277	-	175	452	452	-	100.0%	41	41
Venues and facilities	1,138	-	(254)	884	884	-	100.0%	-	-
Rental and hiring	250	-	213	463	463	-	100.0%	8	8
Transfers and subsidies	434,234	(20,032)	56,417	470,619	463,963	6,656	98.6%	229,802	229,783

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Provinces and municipalities	24,838	-	-	24,838	24,838	-	100.0%	18,000	18,000
Municipalities	24,838	-	-	24,838	24,838	-	100.0%	18,000	18,000
Municipal bank accounts	24,838	-	-	24,838	24,838	-	100.0%	18,000	18,000
Higher education institutions	5,342	-	-	5,342	5,341	1	100.0%	-	-
Public corporations and private enterprises	138,432	-	-	138,432	138,432	-	100.0%	161,812	161,812
Public corporations	138,382	-	-	138,382	138,382	-	100.0%	161,812	161,812
Other transfers to public corporations	138,382	-	-	138,382	138,382	-	100.0%	161,812	161,812
Private enterprises	50	-	-	50	50	-	100.0%	-	-
Other transfers to private enterprises	50	-	-	50	50	-	100.0%	-	-
Non-profit institutions	264,726	(20,032)	56,293	300,987	294,332	6,655	97.8%	49,661	49,642
Households	896	-	124	1,020	1,020	-	100.0%	329	329
Social benefits	896	-	124	1,020	1,020	-	100.0%	329	329
Payments for capital assets	328	-	(113)	215	215	-	100.0%	555	555
Machinery and equipment	328	-	(113)	215	215	-	100.0%	525	525
Other machinery and equipment	328	-	(113)	215	215	-	100.0%	525	525
Software and other intangible assets	-	-	-	-	-	-	-	30	30
Payment for financial assets	-	-	-	-	-	-	-	-	-
	528,660	-	42,293	570,953	567,091	3,862	99.3%	372,295	372,276

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 3: TRADE AND SECTOR DEVELOPMENT									
	2021/22							2020/21	
	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	580,538	-	-	580,538	580,192	346	99.9%	486,326	486,326
2. SECTOR DEVELOPMENT	220,041	-	(6,087)	213,954	211,507	2,447	98.9%	186,673	185,666
3. STRATEGIC INITIATIVES (INDUSTRY DEVELOPMENT)	107,189	-	-	107,189	107,189	-	100.0%	87,075	87,075
	907,768	-	(6,087)	901,681	898,888	2,793	99.7%	760,074	759,067
Economic classification									
Current payments	36,707	-	(6,145)	30,562	27,822	2,740	91.0%	35,579	35,579

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Compensation of employees	17,817	-	-	17,817	17,328	489	97.3%	15,898	15,898
Salaries and wages	16,082	-	-	16,082	15,634	448	97.2%	14,298	14,298
Social contributions	1,735	-	-	1,735	1,694	41	97.6%	1,600	1,600
Goods and services	18,890	-	(6,145)	12,745	10,494	2,251	82.3%	19,681	19,681
Administrative fees	45	-	18	63	60	3	95.2%	80	80
Advertising	219	-	526	745	731	14	98.1%	454	454
Minor assets	-	-	2	2	2	-	100.0%	-	-
Catering: Departmental activities	10	-	(6)	4	4	-	100.0%	10	10
Consultants: Business and advisory services	12,018	-	(6,189)	5,829	5,697	132	97.7%	15,425	15,425
Contractors	1,650	-	-	1,650	342	1,308	20.7%	1,025	1,025
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	125	125
Inventory: Farming supplies	100	-	(22)	78	78	-	100.0%	7	7
Inventory: Other supplies	2,600	-	(401)	2,199	1,516	683	68.9%	95	95
Consumable supplies	3	-	-	3	3	-	100.0%	425	425
Property payments	-	-	-	-	-	-	-	11	11
Travel and subsistence	1,343	-	320	1,663	1,559	104	93.7%	1,357	1,357
Training and development	-	-	-	-	-	-	-	65	65
Operating payments	370	-	(293)	77	70	7	90.9%	110	110
Venues and facilities	532	-	(100)	432	432	-	100.0%	492	492
Transfers and subsidies	869,961	-	58	870,019	870,019	-	100.0%	722,698	721,691
Provinces and municipalities	36,720	-	-	36,720	36,720	-	100.0%	13,250	13,250

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Municipalities	36,720	-	-	36,720	36,720	-	100.0%	13,250	13,250
Municipal bank accounts	34,720	-	-	34,720	34,720	-	100.0%	13,250	13,250
Municipal agencies and funds	2,000	-	-	2,000	2,000	-	100.0%	-	-
Departmental agencies and accounts	575,843	-	-	575,843	575,843	-	100.0%	483,067	483,067
Departmental agencies	575,843	-	-	575,843	575,843	-	100.0%	483,067	483,067
Higher education institutions	-	-	-	-	-	-	-	1,000	-
Public corporations and private enterprises	112,189	-	-	112,189	112,189	-	100.0%	90,750	90,750
Public corporations	107,189	-	-	107,189	107,189	-	100.0%	87,075	87,075
Other transfers to public corporations	107,189	-	-	107,189	107,189	-	100.0%	87,075	87,075
Private enterprises	5,000	-	-	5,000	5,000	-	100.0%	3,675	3,675
Other transfers to private enterprises	5,000	-	-	5,000	5,000	-	100.0%	3,675	3,675
Non-profit institutions	144,207	-	-	144,207	144,207	-	100.0%	134,564	134,557
Households	1,002	-	58	1,060	1,060	-	100.0%	67	67
Social benefits	21	-	58	79	79	-	100.0%	67	67
Other transfers to households	981	-	-	981	981	-	100.0%	-	-
Payments for capital assets	1,100	-	-	1,100	1,047	53	95.2%	1,797	1,797
Buildings and other fixed structures	1,000	-	(103)	897	894	3	99.7%	1,487	1,487
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1,000	-	(103)	897	894	3	99.7%	1,487	1,487
Machinery and equipment	100	-	103	203	153	50	75.4%	310	310
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	100	-	103	203	153	50	75.4%	310	310
Payment for financial assets	-	-	-	-	-	-	-	-	-
	907,768	-	(6,087)	901,681	898,888	2,793	99.7%	760,074	759,067

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 4: BUSINESS REGULATION AND GOVERNANCE									
	2021/22							2020/21	
	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. <u>REGULATION SERVICES</u>	7,911	-	620	8,531	8,531	-	100.0%	7,106	7,106
2. <u>CONSUMER PROTECTION</u>	35,087	-	(1,020)	34,067	34,067	-	100.0%	31,063	31,063
3. <u>LIQUOR REGULATION</u>	87,382	-	-	87,382	87,382	-	100.0%	83,586	83,586
4. <u>GAMING AND BETTING</u>	54,810	-	(742)	54,068	54,068	-	100.0%	58,001	58,001
	185,190	-	(1,142)	184,048	184,048	-	100.0%	179,756	179,756
Economic classification									
Current payments	46,329	-	(1,249)	45,080	45,080	-	100.0%	39,549	39,549
Compensation of employees	32,412	-	283	32,695	32,695	-	100.0%	28,734	28,734
Salaries and wages	28,262	-	230	28,492	28,492	-	100.0%	25,003	25,003
Social contributions	4,150	-	53	4,203	4,203	-	100.0%	3,731	3,731
Goods and services	13,917	-	(1,532)	12,385	12,385	-	100.0%	10,815	10,815

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	30	-	12	42	42	-	100.0%	25	25
Advertising	2,667	-	914	3,581	3,581	-	100.0%	2,917	2,917
Minor assets	15	-	(13)	2	2	-	100.0%	13	13
Catering: Departmental activities	650	-	(646)	4	4	-	100.0%	-	-
Consultants: Business and advisory services	4,400	-	(1,841)	2,559	2,559	-	100.0%	4,041	4,041
Legal services	260	-	(134)	126	126	-	100.0%	113	113
Contractors	2,956	-	432	3,388	3,388	-	100.0%	1,582	1,582
Consumable supplies	31	-	-	31	31	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	100	-	(100)	-	-	-	-	-	-
Travel and subsistence	2,300	-	(127)	2,173	2,173	-	100.0%	1,955	1,955
Operating payments	308	-	44	352	352	-	100.0%	169	169
Venues and facilities	200	-	(73)	127	127	-	100.0%	-	-
Transfers and subsidies	138,743	-	24	138,767	138,767	-	100.0%	139,948	139,948
Departmental agencies and accounts	138,743	-	-	138,743	138,743	-	100.0%	139,374	139,374
Departmental agencies	138,743	-	-	138,743	138,743	-	100.0%	139,374	139,374
Households	-	-	24	24	24	-	100.0%	574	574
Social benefits	-	-	24	24	24	-	100.0%	574	574
Payments for capital assets	118	-	83	201	201	-	100.0%	259	259
Machinery and equipment	118	-	83	201	201	-	100.0%	259	259
Other machinery and equipment	118	-	83	201	201	-	100.0%	259	259
Payment for financial assets	-	-	-	-	-	-	-	-	-
	185,190	-	(1,142)	184,048	184,048	-	100.0%	179,756	179,756

