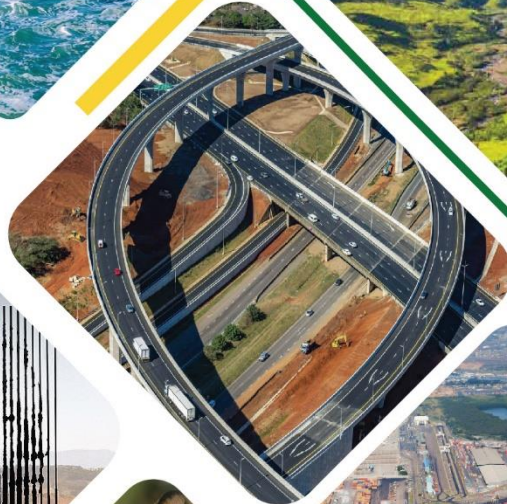




KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2023-24



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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION



KWAZULU-NATAL PROVINCE
ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
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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. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

4. FOREWORD BY THE MEC



HON. Rev Musa K Zondi, MPL
MEC for Economic Development, Tourism and Environmental Affairs

The defining feature of this period entailed a global economy grappling with unprecedented turmoil ranging from economic shifts, shocks, value chain distortions, and triumphs that shaped the landscape in a manner never seen before.

From the resurgence of trade tensions to the unprecedented disruptions caused by the extreme weather conditions, the period saw nations contending with complexities of fiscal policy, monetary stability, ballooning debt levels, and socio-economic inequality, each leaving an indelible mark on our shared trajectory.

The image of KwaZulu-Natal has changed from a gloomy hopeless province, at war with itself, to become an attractive destination for investors and leisure-seekers who cannot wait to set foot on our sandy shores. The warmth and friendly smile of our people has become a brand very few can compete with. It is not surprising that this province has been chosen to host many international events.

The narrative of 30 years of democracy in our government is a testament to resilience, unity, and collective determination. It's a story that resonates with the triumph of the human spirit over adversity, the unwavering pursuit of justice and equality, and the tireless endeavour to build a brighter future for all citizens.

Throughout these three decades, we have faced challenges head-on, navigating through turbulent times, and celebrated significant milestones that highlight the power of democracy to foster positive change, promote inclusivity, and drive sustainable economic development.

Central to our journey of progress are Special Economic Zones (SEZs), the Dube TradePort, and the Richards Bay Industrial Development Zone. The two SEZs are geographically designated areas within our country that have been strategically set aside for targeted economic activities.

These zones are supported by special arrangements and systems, often distinct from those applicable in other parts of the country. SEZs serve as engines of economic growth, innovation, and prosperity, catalyzing investment, job creation, and technological advancement. These zones have attracted combined investments exceeding R30 billion over the years. The people of this province have welcomed public and private partnership investment projects worth over R129 billion.

In the context of our democratic evolution, the two SEZs coupled with Industrial estates have played a crucial role in promoting economic diversification, attracting foreign direct investment (FDI), and facilitating trade expansion. They have provided a conducive environment for businesses to flourish, offering incentives, streamlined regulatory frameworks, and infrastructure support to enhance competitiveness and productivity.

Another major focus area of my work during the period under review was the revival of the rural and township economies. In this regard, we put more emphasis on this area of our work. We have developed a Township and Rural revitalisation strategy which guided us on what to do to revive these economies.

We had put more funding into community-driven business initiatives that were biased toward supporting the youth, women, and people with disabilities. Despite the significant strides we have made in this area, we, however, still believe we can do more to ensure that this mostly informal sector, equally benefits from economic opportunities made available by our government and the private sector.

With regards to tourism, I want to re-iterate that this sector is our 'gold' in KwaZulu-Natal; hence it must be continuously nurtured, so that it continues to lay the 'golden egg' for us. This is one sector that has always been resilient in the midst of economic meltdown across the globe.

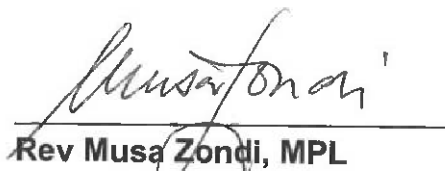
Tourism is one of our economic sectors, which is forever growing, and contributes significantly towards economic growth and job creation. It is the sector that showcases and promotes our Province's tourism product offerings, our culture, and natural endowments, to the world

CONCLUSION

On the administration side, I would like to thank the acting Head of Department, Dr Thandeka Ellenson, for holding the fort during this financial year; the Chairpersons and CEOs of our Public Entities, for the sterling work they continue to do in the provision of the service delivery in our province, not forgetting their foot soldiers for their commitment and dedication on which continue to make my work easier.

As we embark on this journey forward, let us remember that our collective success depends on our ability to work together, innovate, and adapt to the changing needs of our society. Let us seize this moment to build a brighter future for all residents of our province, leaving no one behind. In the face of challenges, let us remain resolute.

In the pursuit of opportunities, let us be bold. And in the realization of our shared aspirations, let us be united. Together, we can overcome any obstacle, achieve any goal, and create a legacy of prosperity that will endure for generations to come.

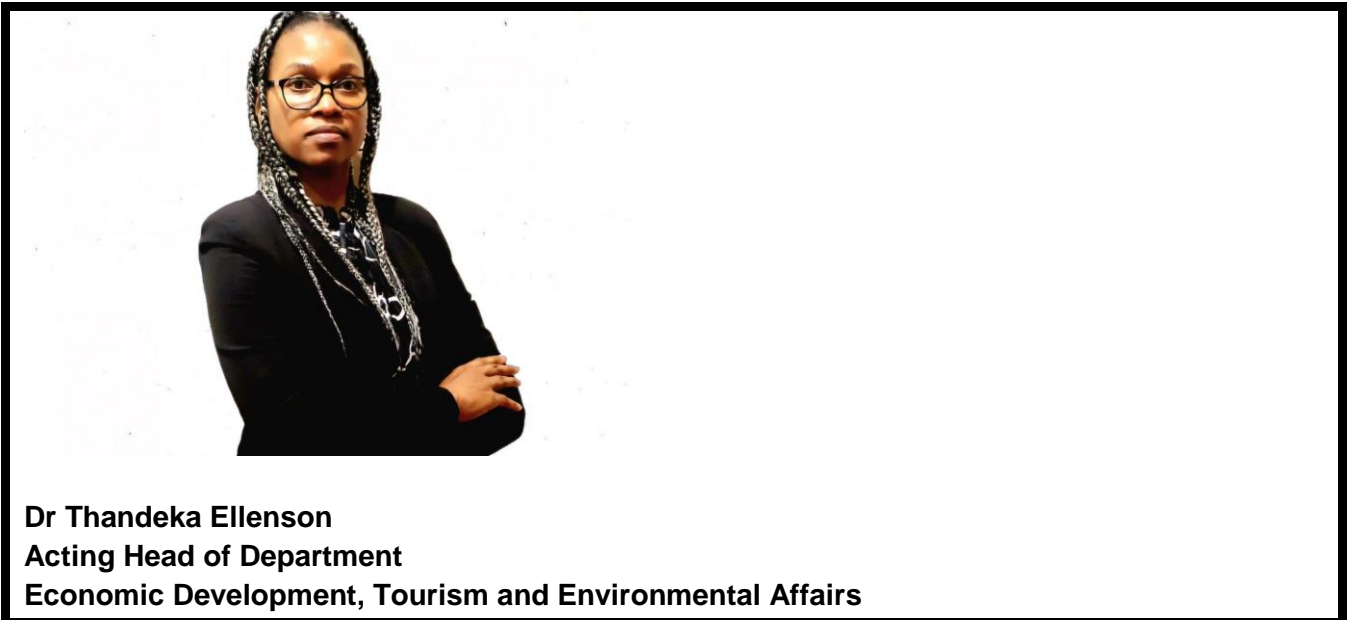


Rev Musa Zondi, MPL

MEC for Economic Development, Tourism and Environmental Affairs

DATE: 02 August 2024

5. REPORT OF THE ACCOUNTING OFFICER



Dr Thandeka Ellenson
Acting Head of Department
Economic Development, Tourism and Environmental Affairs

PERFORMANCE OVERVIEW OF 2023/2024

Global Economic Developments

Global economic developments that unfolded in the past five years (2019 to 2024) entail unprecedented turmoil ranging from economic shifts, shocks, value chain distortions and triumphs that shaped the landscape in a manner never seen before. We saw a resurgence of trade tensions, the unprecedented disruptions caused by the COVID-19 pandemic, nations contending with complexities of fiscal policies, monetary stability, ballooning debt levels and socio-economic inequality, each leaving an indelible mark on our shared trajectory.

Key macroeconomic indicators including output employment and investment experienced declines, reaching record lows. The present global economic forecast suggested stability with growth anticipated to persist at 3.1% throughout 2023 and 2024, before edging up slightly to 3.2% in 2025. Emerging market economies are expected to perform robustly, averaging growth rates of 5.4% until 2024 and 5.2% in 2025. However, downside risks persist, including potential commodity price spikes, supply disruptions due to conflicts in Ukraine and the Middle East, and challenges in the property sector in China.

Domestic Economic Developments

The South African growth story over the period 2019 - 2024 intricately mimicked the global trends with substantial declines in most economic indicators in 2020. Most major economic indicators have since recovered to pre-Covid 19 levels. To date, economic growth remains modest, registering at 0.6% in 2023, primarily weighed down by lower commodity prices and structural constraints.

The national economy is forecast to average 1.6% growth between 2024 and 2026. The KwaZulu-Natal (KZN) province has weathered storms of unprecedented magnitude of the COVID-19 pandemic, social unrest in 2021 and the recurring floods of 2022 and 2023. Despite these adversities, in particular the COVID-19 pandemic which caused a significant contraction of 4.7% in 2020, the provincial economy managed an average growth rate of 0.4% from 2019 to 2023.

Projections estimate that the provincial economy will grow at 1.1% in 2024 and 1.8% in 2025. Labour market has experienced fluctuations in KZN, with 2.86 million people employed in 2023, reflecting a modest increase of 258 000 jobs since January 2019. which comes against the colossal loss of nearly 400,000 jobs due to the pandemic in 2020.

ENTERPRISE DEVELOPMENT AND ECONOMIC EMPOWERMENT

Enterprise development remains the major pillar for economic growth and development in the province. The department provides funding and capacity and capabilities building support through Small, Micro and Medium Enterprises who are formatted either as individual businesses or as cooperatives. In 2023/24, we supported these businesses in the following manner:

- Assisted 4653 SMMEs and 2181 cooperatives with business formalisation, registration, business advisory services, technical training and mentorship.
- Funded SMMEs and cooperatives who in turn created 1395 jobs.
- Profiled more than 300 small enterprises in the clothing and textile industry and supported them with access to market opportunities.
- Refurbished the KwaZulu-Natal Bakery Incubator located in Durban and further provided technical and non-technical training and mentorship to small bakery operators in the province.
- Completed construction of Vula Detergent Centre in uGu, King Cetshwayo, Amajuba and eThekweni.
- More than 55 small enterprises generated over R3 million in revenue from operating in the detergent centres and participating in incubation programmes.

INFORMAL ECONOMY

The department constructed mobile and fixed infrastructure in various municipalities under 20 projects which benefitted 514 informal traders. This construction activated 74 construction related jobs. The aim of these projects is to assist the municipalities with informal sector

infrastructure. An informal economy masterplan will be tabled for approval and implemented in 2024/25.

INDUSTRY DEVELOPMENT

The KZN's special and industrial economic zones continue to foster economic growth in the region. Dube Trade Port attracted four new manufacturing investors to the tune of R500 million to the Trade Zone 2. Agri-Zone 2 was also completed which is attracting a lot of investors.

Richards Bay Industrial Development Zone (RBIDZ) retained operational investors to the value of R1.83 billion as well as a healthy investment pipeline worth R133.43 billion of investments representing different priority sectors of the economy. It further managed to operationalise investments to the value of R 643 332 961,42 billion exceeding a target of R581 million.

Trade Investment KwaZulu-Natal New investment projects worth R6.4bn billion, with the potential of creating 4870 jobs were facilitated by al in 2023/24 financial year. A further R1,500bn was committed in respect of expansion and retention projects which resulted in the creation and/or retention of 2983 jobs. The new One Stop Shop facilities have been established in Harry Gwala, uGu and iLembe Districts bringing the total of One Stop Shops established to date to seven (7).

AIR CONNECTIVITY

King Shaka International Airport is the third busiest airport within the Airports Company South Africa Profile in terms of passengers processed. In 2023, King Shaka International Airport processed a total of 4.9 million passengers compared to 4.2 million in 2022 and 6.2 million in pre-covid19 conditions for 2019. It is anticipated that in 2024 passenger numbers will steadily increase as the global recovery takes hold and supply side challenges for aircraft and staff capacity subside.

Secondary airports also play a significant role in economic development and regional economic growth through a variety of mechanisms. There Pietermaritzburg, Margate and Richards Bay Airports are three KZN Secondary airports providing scheduled services via OR Tambo airport as alternative gateways to and from KwaZulu-Natal.

BUSINESS REGULATION AND COMPLIANCE

EDTEA's Business Regulation Programme is instrumental in ensuring that formal and informal businesses are compliant and that consumers are protected. The following was carried out in 2023/24:

- Conducted more than 652 business inspections targeted at addressing the scourge of illicit and illegal business activities and practices with regards to illicit and counterfeit products, expired food at retail Supermarkets, Liquor outlets, Bottle stores, Tavern, Sports Bar, Butchery and Restaurants etc.

- Conducted inspections at the Port of Entry (Durban harbour), freight industry, taverns, liquor outlets, retail outlets among others.
- Twenty-four (24) KwaZulu-Natal businesses signed the business pledges in support of responsible trading and compliance with applicable prescripts and ethical business standards.
- Collaborated with SAPS, National Consumer Commission, SARS Department of Home Affairs, Department of Labour etc which resulted in arrests of illegal undocumented foreign nationals and the confiscation of counterfeit and illicit goods.
- Offered 1486 consumer awareness programmes through various platforms
- Automated business licensing and information management system used by municipalities for application and processing business licenses and permits. This system has tracked 165 279 jobs.
- Resolved consumer complaints which saved consumers R2,5 million from unscrupulous businesses, and further saved consumers R1,1 million through tribunals.

PUBLIC ENTITIES

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

The budget of R2.237 billion was allocated to public entities for implementation:

- **Nature conservation and bather protection:**

Ezemvelo KZN Wildlife – R900.770 million

KwaZulu-Natal (KZN) Sharks Board – R69.663 million

- **Special Economic Zones:**

Richards Bay Industrial Development Zone – R 128.115 million

Dube Trade port Corporation – R 433.281 million

- **Promotion of trade, investment, tourism and the film industry:**

Trade and Investment KwaZulu-Natal - R 103.592 million

KwaZulu-Natal Tourism Authority - R168.190 million KZN Film Commission - R84.907 million

- **Banking and development finance:** KZN Growth Fund Trust - R45.579 million

Ithala Development Finance Corporation Limited - R102.022 million

- **Gaming, betting and liquor regulation:**

KZN Gaming & Betting Board - R52.676 million KZN Liquor Authority – R89.252 million

- **Research:**

Moses Kotane Institute - R59.055 million

Since 2015, the province has advocated for rationalisation of public entities to save costs and eliminate duplications. Public consultations were held to workshop the four (4) bills:

1. KwaZulu-Natal Economic Regulatory Authority (KZNERA) Bill;
2. KwaZulu-Natal Moses Kotane Research Institute (MKRI) Bill;
3. KwaZulu-Natal Growth Fund Agency (KZNGFA) Bill; and
4. KwaZulu-Natal Tourism and Film Authority (KZNTAFA) Bill

Subsequently, the Bills were passed by provincial legislature in the 6th administration post the financial year. The draft bill of the KZN Ezemvelo Wildlife and the KZN Sharks Board related to KZN Conservation and Biodiversity Management were certified by the State Law Advisor. Provincial Treasury also commenced with the Treasury certification process. Government Technical Advisory Centre (GTAC), a component of the National Treasury assists the department with in-depth knowledge of the rationalisation processes that are currently underway.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental receipts

Departmental receipts	2023/2024			2022/2023		
	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	742 052	751 901	(9 849)	710 778	746 417	(35 639)
Casino taxes	613 379	577 492	35 887	587 528	580 439	7 089
Horse racing taxes	96 929	144 409	(47 480)	92 844	131 273	(38 429)
Liquor licences	31 744	30 000	1 744	30 406	34 705	(4 299)
Sale of goods and services other than capital assets	3 267	13 774	(10 507)	3 129	5 371	(2 242)
Fines, penalties and forfeits	714	4 554	(3 840)	684	581	103
Interest, dividends and rent on land	7	2 980	(2 973)	7	1	6
Sale of capital assets	244	-	244	234	-	234
Financial transactions in assets and liabilities	76	222 052	(221 976)	73	4 890	(4 817)
Total	746 360	995 261	(248 901)	714 905	757 260	(42 355)

The revenue collected was R995.261 million against a budget of R746.360 million. The net over-collection of R248.901 million can be explained as follows:

- *Tax receipts* are derived from *Casino taxes* and *Horse racing taxes* collected by the KwaZulu-Natal Gaming and Betting Board (KZNGBB), and *Liquor licences* collected by the KwaZulu-Natal Liquor Authority (KZNLA). This category reflects a revenue collection of R751.901 million against a budget of R742.052 million, and this is outlined as follows:
- Revenue from *Liquor licences* is derived from new and renewals of liquor licences. An amount of R30 million or 94.5 per cent was collected against a budget of R31.744 million. This collection depends on the number of new applications and renewals of liquor licences, which is difficult to accurately budget for.
- *Casino taxes* includes taxes from Limited Pay-out Machines (LPM), as well as Bingo taxes. This category shows a collection of R577.492 million against a budget of R613.379 million. This sector has nearly recovered to pre-pandemic levels and has a close correlation to the Tourism sector. Contributing to the under-collection is the LPM sector which was negatively impacted on by load shedding, as this resulted in reduced operating times for a number of licensees.
- *Horse racing taxes* over-collected by 49 per cent against the budget of R96.929 million. This source derives its revenue from bookmakers, as well as totalisators. The high collection is attributed to an increase in online betting, growth in betting on contingencies (as a type of bet) and the transfer of the server of a licensee to KZN.
- *Sale of goods and services other than capital assets* collected R13.774 million against a budget of R3.267 million. Revenue from this source is collected from servitude rights, parking fees, environmental authorisation application fees, tourism guide registration fees, commission on PERSAL deductions such as insurance premiums and garnishee orders, tender fees, etc. The over-collection relates to fees for the servitude rights on the coastline of the province in accordance with the Seashore Act paid by the South African Petroleum Refineries (SAPREF) in respect of a crude oil pipeline which makes landfall near Durban, and this was not budgeted for as it was unknown when the budget was prepared by the department. Furthermore, the over-collection was due to revenue from Mauritius Telecommunications arising from recently concluded seashore lease agreements for servitude rights relating to the installation and operation of sub-sea telecommunication cables in KZN. Again, this revenue was not budgeted for as this was not known at the time the budget was compiled.
- *Fines, penalties and forfeits* collected R4.553 million against a budget of R714 000. Revenue from this source is derived from fines paid by companies that contravened environmental legislation, such as Environmental Impact Assessment (EIA) regulations. The over-collection relates to penalties collected in terms of EIAs in respect of companies contravening the environmental laws, and this is difficult to predict accurately.
- *Interest, dividends and rent on land* shows revenue of R2.980 million against a budget of R7 000. Revenue from this source is derived from interest charged on staff debts, which is difficult to accurately predict. This collection emanates from interest resulting from irrecoverable debt that was written off in 2022/23, while the interest related to this debt was shown in 2023/24.

- *Sale of capital assets* is derived from the sale of redundant assets, such as equipment and motor vehicles. The department held no auction of redundant motor vehicles in 2023/24 due to a directive issued by OTP to all departments to halt the processes of disposing state vehicles that have reached the end of their life span, as the intention was to assess all redundant vehicles to see if they could be used in the provincial Crime Fighting Initiative announced by the Premier in SOPA.
- *Transactions in financial assets and liabilities* collected a significant amount of R222.053 million against a budget of R76 000. Revenue collected from this source usually relates to recoveries from previous years' expenditure, such as staff debts, unspent funds returned by the department and the public entities, salary reversals, etc. The high collection in 2023/24 is attributed to the province undertaking a detailed assessment of all public entities' cash and cash equivalents in the lead up to the 2023/24 Adjustments Estimate to determine whether there were any funds that could be recalled to the provincial fiscus to fund various critical spending pressures in the 2023/24 Adjustments Estimate. In this regard, an amount of R100 million was surrendered by the Dube Trade Port Corporation (DTPC). This related to funds that the entity was unable to spend in the prior year on the construction of mini-factories in Trade Zone 2, where the bids received exceeded the funds allocated for the project, hence the entity could not continue with the construction project. The other entities from which surplus funds were sourced from include the KZN Growth Fund Trust (KZNGFT) (R103.408 million), and the KZN Tourism Authority (TKZN) (R10.707 million). As mentioned, these funds were allocated towards various provincial spending pressures in the 2023/24 Adjustments Estimate. Furthermore, the over-collection includes an amount of R2.406 million related to staff and suppliers' debts that were written-off at the end of 2022/23, but the write-off process was concluded in 2023/24.

PROGRAMME EXPENDITURE

Programme Name	2023/2024			2022/2023		
	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	385 928	384 053	1 875	323 684	321 796	1 888
Integrated Economic Development	331 083	329 771	1 312	339 048	338 372	676
Trade and Sector Development	868 757	868 343	414	984 020	982 071	1 949
Business Regulation and Governance	216 527	216 527	-	198 724	198 534	190
Economic Planning	31 668	30 444	1 224	24 851	24 851	-
Tourism	294 490	287 388	7 102	317 900	311 067	6 833
Environmental Affairs	1 255 930	1 248 954	6 976	1 148 455	1 143 414	5 041
Total	3 384 383	3 365 480	18 903	3 336 682	3 320 105	16 577

- **Programme 1** under-spent by R1.875 million, with spending at 99.5 per cent of the Final Appropriation. This was mainly attributed to *Machinery and equipment* in respect of delays in the approval of the departmental telecommunication policy due to consultations with the relevant stakeholders taking longer than anticipated. The purpose of the policy is to allow for higher cellphone packages. Also contributing to the under-expenditure was the delay in the upgrade of existing cellphone packages.
- **Programme 2** under-spent by R1.312 million, with spending at 99.6 per cent of the Final Appropriation. This was mainly attributed to the following: *Buildings and other fixed structures* under-spent by R802 000 largely in respect of the procurement of a farming tunnel prefabricated structure in support of co-operatives in the eThekweni District. The order was cancelled due to non-delivery by the initial service provider and the bid was re-advertised in January 2024. A new order was issued but delivery did not materialise by year-end. *Machinery and equipment* show under-spending of R510 000 due to the late delivery of computer equipment by the service provider.
- **Programme 3** was marginally under-spent by R414 000. This was mainly attributed to the following: *Transfers and subsidies to: Non-profit institutions* under-spent by R178 000 in respect of the transfer to the Moses Kotane Institute (MKI). The department indicated that this amount was an error and should have been reduced in the 2023/24 Adjustments Estimate budget. *Transfers and subsidies to: Households* showed marginal under-expenditure of R4 000 in respect of external bursaries which were slightly lower than anticipated. *Machinery and equipment* reflect marginal under-spending of R232 000, as provision was made for the procurement of office equipment for vacant posts, but these were not filled and the equipment was thus not required at this stage.
- **Programme 5** under-spent by R1.224 million, with spending at 96.1 per cent of the Final Appropriation. This was mainly attributed to the following: *Compensation of employees* was under-spent by R1.164 million due to delays in filling vacant posts, such as the Deputy Director and Assistant Director: Strategy, as well as Deputy Director and Assistant Director: Policy and Planning posts. These posts are anticipated to be filled in 2024/25. *Machinery and equipment* reflect marginal under-spending of R60 000 due to the late finalisation of procurement in respect of office furniture.
- **Programme 6** was under-spent by R7.102 million, with spending at 97.6 per cent of the Final Appropriation. This was mainly attributed to: *Transfers and subsidies to: Provinces and municipalities* that was under-spent by R3.500 million in respect of the transfer to the iLembe Enterprise Development relating to the Kwashushu Hotsprings due to Central Supplier Database (CSD) challenges which were identified upon payment, and this delayed the process of transferring funds. *Transfers and subsidies to: Departmental agencies and accounts* was under-spent by R3 million in respect of the transfer to TKZN. These funds were committed for transfer with respect to the Mkuze Falls Game Reserve for the purchase of land to assist the neighbouring community, however, the agreement of sale for this land fell through due to a change in objective. To proceed with the process in respect of the transfer of funds, this necessitated that a due diligence process be undertaken to identify other suitable land, and this

was not conducted before the end of 2023/24. *Machinery and equipment* reflect under-expenditure of R602 000 due to procurement delays. Quotations were sourced *via* SCM and upon evaluation it was discovered that the service providers were non-compliant and the process had to therefore be restarted.

- Programme 7** under-spent by R6.976 million, with spending at 99.4 per cent of the Final Appropriation. This was mainly attributed to the following: *Transfers and subsidies to: Provinces and municipalities* under-spent by R3.600 million because transfers to some municipalities could not be finalised in respect of the Greenest Municipality Competition winners. Some payments were not affected due to the unit responsible delaying to finalise the necessary processes for payment, and this has been raised under *Matters for discussion*. *Transfers and subsidies to: Departmental agencies and enterprise* under-spent by R5 000 in respect of transfers to EKZNW which were slightly lower than anticipated as the province's contribution towards the Maloti Drakensberg Transfrontier project is paid as determined by the National Department of Forestry, Fisheries and the Environment (NDFFE) for all provinces involved. This amount was slightly lower than budgeted. *Transfers and subsidies to: Public corporations and private enterprises* under-spent by R3.165 million in respect of the Waste Economy Support Programme (WESP), which entails supporting small and emerging waste entrepreneurs to accelerate waste diversion in the province. Some payments were not affected due to the unit responsible delaying to finalise the necessary processes for payment, and this has been raised under *Matters for discussion*. *Machinery and equipment* reflect marginal under-spending of R206 000 due to the late finalisation of procurement in respect of meteorological instruments which is equipment used for the measurement of different weather parameters.

Virements

The adjusted appropriation of the department was **R3.384 billion**. The following post adjustment virements were made between Programmes:

Programme Name	Adjusted Appropriation	Post Adjustments movements			Total Adjustments	Final Appropriation
		Shift	Virement	Adjustment		
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	356 059	2 500	27 367	-	29 867	385 926
Integrated Economic Development Services	346 105	-	(15 021)	-	(15 021)	331 084
Trade & Sector Development	883 774	-	(15 017)	-	(15 017)	868 757
Business Regulation & Governance	214 541	-	1 986	-	1 986	216 527
Economic Planning	35 714	(2 500)	(1 545)	-	(4 045)	31 669
Tourism	297 046	-	(2 556)	-	(2 556)	294 490
Environmental Affairs	1 251 144	-	4 786	-	4 786	1 255 930
Total	3 384 383		-	-	-	3 384 383

Programmes

- Programme 1: An amount of R27.367 million was moved to this programme from programme 2 and 3 to cater for computer services costs in respect of the Microsoft international payments for software licence renewals which were under-budgeted and to offset the spending pressures in respect of advertising costs for billboards, the MEC's media coverage, as well as legal costs in respect of higher than anticipated State Attorney fees with regards to the Ithala Soc Ltd litigation matter and the forensic investigation at EKZNW.
- Programme 2: R15.022 million was moved from Programme 2: Integrated Economic Development Services under Goods and Services to cater for computer services costs in respect of the Microsoft international payments for software licence renewals which were under-budgeted for. These savings were realised due to service providers cancelling orders in respect of the co-operatives funding projects. Also contributing were delays in the appointment of a service provider in respect of mentorship and support services.
- Programme 3: A total of R15.017 million was moved from Programme 3: Trade and Sector Development of which R12.973 million was from *Goods and services*. These savings were realised due to delays in the Cannabis Commercialisation programme relating to the adjudication process undertaken on applications made by beneficiaries, as well as delays with the Techno Hubs as a suitable service provider was not found relating to the procurement of drones for the Fourth Industrial Revolution (4IR). Also contributing to the savings was the automotive strategy and fish processing facility due to failure to source suitable service providers for these projects. And the balance of R2.236 million were identified under *Compensation of employees* due to delays in filling vacant posts, such as Director: Aerotropolis, Deputy Director: Minerals Beneficiation and Deputy Director: Renewable Energy. Also contributing was the resignation of the Deputy Director: Automotive.
- Programme 4: Savings of R1.986 million were identified under Programme 6 against *Compensation of employees* due to delays in filling vacant posts, such as Director: Tourism Growth and Development, and two Deputy Director posts, these savings were moved to Programme 4 against *Goods and services* to offset spending pressures in respect of consumer protection events and consumer awareness campaigns.
- Programme 5: R1.546 million was moved from Programme 5, of which R863 000 was moved from *Compensation of employees* due to delays in filling posts, R383 000 was moved from *Goods and services* due to the implementation of financial controls on items such as catering and venues and facilities, and R300 000 was moved from *Machinery and equipment* due to procurement delays in respect of furniture.
- Programme 6: Savings of R2.556 million of which R1.986 million was identified under *Compensation of employees* due to delays in filling vacant posts, such as Director: Tourism Growth and Development, and two Deputy Director posts, as well as R420

000 savings from Goods and services due to the implementation of financial control in the Tourist Guide Registration system being put on hold as a result of a benchmarking exercise that first had to be undertaken against other provinces, and R150 000 was moved from Machinery and equipment due to procurement delays. These savings were moved to Programme 4 and 7.

- Programme 7: Savings of R4.786 million identified from programme 3, 5 and 6 were moved. These savings were to Goods and services to assist with funding the 5 000 Waste Jobs project and the EPWP launch which were not anticipated, the environmental calendar day events which were higher than anticipated, farming supplies for SEEP which were inadequately budgeted for, and the increase in demand for supplies in respect of clean-up campaigns.

The following post adjustment virements were made between economic classifications:

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

Economic Classification	Post Adjustments movements					Final Appropriation
	Adjusted Appropriation	Shift	Virement	Adjustment	Total Adjustments	
	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	1 007 840	-	(988)	-	(988)	1 006 852
Compensation of Employees	474 967	-	(11 879)	-	(11 879)	463 088
Goods & Services	532 873	-	10 891	-	10 891	543 764
Transfers & Subsidies to:	2 350 505	-	934	-	934	2 351 439
Provinces & Municipalities	63 300	-	8	-	8	63 308
Departmental agencies & accounts	1 835 329	-	-	-	-	1 835 329
Higher education institutions	5 102	-	-	-	-	5 102
Public corporations & private enterprises	237 737	-	-	-	-	237 737
Non-profit institutions	206 453	-	-	-	-	206 453
Households	2 584	-	926	-	926	3 510
Payments for capital assets	26 038	-	-	-	-	26 038
Buildings & other fixed structures	1 063	-	141	-	141	1 204
Machinery & equipment	24 975	-	(163)	-	(163)	24 812
Software & other intangible assets	-	-	22	-	22	22
Payments for financial assets	-	-	54	-	54	54
Total	3 384 383		-	-	-	3 384 383

- Compensation of employees: R11.879 million savings identified due to delays in filling of posts as results of lengthy recruitment processes.
- Goods and services: R10.891 million were moved to this category to cater for computer services costs in respect of the Microsoft international payments for software licence renewals which were under-budgeted for and to offset the spending pressures in respect of advertising costs for billboards, the MEC's media coverage, as well as legal costs in respect of higher than anticipated State Attorney fees with regards to the Ithala Soc Ltd litigation matter and the forensic investigation at EKZNW.
- Transfers and subsidies
 - Provinces & Municipalities: R8 000 was moved to Transfers and subsidies to: Provinces and municipalities to cater for motor vehicle licences fees which were slightly higher than anticipated.
 - Households: R926 000 was moved to household cater for unanticipated staff exit costs.
- Payments for capital assets
 - Buildings & other fixed structures. R141 000 structures to this category cater for upgrades and additions to the department's Environmental Affairs offices at Cascades in Pietermaritzburg which were higher than budgeted for.
 - Machinery & Equipment: R163 000 was identified from Machinery and equipment due to the implementation of financial controls on finance leases cell phone contracts
 - Software & other intangible assets: R22 000 was moved to Software and other intangible assets in respect of the Job Access with Speech (JAWS) software that was bought for a sight-impaired employee and was not budgeted for.
 - Payments for financial assets: R54 000 was moved to Payments for financial assets to cater for bad debts written off, which were not budgeted for.

Shifts:

The department undertook the following shift and the purpose of the funds remains unchanged.

- R2.500 million was shifted from Programme 5 against *Goods and services* to Programme 1 within the same category to cater for the relocation of OSS/DDM responsibilities during the year in line with the approved organisational structure. The purpose of the funds remains unchanged.
- R1.200 million was shifted within Programme 7 to correct the 2023/24 Adjustments Estimate error with regard to the transfer of R1.200 million from KwaDukuza Local Municipality to uGu District Municipality in respect of the Green and Smart Municipality Competition. The purpose of the funds remains unchanged. The shift is between municipalities within the *Transfers and subsidies to the provinces and municipalities* category, and is therefore visible in Annexure 4.1 only.

- R1.8 million was shifted within Programme 7 in relation to the Greenest Municipality Competition which was unallocated. These funds were transferred R800 000 to UMdoni Municipality, R500 000 to UMthonjaneni Municipality and R500 000 to Mandeni Municipality. The shift is between municipalities within the *Transfers and subsidies to: Provinces and municipalities* category, and is therefore visible in Annexure 4.1 only.