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 5: ECONOMIC PLANNING									
	2021/22							2020/21	
	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. <u>POLICY AND PLANNING</u>	7,745	-	(1,020)	6,725	6,716	9	99.9%	5,550	5,550
2. <u>RESEARCH AND DEVELOPMENT</u>	6,586	-	(452)	6,134	5,372	762	87.6%	7,162	7,162
3. <u>KNOWLEDGE MANAGEMENT</u>	3,325	-	(93)	3,232	3,202	30	99.1%	3,139	3,139
4. <u>MONITORING AND EVALUATION</u>	5,350	-	(271)	5,079	5,079	-	100.0%	3,451	3,451
	23,006	-	(1,836)	21,170	20,369	801	96.2%	19,302	19,302
Economic classification									
Current payments	20,652	-	(1,836)	18,816	18,054	762	96.0%	17,707	17,707
Compensation of employees	15,680	-	171	15,851	15,851	-	100.0%	12,222	12,222
Salaries and wages	14,110	-	127	14,237	14,237	-	100.0%	10,902	10,902
Social contributions	1,570	-	44	1,614	1,614	-	100.0%	1,320	1,320
Goods and services	4,972	-	(2,007)	2,965	2,203	762	74.3%	5,485	5,485

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	18	-	22	40	40	-	100.0%	13	13
Advertising	100	-	(99)	1	1	-	100.0%	189	189
Minor assets	83	-	(68)	15	15	-	100.0%	30	30
Consultants: Business and advisory services	2,015	-	(1,232)	783	21	762	2.7%	3,230	3,230
Agency and support / outsourced services	-	-	-	-	-	-	-	481	481
Consumable: Stationery, printing and office supplies	223	-	(54)	169	169	-	100.0%	207	207
Travel and subsistence	1,245	-	70	1,315	1,315	-	100.0%	619	619
Training and development	1	-	(1)	-	-	-	-	-	-
Operating payments	1,287	-	(645)	642	642	-	100.0%	716	716
Transfers and subsidies	2,000	-	-	2,000	2,000	-	100.0%	1,014	1,014
Provinces and municipalities	2,000	-	-	2,000	2,000	-	100.0%	1,000	1,000
Municipalities	2,000	-	-	2,000	2,000	-	100.0%	1,000	1,000
Municipal bank accounts	-	-	-	-	-	-	-	1,000	1,000
Municipal agencies and funds	2,000	-	-	2,000	2,000	-	100.0%	-	-
Households	-	-	-	-	-	-	-	14	14
Social benefits	-	-	-	-	-	-	-	14	14
Payments for capital assets	354	-	-	354	315	39	89.0%	580	580
Machinery and equipment	354	-	-	354	315	39	89.0%	580	580
Other machinery and equipment	354	-	-	354	315	39	89.0%	580	580
Payment for financial assets	-	-	-	-	-	-	-	1	1
	23,006	-	(1,836)	21,170	20,369	801	96.2%	19,302	19,302

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 6: TOURISM									
	2021/22							2020/21	
	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. <u>TOURISM SECTOR TRANSFORMATION</u>	21,255	-	(9,340)	11,915	11,915	-	100.0%	4,948	4,948
2. <u>TOURISM PLANNING</u>	4,694	-	(1,385)	3,309	3,309	-	100.0%	5,252	4,380
3. <u>TOURISM GROWTH AND DEVELOPMENT</u>	239,522	-	(1,076)	238,446	232,446	6,000	97.5%	212,470	212,470
	265,471	-	(11,801)	253,670	247,670	6,000	97.6%	222,670	221,798
Economic classification									
Current payments	35,738	-	(12,038)	23,700	23,700	-	100.0%	20,079	19,207
Compensation of employees	21,015	-	(217)	20,798	20,798	-	100.0%	14,863	14,863
Salaries and wages	19,197	-	(138)	19,059	19,059	-	100.0%	13,183	13,183
Social contributions	1,818	-	(79)	1,739	1,739	-	100.0%	1,680	1,680
Goods and services	14,723	-	(11,821)	2,902	2,902	-	100.0%	5,216	4,344

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	56	-	34	90	90	-	100.0%	85	85
Advertising	57	-	84	141	141	-	100.0%	76	76
Minor assets	202	-	(200)	2	2	-	100.0%	2	2
Bursaries: Employees	67	-	-	67	67	-	100.0%	-	-
Catering: Departmental activities	468	-	(295)	173	173	-	100.0%	24	24
Consultants: Business and advisory services	11,054	-	(11,054)	-	-	-	-	3,618	2,746
Contractors	-	-	93	93	93	-	100.0%	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	59	59
Inventory: Materials and supplies	-	-	7	7	7	-	100.0%	-	-
Inventory: Other supplies	92	-	350	442	442	-	100.0%	44	44
Consumable supplies	155	-	(148)	7	7	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	88	-	(61)	27	27	-	100.0%	27	27
Transport provided: Departmental activity	130	-	(130)	-	-	-	-	-	-
Travel and subsistence	1,190	-	486	1,676	1,676	-	100.0%	1,281	1,281
Training and development	750	-	(573)	177	177	-	100.0%	-	-
Operating payments	14	-	(14)	-	-	-	-	-	-
Venues and facilities	400	-	(400)	-	-	-	-	-	-
Transfers and subsidies	229,591	-	-	229,591	223,591	6,000	97.4%	202,482	202,482
Provinces and municipalities	17,000	-	-	17,000	11,000	6,000	64.7%	17,750	17,750
Municipalities	17,000	-	-	17,000	11,000	6,000	64.7%	17,750	17,750
Municipal bank accounts	11,500	-	-	11,500	8,500	3,000	73.9%	12,750	12,750
Municipal agencies and funds	5,500	-	-	5,500	2,500	3,000	45.5%	5,000	5,000

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Departmental agencies and accounts	212,587	-	-	212,587	212,587	-	100.0%	184,468	184,468
Departmental agencies	212,587	-	-	212,587	212,587	-	100.0%	184,468	184,468
Households	4	-	-	4	4	-	100.0%	264	264
Social benefits	4	-	-	4	4	-	100.0%	264	264
Payments for capital assets	142	-	237	379	379	-	100.0%	109	109
Buildings and other fixed structures	-	-	267	267	267	-	100.0%	-	-
Buildings	-	-	267	267	267	-	100.0%	-	-
Machinery and equipment	142	-	(30)	112	112	-	100.0%	109	109
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	142	-	(30)	112	112	-	100.0%	109	109
	265,471	-	(11,801)	253,670	247,670	6,000	97.6%	222,670	221,798

Programme 7: ENVIRONMENTAL AFFAIRS									
	2021/22							2020/21	
	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 CO-ORDINATION	23,822	-	(622)	23,200	20,700	2,500	89.2%	22,113	14,113
2. COMPLIANCE AND ENFORCEMENT	29,660	-	(2,955)	26,705	26,705	-	100.0%	28,470	28,470
3. ENVIRONMENTAL QUALITY MANAGEMENT	47,462	-	5,445	52,907	51,407	1,500	97.2%	44,339	43,964
4. BIODIVERSITY MANAGEMENT	991,611	-	(5,423)	986,188	986,188	-	100.0%	1,081,536	1,081,536
5. ENVIRONMENTAL EMPOWERMENT SERVICES	39,758	-	(2,824)	36,934	36,434	500	98.6%	29,990	29,990
6. GENERAL MANAGER: ENVIRONMENTAL AFFAIRS	3,413	-	904	4,317	4,317	-	100.0%	2,557	2,557
	1,135,726	-	(5,475)	1,130,251	1,125,751	4,500	99.6%	1,209,005	1,200,630