Requested roll-overs to 2024/25

The Department of Economic Development, Tourism and Environmental Affairs (EDTEA) has identified a total of R13.203 million unspent funds under transfers and subsidies during the 2023/24 financial year. These funds are committed and they will be transferred in 2024/25 and the department will not be able to absorb the transfer in the 2024/25 budget allocation due to fiscal constraints

- R3 million was committed for transfer concerning the Mkuze Falls Game Reserve for the purchase of land to assist the neighbouring community, however, the agreement of sale for this land fell through due to a change in objective. To proceed with the process in respect of the transfer of funds, this necessitated that a due diligence process be undertaken to identify other suitable land, and this was not conducted before the end of 2023/24.
- R3.5 million for transfer to the iLembe Enterprise Development under iLembe District municipality in relating to the Kwashushu Hotsprings. These funds were not transferred due to Central Supplier Database (CSD) challenges which were identified upon payment and this delayed the process of transferring funds.
- The Greenest Municipality Competition, this is a competition between local municipalities with respect to service delivery in areas such waste management, green initiative, awareness and education, planning and public participation. The competition was finalized and winners were notified. These funds were unspent due to there being insufficient time to conclude the contracting process before the end of the financial year, and R3.6 million will be transferred as various municipalities.
- R3.103 million was allocated towards Waste Economy Support Programme (WESP) which initiative to support small and emerging waste entrepreneurs to accelerate waste diversion in the province. The due diligence has been done and recipient have been notified. The funds were not transferred due to there being insufficient time to conclude the contracting process before the end of the financial year.

Supply chain management

- There were no unsolicited bid proposals concluded for the 2023/24 financial year under review.
- Making sure that all SCM policies and standard operating procedures were implemented was one of the methods used to prevent irregular expenditure for the period under review. Furthermore, ongoing training on consequence management was conducted among staff members to create awareness. Deviations from end users are thoroughly scrutinised for compliance before processing. SCM has introduced a compliance unit to monitor internal processes. Planned workshops for end users on SCM conducted throughout the year. Liaised continually with Treasury Economic Cluster SCM support on matters that need clarity. If the SCM process is not followed, payment can only be approved by submission to the Accounting officer. There are plans for the SCM structure to be capacitated and guides are currently being developed for the operation of panels. Contract Management posts are filled, and hence rigorous implementation thereof is currently underway.

SCM challenges and resolutions

#	Challenges	Risks	Solutions
1	Poor planning in terms of late requests.	Excessive prices beyond market value by service providers	Compliance with SCM prescripts and procurement plans.
2	Large volume of work beyond the existing capacity.	Non-compliance, errors and increased audit queries.	Increased overtime while waiting for posts approval.
3	Server problems / email problems.	Supplier complaints due to inaccessibility of the department and quotations being delayed.	Constant liaison with SITA which provides the e-mail services.
4	Delays in monthly end reports on contract administration.	Delays in payments resulting in payment disputes.	Continuous capacitation of both project managers and service providers.
5	Drafting of Service Level Agreements.	Inability to conclude agreements in a scheduled seven days which delays project start.	Weekly meeting assists in alignment of various units and contracting.
6	Scam and tender fraud.	Implication of staff by utilising their e-mail addresses, names and telephone numbers.	Strengthening cyber security.

7	Non-compliance by suppliers.	Suppliers not complying with requirements resulting in repeated requests for quotations.	Briefing sessions assist suppliers in filling the documents correctly.
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Gifts and Donations received in kind from non-related parties

The Department has the gifts and donations register in terms of the Public Service Regulations, it is maintained and updated regularly as declarations are made. During 2023/24, a gift of a blanket valued at R500 received from the Church of the Holy Ghost was declared by an employee. The Executive Authority granted approval for the gift to be accepted. It has been declared in the annual financial statements.

Events after the reporting date

On 24 May 2024, the following Acts were published in the Government Gazette by the Provincial Legislature, which resulted in the legal formation of four (4) new public entities:

- **KwaZulu-Natal Economic Regulatory Authority (KZNERA) Act** - merger of KZN Gaming and Betting Board and KZN Liquor Authority to form the KwaZulu-Natal Economic Regulatory Authority.
- **KwaZulu-Natal Moses Kotane Research Institute (MKRI) Act** – conversion of the Moses Kotane Institute Non-Profit Company to a provincial public entity which would prescribe to all the requirements of the Public Finance Management Act (PFMA). The name of the newly formed entity is the Moses Kotane Research Institute and this new entity is due to be listed in the Schedules of the PFMA.
- **KwaZulu-Natal Growth Fund Agency (KZNGFA) Act** - conversion of the KZN Growth Fund Trust to a provincial public entity which would prescribe to all the requirements of the Public Finance Management Act (PFMA). The name of the newly formed entity is the KwaZulu-Natal Growth Fund Agency and this new entity is due to be listed in the Schedules of the PFMA.
- **KwaZulu-Natal Tourism and Film Authority (KZNTAFA) Act** - merger of Tourism KZN and KZN Film Commission to form the KwaZulu-Natal Tourism and Film Authority.

Conclusion

The department has made significant progress in driving economic development, promote tourism and protect the environment. We worked tirelessly to implement initiatives that stimulate the economy and job creation. Despite challenges, we have made notable achievements including increased investment in key sectors, growth in tourist arrivals and revenue, contributed to SMMEs and informal economy development through contribution to infrastructure, funding, capacity building and successful implementation of environmental conservation projects.

The upcoming year 2024/25 will focus on economic competitiveness and diversification, developing sustainable tourism infrastructure and products, strengthening environmental governance and management. We will be measuring key indicators that contribute to economic growth and development's success.



Dr Thandeka Ellenson

Acting Head of Department

Department of Economic Development, Tourism and Environmental Affairs

Date: 13 August 2024

6. 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 F) 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 2024.

Yours faithfully



Dr Thandeka Ellenson

Acting Head of Department

Department of Economic Development, Tourism and Environmental Affairs

Date: 13 August 2024

7. STRATEGIC OVERVIEW

7.1. Vision

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

7.2. 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.

7.3. 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 <i>integrity</i> 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>

8. LEGISLATIVE AND OTHER MANDATES

8.1 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

8.2 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).

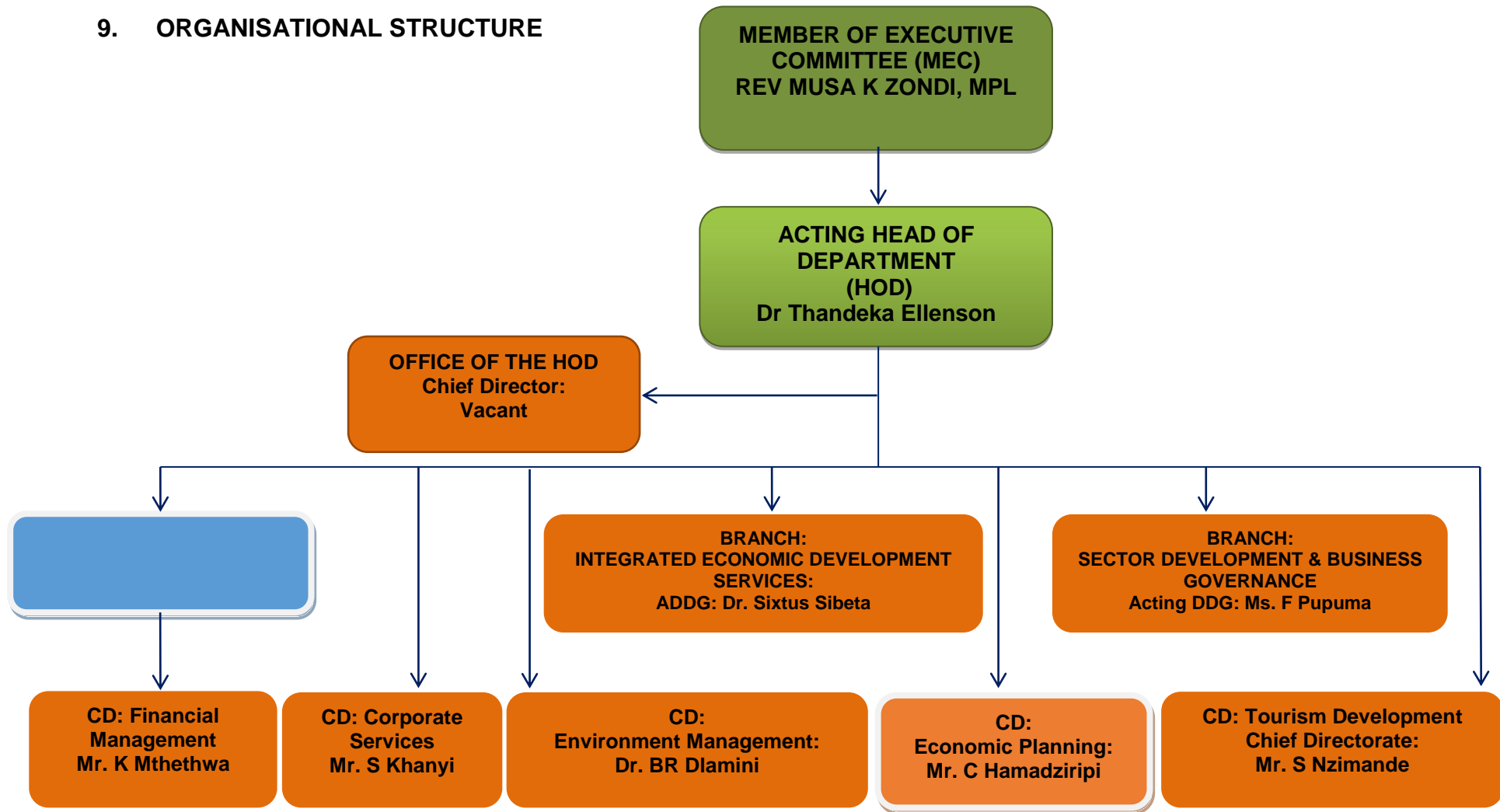
- (b) the Nature Conservation Ordinance, 1974 (Ordinance No. 15 of 1974),
- (c) the KwaZulu-Natal Nature Conservation Management Act, 1997 (Act No. 9 of 1997).
- (d) the KwaZulu-Natal Tourism Act, 1996 (Act No. 11 of 1996).
- (e) the KwaZulu-Natal Gaming and Betting Act, 2010 (Act No. 8 of 2010).
- (f) 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.

9. ORGANISATIONAL STRUCTURE



10. 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; • To attract long term investment to the Province; • To facilitate export and import through the Dube TradePort 	Shareholder or Mother Department	Special Economic Zones
Richards Bay	To accelerate and improve infrastructure for industrial	Shareholder or	Special

Industrial Development Zone (RBIDZ)	development through the government's Industrial Development Zone (IDZ) Programme	Mother Department	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 Gambling 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 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. 	Shareholder or Mother Department	Regulatory Agency

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 (EKZNV)	<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

PART B:

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA performs the procedures for the purpose of reporting material findings only and not to express an assurance opinion or conclusion. The AGSA undertook a limited assurance engagement on specific programmes selected for auditing.

Refer to page 200 of the Report of the Auditor General, published under PART F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

In 2023/24, The Economic Development Service delivery environment continued to be engulfed by low investment levels, low tax revenue, geopolitical tensions, external shocks, mismatch of skills, lower consumer spending and leakages. The critical network industries, including electricity, transport infrastructure and services, security, and water and sanitation have experienced major deteriorations and these have a major adverse impact on investment attraction. The financial and performance struggles experienced by some of the municipalities have contributed to the service delivery, especially towards projects implemented through municipalities as implementing agencies. The above challenges have resulted in low economic growth contributing to increased levels of poverty and unemployment. The implementation of projects and programmes has also been subjected to strenuous bureaucratic processes.

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 	<ul style="list-style-type: none"> Print media notices for stakeholders Electronic media

			notices ▪ Forums ▪ Roadshows	notices ▪ Forums ▪ Roadshows
	Information		▪ Telephone, brochures & E-mails ▪ Reception services ▪ Departmental publication ▪ More training on universal accessibility programmes	▪ Telephone brochures and emails ▪ Reception services ▪ Departmental publications

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

During the year under review, the department continued with the implementation of the approved organizational structure. Amongst the challenges is the recruited women in SMS below the EE target of 50%. 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 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. EDTEA did not have direct legislative changes during the financial year.

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.

The KwaZulu-Natal Ezemvelo Wildlife Bill has been certified and is awaiting a Treasury Certificate. Four Bills were taken on public consultation by the Legislature in February 2024 and were awaiting approval by the legislature and assenting by the Premier during the first quarter of 2024/2025:

- (a) the *KwaZulu-Natal Regulatory Authority Bill, 2024*, merging the Governance Structures of the KZN Liquor Authority and KZN Gaming and Betting;

- (b) the *KwaZulu-Natal Tourism and Audio-visual Agency Bill, 2024*, merging the powers, roles and functions of the KZN Film Commission and Tourism KZN into one entity;
- (c) the *KwaZulu-Natal Growth Fund Agency Bill, 2024*, converting the current private Trust to a provincial public entity; and
- (d) the *Moses Kotane Research Institute Bill, 2024*, 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 GTAC, 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.

The Department was unable to achieve some of its legislative amendments to subordinate legislation because of the KwaZulu-Natal Scrutiny of Subordinate Legislation Act 2023 (Act No.3 of 2023) which was passed by the legislature in December 2023. The piece of legislation has had an impact on the passing of subordinate legislation for the Department in particular the KwaZulu-Natal Gaming and Betting Regulations and the Amendment of the Fee Schedule were delayed. The reason for the delay is that the legislature committee which is supposed to be responsible for considering subordinate legislation is not yet in place.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

2023/24 Annual Performance Report: Dashboard Analysis

Programme	Total number of Indicators with targets	Over- achievement: above 100%	Satisfactory: 100%	Tolerance level: 99%-95%	Unsatisfactory: <95%	Programme's Performance as a %
P1: Administration	9	1	4	1	3	56%
P2: Integrated Economic Development Services	10	6	3	-	1	90%
P3: Trade & Industry Development	20	6	10	-	4	80%
P4: Business Regulations & Governance	10	9	1	-	-	100%
P5: Economic Planning	4	1	3	-	-	100%
P6: Tourism Development	8	3	5	-	-	100%
P7: Environmental Management	45	19	23	-	3	93%
Department's Overall Performance	106	45	49	1	11	89%

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Institutional Excellence	Number of clean audit plan implemented	1.1.1 Number of Clean Audit Plan implemented	1	1	1	1	0	Target achieved
Sub-programme: Office of the CFO								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations

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Institutional Excellence	Payment of suppliers within 30 days	1.1.2 % compliance when processing invoices		New	100%	99%	-1%	Target not achieved. Invoices not paid within 30 days resulted from conditions beyond the control of the department. They were as follows: 1. IT-related BAS connectivity issues on the days before, and on, the payment run date; 2. Inactive banking details resulting in the need to re-issue payment due to the original payment bouncing back to the department; 3. No supporting documents attached to invoices received from service providers; and 4. Central Supplier Database details required for payment are not updated by service providers, in particular correct banking details matching the contract.
	30% spend on PDIs	1.1.3 % compliance when procuring goods and services		New	100%	84%	-16%	Target not achieved
Corporate Services								
Sub-programme: Human Resource Management								

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Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Institutional Excellence	Facilitation of consequence management	1.2.1 Percentage of compliance when facilitating discipline cases	New	New	100%	100%	0	Target achieved
	Recruitment of females at SMS level	1.2.2 Percentage of females recruited at SMS level	New	42%	50%	41%	-9%	<p>Target not achieved</p> <p>The submission containing a request for filling 60 posts was received back from OTP on 22 April 2024. Only 46 posts were approved amongst the 7 SMS posts are approved for filling.</p> <p>The recruitment process is underway and all panel members have been appointed, and are encouraged to bear preference to qualifying females to redress the employment equity of the department.</p>
	Recruitment of Persons with Disabilities (PWDs)	1.2.3 Percentage of Persons with Disabilities Recruited	1.26%	1.42%	2%	1.42%	-0.58%	<p>Target achieved</p> <p>The department had delays in recruitment approval process prior year end. Subsequent to the year-end the actual</p>

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								achievement is sitting at 3% of Persons with Disabilities Recruited
	Vacancy Rate	1.2.4 Percentage of Vacancy Rate	New	7%	10%	7%	+3%	Target overachieved
	Compliance with Performance Management Procedure	1.2.5 Percentage of signed Performance Agreements submitted	New	91%	100%	100%	0	Target achieved
	Implementation of Health and Wellness Initiatives in accordance to DSPA requirements	1.2.6 Number of Health & Wellness Initiatives Implemented	23	12	16	16	0	Target achieved

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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
Office of the MEC	18 814	18 814	-	19 322	19 322	-
Office of the HOD	28 172	28 172	-	29 872	28 872	1 000
Financial Management	42 646	42 646	-	45 253	45 253	-

Corporate Services	296 296	294 421	1 875	229 237	228 349	888
Total	385 928	384 053	1 875	323 684	321 796	1 888

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Financially viable small enterprises supported	Number of (financially viable) small enterprises supported	4249	5294	3484	6329	+2845	There were continuous requests by small enterprises that required business support services; the implementation of the OVF-post-disbursement support and opening of OVF Window 2 applications pushed up

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								the number of small enterprises who sought support from the Department.
	Jobs created by small enterprises supported (prioritizing small enterprises funded by Operation Vula Fund)	Number of jobs created by small enterprises (prioritizing small enterprises funded by Operation Vula Fund)	914	787	1996	1166	-30	The variance is due to the reduced number of new additional jobs created by cooperatives funded as cooperatives are mainly sustaining jobs for the existing cooperatives members.
Sub-programme: Economic Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	People (Target persons) are trained operating within the KZN priority sectors	2.2.1 Number of people (target persons) trained operating within the KZN priority sectors (including OV Commodities)	2731	2394	500	1240	+740	The overachievement is due to partnerships with relevant stakeholders during the year. The unit agreed with SEDA to assist women and young SMMEs with different initiatives, NHBRC, Film Commission, and New Venture Creation with MTL. Also some initiatives in partnership with OTP

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	Target group entrepreneurs gained access to market	2.2.2 Number of target group entrepreneurs gained access to markets	332	414	80	226	+146	The overachievement is due to partnerships with relevant stakeholders during the year. The unit agreed with SEDA to assist women and young SMMEs with different initiatives such as access to market initiatives.
	BBB-BEE Compliance	2.2.3 Number of BBB-BEE compliance interventions implemented	4	24	8	37	+29	The over-achievement is a result of the Department initiatives when coordinating B-BBEE compliance with 14 Departments and Public Entities as well as B-BBEE training to Municipalities. There has been a demand for more interventions created by the growing understanding of B-BBEE imperatives by different stakeholders.
	Operation Vula Programme Interventions coordinated	2.2.4 Number of OV interventions co-ordinated	5	6	8	19	+11	The over-achievement is from the number of initiatives created by the Chief Directorate in trying to open up market opportunities for the OV Commodities in both Public and Private sectors. This includes the opening up of Black Industrialist markets and SMMEs from township

								and rural areas.
Sub-programme: Regional Local and Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	RLED Interventions implemented	2.3.1 Number of RLED employment supporting interventions	16	8	18	18	0	Target Achieved.
	Social entrepreneurs trained	2.3.2 Number of social entrepreneurs trained (social economy / solidarity policy)	45	56	45	47	+2	The programme has historical experience dropouts. The over-achievement was a provision.
	Red tape reduction interventions implemented	2.3.3 Number of municipalities benefitting from the red-tape reduction programme	6	8	7	7	0	Target achieved
	Technical and financial support for Municipal Employment and Business Support	2.3.4 Number of municipalities supported with funding for municipal employment	New	3	19	19	0	Target achieved

	Interventions	schemes						
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Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	225 222	224 014	1 208	257 546	257 545	1
Regional and Local Economic Development	53 217	53 157	60	55 361	55 361	-
Economic Empowerment	52 644	52 600	44	26 141	25 466	675
Total	331 083	329 771	1 312	339 048	338 372	676

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Jobs created	3.1.1 Number of jobs created	27	38	28	63	+35	The variance is attributed to a new service provider towards completion of PMB Airport illumination security fence, assessment/analysis & Geo-tech of Newcastle's Runway and additional works at Margate Airport

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								terminal lead to above-average targeted job opportunities.
	Jobs retained	3.1.2 Number of jobs retained	174	180	220	0	-220	Target not achieved. While 237 beneficiaries received tools of Trade, Equipment and PPEs which were handed over to Ugu and uMkhanyakude districts. These could not be directly attributed to jobs retained due timing and nature of support. .
	People trained in Aerotropolis skills; Skin and Hides; Market access; Green skills programme and Maritime related skills	3.1.3. Number of people trained for sector specific skills for industrialisation	171	134	90	186	+96	AIA Overachievement is due to, additional attendance from other local municipalities in uMkhanyakude district. SEDA offered the opportunity to train the small-scale fisheries cooperative members on food safety in June 2023 and Gariep Institute for Aquaculture also offered the opportunity to train Animal Production

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								graduates in Fish Farming, both training opportunities were accepted by the Department, hence, the overachievement.
	Industrial interventions implemented and specialists' studies completed	3.1.5 Number of industrial programmes packaged for implementation	10	3	4	5	+1	After the consideration of the existing environmental constraints on the Illovo ASP site, DTPC and Transnet proposed the Durban Logistic Hub site to be investigated to accommodate Phase 1 of the ASP. Therefore, this target was overachieved as two reports were submitted, one from the Illovo site and another report from the Durban Logistic Hub site. The initial target was one report from the ASP project.
Sub-programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual	Audited Actual	Planned Annual	**Actual Achievement	Deviation from planned	Reasons for deviations

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			Performance 2021/2022	Performance 2022/2023	Target 2023/2024	2023/2024	target to Actual Achievement 2023/2024	
Inclusive and Transformed economic growth	District business retention and expansion (BRE) scoping studies are conducted	3.2.1 Number of district business retention and expansion (BRE) reports	4	4	4	4	0	Target achieved.
	Companies supported for exports, investments and job retention	3.2.2 Number of companies supported for exports and investment	47	15	15	51	+36	The collaboration with strategic partners, namely DITC & PMCB allowed for a larger pool of resources resulting in the ability to support an increased number of entities under the programme, hence, an overachievement.
	FDI leads generated through investment targeting	3.2.3 Number of FDI leads generated through investment targeting	New	New	5	6	+1	Overachievement due to increased private sector interest in investment within KZN.
	Social compacts signed	3.2.4 Number of Social Compacts signed through the KZN Economic Council	4	4	2	2	0	Target achieved
		3.2.5 % of KZN Economic Council / Social	80%	80.95%	80%	80%	0	Target achieved

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		Compact Resolutions implemented						
	KZN Business Environment Index	3.2.6 Number of KZN Business Environment Studies Conducted	New	1	1	1	0	Target achieved.
	KZN District One-Stop-Shop Centres	3.2.7 Number of One-Stop-Shop Centres Operational	New	New	2	3	+1	Over achieved by One district municipality Ugu, the successful partnership with South Coast Tourism and Investment Enterprise yielded OSS readiness earlier than anticipated
	KZN Trade and Investment Customer Relationship Management System	3.2.8 Establishment of a Provincial customer relationship management (CRM) System	New	New	1	0	-1	Target not achieved. The Department commissioned TIKZN to develop a CRM System, but the entity has not completed the development of the system due to delays in internal procurement processes.
Sub-programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual	Audited Actual	Planned Annual	**Actual	Deviation from planned	Reasons for

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			Performance 2021/2022	Performance 2022/2023	Target 2023/2024	Achievement 2023/2024	target Actual Achievement 2023/2024	deviations
Inclusive and Transformed economic growth	Sustainable projects implemented	3.3.1 Number of sustainable projects implemented	New	New	1	1	0	Target achieved.
	Sector Strategic Interventions implemented	3.3.2 Number of sector strategic interventions implemented to support job creation	New	New	4	3	-1	Target not achieved due to the reprioritization of funds in favour of the Cannabis Commercialization program during the year.
	People trained / mentored in agro- processing; creative industries and BPO/GBS	3.3.3 Number of people trained on specific skills	New	154	140	133	-7	Target not achieved: The training is dependent on students completing trainings. There were dropouts experienced during the training hence underachievement.
	Industry cluster projects supported	3.3.4 Number of industry cluster projects implemented	1	1	1	1	0	Target achieved.
Sub-programme: District Operations Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target	**Actual Achievement 2023/2024	Deviation from planned target to Actual	Reasons deviations for

					2023/2024		Achievement 2023/2024	
Inclusive and Transformed Economic Growth	District Profiles are generated	3.4.1 Number of District Profiles generated	New	New	11	11	0	Target achieved
	One plan projects are monitored	3.4.2 Number of One Plan projects monitored	New	New	11	11	0	Target achieved
	MOUs developed with District Development Agencies	3.4.3 Number of MOUs developed with District Development Agencies	New	New	6	6	0	Target achieved
	Unemployed graduate database developed	3.4.4 Number of unemployed graduate database developed	New	New	1	1	0	Target achieved

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	542 162	542 032	130	109 945	109 945	-
Sector Development	172 254	171 974	280	664 649	663 888	761
Strategic Initiatives	154 341	154 337	4	209 426	208 238	1 188
Total	868 757	868 343	414	984 020	982 071	1 949

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: Regulation Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Automated business licencing and information management system implemented in municipalities across KZN	4.1.1 Number of local municipalities implementing the KZN automated business licensing and information management system	46	34	41	43	+2	The drive towards capturing all business license and trading permit applications onto the Automated System was intensified. The opening of the Operation Vula Fund

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								Tier 1 to the informal sector also resulted in an increased effort to capture all applications on the Automated System in all local municipalities across KZN
	Municipalities provided with technical support on Business Licencing / Trading Function	4.1.2 Number of municipalities supported with technical support on Business Licencing / Trading Function.	44	31	41	44	+3	More technical support was needed in the smooth implementation of the business licensing function necessitated by increasing applications for business licenses and trading permits. It was also imperative to ensure municipal officials were capacitated in the interpretation of the applicable legislative prescripts. High staff turnover within municipalities also necessitated re-training of municipal officials on the use of the online system.
	Programmes to support informal economy implemented	4.1.3 Number of programmes facilitated to support informal economy	8	15	12	23	+11	In pursuing the mandate of supporting informal traders to graduate into the formal

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								economy, an increased number of programmes aimed at trading safely within the sector, enterprise development, basic business skills and access to funding were facilitated.
	Business inspections conducted	4.1.4 Number of business inspections conducted	289	717	600	1628	+1028	In this financial year, there was an intensified focus on tackling the scourge of non-compliant businesses, and the sale of illicit, and prohibited goods through joint business inspections conducted with various MICOREF structures across the Province.
	Business compliance education and awareness programmes conducted	4.1.5 Number of business compliance education and awareness programmes conducted	New	293	300	556	+256	There was a call in all municipalities to conduct more of these programmes to address the high number of non-compliant businesses operating in all districts.
Inclusive and Transformed economic growth	Liquor Authority monitoring reports produced	4.1.6 Number of Liquor Authority monitoring reports produced	4	3	4	4	0	Target achieved.

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	Catalytic initiatives implemented to encourage	4.1.7 Number of catalytic initiatives implemented	8	17	7	17	+10	The target is mainly affected and dependent on the number of Appeals received by the Department which in turn determines how many Appeals are processed and often leads to the Unit overachieving the target as per the indicated Annual Validated Performance.
Sub-programme: Consumer Protection Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Consumer educational programmes implemented	4.2.1 Number of consumer educational programmes implemented	2332	1553	1243	1493	+250	The use of community radio stations and consumer outreach and education programmes for retail shops contributed significantly to us achieving and exceeding our targets.
	Inspected businesses	4.2.2 Number of businesses	516	411	400	740	+340	We established relations with various

		inspected						stakeholders such as Local Municipalities, RMI (Retail Motor Industry), Depts of Labour and Home Affairs, they requested that we do Joint Inspections with them. Furthermore, the hiring of more interns has meant more coverage of establishments inspected. There is also a direct nexus between the increased awareness by consumers of their rights and the reporting of non-compliant businesses which results in increased requests for business inspections by non-compliant businesses
	Resolved complaints	4.2.3 Percentage of complaints resolved	81%	87%	80%	86%	+6%	Most complaints were closed and finalised timeously and therefore exceeded the target. Target reached and exceeded due to staff finalising complaints within 90 days.

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Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	14 285	14 285	-	10 703	10 703	-
Consumer Protection	58 114	58 114	-	46 328	46 328	-
Liquor Regulation	89 252	89 252	-	88 340	88 340	-
Gaming and Betting	54 876	54 876	-	53 353	53 163	190
Total	216 527	216 527	-	198 724	198 534	190

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Innovative technologies supported	5.1.1 Number of innovative technologies supported	3	3	3	3	0	Target achieved.
Sub-programme: Policy and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement	Reasons for deviations

							2023/2024	
Inclusive and Transformed economic growth	Economic Strategies formulated	5.2.1 Number of economic strategies formulated	2	3	2	3	+1	Target overachieved. There was an ESIED Cluster Cabinet Resolution to formulate a strategy to De-risk Mooi River which came during the year. This resulted in us formulating 3 economic strategies.
	Reports on macroeconomic developments in the province produced	5.2.2 Number of Quarterly Economic publications produced	5	4	5	5	0	Target achieved.
Sub-programme: Monitoring and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Evaluation Research conducted	5.3.1 Number of evaluation research conducted on departmental	0	0	1	1	0	Target achieved.

		programmes						
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Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	6 610	5 676	934	7 684	7 684	-
Research and Development	7 022	7 022	-	6 661	6 661	-
Knowledge Management	6 003	5 713	290	3 791	3 791	-
Monitoring and Evaluation	12 033	12 033	-	6 715	6 715	-
Total	31 668	30 444	1 224	24 851	24 851	-

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 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Inclusive and Transformed economic growth	Strategic frameworks developed	6.1.1 Number of tourism research intelligence reports and frameworks developed	4	4	4	4	0	Target achieved.
	Strategic engagements	6.1.2 Number of functional strategic tourism fora	14	10	14	14	0	Target achieved.
Sub-programme: Tourism Growth and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement	Reasons for deviations

							2023/2024	
Inclusive and Transformed economic growth	Tourism products and experiences implemented	6.2.1 Number of Tourism attractions and products implemented	New	5	6	6	0	Target achieved.
	Professional tourist guides	6.2.2 Number of Tourist Guides accredited in line with the Tourism Act 3 of 2014	193	162	200	311	+111	The target was overachieved as a result of the number of Tourist Guides registered that exceeded owing to the new guides that were trained by the Department to enter the sector in both the previous and the current financial years as the certification was only done in one year to enable them to register with the Department as per the Tourism Act.
	Compliant tourist guides	6.2.3 Number of Tourist Guides inspections conducted to curb illegal guiding	12	11	14	14	0	Target achieved.
Sub-programme: Tourism Sector Transformation								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement	Reasons for deviations

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							2023/2024	
Inclusive and Transformed economic growth	People capacitated within the tourism sector	6.3.1 Number of people capacitated within the tourism sector	631	3620	5000	5401	+401	The target was overachieved due to the student enhancement session for DUT that oversubscribed, the request of additional schools from the districts that provided their transportation during Tourism Entrepreneurship Careers Expos as well as additional invitations which were received from the Department of Employment and Labour to participate in their career fair.
	Tourism graduates placed in the tourism sector	6.3.2 Number of tourism graduates placed in the tourism sector	99	100	100	100	0	Target achieved.
	Facilitate tourism transformation	6.3.3 Number of programmes implemented to facilitate tourism transformation	New	New	6	8	+2	Target was overachieved owing to requests that were received from uMhlabuyalingana and Aloe Lifestyle to capacitate their employees on service excellence.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	14 863	14 863	-	15 120	13 711	1 409
Tourism Growth and Development	7 425	7 425	-	7 756	7 564	192
Tourism Sector Transformation	272 202	265 100	7 102	295 024	289 792	5 232
Total	294 490	287 388	7 102	317 900	311 067	6 833

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: Policy Co-ordination and Environmental Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Enhanced governance systems and capacity	Provincial development plans reviewed for ecological sustainability principles	7.1.1 Number of intergovernmental sector programmes implemented	54	1	1	1	0	Target achieved.
	Environmental management tools informing the	7.1.2 Number of legislated tools developed	2	2	2	2	0	Target achieved.

	development at planning, management and implementation levels							
	Environmental decision-making systems supported by evidence	7.1.3 Number of environmental research projects completed	1	1	1	1	0	Target achieved.
	Functional environmental information management systems maintained	7.1.4 Number of functional environmental information management systems	1	1	1	1	0	Target achieved.
Sub-programme: Climate Change Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
An effective climate change mitigation and adaptation response	Climate change resilient plan (Implementation of Climate Change Strategy)	7.2.1 Number of climate change response interventions implemented	10	7	10	7	0	Target achieved.
	Tools for climate change planning	7.2.2 Number of climate change response tools developed	1	1	1	1	0	Target achieved.
	Expanding the	7.2.3 Number of	1	1	1	1	0	Target achieved.

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	application of green technologies	provincial green economy reports developed						
	Public awareness on disaster events for precautionary measures	7.2.4 Number of severe weather watch notifications released and trend analysis report	35	52	40	76	+36	The El Nino event of 23/24 brought about some dry conditions over Sub-Saharan Africa but it was preceded by a La Nina season which brought some wet conditions. These changes resulted in more weather alerts being issued by the South African Weather Services (SAWS) for extreme weather events and ultimately the Department had to do the same.
	Climate change awareness	7.2.5 Number of climate change education and awareness activities conducted	New	4	4	8	+4	The additional education and awareness sessions resulted from stakeholder demand as well as Environmental Empowerment Services, resulting in more sessions being conducted.