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Economic classification									
Current payments	240,634	-	(11,338)	229,296	229,296	-	100.0%	213,524	205,524
Compensation of employees	137,936	-	(1,211)	136,725	136,725	-	100.0%	125,097	125,097
Salaries and wages	118,635	-	(845)	117,790	117,790	-	100.0%	106,877	106,877
Social contributions	19,301	-	(366)	18,935	18,935	-	100.0%	18,220	18,220
Goods and services	102,698	-	(10,127)	92,571	92,571	-	100.0%	88,427	80,427
Administrative fees	152	-	60	212	212	-	100.0%	110	110
Advertising	1,131	-	757	1,888	1,888	-	100.0%	321	321
Minor assets	904	-	(711)	193	193	-	100.0%	220	220
Catering: Departmental activities	128	-	17	145	145	-	100.0%	-	-
Communication (G&S)	1	-	(1)	-	-	-	-	-	-
Consultants: Business and advisory services	12,895	-	(12,696)	199	199	-	100.0%	8,768	768
Contractors	583	-	585	1,168	1,168	-	100.0%	-	-
Agency and support / outsourced services	64,336	-	8,296	72,632	72,632	-	100.0%	62,851	62,851
Inventory: Clothing material and accessories	7,884	-	(7,124)	760	760	-	100.0%	1,939	1,939
Inventory: Farming supplies	2,670	-	156	2,826	2,826	-	100.0%	2,578	2,578
Inventory: Other supplies	380	-	-	380	380	-	100.0%	-	-
Consumable supplies	849	-	356	1,205	1,205	-	100.0%	3,413	3,413
Consumable: Stationery, printing and office supplies	25	-	-	25	25	-	100.0%	-	-
Operating leases	41	-	(41)	-	-	-	-	-	-
Property payments	28	-	(28)	-	-	-	-	99	99
Transport provided: Departmental activity	100	-	25	125	125	-	100.0%	-	-
Travel and subsistence	7,305	-	1,375	8,680	8,680	-	100.0%	6,449	6,449
Training and development	2,500	-	(1,379)	1,121	1,121	-	100.0%	1,382	1,382
Operating payments	160	-	76	236	236	-	100.0%	297	297
Venues and facilities	626	-	150	776	776	-	100.0%	-	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Transfers and subsidies	892,527	-	5,529	898,056	893,556	4,500	99.5%	993,875	993,500
Provinces and municipalities	1,875	-	5,500	7,375	3,375	4,000	45.8%	6,600	6,225
Municipalities	1,875	-	5,500	7,375	3,375	4,000	45.8%	6,600	6,225
Municipal bank accounts	1,875	-	5,500	7,375	3,375	4,000	45.8%	6,600	6,225
Departmental agencies and accounts	881,657	-	-	881,657	881,657	-	100.0%	986,992	986,992
Departmental agencies	881,657	-	-	881,657	881,657	-	100.0%	986,992	986,992
Non-profit institutions	8,468	-	-	8,468	7,968	500	94.1%	-	-
Households	527	-	29	556	556	-	100.0%	283	283
Social benefits	527	-	29	556	556	-	100.0%	283	283
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2,565	-	334	2,899	2,899	-	100.0%	1,606	1,606
Buildings and other fixed structures	-	-	-	-	-	-	-	14	14
Other fixed structures	-	-	-	-	-	-	-	14	14
Machinery and equipment	2,565	-	334	2,899	2,899	-	100.0%	1,592	1,592
Other machinery and equipment	2,565	-	334	2,899	2,899	-	100.0%	1,592	1,592
Payment for financial assets	-	-	-	-	-	-	-	-	-
	1,135,726	-	(5,475)	1,130,251	1,125,751	4,500	99.6%	1,209,005	1,200,630

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

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 Annexure 1 (A-H) 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):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
1. ADMINISTRATION	304 902	294 016	10 886	3.6%
The variance is mainly due to Payment of capital assets due to delays in the construction of park homes for office space as well implementation of financial controls in finance leases (cell-phone contracts) as well as delays in foreign payment for Microsoft software.				
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES	570 953	567 091	3 862	0.7%
3. TRADE AND SECTOR DEVELOPMENT	901 681	898 888	2 793	0.3%
4. BUSINESS REGULATION AND GOVERNANCE	184 048	184 048	-	0%
5. ECONOMIC PLANNING	21 170	20 369	801	3.8%
This variance is largely due to underspending on BER Macroeconomic service package subscription.				
6. TOURISM	253 670	247 670	6 000	2.4%
The variance is mainly due to delays in the implementation of transfer payments to various Municipalities. Howick Falls project was delayed due to UMEDA as they did not meet requirements of PFMA section 38(1)(j) as well as Balele Game Reserve project was delayed due to delays in the signing of SLA because eMadlangeni municipality was under administration.				
7. ENVIRONMENTAL AFFAIRS	1 130 251	1 125 751	4 500	0.4%

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	401 235	400 746	489	0.1%
Goods and services	327 442	325 923	1 519	0.5%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	88 049	78 045	10 004	11.4%
Departmental agencies and accounts	1 808 830	1 808 830	-	0%
Higher education institutions	5 342	5 341	1	0%
Public corporations and private enterprises	250 621	250 621	-	0%
Non-profit institutions	453 662	446 507	7 155	1.6%
Households	3 728	3 728	-	0%
Payments for capital assets				
Buildings and other fixed structures	1 608	1 246	362	22.5%
Machinery and equipment	16 749	14 334	2 415	14.4%
Intangible assets	9 409	2 512	6 897	73.3%

Transfers and subsidies

Provinces and municipalities:

The variance is at 11,4% of the Final Appropriation (R 10,004 million under spending). This is mainly due to delays in the implementation of transfer payments to various Municipalities, such as Howick Falls. The project was delayed because UMEDA did not meet the requirements of PFMA section 38(1)(j). Also, Balele Game Reserve project was delayed due to delays in the signing of SLA because eMadlangeni municipality was under administration, as well as Nature Resource Management which was delayed by the council sitting at KwaDukuza municipality.

Non-profit Institution

This is mainly due to the implementation of financial controls in Operation Vula to KZN Growth Fund

Payments for capital assets

Buildings and other fixed structures: This is due to delays in the construction of park-homes for new departmental offices.

Machinery and equipment: Under spending is due to the implementation of financial controls in

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022

finance lease contract for cell phone.

Software and other intangible assets: This is due to delays in payment of foreign payment for Microsoft software.

4.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	
	EPWP Integrated Grant	5 080	5 080	-	0%

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022**

	Note	2021/22	2020/21
		R'000	R'000
REVENUE			
Annual appropriation	1	3 366 675	3 018 451
Departmental revenue	2	30 132	53 262
TOTAL REVENUE		3 396 807	3 071 713
EXPENDITURE			
Current expenditure			
Compensation of employees	3	400 746	358 065
Goods and services	4	325 923	334 613
Total current expenditure		726 669	692 678
Transfers and subsidies			
Transfers and subsidies	6	2 593 072	2 289 563
Expenditure for capital assets			
Tangible assets	7	15 580	25 577
Intangible assets	7	2 512	246
Total expenditure for capital assets		18 092	25 823
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	5	-	2
TOTAL EXPENDITURE		3 337 833	3 008 066
SURPLUS/(DEFICIT) FOR THE YEAR		58 974	63 647
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		28 842	10 385
Annual appropriation		28 842	10 385
Departmental revenue and NRF Receipts	13	30 132	53 262
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		58 974	63 647

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**STATEMENT OF FINANCIAL POSITION
as at ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		63 415	8 703
Cash and cash equivalents	<u>8</u>	58 593	-
Prepayments and advances	<u>9</u>	4 115	5 615
Receivables	<u>10</u>	707	3 088
Non-current assets		1 039 774	1 039 606
Investments	<u>11</u>	1 008 607	1 008 607
Receivables	<u>10</u>	31 167	30 999
TOTAL ASSETS		1 103 189	1 048 309
LIABILITIES			
Current liabilities		90 256	35 855
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	28 842	10 384
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	997	3 284
Bank overdraft	<u>14</u>	-	21 792
Payables	<u>15</u>	60 417	395
Non-current liabilities			
Payables	<u>16</u>	290	-
TOTAL LIABILITIES		90 546	35 855
NET ASSETS		1 012 643	1 012 454
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Represented by:			
Capitalisation reserve		1 008 607	1 008 607
Recoverable revenue		4 036	3 847
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		1 012 643	1 012 454

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Capitalisation Reserves			
Opening balance		1 008 607	1 008 607
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		<u>1 008 607</u>	<u>1 008 607</u>
Recoverable revenue			
Opening balance		3 847	3 591
Transfers:		189	256
Debts recovered (included in departmental receipts)		174	190
Debts raised		15	66
Closing balance		<u>4 036</u>	<u>3 847</u>
TOTAL		<u><u>1 012 643</u></u>	<u><u>1 012 454</u></u>

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**CASH FLOW STATEMENT
for the year ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 396 805	3 070 265
Annual appropriated funds received	<u>1</u>	3 366 675	3 018 451
Departmental revenue received	<u>2</u>	28 990	51 572
Interest received	<u>2.3</u>	1 140	242
Net (increase)/decrease in working capital		63 903	(43 648)
Surrendered to Revenue Fund		(42 803)	(117 276)
Current payments		(726 669)	(692 678)
Payments for financial assets		-	(2)
Transfers and subsidies paid		(2 593 072)	(2 289 563)
Net cash flow available from operating activities	17	98 164	(72 902)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	<u>7</u>	(18 092)	(25 823)
Proceeds from sale of capital assets	<u>2.4</u>	2	1 448
(Increase)/decrease in non-current receivables	<u>10</u>	(168)	(213)
Net cash flows from investing activities		(18 258)	(24 588)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		189	256
Increase/(decrease) in non-current payables		290	-
Net cash flows from financing activities		479	256
Net increase/(decrease) in cash and cash equivalents		80 385	(97 234)
Cash and cash equivalents at beginning of period		(21 792)	75 442
Cash and cash equivalents at end of period		58 593	(21 792)

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>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.</p> <p>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.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is</p>

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	recognised as a payable / receivable in the statement of financial position.
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are</p>

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	<p>recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments or advanced are recognised in the statement of financial performance at cost when the payment is material and was budgeted for as an expense in the year in which the actual prepayment or advance was made.</p>
12	<p>Loans and receivables</p> <p>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. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p>

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>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.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for</p>

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	use.
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is</p>

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	<p>resolved or transferred to receivables or written off.</p> <p>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.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. 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.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>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.</p>
21	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>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</p>