Sub-programme: Environmental Compliance Monitoring and Enforcement								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Environmental sustainability and resilience	Administrative enforcement notices for non-compliance with environmental legislation	7.3.1 Number of administrative enforcement notices issued for non-compliance with environmental legislation	202	147	125	233	+108	The target was over-achieved as a result of numerous complaints received regarding unlawful environmental-related activities and more notices had to be issued to enforce compliance with environmental legislation.
	Completed criminal investigations handed to NPA for prosecutions	7.3.2 Number of completed criminal investigation handed to NPA for prosecutions	4	13	2	5	+3	The target was over-achieved as a result of several pollution (sewage) matters investigated and finalized within eThekweni Metro.
	Compliance inspections	7.3.3 Number of compliance inspections conducted	601	404	600	750	+150	Over and above planned inspections, several complaints were received regarding unlawful environmental-related activities. A number of reactive

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								inspections had to be conducted to monitor compliance with environmental legislation. Hence the target was exceeded
	Permitted landfill sites monitored	7.3.4 Number of permitted landfill sites monitored for compliance	10	8	10	10	0	Target achieved.
	Compliance promotion conducted	7.3.5 Number of compliance promotion activities conducted for priority economic sectors	264	137	150	202	+52	The areas/ industrial areas that were visited had a lot of facilities adjacent to one another. As a result, more facilities had to be visited to raise compliance promotion. Hence the target was overachieved.
	Sector compliance inspections conducted	7.3.6 Number of sector compliance inspections conducted	32	15	8	12	+4	Over and above planned sector inspections. A number of reactive sector inspections emanating from complaints concerning environmental unlawful activities were conducted. Hence the target was exceeded.

Sub-programme: Environmental Quality Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Development and implementation of an effective and efficient environmental authorisation system	Environmental authorisation permits issued with legislated timeframes.	7.4.1 Percentage of EIA applications finalised within legislated timeframes	100%	100%	100%	100%	0	Target achieved.
		7.4.2 Percentage of complete Atmospheric Emission Licences (AELs) issued with legislated timeframe	New	0%	100%	50%	-50%	Target not achieved. 1 AEL application (KwaDukuza crematorium) was received in Q3 and processed within the time frame, however, a pending application (Vlakspruit crematorium) was processed outside of the time frame due to the failure by the applicant to submit the required documentation.
		7.4.3 Percentage of complete waste licence applications	New	100%	100%	100%	0	Target achieved.

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		finalized within legislated timeframes						
Environmental sustainability and resilience	Waste minimization projects supported	7.4.4 Number of waste minimization projects / enterprises supported	44	45	80	90	+10	Target overachieved due to an increased demand from waste minimization projects/enterprises to be supported in applying for the Operation Vula Fund and the Waste Economy Support Program
	Reviewed waste management licences	7.4.5 Number of waste licenses reviewed	6	5	5	5	0	Target achieved.
	Compliance with waste management policies and regulations	7.4.6 Number of waste facilities audited	76	66	75	76	+1	Target overachieved due to more waste facilities identified which resulted in additional audits being conducted.
	Waste Management Indaba	7.4.7 Number of Provincial Waste Management engagements convened	1	1	1	1	0	Target achieved.
	Jobs coordinated created in circular/waste economy	7.4.8 Number of jobs coordinated in circular / waste economy	1000	1070	1000	1109	+109	During the implementation of the project, some areas had more illegal dumping

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								which required an additional capacity, hence more participants were added to the project.
	Municipal support report produced (waste management)	7.4.9 Number of municipal support reports on Waste Management interventions produced	4	3	4	4	0	Target achieved.
	Proactive integrated environmental management tools developed	7.4.10 Number of environmental management instruments developed to streamline environmental authorisation process for activities involving basic service delivery and strategic infrastructure projects (SIPs)	2	2	2	2	0	Target achieved.
	Ambient air quality monitoring programme in the Province	7.4.11 Number of ambient air quality monitoring reports generated	4	3	6	4	-2	The ambient air quality monitoring is generated and reported quarterly. However, a targeting error was committed and undetected at the

								APP stage targeting 6 instead of 4.
	Municipal support report produced (Air Quality Management)	7.4.12 Number of municipal support reports on air quality management interventions produced	4	3	4	4	0	Target achieved.
Sub-programme: Coastal and Biodiversity Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Environmental sustainability and resilience stewardship	Create jobs through environmental employment programmes	7.5.1 Number of work opportunities created through environmental sector public employment programmes (IASP)	8225	8533	7725	8681	+956	The additional jobs were created as replacements for the people who left the EPWP for better work opportunities.
	Beneficiaries trained on IASP eradication	7.5.2 Number of beneficiaries trained on IASP eradication	1649	1519	1000	2190	+1190	Additional funds were channeled to operations and training, hence the overachievement in training. b) The original plan target was informed by the previous year's

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								market-related prices, somehow the prices dropped this financial year (2023/24) due to tender competition, hence more training could be achieved.
	Coastal management programmes	7.5.3 Number of coastal management programmes developed	1	1	1	1	0	Target achieved.
	Estuarine management plans	7.5.4 Number of estuarine management plans developed	3	1	2	0	-2	The TORS for two plans were published twice during the financial year with only one service being appointed. The TORS for the Umkhomazi Estuary Management Plan were submitted to SCM for advertisement for the fourth time. Further work on this indicator will continue into the new financial year.
	Management of boat launch sites	7.5.5 Number of boat launch sites reports produced	1	1	1	1	0	Target achieved.
	Management of	7.5.6 Number of	1	1	1	1	0	Target achieved.

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	coastal information sharing portal	functional coastal management information systems maintained						
	ICM Training and capacity development programme	7.5.7 Number of Integrated Coastal Management (ICM) training courses conducted	1	1	1	1	0	Target achieved.
	Shoreline monitoring	7.5.8 Number of coastal aerial inspection survey reports produced	1	1	1	0	-1	Target not achieved. The coastal aerial inspection report is usually drafted after a coastal inspection survey using KZN Sharks Board aircraft, which is currently not functional. While the issue of maintenance was later resolved at the beginning of the calendar year, there was no pilot to fly the plane, since Sharks Board had terminated their agreement with their pilot.
	Hectares cleared of invasive alien species	7.5.9 Number of hectares cleared of invasive alien	176 387	201 264,89	100 000	157 536,74	+57 536,74	a) An additional budget was channelled to

		species						operations resulting in additional areas being cleared. b) Wetter conditions result in faster growth of plants hence more follow-up clearing was conducted and this resulted in more hectares cleared than originally planned.
	Fulltime equivalents created	7.5.10 Number of fulltime equivalents /created FTEs	2223	2359,2	2183	2241	+58	Additional people were recruited to the programme hence an achievement was realised on the FTEs.
	Entity oversight report	7.5.11 Number of oversight reports produced on Biodiversity Mandate implementation by EKZN Wildlife produced	1	1	1	1	0	Target achieved.
Sub-programme: Environmental Empowerment Services								

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Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Stronger and effective internal capacity both with technical and human resources to manage environmental programmes	Environmental capacity building activities	7.6.1 Number of environmental capacity building activities conducted	82	69	60	76	+16	Target overachieved. Some capacity-building activities were in response to flood impacts hence the overachievement.
	Environmental awareness activities	7.6.2 Number of environmental awareness activities conducted	1334	899	1000	1377	+377	Target overachieved. Awareness activities extended to more schools and communities there was a demand/need from stakeholders to educate on water conservation.
	School Environment Education Programme	7.6.3 Number of SEEP Programmes implemented	1	1	1	1	0	Target achieved.
	Green Good Deeds Campaign	7.6.4 Number of Green Good Deeds Implementation Plan reviewed	1	1	1	1	0	Target achieved.
	Clean up campaigns	7.6.5 Number of clean up	171	118	120	164	+44	Target overachieved.

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		campaigns hosted						EDTEA initiative to clean more illegal dumping spots.
	Provincial Environmental Events	7.6.6 Number of provincial environmental events to commemorate environmental days hosted	6	5	3	4	+1	Target overachieved. The component was requested to launch an EPWP as an additional event.
	Environmental learning resources	7.6.7 Number of environmental learning-resource materials developed	5	4	5	6	+1	Target overachieved. A poster was designed as a web banner and for social media pages targeting people who have internet access. An additional flyer with more information was used for distribution to the general public.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	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	30 704	30 704	-	28 727	28 727	-
Compliance and Enforcement	27 085	27 085	-	23 030	23 030	-
Environmental Quality Management	127 908	120 937	6 971	74 743	72 507	2 236
Biodiversity Management	1 022 758	1 022 753	5	974 029	972 506	1 523
Environmental Empowerment Services	43 338	43 338	-	40 999	40 974	25
Environmental Services Administrative Support	4 137	4 137	-	6 927	5 670	1 257
Total	1 255 930	1 248 954	6 976	1 148 455	1 143 414	5 041

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
KZN Liquor Authority	<ul style="list-style-type: none"> ▪ Percentage of licenses and/or permits issued within the prescribed timeframe ▪ Number of jobs created on the total number of licenses issued ▪ Number of schools visited for education on the negative effects of alcohol abuse ▪ Number of KZNLA public awareness programs implemented on socio-economic effects of alcohol abuse ▪ Number of routine compliance inspections conducted on licensed premises ▪ Percentage of identified illegal outlets that have been reported to SAPS for shutdown ▪ Number of enforcement blitz operations conducted ▪ Audit Outcome 	89 252	85 502	<ul style="list-style-type: none"> ▪ 275 out of 650 licenses were issued within the timeline and 375 out of 650 licenses were issued beyond timelines in the 2023/24 financial year. ▪ As the contribution to the development of the economy for the province of Kwa-Zulu Natal and the reduction of unemployment. In the 2023/2024 financial year, KZNLA created 4,547 jobs from the licenses issued. ▪ 108 out of 102 schools visited for education on the negative effects of alcohol abuse. ▪ 09 out of 09 Number of KZNLA public awareness programs implemented on socio-economic effects of alcohol abuse. ▪ 5147 Compliance Inspections conducted on compliance by traders. ▪ 226 Illegal outlets were identified and reported to the SAPS for shutdown. ▪ 128 Blitz conducted. ▪ Clean Audit outcome for the fifth consecutive year.
Dube Trade Port Corporation	<ul style="list-style-type: none"> ▪ Number of new square meters of serviced land and bulk leased in Dube TradePort property zones – Target: 60 000m2 ▪ Total value of new investment (buildings) by Black-owned companies – Target: R75 million ▪ % Occupancy of DTPC 	433 281	386 443	<ul style="list-style-type: none"> ▪ 65 353.2m2 of serviced land and bulk leased in DTP property zones ▪ R82.3 million investment (buildings) by Black-owned companies ▪ 89.0% occupancy of DTPC owned buildings ▪ 229.3 ha of land rehabilitated 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
	<p>owned buildings – Target: 75%</p> <ul style="list-style-type: none"> ▪ Number of hectares rehabilitated and maintained – Target: 200ha ▪ (5) Number of completed projects delivered – Target: 2 			<p>maintained</p> <ul style="list-style-type: none"> ▪ 5 completed projects delivered
Ezemvelo KZN Wildlife	Manage and control biodiversity conservation, promote ecotourism within and outside of protected areas in the KwaZulu-Natal.	900 770	894 646	<ul style="list-style-type: none"> ▪ 6.32% increase of our conservation state to realise a total 1,004,657.5 hectares. ▪ Increased field rangers deployment to fight the scourge of rhino poaching. ▪ Establishment of a New Smart Fence in the Hluhluwe iMfolozi Park (HiP) to improve security and effectively manage incidents of human-wildlife conflict. ▪ Creation of more than 9,400 employment opportunities through its Expanded Public Works Programme (EPWP) largely benefiting vulnerable groups. ▪ 0.58% YoY improvement in visitors to Protected Areas, to released a total of 621 896 visitors. ▪ 6.5% (equivalent to R54 819 143) of discretionary subsidy spent on maintenance. ▪ 78.9% (equivalent to R200 094 582) of procurement spending, spent on suppliers with BBBEE status Level 1-4. ▪ Commencement of the Ezemvelo Commercialisation Strategy, in which several projects will be implemented through 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
				PPP approach.
KZN Tourism Authority	The entity hosted a successful Africa's Travel Indaba (ATI) 2023, Africa's largest tourism trade show which offers the continent access to over a thousand global tourism buyers. Over 8000 delegates attended the trade show, resulting in an injection of an estimated R130 million the provincial economy, with 250 jobs created.	168 190	168 190	<ul style="list-style-type: none"> During the year 28 major conferences and events were hosted which brought thousands of international visitors to KZN and had a direct spend of over R697 million. The entity continued its empowerment through training and development of 101 small leisure tourism businesses, including access to key international, regional and domestic platforms for those which had achieved market readiness.
KZN Sharks Board	<ul style="list-style-type: none"> Deployment of environmentally sensitive bather safety methods Reduced by-catch Awareness-raising programmes (Bather safety tips) Marketing and tourism promotion 	69 663	69 663	<ul style="list-style-type: none"> 8192 services carried out on shark safety gear A total of 194 catch of non-target species (combined nets and drumlines) 71 schools visited 47 events and exhibitions participated in 3 trade shows attended 40 marketing medium / tools used
KZN Trade and Investment	<ul style="list-style-type: none"> New fixed domestic and foreign investments committed in the KZN province through targeted investment support. Potential new jobs facilitated through targeted investment support. Investment project opportunities facilitated for priority groups. Increased turnover by exporters assisted by TIKZN. Jobs created by exporters assisted by TIKZN from a trade Development and Promotion perspective. 	103 592	102 592	<ul style="list-style-type: none"> A notable achievement is the facilitation of new fixed investment commitments amounting to R6.4 billion from both domestic and foreign investors. Job creation has been a critical focus, with 4,870 potential new jobs facilitated through these investment projects. Export growth has also been a highlight of this year's achievements. KwaZulu-Natal (KZN) exporters who received assistance have seen a substantial increase in

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
	<ul style="list-style-type: none"> Expansion and retention projects committed. Jobs created and retained from business support expansion and retention support interventions. Localisation Programmes facilitated. Satellite District OSS established. Number of destination marketing activations to generate awareness. 			<p>their turnover, amounting to R62.6 million.</p> <ul style="list-style-type: none"> This growth has directly resulted in the creation of 271 new jobs within the export sector, further underscoring the importance of targeted support for exporters in enhancing job creation and economic diversification. These initiatives have the potential to create 2,983 jobs, showcasing the province's dedication to sustaining and growing its economic infrastructure. Marketing and international relations efforts have been robust, with 23 destination marketing activations aimed at generating awareness and attracting investments, tourists, and businesses to the province. Additionally, 17 international relations programs have been facilitated to foster global partnerships and enhance the province's international profile.
KZN Gaming & Betting Board	<ul style="list-style-type: none"> Revenue Generation Job opportunities facilitated within gambling and Betting Industries. Procurement spent towards SMME's owned Vulnerable groups Responsible Industry Audit Outcome 	52 676	52 676	<ul style="list-style-type: none"> R736 million in taxes for the Government fiscus demonstrating commitment to contributing to the public treasury. KZNGBB achieved a notable 6% growth in revenue, underscoring the effectiveness of our strategies and management practices Job creation remains a key focus, with 1,359 direct jobs facilitated within the gaming and betting sector. In alignment with the Government Transformation Agenda, the industry spent approximately R780 million on procurement,

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
				<p>benefiting 120 SMMEs. Of this, 39% and 42% were allocated to SMMEs owned by women and youth, respectively.</p> <ul style="list-style-type: none"> We conducted raids on 87 premises, resulting in the confiscation of 32 illegal machines and R130,000 declared to SAPS.
Ithala Development Finance Corporation	<ul style="list-style-type: none"> Increased investment in development programmes and projects Property portfolio optimised for tenant retention and attraction Increased contribution of supported SMME's and co-operatives to socio-economic transformation and job creation Increased access to economic opportunities for KZN residents and enterprises from designated groups Effective implementation of development programmes and projects in the province Sustainable and high-performing organisation 	102 022	72 989	<ul style="list-style-type: none"> Created more than 5 000 jobs for the people of KZN by funding SMMEs, upgrading the property portfolio, signing new leases and through the delivery of programmes and initiatives by the Implementing Agent Division. Approved 565 business finance loan applications amounting to R415 million, of which R282 million was distributed during the financial year across 418 businesses. Rand value of the loan book grew from R778 million on 31 March 2023 to R863 million on 31 March 2024. Directed 96% of our funding towards Black-owned, 33% to youth-owned and 38% to women-owned SMME's, in line with a commitment to transformation in KZN. Properties capital expenditure of R64.2 million included development of the new taxi rank and trader's market at Tugela Ferry Shopping Centre, completion of Nongoma Shopping Centre and two factories at the Madadeni Industrial Estate. Concluded 275 leases including two major tenants - Knitwear International (Pty) Ltd in the Isithebe Industrial Estate and Pro-Textiles at Ezakheni Industrial

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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
				<p>Estate. These two tenants alone have created approximately 1 500 jobs.</p> <ul style="list-style-type: none"> ▪ 92,9% of IDFC's procurement spend was from Black-owned businesses, 24.6% from women-owned businesses and 26,3% from youth-owned businesses. ▪ Business development training provided to 312 youth through the Inkunz'isematholeni Youth Programme. Four winners of the business pitch competition received start-up capital worth a combined R500 000.
Richards Bay Industrial Development Zone	<ul style="list-style-type: none"> • Enterprises owned by previously marginalized groups supported • Land fully serviced with ICT infrastructure. • Own revenue Generated • Land available for Development • Project commencing Implementation • Employment opportunities created • Rand Value of Operational investors • Investments value of Black Industrialist investment approved by the Board • Black owned businesses on the enterprise and supplier and development programme 	128 115	128 115	<ul style="list-style-type: none"> • 28 enterprises owned by previously marginalized groups supported. • 80% of land fully serviced with ICT infrastructure • 12.4% Own revenue Generated. • 39.7ha of land available for development. • Three (3) projects commencing Implementation. • 1137 employment opportunities created. • R643 332 961,42 million is the Rand Value of Operational investors • R781 817 907 million is the investments value of Black Industrialist investment approved by the Board • Four (4) Black owned businesses on the enterprise and supplier and development programme
Moses Kotane Institute	<ul style="list-style-type: none"> • Conduct strategic sector research • Produced socio-economic statistical reports • Filed innovation and technology projects for intellectual property processing • Established digital centres • Funded research students • Host strategic sector 	59 055	56 595	<ul style="list-style-type: none"> • 12 Conduct strategic sector research • Produced four (4) socio-economic statistical reports • Four (4) filed innovation and technology projects for intellectual property processing • Three (3) digital centres

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
	dialogues			established <ul style="list-style-type: none"> Funded 30 research students Host two (2) strategic sector dialogues
KZN Film Commission	<ul style="list-style-type: none"> Clean governance Skills development and transformation programmes initiated 	84 907	80 832	<ul style="list-style-type: none"> Clean Audit outcome for 2023-24 Level 1 B-BBEE status achieved in 2023-24 11 SMME incubator programmes supported across the province 37 Bursaries awarded to students studying film-related courses 307 students trained in different film intervention programmes
KZN Growth Fund Trust	<ul style="list-style-type: none"> Achieve % procurement spend on targeted B-BBEE suppliers (procurement spend on targeted suppliers /total procurement spend) Estimated (direct/ indirect) job opportunities to be supported or created Number of deals approved. In the long term (7-10 years), the total value of equity investments exceeds the cost of investment (Equity Book) 	45 579	45 579	<ul style="list-style-type: none"> 91.38% of total procurement from suppliers with a BEE level of 2 and above and/or 20% of total spend on targeted suppliers as at 31 March 2024. 234 jobs opportunities created or supported from approved projects as at 31 March 2024. 3 deals approved as at 31 March 2024 66% of the total cost of the investment portfolio to be maintained as at 31 March 2024.

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

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
KZN212 uMdoni	Municipality	uMzinto Bus Rank Informal Trader Stalls	Yes	2 000	-	Change of scope from trader stalls to mechanic

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						workshop and liaison with traders to obtain consent. LM only compiled formal submission after intervention of the Department. In February 2024.
KZN212 uMdoni	Municipality	uMdoni MEI	Yes	1 000	-	Procurement delays of up to 5 months from January to May 2024. Project has since been completed and goods handed over to SMMEs
KZN212 uMdoni	Municipality	Greenest Municipality Competition	Yes	800	-	The transfer was done closer to the end of the financial year of the Municipality and they needed to do a roll-over. The Municipality was delayed by the budget roll-over process. The money has since been spent
KZN212 uMdoni	Municipality	Beach Development	Yes	2 500	-	Delays were experienced in the implementer's Procurement processes
KZN216 Ray Nkonyeni	Municipality	Margate Airport	Yes	2 000	-	No suitable service provider. Appointed through tender process and then reverted

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						to municipal panel delaying project. Contractor began work in May 2024
DC21 uGu District Municipality	Municipality	Natural Resource Management Programme	Yes	1 500	558	The slow SCM process of the municipality to procure equipment for Phase 1 delayed the entire project implementation substantially
DC21 uGu District Municipality	Municipality	Green & Smart City Municipality Competition	Yes	1 200	-	SCM delays on the side of the Municipality and lack of compliant Service providers resulted in delays in spending. The Municipality is now correcting this process.
KZN225 Msunduzi Municipality	Municipality	MEI	Yes	1 000	437	The slow SCM process of the municipality to procure equipment for Phase 1 delayed the entire project implementation substantially
KZN225 Msunduzi Municipality	Municipality	Informal Economy Infrastructure Development	Yes	1 000	-	The slow SCM process of the municipality to procure a service provider to undertake a traffic impact assessment study has delayed the SPLUMA application required to

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						proceed with the implementation of the project took longer than anticipated.
KZN225 Msunduzi Municipality	Municipality	Pietermaritzburg Airport	Yes	3 000	800	The SCM process was not complete yet, there were some delays experienced. There were also delays at the Durban port for delivery of the generator. But the funds have been spent now
KZN227 Richmond	Municipality	Rehabilitation of Nelson Street	Yes	500	-	The contracting and a transfer payment for the project was delayed and only concluded during Oct 2023. The SCM process to procure a service provider to manage the implementation
KZN238 Alfred Duma	Municipality	MEI for Informal Enterprises	Yes	500	-	Delayed due to non-adherence to Programme guidelines. Municipality had to re-advertise for applications from the public.
KZN238 Alfred Duma	Municipality	Informal Economy Infrastructure Development	Yes	2 000	1 092	No delay. Project was within the implementation

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						timeframe.
KZN 244 uMzinga Municipality	Municipality	uMzinga IEI	Yes	2 000	-	Project within implementation timeframe.
DC24 uMzinyathi District Municipality	Municipality	Economic Development Plan		1 000	1000	
KZN253 Emadlageni Municipality	Municipality	Belele Game Reserve	Yes	3 000	-	Delays were experienced in the implementer's Procurement processes
	Municipality	eMadlangeni MEI	Yes	500	-	Project is currently in procurement phase and grant will be spent before the end of August. Service Provider has been appointed
KZN263 Abaqulusi Municipality	Municipality	EMonldlo IEI	Yes	2000	257	There were delays with procurement, supplier deliveries and forum work stoppages but the project is on track now with expenditure up to R3,081,408.69 as of 23 July 2024. The last tranche of R2m of R6m has been transferred on 23 July 2024. Project planned completion date is 31 August 2024.
DC26 Zululand District Municipality	Municipality	Prince Mangosuthu	Yes	2 000	23	No suitable service

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		Buthelezi Airport				provider, project was re-advertised and technical drawings needed to be undertaken. Appointed Contractor began work in June 2024. Contractor is currently on site.
KZN 271 uMhlabuyalingana Municipality	Municipality	Manguzi Trade Stalls	Yes	4 500	-	The LM was still finalizing the appointment of the contract as the previously appointed one's appointment had expired
KZN275 Mtubatuba municipality	Municipality	Information Center	Yes	3 000	747	
DC27 Umhlosinga Development Agency	Municipal Agency	Mkhuze Airport	Yes	1 000	380	Technical drawings are still out for consultation with stakeholders as there are many iterations and adjustments. Designs are now finalised.
KZN285 Mthonjaneni Municipality	Municipality	Greenest Municipality Competition	Yes	500	30	Municipality is experiencing SCM delays which are on their side. The 30 000 was spent on waste bins
KZN 292 KwaDukuza Municipality	Municipality	Natural Resource Management Programme	Yes	1 500	154	
KZN 294 Maphumulo	Municipality	Greenest Municipality	Yes	500	-	The delay in expenditure

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Municipality		Competition				resulted from the Municipality's internal SCM processes
KZN 4333 Greater Kokstad Municipality	Municipality	Informal E Municipality Economy Infrastructure Development	Yes	1 000	211	19 underutilised trading stalls had to be relocated by the Municipality to the Kokstad CBD and delayed the conclusion of the project implementation .
KZN434uBuhlebezwe Municipality	Municipality	uBuhlebezwe IEID	Yes	2 000	2 000	The SCM and procurement process took longer than anticipated and had to be repeated in total due to no suitable contractor procured initially. A contractor was appointed and expenditure incurred by 30 June 2024
KZN 436Dr Nkosazana Dlamini Zuma Municipality	Municipality	Green & Smart Municipality Competition	Yes	1 200	1 153	Delays in invoicing by the Service Provider led to delays in payments of last invoice for the unspent R47 000.
uMgungundlovu Economic Development Agency	Municipal Agency	Howick Falls Precinct	Yes	5 000	-	Delays were experienced in the implementer's Procurement processes
KZN213 Umzumbe	Municipality	MEI	Yes		-	The

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Municipality				1 000		Municipality had community protests and political disruptions which interfered with smooth running of the Office and sitting of required structures – including delayed contracting of the project.
KZN 222 uMngeni Municipality	Municipality	ITI	Yes	1 400	-	Delays in the appointment of service provider. Appointment has been made by Municipality
	Municipality	MEI	Yes	1 000	-	Project is currently in procurement phase and grant will be spent before the end of August. Service Provider has been appointed.
KZN224 Impendle Municipality	Municipality	ITI	Yes	900	240	The contracting and a transfer payment for the project was delayed and only concluded during Oct 2023. The SCM process to procure a service provider to manage the implementation of the project

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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
						took longer than anticipated.
KZN 281 Mfolozi Municipality	Municipality	KwaMbonambi Town Market Stalls	Yes	1 000	809	Appointment of the contractor was concluded in January 2024 & project activities was still as per implementation plan. Construction works was at 33% and aligned with payments done at the time. Project timeframes as per funding agreement end June 2025 and the transferred amount was only the first tranche of the total costs (R3m)
KZN284 uMlalazi Municipality	Municipality	King Dinuzulu Suburb Trading Facilities	Yes	1 000	495	The project was still in-line with project implementation schedule – costs paid were towards professional fees of Engineer and still, delays were on finalising the appointment of the contractor, which concluded at end of March 2024. Project timeframes end June 2025 as per funding agreement (total costs R3m).

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Service Seta	Departmental Agency		Yes	12 900	-	<p>Recruitment process took longer than anticipated.</p> <p>The recruitment process as well as the industry database analysis conducted by EDTEA with the assistance of the PPRA proved that there are not enough Africans especially youth and women who are eligible for the LP14 Candidacy allocation with an existing NQF 4 who are ready for PDE 4 exam preparation. As such more youth and women required LP01 Learnership Unemployed allocation to start from the beginning with NQF4 training, which was approved by the services seta</p> <p>-there were hiccups and challenges with learner documents and verifications on the services seta LMIS. Delays in obtaining</p>

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						approvals for change of scope of the programme and budget adjustment approval delays. As at 30/7 2024 we are awaiting on legal services to draft and have the addendum approved by the AHOD for the change of scope.
KZN SEDA	Departmental Agency		Yes	2 000	1 045	The budget was transferred in December 2023 and activities were implemented in February and March 2023 before the end of the financial year-end. The remainder of the budget will be utilized in the 24/25 financial year.
University of KwaZulu Natal	Higher Education Institution	RLED Initiative	Yes	3 429	903	UKZN operate on the academic calendar year starting from Jan to Dec, hence by the end of March 2024 there was underspending. Again, there were savings made from other project such as Champions program
Durban University	Higher	RLED Initiative	Yes	1 673	236	DUT operate

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of Technology	Education Institution					on the academic calendar year starting from Jan to Dec, hence by the end of March 2024 there was underspending . Again, there were savings made from other project such as App development and Champions program
KZN Music Cluster (KUMISA)	Private Enterprises		Yes	4 000	4 000	
Nhlaba Trading	Private Enterprises	Waste Economy Support	Yes	323	323	
Maguchi	Private Enterprises	Waste Economy Support	Yes	69	69	
Izwi Lamakhosikazi	Private Enterprises	Waste Economy Support	Yes	22	20	The outstanding item (R2000) is the can crusher which was not delivered by the service provider. Department is looking for it after the failure of the SP who quoted on it to deliver
Zulu Recycling	Private Enterprises	Waste Economy Support	Yes	21	21	
SAAMBR	Non-Profit Institution		Yes	8 734	7 451	SAAMBR's financial year ends on 30 June 2024 – the funds are fully committed
South African	Non-Profit	Feasibility Study		4 000		There were

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Farmers Development Association	Institution	for the Establishment of the Milling Hub			2 000	time delays in the implementation process. The Feasibility required capex prices estimates from the market and this to take more time that estimated and possible products were to be from the market as well the addendum was signed.
	Non-Profit Institution	SAFDA COLLABORATION	Yes	4 000	4 000	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Ilembe Business Enterprise	Kwashushu Hotsprings	3 500	-	Due to Central Supplier Database (CSD) challenges which were identified upon payment, and this delayed the process of transferring funds
KZN Tourism Authority	Mkhuze Falls Game Reserve	3 000	-	These funds were committed for transfer with respect to the Mkuze Falls Game Reserve for the purchase of land to assist the neighbouring community, however, the agreement of sale for this land fell through due to a change in objective. To proceed with the process in respect of the transfer of funds, this necessitated that a due diligence process be undertaken to identify other suitable land, and this was not conducted before the end of 2023/24.

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Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
uMlalazi Municipality	Greenest Municipality Competition	800	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Nkosi Langa Libalele Dube Municipality	Greenest Municipality Competition	600	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Dr Nkozana Dlamini Zuma Municipality	Greenest Municipality Competition	400	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Umziwabantu Municipality	Greenest Municipality Competition	800	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
City of uMhlathuze Municipality	Greenest Municipality Competition	600	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Alfred Duma Municipality	Greenest Municipality Competition	400	-	This is respect of the Greenest Municipality Competition awards. Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Ingqungqulu Mzukuzeli Trading	Waste Economy Support Programme	450	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
KU Green Hands	Waste Economy Support	15	-	Payments were not effected due to the unit responsible

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Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
	Programme			delaying to finalise the necessary processes for payment
Mtima Building and Recycling	Waste Economy Support Programme	15	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Skotane Trading Projects	Waste Economy Support Programme	450	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Abayikwe Trading	Waste Economy Support Programme	350	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Msinga Buy Back Centre	Waste Economy Support Programme	60	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Z Zulu Recycling	Waste Economy Support Programme	450	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Mphathekahle Recycling	Waste Economy Support Programme	250	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Sbongumnotho	Waste Economy Support Programme	450	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Hosha Trading	Waste Economy Support Programme	70	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Zizamele Waste Solutions	Waste Economy Support Programme	38	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Owethu Sbu Trading Enterprise	Waste Economy Support Programme	70	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment

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Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Keep Hillcrest Beautiful Association	Waste Economy Support Programme	10	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Sigoloza Wst Mngt	Waste Economy Support Programme	10	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
uMjovo Trading	Waste Economy Support Programme	30	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Gqamileyo Projects	Waste Economy Support Programme	15	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Siyanotha Co-op	Waste Economy Support Programme	70	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Zethembe Recycling	Waste Economy Support Programme	15	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Uthandoh Lwemveloh Co-op	Waste Economy Support Programme	30	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Manyoni Recycling	Waste Economy Support Programme	65	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Mastende Recycling	Waste Economy Support Programme	15	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Maziwakhe Trading	Waste Economy Support Programme	15	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Ingqwele Edlubhedu Recycling	Waste Economy Support	5	-	Payments were not effected due to the unit responsible delaying to finalise the

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
	Programme			necessary processes for payment
Sinothile Ngomusa Co-op	Waste Economy Support Programme	50	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Jamazee Recycling	Waste Economy Support Programme	55	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Buzumlando NPO Youth Org	Waste Economy Support Programme	50	-	Payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment
Unallocated	Waste Economy Support Programme	62	-	Slightly lower than anticipated due to the list of winners received.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

There were no conditional grants and earmarked funds paid by the department.

6.2. Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2023 to 31 March 2024.