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	performance when written-off.
27	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p>Transfer of functions</p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

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1. Annual Appropriation

	2021/22		2020/21			
	Final Appropriation	Actual Funds Received	Funds not requeste d/not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	304 902	304 902	-	255 349	255 349	-
Integrated Economic Development Services	570 953	570 953	-	372 295	372 295	-
Trade and Sector Development.	901 681	901 681	-	760 074	760 074	-
Business Regulation and Governance	184 048	184 048	-	179 756	179 756	-
Economic Planning	21 170	21 170	-	19 302	19 302	-
Tourism	253 670	253 670	-	222 670	222 670	-
Environmental Affairs	1 130 251	1 130 251	-	1 209 005	1 209 005	-
Total	3 366 675	3 366 675	-	3 018 451	3 018 451	-

1. 1.2 Conditional Grant

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Total Grants Recieved	34	5 080	4 988

2. Departmental revenue

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	12 674	1 488
Fines, penalties and forfeits	2.2	1 540	2 438
Interest, dividends and rent on land	2.3	1 140	242
Sales of capital assets	2.4	2	1 448
Transactions in financial assets and liabilities	2.5	13 926	47 646
Transfer received	2.6	850	-
Total revenue collected		30 132	53 262
Less: Own revenue included in appropriation	19	-	-
Departmental revenue collected		30 132	53 262

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For the 2021/22 FY the department received the following tax revenue (R597 729m from Gaming and Betting as well as R23 840 for Liquor Authority). This is not recognised as revenue in the financial statements as the department is only a conduit for the receiving of the cash on behalf of the Revenue Fund, as per the Modified Cash Standard.

2.1. Sales of goods and services other than capital assets

	Note 2	2021/22 R'000	2020/21 R'000
Sales of goods and services produced by the department		12 671	1 488
Sales by market establishment		39	41
Administrative fees		12 345	1 226
Other sales		287	221
Sales of scrap, waste and other used current goods		3	-
Total		12 674	1 488

2.2. Fines, penalties and forfeits

	Note 2	2021/22 R'000	2020/21 R'000
Fines		1 540	2 438
Penalties		-	-
Forfeits		-	-
Total		1 540	2 438

2.3. Interest, dividends and rent on land

	Note 2	2021/22 R'000	2020/21 R'000
Interest		1 140	242
Dividends		-	-
Rent on land		-	-
Total		1 140	242

2.4. Sale of capital assets

Note	2021/22	2020/21
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	2	R'000	R'000
Tangible assets		2	1 448
Machinery and equipment	29	2	1 448
Total		2	1 448

2.5. Transactions in financial assets and liabilities

	Note 2	2021/22 R'000	2020/21 R'000
Receivables		56	2
Other Receipts including Recoverable Revenue		13 870	47 644
Total		13 926	47 646

2.6. Transfers received

	Note 2	2021/22 R'000	2020/21 R'000
Public corporations and private enterprises		850	-
Total		850	-

Insurance claim received in respect of furniture damaged during social unrest, which took place in July 2021.

2.7. Cash received not recognised (not included in the main note)

Name of entity	Amount received	2021/22	Balance
		Amount paid to the /revenue fund	
	R'000	R'000	R'000
KZN Gaming and Betting	597 729	546 069	51 660
KZN Liquor Authority	23 840	23 840	-
Total	621 569	569 909	51 660

An amount of R51 660 m was not paid over to the Revenue Fund during 2021/22 FY.

Name of entity	Amount received	2020/21	Balance
		Amount paid to the revenue fund	
	R'000	R'000	R'000

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KZN Liquor Authority	22 921	22 291	-
KZN Gaming and Betting	408 897	408 897	-
Total	431 818	431 818	-

3. Compensation of employees

3.1. Salaries and Wages

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Basic salary		281 547	257 100
Performance award		707	-
Service Based		460	1 389
Compensative/circumstantial		1 962	3 090
Periodic payments		552	-
Other non-pensionable allowances		67 046	50 924
Total		352 274	312 503

3.2. Social contributions

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Employer contributions			
Pension		33 450	32 192
Medical		14 893	13 297
Bargaining council		62	57
Insurance		67	16
Total		48 472	45 562

Total compensation of employees	400 746	358 065
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Average number of employees	862	684
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4. Goods and services

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Administrative fees		832	471
Advertising		12 587	11 856
Minor assets	4.1	527	807
Bursaries (employees)		355	171
Catering		437	65

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Communication		6 089	5 995
Computer services	4.2	29 519	23 835
Consultants: Business and advisory services	4.9	39 043	105 591
Legal services		5 857	3 589
Contractors		14 699	3 403
Agency and support / outsourced services		72 632	63 332
Audit cost – external	4.3	5 540	4 166
Fleet services		4 580	4 719
Inventory	4.4	6 690	5 677
Consumables	4.5	4 926	7 985
Operating leases		36 747	34 672
Property payments	4.6	37 222	32 301
Rental and hiring		590	13
Transport provided as part of the departmental activities		549	322
Travel and subsistence	4.7	23 005	17 420
Venues and facilities		16 219	492
Training and development		3 624	5 442
Other operating expenditure	4.8	3 654	2 289
Total		325 923	334 613

4.1. Minor assets

	Note 4	2021/22 R'000	2020/21 R'000
Tangible assets			
Machinery and equipment		527	807
Total		527	807

4.2. Computer services

	Note 4	2021/22 R'000	2020/21 R'000
SITA computer services		24 971	21 254
External computer service providers		4 548	2 581
Total		29 519	23 835

4.3. Audit cost – External

	Note 4	2021/22 R'000	2020/21 R'000
Regularity audits		5 540	4 166
Total		5 540	4 166

4.4. Inventory

	Note	2021/22	2020/21
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	4	R'000	R'000
Clothing material and accessories		760	2 123
Farming supplies		2 904	3 279
Materials and supplies		7	15
Other supplies	4.4.1	3 019	260
Total		6 690	5 677

4.4.1 Other supplies	Note	2021/22	2020/21
	4.4	R'000	R'000
Assets for distribution			
Machinery and equipment		3 019	260
Total		3 019	260

4.5. Consumables	Note	2021/22	2020/21
	4	R'000	R'000
Consumable supplies		1 954	5 281
Uniform and clothing		4	7
Household supplies		1 284	2 318
Building material and supplies		44	491
Communication accessories		97	2
IT consumables		3	-
Other consumables		522	2 463
Stationery, printing and office supplies		2 972	2 704
Total		4 926	7 985

4.6. Property payments	Note	2021/22	2020/21
	4	R'000	R'000
Municipal services		6 537	2 117
Property maintenance and repairs		359	548
Other		30 326	29 636
Total		37 222	32 301

4.7. Travel and subsistence	Note	2021/22	2020/21
	4	R'000	R'000
Local		22 478	17 191
Foreign		527	229
Total		23 005	17 420

4.8. Other operating expenditure	Note	2021/22	2020/21

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	4	R'000	R'000
Professional bodies, membership and subscription fees		1 032	1 112
Resettlement costs		419	440
Other		2 203	737
Total		3 654	2 289
5. Payments for financial assets			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Debts written off	5.1.	-	2
Total		-	2
5.1. Debts written off			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Other debt written off	5	-	2
Total debt written off		-	2
6. Transfers and subsidies			
		2021/22 R'000	2020/21 R'000
Provinces and municipalities	<i>Note</i> 35	78 045	56 567
Departmental agencies and accounts	<i>Annexure 1B</i>	1 808 830	1 793 901
Higher education institutions	<i>Annexure 1C</i>	5 341	-
Public corporations and private enterprises	<i>Annexure 1D</i>	250 621	252 562
Non-profit institutions	<i>Annexure 1F</i>	446 507	184 199
Households	<i>Annexure 1G</i>	3 728	2 334
Total		2 593 072	2 289 563
7. Expenditure for capital assets			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tangible assets		15 580	25 577
Buildings and other fixed structures	31	1 246	1 824
Machinery and equipment	29	14 334	23 753
Intangible assets		2 512	246
Software	30	2 512	246
Total		18 092	25 823

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7.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	15 580	-	15 580
Buildings and other fixed structures	1 246	-	1 246
Machinery and equipment	14 334	-	14 334
Intangible assets	2 512	-	2 512
Software	2 512	-	2 512
Total	18 092	-	18 092

7.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	25 577	-	25 577
Buildings and other fixed structures	1 824	-	1 824
Machinery and equipment	23 753	-	23 753
Intangible assets	246	-	246
Software	246	-	246
Total	25 823	-	25 823

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		7 516	7 174
Machinery and equipment		7 516	7 174
Total		7 516	7 174

Finance Leases in respect of cell phones & 3G contracts

8. Cash and cash equivalents

Note	2021/22 R'000	2020/21 R'000
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Consolidated Paymaster General Account	58 590	-
Cash on hand	3	-
Total	58 593	-

9. Prepayments and advances

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Prepayments (Not expensed)	9.1	4 115	5 615
Total		4 115	5 615

9.1 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Other	9	5 615	(1 500)	-	-	4 115
Total		5 615	(1 500)	-	-	4 115

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Other	9	5 615	-	-	-	5 615
Total		5 615	-	-	-	5 615