Conditional Grant: EPWP

Department who transferred the grant	Public Works (EPWP Integrated Grant for Province)
Purpose of the grant	To provide EPWP funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximized in line with the EPWP guidelines).
Expected outputs of the grant	540 Work opportunities and 81 Full Time Equivalents
Actual outputs achieved	552 Work Opportunities and 155 Full Time Equivalents
Amount per amended DORA	6 236 000
Amount received	6 236 000

Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department	6 236 000
Reasons for the funds unspent by the entity	Not applicable, EDTEA spent all its the allocated grant fund.
Reasons for deviations on performance	Not applicable, EDTEA surpassed its set grant target.
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	<ol style="list-style-type: none"> 1. The department must report the progress of all EPWP programmes/projects on the EPWP reporting system 15 calendar days after the end of every quarter - by the following dates: 15 April 2023, 15 July 2023, 15 October 2023, 15 January 2024 and 15 April 2024. This quarterly report must be "authorised" by a delegated official from the department. 2. The Department must comply with the requirements of the relevant framework. 3. Submission of a copy of the In-Year Monitoring report to the transferring national officer (National Department of Public Works and Infrastructure) not later than the 15th of every month. 4. Submission of a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring national officer, the relevant Provincial Treasury and the National Treasury. 5. 4. A receiving officer must within two months after the end of the financial year, evaluate the performance in respect of programmes or functions partially or fully funded by an

7. DONOR FUNDS

7.1. Donor Funds Received

Donor Fund: Government of the Swiss Confederation (SECO)

Name of donor	Government of the Swiss Confederation (SECO)
Full amount of the funding	<p>R127 895 512, of which:</p> <ul style="list-style-type: none"> • R86 296 690,46 was managed through the Service Level Agreement (SLA) between the Contracting Authority, the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) and the Implementing Agent Mariswe (Pty) Ltd for the PCU and programme activities. The contract commenced in 01 July 20217 and expired on 31 December 2023 (6 years 6 months). • R9 368 522 and R20 820 000 is contracted to iLembe District Municipality for NRW phase 1 & 2 respectively commenced in February 2023.

	<ul style="list-style-type: none"> • R990 000 is contracted to Mandeni Local Municipality for NRE commenced in June 2023. • R9 420 300 is contracted to KwaDukuza Local Municipality for NRE commenced in September 2023. • R1 000 000 contracted to integrated automated project management information system (PMS) for Enterprise iLembe commenced in June 2024.
Period of the commitment	<p>2017 to 2026</p> <p>The Project Agreement has been extended until 31 December 2026 to allow for the implementation of Non-Revenue Water (New Commitment – phase 2), NRE (KwaDukuza) and Integrated automated project management information system (PMS) for Enterprise iLembe. The extension would also allow for an ongoing evaluation of the impact of other interventions made during the implementation of the programme.</p>
Purpose of the funding	<p>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.</p>
Expected outputs	<p>Inception phase completed. Programme to progress to implementation phase and focus following components:</p> <ul style="list-style-type: none"> • 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> • Municipal Infrastructure Programme <i>Outcome 1: Reduced Infrastructure Constraints</i> <i>Outcome 2: Increased Planning Capacity</i> <i>Outcome 3: Enhanced Planning</i> • 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> • 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> • 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>
Actual outputs achieved	<p>The inception phase commenced in June 2017 and was completed.</p>

	<p>The programme progressed to the implementation period. As of 31 March 2023, Mariswe (Pty) Ltd completed 37 projects on the 31st December 2023. Four (4) projects were transferred to the municipalities and have concluded Grant Transfer Agreements with the Department of Economic Development, Tourism and Environmental Affairs. Those projects are Non-Revenue Water – iLembe District Municipality, Non-Revenue Electricity (Mandeni and KwaDukuza Municipalities) and integrated automated project management information system to Enterprise iLembe to be implemented until 31 December 2026.</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. Municipalities are maintaining their indigent registers, and they are being supported by CoGTA to review the policies and registers on an annual basis. • IndiReg (Indigent IT system) was developed for iLembe family of municipalities. a three-year SLA has been signed for the indigent system, wherein the first-year annual licensing, support and maintenance fees have been paid by Vuthela, while the balance of two years will be paid for by the municipalities as governed by the shared services Memorandum of Agreement (MOA) for automated indigent management system. • 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. • Feasibility Study for The Establishment of a Regional Customer Care Centre Phase I was completed. Customer care charter and policy was developed. • The Memorandum of Agreement (MOA) for the Automated Indigent Register project was finally signed off by all 5 municipalities at the end of the reporting period. • Internal Audit and Risk officials' capacity strengthened in municipal governance. • 25 Councillors and 17 municipal officials have submitted their Portfolio of Evidence (POE) for accreditation for the Municipal Leadership, Finance and Oversight Capacity Training Programme.
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	<ul style="list-style-type: none"> Completed Comprehensive Infrastructure Asset Assessment for IDM in May 2023. Completed Functional design and Specifications for an Asset Management System and digitisation of the Infrastructure Operations and Maintenance process (Incorporating Operations and Maintenance Plan) for IDM. Operationalisation of the EDAMS asset management system in the IDM in underway. <p>b) Municipal Infrastructure (MI) Programme</p> <ul style="list-style-type: none"> The Municipal Infrastructure component undertook the detailed formulation of technical submissions to leverage an additional funding for projects - New Non-Revenue Water Programme (R20,82 million), KwaDukuza Municipal SCADA Project (NT EU GBS R45 Million) and 1,2 million from the Danish Embassy for the No Drop and Tariff Guidelines initiatives; 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. The Concession Contract support Project has completed the infrastructure analysis, the proposed supplementary addendum for the legal review, the financial model report and the customer base assignment. Asset Management Procedure Manuals and Plans completed for 3 municipalities. Completed Non-Revenue Electricity strategy and Programme Development. Mandeni and KwaDukuza took forward to implementation some of the strategy intervention through NRE Pilot projects. Completed Detailed feasibility and preliminary design for renewable energy option at Sundumbili Water Treatment Works (WTW) <p>c) Private Sector Development (PSD) & Building Inclusive Growth (BIG)</p> <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> Building plans smaller 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. The Property Registration project has been completed under Vuthela iLembe Local Economic Development Plan (VILP) and handed over to Mandeni Local Municipality. 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.
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	<ul style="list-style-type: none"> • Artisan Recognition of Prior Learning (ARPL) – 10 candidates have commenced their practical and assessment on the NBI IRM Artisan programme. Planning is currently being done for the 2023 intake. • There are 51 youth trained in KwaDukuza Municipality and 21 in Mandeni Municipality on the iLembe ICT training project. This project closed out in December 2022 with a total of 25 graduates. This is a disappointing 25% graduation rate. • Through a company called E4, Tushiya (the service providers on the IRM project) have managed to secure funding to provide 6 months of entrepreneur training to the project graduates and other persons who are wanting to start ICT companies. This is expected to be launched early in April 2023. • Facilitating the processing of title deeds in Mandeni - 168 title deeds restored with more than 1500 title deeds in processing. • KDM Entrepreneur training and support programme commenced with 20 entrepreneurs. More entrepreneurs to be recruited. • PSD/BIG component also secured additional funding for district programme beneficiaries to the value of R 42,46 million in 5 additional projects (KDM Ease of Doing Business systems and tools, KZN DHS Property Registration, IFC Employability Tool, Installation, Repair and Maintenance (IRM) Project, iLembe ICT Project), through undertaking activities beyond the contractual requirements. • Completed 2 surveys -impact of the COVID-19 lockdown and Civil Unrest of July 2021 on iLembe businesses. • Completed Digitalisation – iLembe Business Directory in June 2023. • <p>d) Partnership and Co-operation (P&C)</p> <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. • 4 Local Economic Development Strategies formulated and approved for 4 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. • The Knowledge Management project distributed the ten (10) Case Studies during the period: Development Charges and Non-Revenue Water. • Fifteen (15) Vuthela Spark Newsletters have been completed and distributed widely.
Amount received (R'000)	Total amount received to date is R95,916,723,51 from SECO and R 7 500 000 from municipal contributions (iLembe, KwaDukuza and

	<p>Mandeni each contributing R2 500 000)</p> <p>No funds were received in 2023/24 Financial Year</p>
Amount spent by the department (R'000)	<p>Total amount spent by the department (2017 to March 2024) is R104,171,731-69</p> <ul style="list-style-type: none"> Amount spent under Mariswe (Pty) Ltd contract is R84,392,919 (PCU – R 40,433,334 and Programme Funds – R 43,959,585.69 from inception to 31 December 2023) Amount transferred to Municipalities - R19,778,812 <p>Total amount spent in 2023/34 Financial Year R21,264,635</p> <p>Amount paid to Mariswe (Pty) Ltd is PCU – R1,485,823. An amount of R4,880,312-65 was refunded from the Programme Funds which were used to pay municipal transferred projects.</p> <p>Funds transferred to the municipalities from June 2023 to 31 March is R19,778,812 , of which:</p> <ul style="list-style-type: none"> R9,368,512 - NRW phase 1 - June 2023 R 990,000- NRE (Mandeni) – July 2023 R9,420,300 – NRE (KwaDukuza) – November 2023
Reasons for the funds unspent	<ul style="list-style-type: none"> There were delays in approvals of the contract extension and memorandum seeking approval to utilise the financial gains – approved by EDTEA and SECO on the 3 November 2021 and 04 February 2022 respectively. Some projects could not be awarded and contracted until both approvals were obtained. There were delays in the refunds of VAT funds from SARS that only began to be received from May 2022. Projects funded by VAT refund could not therefore commence on time. Significant progress was made in claiming and receiving VAT refund due to the programme which was only finalised February 2024. To date all VAT was refunded to the programme. There were enormous delays in completing the outstanding projects due to the beneficiary municipalities officials not making the relevant decisions or timeously facilitating the relevant council resolutions or not providing timeous inputs to various programmes and projects. The matter is being addressed by continuously engaging with the PMT members There were also delays as a consequence of COVID 19 lockdowns and subsequent adaptations, the July 2021 unrest and floods in KZN; at a time when the programme was entering its implementation phase. There were delays of about 7 months (from March 2022 to September 2022) in finalising the amendment of the Programme Agreement to incorporate the Non-Revenue Water (NRW) water and other possible projects to be transferred to the municipalities for implementation. There are delays in procurement in all municipal transferred projects.
Monitoring mechanism by the donor	<p>The Programme Co-ordinating unit was reporting monthly on all programme activities and financial expenditure against the Project Execution Plan until 31 December 2023. There are Project Management Team meetings monthly to monitor projects on the programme. There are quarterly Project Steering Committee meetings attended by the</p>

	political and administrative heads of the participating municipalities as well as the Donor.
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8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	970	168	802	1 203	203	1 000
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	234	234	-	-	-	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	117 797	114 297	3 500	237 405	237 405	-
Total	119 001	114 699	4 302	238 608	237 608	1 000

PART C:

GOVERNANCE



1. INTRODUCTION

KZN EDTEA is dedicated to upholding the highest governance standards, essential for managing public finances and resources. Good governance structures are in place to effectively, efficiently, and economically utilise state resources.

2. RISK MANAGEMENT

The Corporate governance requirements of the King IV report on the Accounting Officer's responsibilities are outlined in sections 38 and 40 of the PFMA. In compliance with this legislation, the Department has established a Risk Management Committee, a Risk Management Champions Steering Committee, and an Ethics Management Committee. These committees are responsible for ensuring that the Department upholds corporate, ethical, social responsibility, and accountability standards for all its stakeholders.

The department is committed to managing risks effectively in all its business operations. The Accounting Officer ensures that the risk management process aligns with the principles of good corporate governance and the Public Finance Management Act (PFMA). To elevate the status of risk management, Executive Management are members of the Risk Management Committee.

The Provincial Cluster Audit and Risk Committee receives quarterly updates on the department's progress in implementing strategies to mitigate risks and strengthen the control environment. This committee advises the Department on risk management matters and independently monitors the effectiveness of the risk management system. As a result, the department is developing a more robust risk management culture and has approved a new organizational structure to strengthen the Risk Management component.

The department continues to implement the approved risk management policy, risk management strategy, and risk tolerance and appetite statement. These documents guide the risk management process and promote a positive risk management culture. Quarterly risk assessments are conducted to evaluate the effectiveness of the risk management policy and to identify new and emerging risks. Risks are identified through risk assessment sessions and the department's strategies, and the risk register is subsequently updated.

In addition, the department has a Risk Management Committee (Chaired by the Accounting Officer) that advises management on the overall system of risk management, particularly in mitigating unacceptable levels of risk. The Risk Management Champions Steering Committee (Chaired by the Chief Risk Officer) plays a crucial role in institutionalizing risk management at all levels within the Department. These committees primarily facilitate the management of risks facing the department and ensure appropriate action is taken to address those risks.

In the 2023/2024 financial year, the committee made significant progress in the areas of governance of information technology, business continuity, loss control, occupational health & safety, and fraud prevention awareness. This progress was largely attributed to a more mature approach to governance and the department's commitment to its stakeholders.

The department's risk management approach adheres to the National and Provincial Risk Management Framework and is led by the Risk and Integrity Management Unit.

Additionally, the department complies with the corporate governance requirements of the King IV report through various functional structures within the organization, including top management, risk management, and public entity oversight forums. The department ensures that good corporate governance aligns with its strategy, culture, relationships, performance, compliance, and accountability.

There has been significant progress in the implementation of risk mitigation plans compared to previous years as the organisational performance on the implementation of risk mitigation plans was at 82%.

3. FRAUD AND CORRUPTION

The department continues to implement the approved fraud prevention plan, which is reviewed on an annual basis. The approved plan includes a fraud response policy that features mechanisms for reporting fraud and corruption. It also incorporates a whistle-blowing policy to limit the risk of employee victimization.

The Ethics Management Committee, chaired by the Accounting Officer, meets quarterly to discuss issues related to ethics and integrity management. This committee was established following the DPSA guidelines.

The department acknowledges that to effectively prevent fraud, all fraudulent activities detected by employees and other stakeholders must be promptly investigated. All allegations received through the National Anti-corruption Hotline (NACH) are referred to the Provincial Forensic Unit for investigation. The forensic unit conducts independent investigations and provides reports to the department for implementing recommendations and instituting consequence management where necessary.

In 2023/24, the Department established a dedicated email line for reporting allegations. Each allegation is addressed, and the Internal Audit Unit conducts internal and preliminary investigations on all allegations received through this platform.

The department has improved mechanisms to mitigate the risks of fraud and corruption. The focus is to create awareness of the fraud prevention plan through education and communication.

4. MINIMISING CONFLICT OF INTEREST

The department has an approved integrity management policy that guides how to deal with ethics and issues of conflict of interest. This policy is implemented continuously, and awareness campaigns are conducted to encourage employees to report all instances of actual, potential, and perceived conflicts of interest.

The department ensures that designated officials submit their disclosure of financial interests and benefits to minimize the risk of conflict of interest. Discrepancies are followed up, and transgressions are reported to labour relations for consequence management. Also, interests are declared in all key committee meetings, including Bid Committees, and during recruitment processes.

5. CODE OF CONDUCT

The Code of Conduct for the Public Service 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. 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. 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 their 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 Economic Development Tourism and Environmental Affairs. There are awareness campaigns to continuously remind employees of the rules and standards and the expected behaviour.

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 alleged breach and seek a response within the prescribed time frame. Depending on the nature and seriousness of the breach, impact of the breach on the public service, salary level of the employee and mitigating and aggravating factors supervisors may sanction the employee in an informal meeting. More serious breaches require a formal discipline hearing where an appointed chairperson decides on the sanction.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Management commitment to Employee Health and Safety performance is highly recognized as one of the elements most critical to the Employee Health and Safety program success and to the development of a strong culture of safety within the department. Plans of complying with laws and regulations, using energy more efficiently, reducing waste, preventing accidents and incidents, conducting periodic assessments to inspect, implement, monitor and evaluate the Employee Health and Safety program are established. EDTEA has an existing Employee Health and Wellness committee that is formulated to discuss any occupational incident at the workplace; pressing occupational health and safety and employee wellness matters; and to make recommendations to the employer regarding matters affecting the health and safety of employees at the workplace. Employees can report

accidents or any observed unsafe or unhealthy conditions to the employer or to the health and safety representative of EDTEA. Disaster Management plans are in place. There is gradual positive shift in the awareness of the Employee Health and Wellness program and the commitment from employees to also take accountability in maintaining a safe and healthy environment within the workplace.

7. PORTFOLIO COMMITTEES

Portfolio Committee on Economic Development and Tourism

Committee Meetings were held on 2 May 2023 and 2 November 2023 to process the following Bills for the department:

KZN Economic Regulatory Authority Bill, 2023

KZN Tourism and Audio-Visual Agency Bill, 2023

KZN Moses Kotane Research Institute Bill, 2023

KZN Growth fund Agency Bill, 2023

Portfolio Committee on Conservation and Environmental Affairs

No Committee meetings took place in the 2023/2024 financial year.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
n/a	n/a	n/a	n/a	n/a

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
n/a	n/a	n/a

10. INTERNAL CONTROL UNIT

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

- Follow up review on the implementation of recommendations made by the Auditor – General in 2022/2023.
- Follow up review on the implementation of recommendations made by the Provincial Treasury during 2023/2024.
- Determination tests on Irregular expenditure.
- Determination tests on fruitless and wasteful expenditure.
- Compliance to legislations and policies review.
- Compliance with prescripts (Monthly BAS and Hardcat payments).
- 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 2024, 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.