9.2 Prepayments (Expensed)

	<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Goods and services		7 708	(5 114)	(2 373)	-	221
Total		7 708	(5 114)	(2 373)	-	221

	<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
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for the year ended 31 March 2022**

	R'000	year R'000	R'000	R'000	R'000
Goods and services	9 253	(3 942)	-	2 397	7 708
Total	9 253	(3 942)	-	2 397	7 708

9.3 Advances paid (Expensed)

	<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Public entities		60 800	(22 490)			38 310
Other institutions		65 510	(54 145)	-	-	11 365
Total		126 310	(76 635)	-	-	49 675

	<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Public entities		60 800				60 800
Other institutions		-	-	-	65 510	65 510
Total		60 800	-	-	65 510	126 310

10. Receivables

		Current	2021/22 Non- current	Total	Current	2020/21 Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<i>Note</i> 10.1	391	-	391	2 845	30	2 875
Recoverable expenditure	10.2	214	220	434	172	220	392
Staff debt	10.3	62	133	195	70	106	176
Fruitless and wasteful expenditure		-	-	-	-	-	-
Other receivables	10.4	40	30 814	30 854	1	30 643	30 644
Total		707	31 167	31 874	3 088	30 999	34 087

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10.1 Claims recoverable

	<i>Note</i> 10	2021/22 R'000	2020/21 R'000
National departments		-	570
Provincial departments		391	13
Private enterprises		-	44
Local governments		-	2 248
Total		391	2 875

10.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i> 10	2021/22 R'000	2020/21 R'000
Sal: Fin Institut Study Loans CL		-	-
Sal: Tax Debt CA		12	3
Sal: Reversal Control CA		196	167
Disallowance payment fraud: CA		220	220
Disall: Damages&Losses: Recover:CA		129	129
Disall: Damages&Losses: CA		(129)	(129)
Sal: Pension Fund CL		-	2
Sal: Deduction Disall Acc: CA		6	-
Total		434	392

10.3 Staff debt

	<i>Note</i> 10	2021/22 R'000	2020/21 R'000
Salary & allowance overpayments		185	166
Tax Debt		10	10
Total		195	176

10.4 Other receivables

	<i>Note</i> 10	2021/22 R'000	2020/21 R'000
Statutory Appropriation receivables			
Supplier Debt		30 852	30 643
Other Receivables		2	1
Total		30 854	30 644

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10.5 Impairment of receivables	<i>Note</i> 10	2021/22 R'000	2020/21 R'000
Estimate of impairment of receivables		30 900	31 576
Total		30 900	31 576

11. Investments	<i>Note</i>	2021/22 R'000	2020/21 R'000
Non-Current			
Shares and other equity			
Ithala Development Finance Cooperation		1 008 582	1 008 582
African Phoenix Investment (ex African Bank)		25	25
Total non-current		1 008 607	1 008 607

		2021/22 R'000	2020/21 R'000
Analysis of non-current investments			
Opening balance		1 008 607	1 008 607
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		1 008 607	1 008 607

11.1 Impairment of investments	<i>Note</i>	2021/22 R'000	2020/21 R'000
Estimate of impairment of impairment		24	24
Total		24	24

12. Voted funds to be surrendered to the Revenue Fund	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		10 384	20 580
Prior period error		-	-
As restated		10 384	20 580
Transfer from statement of financial performance (as restated)		28 842	10 385
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(10 384)	(20 581)

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Closing balance		28 842	10 384
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		3 284	46 717
Prior period error			
As restated		3 284	46 717
Transfer from Statement of Financial Performance (as restated)		30 132	53 262
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(32 419)	(96 695)
Closing balance		997	3 284
14. Bank Overdraft			
	<i>Note</i>	2022/21 R'000	2020/21 R'000
Consolidated Paymaster General Account		-	21 792
Total		-	21 792
15. Payables – current			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Advances received	15.1	8 706	260
Clearing accounts	15.2	51	135
Other payables	15.3	51 660	-
Total		60 417	395
15.1 Advances received			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
National departments	15	3 900	-
Provincial departments		-	260
Public entities		-	-
Other institutions		4 806	-
Total		8 706	260
15.2 Clearing accounts			
	<i>Note</i>	2021/22 R'000	2020/21 R'000
Description	15		

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Sal: income tax	39	123
Sal: ACB Recalls	12	12
Total	51	135

15.3 Other payables

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
Description			
Tax Receipts		51 660	-
Total		51 660	-

These funds were received from Gaming and Betting of which EDTEA is a conduit and were not paid over to the Revenue Fund as they were received too late

16. Payables – non-current

		2021/22			Total	2020/21 Total
		One to two years	Two to three years	More than three years		
		R'000	R'000	R'000		
Advances received	<i>Note</i> 16.1	-	290	-	290	-
Total		-	290	-	290	-

16.1 Advances received

	<i>Note</i> 16	2021/22 R'000	2020/21 R'000
National departments	<i>Annexure 6B</i>	30	-
Provincial departments	<i>Annexure 6B</i>	260	-
Total		290	-

17. Net cash flow available from operating activities

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Net surplus/(deficit) as per Statement of Financial Performance		58 974	63 647
Add back non-cash/cash movements not deemed operating		39 190	(136 549)

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activities

(Increase)/decrease in receivables	2 381	14 463
(Increase)/decrease in prepayments and advances	1 500	-
Increase/(decrease) in payables – current	60 022	(58 111)
Proceeds from sale of capital assets	(2)	(1 448)
Expenditure on capital assets	18 092	25 823
Surrenders to Revenue Fund	(42 803)	(177 276)
Net cash flow generated by operating activities	98 164	(72 902)

18. Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General account		58 590	(21 792)
Cash on hand		3	-
Total		58 593	(21 792)

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Liable to	Nature		
Other guarantees	<i>Annex 3A</i>	300 000	300 000
Claims against the department	<i>Annex 3B</i>	9 499	5 178
Total		309 499	305 178

The Ithala SOC Ltd guarantee is unlikely to be exercised as the entity has a clear plan of operations to mitigate the guarantee being invoked.

The claims against the Department are classified as (R3m) being unlikely, three claims being possible (R 4 499m), and one claim being probable (R 2m), with a total of R 9,499m

It is not possible to determine the timing of the outflow from claims against the Department, as all the cases are subject to court proceedings, which have been substantially delayed as a result of the impact of the Covid-19 Pandemic and the associated National State of Disaster on the Rolls of the Courts. It is also not practicable to determine the timing of the outflows of the contingent liabilities as the cases are subject to legal recovery processes which are at the instigation of external parties who sometimes do not initiate the necessary legal processes to ensure that the cases are finalised.

19.2 Contingent assets

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Nature of contingent asset			
Undue Salary payment		840	840

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Total	840	840
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It is not possible to determine the timing of the inflow of the contingent asset as the claim is subject to court proceedings against the defendant, which claim has been substantially delayed as a result of the impact of the Covid-19 Pandemic and the associated National State of Disaster on the Rolls of the Courts. It is not practicable to determine the timing of the inflow of the contingent assets as the cases are subject to legal recovery processes which may lead to further court proceedings against the parties whom the Department is claiming from if the Department successfully gets a judgment in its further.

20. Capital commitments

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Machinery and equipment		4 477	2 367
Total		4 477	2 367

21. Accruals and payables not recognised

21.1 Accruals

				2021/22 R'000	2020/21 R'000
Listed by economic classification	30 Days	30+ Days	Total		Total
Goods and services	3826	1 214	5 040		3 080
Capital Assets	89		89		
Total	3 915	1 214	5 129		3 080

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Listed by programme level			
Programme 1: Administration		2 492	1 988
Programme 2: Integrated Economic Development services		518	147
Programme 3: Trade and Sector Development		93	19
Programme 4: Business Regulations & Governance		307	153
Programme 5: Economic Planning		162	134
Programme 6: Tourism		105	17
Programme 7: Environmental Affairs		1 452	622
Total		5 129	3 080

21.2 Payables not recognised

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Listed by economic classification	2021/22			2020/21
	30 Days	30+ Days	Total	Total
Goods and services	477	113	590	763
Capital assets	6 530	27	6 557	-
Total	7 007	140	7 147	763

Listed by programme level	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Programme 1: Administration		6 443	693
Programme 2: Integrated Economic Development services		243	-
Programme 3: Trade and Sector Development		-	-
Programme 4: Business Regulations & Governance		143	1
Programme 5: Economic Planning		-	-
Programme 6: Tourism		314	-
Programme 7: Environmental Affairs		4	69
Total		7 147	763

Included in the above totals are the following:	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Confirmed balances with other departments	<i>Annex 5</i>	7 454	1 294
Total		7 454	1 294

22. Employee benefits

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Leave entitlement		34 329	31 176
Service bonus		10 054	9 425
Performance awards		3 709	1 790
Capped leave		6 890	7 335
Other		254	135
Total		55 236	49 861

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

Average Weighted Method is used to calculate Performance Awards Provision.

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23. Lease commitments

23.1 Operating leases

2021/22	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	38 776	9 360	48 136
Later than 1 year and not later than 5 years	-	-	3 391	11 822	15 213
Later than five years	-	-	-	-	-
Total lease commitments	-	-	42 167	21 182	63 349

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	36 783	757	37 540
Later than 1 year and not later than 5 years	-	-	7 648	400	8 048
Later than five years	-	-	-	-	-
Total lease commitments	-	-	44 431	1 157	45 588

EDTEA photocopying machines leased do not escalate for the entire leased period of 36 months for all contracts. Rental for office accommodation is per the lease contract and they escalate between 5 to 10% as per lease agreement entered into between the landlord and public works on our behalf. Seven of the lease commitments disclosed have expired however the department still occupies these buildings. For these the department disclosed a commitment of 12 months.

23.2 Finance leases

2021/22	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	5 038	5 038
Later than 1 year and not later than 5 years	-	-	-	434	434
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	5 471	5 471

Specialised military	Buildings and other fixed	Machinery and
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2020/21	equipment R'000	Land R'000	structures R'000	equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 671	1 671
Later than 1 year and not later than 5 years	-	-	-	696	696
Later than five years	-	-	-		
Total lease commitments	-	-	-	2 367	2 367

Mobile cell phones and internet data cards leases are fixed for a period of 24 months and packages allocated to officials of the Department are according to RT15 Transversal Contract arranged by National Treasury".

There are no assets/ cell phones that are sub-leased since the Department is participating on the RT15 contract

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		219 627	225 252
Prior period error		-	(1 085)
As restated		219 627	224 167
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		0	581
Less: Prior year amounts condoned		(2 544)	-
Less: Current year amounts condoned		-	(5 121)
Less: Prior year amounts not condoned and removed		-	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		217 083	219 627

Analysis of closing balance

Current year	0	581
Prior years	217 083	219 046
Total	217 083	219 627

24.2 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2021/22 R'000
Project not Approved relating to 2015/16	Provincial Treasury	27
Irregular Acting Allowance relating to 2015/16	Provincial Treasury	245
Various Transgressions relating	Provincial Treasury	2 212

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2017/18		
Various Transgressions relating	Provincial Treasury	60
2015/16		
Total		<u>2 544</u>

24.3 Details of irregular expenditure under assessment (not included in the main note)

2021/22

R'000

Proper SCM process not followed by the implementing agent	37 705	
Total		<u>37 705</u>

24.4 Prior period error

Nature of prior period error **2020/21**

Relating to 2017/18 (affecting the opening balance)	(1 085)	
Total		<u>(1 085)</u>

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Opening balance		3 825	3 747
Prior period error		-	-
As restated		3 825	3747
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		-	78
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing balance		<u>3 825</u>	<u>3 825</u>

26. Related party transactions

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Other			
Guarantees issued/received		300 000	300 000
Total		<u>300 000</u>	<u>300 000</u>

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	2021/22 R'000	2020/21 R'000
List in kind goods and services between department and related party		
Deputy Director General was seconded to KZN Nature Conservative Board as an Accounting Authority, an entity within the portfolio of the department.	1 594	-
Total	1 594	-

EDTEA has a significant number of Public Entities under its mandate. These Public Entities budget is included as part of the department's budget and the funds are transferred to these entities during the course of the financial year as tranche payment. These Public Entities are: KZN Sharks Board, KZN Tourism Authority, Trade and Investment KZN, Richards bay IDZ, Dube Trade Port Corporation, Ithala Development Finance Corporation, KZN Growth Fund, KZN Liquor Authority, Moses Kotane, Institute, KZN Film Commission, KZN Ezemvelo Wildlife, KZN Gaming and Betting.

The KZN MEC for Finance has granted approval for the KZN MEC EDTEA to issue a guarantee to the value of R300m annually over three years to enable Ithala Limited to comply with the capital adequacy and to protect the depositor's funds held by this institution. This guaranteed amount will be held in the KwaZulu-Natal Provincial Revenue Fund and will be drawn upon as and when required.

27. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)	1	2 000	1 978
Officials:			-
Level 15 to 16	3	5 556	5 054
Level 14	16	19 321	16 532
Family members of key management personnel		-	-
Total		26 877	23 564

Members of the Executive Management Committee (EXCO) are entrusted with taking Key Management decisions on the Operational Policies and Performance of the Department.

One key management official who is on the departmental payroll at level 15, is seconded to KZN Nature Conservative Board as an Accounting Authority and is therefore not included in the Key Management note instead he is included in the Related party note.

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28. Non-adjusting events after reporting date

During April 2022, the province experienced flooding and landslides which caused large scale infrastructure damage. In response the department moved R67.5m out of various projects in the 2022/23 budget into a flood relief fund to be administrated by its public entity Trade & Investment KZN. This has no effect on the Impairment or Receivables as well as on the going concern assumption of the Department.

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	128 243		15 735	8 864	135 114
Transport assets	57 120		9 976	1 083	66 013
Computer equipment	40 523		4 526	5 250	39 799
Furniture and office equipment	14 532		633	1 760	13 405
Other machinery and equipment	16 068		600	771	15 897
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	128 243	-	15 735	8 864	135 114

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	472	9 529

Asset under Investigation relate to assets that have been reported as missing or lost or broken but the entire disposal process has not been finalised.

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29.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	120 463	-	19 226	11 446	128 243
Transport assets	56 702		7 740	7 322	57 120
Computer equipment	38 612		5 738	3 827	40 523
Furniture and office equipment	13 656		1 173	297	14 532
Other machinery and equipment	11 493		4 575	-	16 068
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	120 463	-	19 226	11 446	128 243

29.1.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 2020/21		473
Computer Equipment		90
Other Machinery and Equipment		383
Total prior period errors		473

The above adjustment relates to assets received in 2020/21 financial year but not paid. The payment was made in 2021/22 financial year.

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29.2.1 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 061	-	12 296	-	13 357
Value adjustments						
Additions	-	-	-	400	-	400
Disposals	-	905	-	1 316	-	2 221
TOTAL MINOR ASSETS	-	156	-	11 380	-	11 536

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3 102	-	3 102
Number of minor assets at cost	-	53	-	5 884	-	5 937
TOTAL NUMBER OF MINOR ASSETS	-	53	-	8 986	-	9 039

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31

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	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 061	-	12 242	-	13 303
Prior period error	-	-	-	(41)	-	(41)
Additions	-	-	-	689	-	689
Disposals	-	-	-	594	-	594
TOTAL	-	1 061	-	12 296	-	13 357
MINOR ASSETS						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	17	-	4 123	-	4 140
Number of minor assets at cost	-	262	-	6 846	-	7 108
TOTAL	-	279	-	10 969	-	11 248
NUMBER OF MINOR ASSETS						

29.2.3 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 2020/21 (affecting the opening balance)		(41)
		(41)
Total		(41)

29.3 MOVABLE ASSET WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

Specialised military	Intangibl e assets	Heritage assets	Machinery and	Biological assets	Total
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	assets R'000	R'000	R'000	equipment R'000	R'000	R'000
Assets written off	-	-	-	1 293	-	1 293
TOTAL Movable	-	-	-	1 293	-	1 293

30. Intangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	15 860	2 512	10 496	7 876
TOTAL INTANGIBLE CAPITAL ASSETS	15 860	2 512	10 496	7 876

30.1 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	15 614	-	246	-	15 860
TOTAL INTANGIBLE CAPITAL ASSETS	15 614	-	246	-	15 860

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31. Immovable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	11 616	1 245	-	12 861
Non-residential buildings	-	351	-	351
Other fixed structures	11 616	894	-	12 510
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	11 616	1 245	-	12 861

31.1 Movement for 2020/21

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	9 792	-	1 824	-	11 616
Other fixed structures	9 792	-	1 824	-	11 616
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	9 792	-	1 824	-	11 616

32. Principal-agent arrangements

32.1 Department acting as the principal

	2021/22 R'000	2020/21 R'000
Invasive alien species project (List included in the working paper file)	2 455	2 334
IDT	4 570	1 700
KZN Growth Fund	20 033	
Total	27 058	4 034

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The Department implements its Invasive Alien Plants Clearing Projects using Expanded Public Works Programme (EPWP). The Department uses contract method to manage and implement these projects and this is done through contracting of project work to locally based EPWP contractors. This method has been found to be effective and contributing to government objectives which include creation of jobs, skills development, SMME development and it is contributing to rural economic development. The department recruits IASP contractors using the Departmental EPWP Policy and once the contractor has been selected, he/she enters into a service level agreement (SLA) with the Department and the SLA provides terms of reference that govern the contractual obligations. Contractors are paid for signed off completed polygons/sites (monthly tasks) on part- payment bases against the contractors issued order amount. For every contract invoiced, there is a management fee which is calculated at 7% out of wages that is paid to the contractor.

Also, the Independent Development Trust (IDT) was appointed by the Department to assist with the implementation of the Operation Vula Fund. The primary role of the IDT is the procurement and delivery of business assets, equipment and inputs for successful applicants. The management fee is based on the value of the procurement undertaken by the entity. The arrangement with the IDT enables the Department to efficiently execute the programme.

Should the contract with the IDT be terminated, the cost implication shall be limited to the management fee aligned to the actual work undertaken or value of assets procured.

The financial resources that have been transferred to the IDT are recorded by the entity in accordance with the applicable reporting framework.

32.2 Department acting as the agent

32.2.1 Revenue received for agency activities

	2021/22 R'000	2020/21 R'000
National Treasury IGR (iLembe LED Project) Merseta	-	-
Total	-	-

KZN EDTEA is the implementing agent on behalf of National Treasury IGR charged with the overall management, supervision and implementation of the SECO Local Economic Development Support Programme jointly with the Swiss State Secretariat for Economic Affairs in the Ilembe District Municipality as per the agreed Project Agreement.

The Department does not receive a management fee but is responsible for the oversight of the use of project funds.

32.2.2 Reconciliation of funds and disbursements – 2021/22
Category of revenue or expenditure per arrangement

Total funds received	Expenditure incurred against funds
---------------------------------	---

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	R'000	R'000
Funds received for execution of project: Seco	11 761	7 261
Merseta	4 538	-
Total	16 299	7 261

Reconciliation of funds and disbursements – 2020/21

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Funds received for the execution of project:	21 170	4 530
Total	21 170	4 530

In respect of the LED Project, KZN EDTEA receives funding in advance from the Municipalities included in the Swiss agreement, and also receives Swiss funding after expenditure is incurred for the project. All project costs are disbursed to the contractors.

32.2.3 Reconciliation of carrying amount of receivables and payables – 2021/22

Receivables

Name of principal entity	Opening balance 1 Apr 2021 R'000	Revenue principal is entitled to R'000	Less: Write-offs/settlements/waivers R'000	Cash received on behalf of principal R'000	Closing Balance 31 Mar 2022 R'000
National Treasury IGR (SECO Agreement)	570	-	7 261	11 761	(3 930)
EDTEA receives money from both Munis (prepaid) and from the SECO funding (after expenses)	-	-	-	-	-
Merseta	-	-	-	4 538	(4 538)
Total	570	-	7 261	16 299	(8 468)

Reconciliation of carrying amount of receivables and payables – 2020/21

Receivables

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Name of principal entity	Opening balance 1 Apr 2020 R'000	Revenue principal is entitled to R'000	Less: Write-offs/settlements/waivers R'000	Cash received on behalf of principal R'000	Closing Balance 31 Mar 2021 R'000
National Treasury IGR (SECO Agreement)	17 210	-	4 530	21 170	570
EDTEA receives money from both Munis (prepaid) and from the SECO funding (after expenses)	-	-	-	-	-
Total	17 210	-	4 530	21 170	570

33. Prior period errors

33.1 Correction of prior period errors

	<i>Note</i>	Amount before correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2020/21 R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Recoverable Expenditure	10.2	393	(1)	392
Other Receivables	10.4	30 463	1	30 464
Computer Equipment	29	5 648	90	5 738
Other Machinery and Equipment	29.1	4 192	383	4 575
Prepayments Expensed (Opening Balance)	9.3	8 901	352	9 253
Prepayments Expensed (Expensed Prior Year)	9.3	(2 368)	(1 574)	(3 942)
Machinery and Equipment (Minor Assets)	29.2	12 337	(41)	12 296
Advances paid (Expensed)	9.3	58 781	6 729	65 510
Transport Assets	29.1	36 702	20 000	56 702
Net effect		155 049	25 939	180 988

Other Receivable was erroneously classified as Recoverable Expenditure. Also, Accruals for Computer equipment addition/other machinery and equipment addition were not taken into

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account. Expensed Prepayments were under/over stated in prior years.

Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)

	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2020/21 R'000
Irregular Expenditure	31	220 712	(1 085)	219 627
Net effect		220 712	(1 085)	219 627

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34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grant for Provinces	5 080	-	-	-	5 080	5 080	5 080	-	100%	4 988	4 988
TOTAL	5 080	-	-	-	5 080	5 080	5 080	-	100%	4 988	4 988

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

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

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Msunduzi Municipality (Motor Vehicle licences)	116	-	-	116	112	-	-	110	42
Zululand Municipality	7 821	-	-	7 821	7 821	-	-	3 500	3 500
Mkhanyakude Municipality	31 000	-	-	31 000	31 000	-	-	-	-
Ray Nkonyeni Municipality	817	-	-	817	817	-	-	4 600	4 600
Phongola Municipality	3 500	-	-	3 500	3 500	-	-	3 500	3 500
Ilembe District Municipality	2 500	-	-	2 500	2 500	-	-	-	-
Greater Kokstad Municipality	1 000	-	-	1 000	1 000	-	-	5 375	5 375
Umgungundlovu District	3 000	-	-	3 000	-	-	-	5 000	5 000
Umsunduzi Municipality	-	-	-	-	-	-	-	6 800	6 800

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									800
Okhahlamba Municipality	1 000	-	-	1 000	1 000	-	-	9 500	9
Umvoti Municipality		-	-	-		-	-	3 000	3
									000
Umtubatuba Municipality	6 000	-	-	6 000	6 000	-	-	3 875	3
Jozini Municipality		-	-	-	-	-	-	1 500	1
									500
INkosi Langalibalele Municipality		-	-	-	-	-	-	5 400	5
Abaqulusi Local Municipality		-	-	-	-	-	-	800	400
Umhlathuze Municipality		-	-	-	-	-	-	800	800
									800
Inkandla Municipality		-	-	-	-	-	-	600	600
Newcastle Municipality	3 000	-	-	3 000	3 000	-	-	400	400
Umlalazi Municipality		-	-	-	-	-	-	375	375
Endumeni Municipality		-	1 300	1 300	1 300	-	-	375	375
Emthonjaneni Municipality		-	-	-	-	-	-	375	375
Umfolozo Municipality		-	-	-	-	-	-	375	375
Ulundi Municipality		-	-	-	-	-	-	375	375
Dr Nkosazane Dlamini Zuma	375	-	-	375	375	-	-	375	-
KwaHlabisa Municipality	3 000	-	-	3 000	3 000	-	-	-	-
UMhlabuyalingana Municipality	4 720	-	-	4 720	4 720	-	-	-	-
UMdoni Municipality	2 000	-	-	2 000	2 000	-	-	-	-
eMadlangeni	3 000	-	-	3 000		-	-	-	-

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Municipality									
eThekweni Municipality	4 200	-	-	4 200	4 200	-	-	-	-
UMzimkhulu Municipality	1 000	-	-	1 000	1 000	-	-	-	-
Ubhlebezwe Municipality	1 000	-	-	1 000	1 000	-	-	-	-
Harry Gwala District Municipality	2 000	-	-	2 000	2 000	-	-	-	-
Ugu Municipality	-	-	2 500	2 500	-	-	-	-	-
KwaDukuza Municipality	-	-	1 700	1 700	1 700	-	-	-	-
Unallocated	1 500	-	-	1 500	-	-	-	-	-
TOTAL	82 549	-	5 500	88 049	78 045	-	-	57 010	56 567

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

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36. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

37. COVID 19 Response Expenditure

	<i>Note Annexure</i>	2021/22 R'000	2020/21 R'000
Compensation of employees	7	-	-
Goods and services		811	3 546
Transfers and subsidies		-	-
Expenditure for capital assets		-	4 374
Other		-	-
Total		811	7 920

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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Availabl e	Actual Transfer	Funds Withhel d	Re-allocati ons by Nationa l Treasury or Nationa l Depart-ment	Amount received by municipa lity	Amon t spent by municipa lity	Unspent funds	% of availab le funds spent by municipa lity	Divisio n of Revenue Act	Actual transfe r
							%						
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Msunduzi Municipality (Motor Vehicle licences)	116	-	-	116	112	-	-	112	-	-	0%	110	42
Zululand Municipality	7 821	-	-	7 821	7 821	-	-	7 821	3 925	3 896	50%	3 500	3 500
Mkhanyakude Municipality	31 000	-	-	31 000	31 000	-	-	31 000	-	31 000	0%	-	-
Ray Nkonyeni Municipality	817	-	-	817	817	-	-	817	817	-	100%	4 600	4 600
Phongola Municipality	3 500	-	-	3 500	3 500	-	-	3 500	700	2 800	20%	3 500	3 500
Ilembe District Municipality	2 500	-	-	2 500	2 500	-	-	2 500	-	2 500	0%	-	-
Greater Kokstad	1 000	-	-	1 000	1 000	-	-	1 000	103	897	10%	5 375	5 375

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Municipality Umgungundlo vu District	3 000	-	-	3 000	-	-	-	-	-	-	-	5 000	5 000
Umsunduzi Municipality		-	-	-	-	-	-	-	-	-	-	6 800	6 800
Okhahlamba Municipality	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0%	9 500	9 500
Umvoti Municipality	-	-	-	-	-	-	-	-	-	-	-	3 000	3 000
Umtubatuba Municipality	6 000	-	-	6 000	6 000	-	-	6 000	-	6 000	0%	3 875	3 875
Jozini Municipality	-	-	-	-	-	-	-	-	-	-	-	1 500	1 500
INkosi Langalibalele Municipality	-	-	-	-	-	-	-	-	-	-	-	5 400	5 400
Abaqulusi Local Municipality	-	-	-	-	-	-	-	-	-	-	-	800	800
Umdlathuze Municipality	-	-	-	-	-	-	-	-	-	-	-	800	800
Inkandla Municipality	-	-	-	-	-	-	-	-	-	-	-	600	600
Newcastle Municipality	3 000	-	-	3 000	3 000	-	-	3 000	-	3 000	0%	400	400
Umlalazi Municipality	-	-	-	-	-	-	-	-	-	-	-	375	375
Endumeni Municipality	-	-	1 300	1 300	1 300	-	-	1 300	-	1 300	0%	375	375
Emthonjaneni Municipality	-	-	-	-	-	-	-	-	-	-	-	375	375
Umfolozi Municipality	-	-	-	-	-	-	-	-	-	-	-	375	375
Ulundi Municipality	-	-	-	-	-	-	-	-	-	-	-	375	375
Dr Nkosazane Dlamini Zuma	375	-	-	375	375	-	-	375	375	-	100%	375	-

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KwaHlabisa Municipality	3 000	-	-	3 000	3 000	-	-	3 000	1 948	1 052	65%	-	-
UMhlabuyalinda Municipality	4 720	-	-	4 720	4 720	-	-	4 720	-	4 720	0%	-	-
UMdoni Municipality	2 000	-	-	2 000	2 000	-	-	2 000	1 668	332	83%	-	-
eMadlangeni Municipality	3 000	-	-	3 000	-	-	-	-	-	-	-	-	-
eThekwini Municipality	4 200	-	-	4 200	4 200	-	-	4 200	-	4 200	0%	-	-
UMzimkhulu Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	-	-
Ubuhlebezwe Municipality	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	-	-
Harry Gwala District	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	-	-
Ugu Municipality	-	-	2 500	2 500	-	-	-	-	-	-	-	-	-
KwaDukuza Municipality	-	-	1 700	1 700	1 700	-	-	1 700	-	1 700	0%	-	-
Unallocated	1 500	-	-	1 500	-	-	-	-	-	-	-	-	-
TOTAL	82 549	-	5 500	88 049	78 045	-	-	78 045	11 536	66 397	-	57 010	56 567

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
KZN Liquor Authority	87 382	-	-	87 382	87 382	100%	83 586
KZN Dube Tradeport	477 537	-	-	477 537	477 537	100%	399 652
Ezemvelo KZN Wildlife	881 657	-	-	881 657	881 657	100%	986 992
KZN Tourism Authority	142 342	-	-	142 342	142 342	100%	111 091
Natal Sharks board	70 245	-	-	70 245	70 245	100%	73 377
KZN Trade and Investment	98 306	-	-	98 306	98 306	100%	83 415
KZN Gambling & Betting Board	51 361	-	-	51 361	51 361	100%	55 788
Total	1 808 830	-	-	1 808 830	1 808 830		1 793 901

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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2020/21
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Amount not transferre d	% of Available funds Transferre d	Final Appropriati on
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of KwaZulu Natal	3 094	-	-	3 094	3 094	-	0%	1 000
Durban University of Technology	2 248	-	-	2 248	2 247	1	0%	-
TOTAL	5 342	-	-	5 342	5 341	1		1 000

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers	245 571	-	-	245 571	245 571	100%	-	245 571	248 887
Ithala Limited	138 382	-	-	138 382	138 382	100%	-	138 382	161 812
Richards Bay IDZ	107 189	-	-	107 189	107 189	100%	-	107 189	87 075
Total	245 571	-	-	245 571	245 571	100%	-	245 571	248 887
Private Enterprises									
Transfers	5 000	-	-	5 000	5 000	100%	-	5 000	3 675
KZN Music Cluster (KUMISA)	4 000	-	-	4 000	4 000	100%	-	4 000	3 675
Tembe Marula Development Trust	1 000	-	-	1 000	1 000	100%	-	1 000	-
Subsidies	50	-	-	50	50	100%	-	50	-
Demazane Enterprise	50	-	-	50	50	100%	-	50	-
Total	5 050	-	-	5 050	5 050	100%	-	5 050	3 675
TOTAL	250 621	-	-	250 621	250 621	100%	-	250 621	252 562

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**ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
Moses Kotane Institute	56 125	-	-	56 125	56 125	100%	47 866
KZN Film Commission	84 082	-	-	84 082	84 082	100%	83 548
KZN Growth Fund Trust	256 176	-	36 261	292 437	285 782	98%	48 096
KZN Clothing Textile	2 000	-	-	2 000	2 000	100%	3 150
Durban Chemicals Man Cluster	1 000	-	-	1 000	1 000	100%	-
Durban Automotive Cluster	1 000	-	-	1 000	1 000	100%	-
Downstream Aluminium Centre of Tech.	1 000	-	-	1 000	1 000	100%	1 565
SAAMBR	7 968	-	-	7 968	7 968	100%	-
WESSA	500	-	-	500	-	0%	-
South African Farmers Development Association	7 550	-	-	7 550	7 550	100%	-
Total	417 401	-	36 261	453 662	446 507		184 225

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**ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
H/H EMPL S/BEN:LEAVE GRATUITY	1 791	-	355	2 146	2 146	100%	2 334
H/H:BURSARIES(NON-EMPLOYEE)	1 381	-	154	1 535	1 535	100%	-
H/H EMPL S/BEN:INJURY ON DUTY	-	-	47	47	47	100%	-
Total	3 172	-	556	3 728	3 728	100%	2 334

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ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw-downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	ITHALA	300 000	300 000			-	300 000	-	-
	Total	300 000	300 000			-	300 000	-	-

ANNEXURE 3B

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/cancell ed/reduced during the year	Liabilities recoverabl e (Provide details hereunder)	Closing Balance 31 March 2022
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Rainov8 Concepts Trading under DJ Production v EDTEA	75	-	-	-	75
Malherbe M v MEC for Economic Development, Tourism and Environmental Affairs KZN	85	-	-	-	85
INET BFA (Pty) LTD	18	-	-	-	18
Nandz Construction and Projects	2 000	-	-	-	2 000
Jali Bird	3 000	-	-	-	3 000
LG Naidu vs EDTEA	-	4 321	-	-	4 321
Total	5 178	4 321	-	-	9 499

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
KZN Department of Human Settlements	-	-	-	2	-	2	-	-
KZN Department of Education	-	-	-	3	-	3	-	-
KZN Provincial Treasury	-	-	-	8	-	8	-	-
National Treasury ((Swiss Gov) SECO Project)	-	-	-	570	-	570	-	-
KZN Department of Sports and Recreation	-	-	391	-	391	-	-	-
Total	-	-	391	583	391	583	-	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21 *	
							Payment date up to six (6) working days before year end	Amount
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
KZN Department of Human Settlement	-	1 292	-	-	-	1 292	-	-
Department of Justice	-		-	-	-	-	-	-
KZN Department of Health	-	2	-	-	-	2	-	-
KZN Public Works	6 995	-	1 203	-	8 198	-	-	-
KZN Human Settlement	459	-	-	-	4 59	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	7 454	1 294	1 203	-	8 657	1 294	-	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 6A
INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
ABSA Bank	-	-	163	163	163	163
Isimangaliso Wetland	-	-	-	1 500	-	1 500
Standard Bank	-	-	3 952	3 952	3 952	3 952
TOTAL	-	-	4 115	5 615	4 115	5 615

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 6B

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Treasury (Seco Funds)	-	-	3 900	-	3 900	-
Subtotal	-	-	3 900	-	3 900	-
Non-Current						
National Treasury (Seco Funds)	-	-	30	-	30	-
Subtotal	-	-	30	-	30	-
PROVINCIAL DEPARTMENTS						
Non-Current						
Office of the Premier (Gaming and Betting)	-	-	260	-	260	-
Subtotal	-	-	260	-	260	-
OTHER ENTITIES						
Current						
UMgungundlovu Municipality (Invasive Project)	-	-	268	-	268	-
Marseta	-	-	4 538	-	4 538	-
Subtotal	-	-	4 806	-	4 806	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Non-Current

TOTAL	-	-	8 996	-	8 996	-
Current	-	-	8 706	-	8 706	-
Non-current	-	-	290	-	290	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 4**

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

**ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total**

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	410	149	51	201	811	3 546
Cons Supplies	408	76	25	145	654	2 259
Property Payments	2	73	26	38	139	259
Minor Assets	-	-	-	18	18	188
Contractors	-	-	-	-	-	479
Consumable Stationary & Printing	-	-	-	-	-	165
Operating Payments	-	-	-	-	-	4
Inventory: Clothing material and accessories	-	-	-	-	-	192
Expenditure for capital assets	-	-	-	-	-	4 374
Buildings and other fixed structures	-	-	-	-	-	304
Other machinery and equipment	-	-	-	-	-	4 070
TOTAL COVID 19 RESPONSE EXPENDITURE	410	149	51	201	811	7 920



HEAD OFFICE CONTACT DETAILS

Physical Address: 270 Jabu Ndlovu
Street, Pietermaritzburg, 3201
Postal Address: Private Bag X9152,
Pietermaritzburg, 3200

Tel: 033 264 2500
Fax: 033 264 2672
info@kznedtea.gov.za

   [Kzn_edtea](#)

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