1. Audit Committee Members and Attendance

The ESID CARC consisted of the members listed hereunder who have met as reflected below:

#	Name of Member	CARC Meetings Attended
4.	Mr S Maharaj – CARC Chairperson	4 of 4
5.	Mr M Tarr	4 of 4
6.	Ms B Jojo	3 of 4

The PARC consisted of the members listed hereunder who have met as reflected below:

#	Name of Member	Ordinary Meetings Attended	Special Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	4 of 4	1 of 1
2.	Ms S Makhathini	4 of 4	1 of 1
3.	Dr M Zakwe	3 of 4	1 of 1
4.	Mr S Maharaj	4 of 4	1 of 1
5.	Mr M Tarr	4 of 4	1 of 1
6.	Ms B Jojo	3 of 4	1 of 1
7.	Mr S Mthethwa	4 of 4	1 of 1
8.	Ms R Ramphal	4 of 4	1 of 1
9.	Mr S Magagula	3 of 4	1 of 1

On 4th September 2023, three new Provincial Audit and Risk Committee members, namely, Dr M Zakwe; Ms B Jojo and Mr S Magagula were appointed by the MEC for Finance for a period of 3 years.

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 the Management Report of the Auditor General of South Africa (AGSA) and has noted with concern the weaknesses in controls around the following areas:

- Performance Information
- Transfer Payments
- Supply Chain Management
- Hardcat System Application Controls

The Committee considered the agreed-upon management interventions to improve the systems of control relating to these areas and urged for the timeous implementation thereof to avoid re-occurrence of these audit findings in the future.

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 perform 12 audit assignments for the period under review, of which 11 audit assignments were finalised and one (1) was carried-over to quarter 1 of 2024/25 financial year with the approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2024/25 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 made by the Department on various risk management initiatives.

With regard to the Department's risk register as at 31 March 2024, as summarised in the table below, the Committee noted the progress made by the Department on implementing 82% of its risk mitigation plans. The Department was urged to address the remaining risk mitigations, and to constantly review and update its risks, including risk mitigation plans, on a regular basis.

Focus areas	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
						109
No. of agreed risk mitigation plans.	4	113	89	5	1	212
No of implemented risk mitigation plans.	3	87	77	5	1	173
% completion of risk mitigation plans.	75%	77%	87%	100%	100%	82%

The Committee noted progress made by the Department on implementing minimum risk management standards as prescribed by the 2021 Provincial Risk Management Framework. From the assessment performed by PIAS (Risk and Advisory Services) during the period under review, the Department fully complied with 12 of the 15 standards and partly complied with three. The Department was encouraged to increase its efforts to ensure full compliance with all the standards, as well as ensure that the vacant positions within the risk management function are filled.

The Committee encouraged the Department to enhance its business continuity management (BCM) practices through customisation and adoption of various BCM templates and guidelines as provided by the PIAS (Risk and Advisory Services). The Department was also advised to link its BCM practices with disaster management plans (as required by the Disaster Management Act) to ensure seamless resumption of business operations and critical services in the event of emergencies.

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

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

The Committee monitored the implementation of corrective actions in respect of the detailed findings emanating from the previous regulatory audit as well as PIAS audits on a quarterly basis through the CARC processes.

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.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

The Committee commended the Department for submitting the Annual Financial Statements that were free from material misstatements. Furthermore, the Committee commended the Department for ensuring that compliance with applicable legislations was maintained. Although material findings were not raised regarding material misstatements subsequently corrected throughout the audit of performance information, the Committee urged the Department to ensure controls are attended to.

7. Forensic Investigations

The Committee noted 12 investigations relating to procurement irregularities covering period 2013 to 2019 had been conducted, 11 of these had been completed and 1 was still in progress at year-end. The Committee will follow-up on the process of these matter throughout the next financial year as part of conducting its oversight responsibilities.

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
08 August 2024

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 / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	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	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, RDP and Specific goals criteria. • After the 2022 Concord ruling, the new policy the regulation has a loophole as companies who are not B-BBEE compliant can still benefit from procurement based on price and companies are no longer required to produce B-BBEE Certificate
Determining qualification criteria for the sale of state-owned enterprises?	No	The function is not applicable to EDTEA
Developing criteria for entering into partnerships with the private sector?	Yes	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	The Department 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

PART D:

HUMAN RESOURCES MANAGEMENT



1. INTRODUCTION

The HRM & D Directorate of EDTEA comprises of 7 Sub-Directorates namely: Organizational Design, Policy & Information Systems, Service Conditions, Human Resource Development & Performance Management, Employee Health & Wellness, Labour Relations and lastly Recruitment. These sub-directorates are aligned to the approved structure of the Department. The functional areas of these sub-directorates conform to the respective job descriptions and are aligned to the operational plan of the Directorate.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department.

Currently, the department is in its third year of implementation of its 3-year Strategic HR Plan which expired on 31 March 2024. However, provisions do exist to extend the implementation aspect of this expired plan for a further one year considering it is an election year and this will also allow the alignment of the department's new 5-year HR Plan with its new 5-year Strategic Plan which comes into effect on 01 April 2025.

The development of the HR Plan was based on detailed research and analysis of the department's functional areas, mandate and strategic plan to ensure alignment. Based on the gap analysis of the research findings, a number of strategic HR Objectives were identified to improve the department's current situation. To give effect to these objectives, a number of interventions were prioritised for implementation.

Considering that most of these interventions were under HRM & D there needed to be some enabling conditions to be successful revise. Some of these included, the aligned and approved structure, adequate capacity, sufficient support from management and the recognition of HR as a strategic partner in all business processes.

	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,	Develop and Implement a Change Management Strategy with appropriate interventions to address all areas of change within the organization

	Strategic HRP Objectives	Strategic HRP Interventions
	inclusive of all other change management issues	
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 8%
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 appointments within the department	Conduct employee verification exercise to 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	Develop Strategy to preserve organizational

	Strategic HRP Objectives	Strategic HRP Interventions
	institutional memory	memory

During the third year 2023-2024 Financial Year of implementation, our goals were as follows:

- **Repositioning of the HRM&D: Elevate HRM & D Directorate as a strategic partner within the organization** which meant ensuring HR matters become the strategic agenda item at both MANCO and EXCO meetings. HR function must be seen not just as an administrative component of the department, but also as a strategic and responsive function. HR is, inherently, part of the strategic and operational planning processes of the department.
- **Implement the approved structure:** Implement the structure as per projected plan. Evaluate performance against projected structure. Bench mark posts in terms of industrial standards. **Develop and Implement a Change Management Strategy:** Approval of a Change Management Strategy Evaluate the levels of change in the organization. Implement interventions. Allocation of R50 000 budget.
- **Reduce Vacancy Rate from 15% to 8%:** Draft annual recruitment plan. Request for approval of prioritised posts. Implement recruitment process.
- **Increase recruitment of females at SMS from 40% to 50%:** here again the department had a challenge to achieve this target since 2012. The aim was to increase the percentage of females at SMS to at least 50% in year three.
- **Increase recruitment of PWD's from 1.27% to 2%:** Our aim was to achieve at least 2% in the third year of implementation. A budget of R120 000 was allocated for the recruitment of interns who fall with the category of PWD's.
- **Address skills gaps at SMS and improve supply in critical and scarce skill occupations:** the intention is to be in compliance with DPSA's mandatory training and development of SMS members. Also, to address the skills gaps identified through the HR Planning internal research process. Furthermore, through external bursaries address the future skills demands in critical and scarce skill areas. Our target was to train and develop 30% of SMS members and to issue 6 external bursaries. A budget of 20% of the training budget was allocated to develop SMS Members.
- **Address all matters of performance management as per EPMDS implementation plan;** the aim was to bolster compliance to timeframes and ensure commitment from all employees. Our target was to achieve 100% compliance in year two. A budget of 1.5% of the remuneration budget was allocated for the payment of pay progressions
- **Reduce turnover rate from 5% to 3%:** Considering that human resources is the department's most valuable asset our aim was to reduce the number of employees exiting the department by implementing interventions such as revised retention policy, analysing exit interviews and implementing succession planning strategies. Our planned target was to reduce the turnover rate from 5% to 3% in year three. A budget of R1 000 000 was allocated for the retention of employees.
- **Introduce and Implement an e-leave system:** To improve the administration of leave, the department planned on investing in an e-leave system. The system would essential speed up the leave management process, reduce delays in capturing leave application, reduce workload in the service conditions unit and improve control. Our

target was to ensure efficient and effective operation of the e-leave system. All employees to be affluent with the system. A budget of R 333 333.33 was allocated for implementation of the system and maintenance.

- **Conduct employee verification exercise to confirm no “ghost employees”:** this exercise is meant to avoid any fraudulent appointments and payments to ghost employees and to take corrective actions if any are found. Our planned target was to complete the exercise for the entire department annually. A budget of R200 000 was allocated to implement the exercise.
- **Conduct Persal Clean-up exercise to improve integrity of Persal Reports from 95% to 99%:** any computer system works on the principle of “garbage in garbage out”. To improve the quality of information on the system it is vital to ensure there is Persal audits and verifications taking place continuously. Year three required an improvement from 97% to 99%.
- **Implement EHW interventions to address identified gaps to ensure a healthy and balanced workforce and conducive working environment:** Our objective is to get maximum productivity from our employees and to achieve this we need to ensure that our employees are healthy and they work in a conducive working environment at all times. The relevant research and analysis will determine our gaps and what interventions are needed to be put in place to address such gaps. This intervention required a plan on each of the four pillars and quarterly progress reports. A budget of R666 666.00 was allocated to address all interventions identified.
- **Develop and implement consequence management strategy to address unethical conduct and behaviour of employees:** the objective is to ensure that all employees are responsible and accountable for their behaviour and actions. This intervention required the finalization of the research and consultation processes with relevant stakeholders and the approval of the strategy during year two of the plan. An amount of R50 000.00 was allocated to achieve this goal
- **Develop a strategy to preserve organization memory;** the objective is to ensure that before employees exit the department, the skills and knowledge are transferred to other employees and also a database of all the procedures and processes is maintained for future needs. Our Knowledge Management unit in collaboration with DPSA and managers are currently working on such a database. A budget of R50 000.00 was allocated to achieve this target.

During the third year of implementation the department was successful in achieving the following interventions / targets.

- The department’s approved new structure is in its second year of implementation. All employees have been successfully matched and placed according to the new structure. All posts have been benchmarked with Industry Standards. The structure is currently being evaluated for effectiveness and all challenges are being addressed.
- Successful alignment of the department’s strategic plan and HR Plan.
- The Change Management TOR’s have been finalised. The department is currently soliciting the services of Service Provider to conduct a comprehensive Change Management exercise.
- All employees of the department are updated continuously of all developments on the HR matters. District Offices are also workshopped on a quarterly basis of all updates. HRM&D also has a DD Forum which meets on a monthly basis to deliberate on HR Issues. This also helps to address any silo mentality of the various functions. HR is involved in the Strategic Planning and APP process as well as coordination of Provincial HR turnaround strategy.

- A drastic reduction in vacancy rate from 15% to 5% in year 3. Due to implementation of the new structure and filling of critical posts the vacancy rate has increased from 5% for the most part of year 3 to 7% is expected. During year 3, 168 posts were approved for filling by OTP. 159 posts were advertised through Sthesha Wayawaya, in excess of 92000 applications were received. 59 posts were filled (4 SMS, 31 Salary Level 1-12, 24 contract). Recruitment expenditure for year 3 of the plan amounted to R314 244.63. In addition, Number of Filled Posts; 872 and 261 Internship/ Graduate Programme/Contract. Posts filled on contract but not on structure (24) and 4 Assistant Director: Operation Vula (36 Month Contract). 20 Project Officer: Operation Vula (36 Month Contract).
- Number of posts not yet prioritised; 444, 60 Already routed to OTP for prioritisation and 384 not yet prioritised.
- A reduction in turnover rate from 5% to 3% was achieved.
- A number of workshops have been conducted on the e-leave system. The departmental Leave Policy had been reviewed to accommodate the e-leave system. The Policy was workshopped amongst staff. It is operational and up and running
- This function has been relocated Internal Audits. The verification of employee exercise "ghost employees" had been conducted at all offices. No "ghost employees" have been identified.
- An improvement in Persal information from 97% to 99%. Also, all Persal meetings are being attended on a quarterly basis. Systems are in place for the verifying of information correctness which takes place on an ongoing basis. Annual Persal Improvement Plans are drafted, approved and implemented. Persal meetings are attended every two months. Exit interview analysis report for quarter 3 already submitted & presented at the Ethics Committee meeting. E-Leave system is operational. Technicalities are being attended to via the Service provider. PILIR meetings are attended quarterly.
- JMS skills audit is ongoing as they analysing the information. Currently doing the skills audit for SL 8.
- One Hundred and fifteen (115) employees were trained for year 3 at a cost of R1 269 148.00. SMS: Twelve (12) members were trained in Induction Programme for Board Members; Fifty-One (51) were trained in Theory of Change for Strategic Planning and fourteen (14) was trained on Ethical Leadership and Executive Leadership. At Salary Levels 1-12: Hundred & Twenty (120) employees attended Compulsory Induction; Two (2) attended Induction Programme for Board Members and One (1) attended Ethical Leadership & Executive Oversight. Fifteen (15) employees are in receipt of a bursary at a cost of R179 000.00. There are Eleven (11) no-employees who are also receiving bursaries from the department.
- All four EHW plan and quarterly reports are being submitted to Office of the Premier. EHW interventions are taking place on a quarterly basis. HIV screenings were done in Q1, Q2 & Q4. This includes TB and STIs screening. Condom distribution and HIV awareness were also done throughout 2022/23. We had 5 awareness, this does not include flyers, pamphlets, and posters distributed. Counselling services were rendered to employees. 26 Awareness on various health topics including mental health were conducted throughout 2023/24. This includes articles, flyers, pamphlets, posters and in contact session.
- Office inspections conducted at 7 district offices, Regular office inspections Constant communication with all the district offices and good work relations with Auxiliary Services is imminent and identified issues are addressed and conducted quarterly. Provided cloth masks to all our employees including security staff and cleaners
- Monthly distribution of sanitizers to all our employees
- Glass shields installed in all departmental office receptions to protect front line staff

- Cleaners trained regarding new cleaning protocols and waste management
- Sanitizer stands placed in strategic areas
- Continuous awareness and support on all health & safety related matters
- The consequence management strategy has been approved and is being implemented. A consequence management committee has also been established.
- A strategy and database to preserve organization memory is currently being implemented by the Knowledge Management Unit and SOP's are being developed in accordance to the plan.

However, there were implementation challenges in the following areas:

- The increase in recruitment of females at SMS from 40% to 50%. In the reporting period, more males have been recruited and by default the percentage of females has dropped to 38%.
- Addressing all matters of performance management as per EPMDS implementation plan. Only 95% of Performance Agreements were received instead of the 100% target projected.

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.
- To ensure that the department recruits the right people, the department ensures and verifies the requirements for the post is aligned to the job description of the post. All recruitment is done in accordance to the departmental approved recruitment and selection policy.
- 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.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.
- 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. However, the HR Plan was extended to include one year of implementation (2021-2025) due to the fact that it an election year and the strategic plan of the department is expiring.

- Successful compilation, approval and assessment of HRP Implementation report for 2022/23 which was submitted in May 2023. Achievement of 100% for compliance and 100% for quality of information.
- Successful reporting of EE statistics to Department of Labour for 2022/2023.
- Successful Audit by Department of Labour on all EE matters for the period 2022/2023. 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 2023 and 31 March 2024

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	127,781	126,251	1,378	152	98.8	515.31
Integrated Economic Development	90,034	76,886	5,091	8,057	85.4	646.10
Trade and Sector Development	34,361	21,442	2,485	10,434	62.4	893.41
Business Regulation & Governance	42,483	37,359	6	5,118	87.94	679.25
Economic Planning	23,246	21,496	0	1,750	92.47	537.40
Tourism	24,407	23,290	827	290	95.42	401.55
Environmental Affairs	157,053	155,201	1,618	234	98.82	668.96
Total	499,365	461,925	11,405	26,035	92.5	539.63

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure	% of total personnel	No. of	Average personnel cost per
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	(R'000)	cost	employees	employee (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (level 3-5)	16,802	3.64	50	336.04
Highly skilled production (levels 6-8)	106,090	22.97	218	486.65
Highly skilled supervision (levels 9-12)	236,202	51.13	287	823.00
Senior and Top management (levels 13-16)	68,643	14.86	51	1,345.94
Contract/others	34,188	7.40	129	265.02
Total	461,925	100	735	628.47

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

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	119,091	74.21	4,136	3.47	3,024	2.50	5,199	4.11
Integrated Economic Development	72,838	84.23	702	0.96	1,572	2.15	1,774	2.43
Trade and Sector Development	20,872	95.48	0	0	346	1.65	224	1.07
Business Regulation & Governance	35,109	92.39	0	0	809	2.16	1,441	3.85
Economic Planning	20,693	95.52	59	0.27	438	2.03	365	1.69
Tourism	20,799	95.49	54	0.23	844	3.62	1,593	6.83
Environmental Affairs	144,407	68.73	318	0.20	3,307	2.13	7,169	4.61
Total	433,809	93.91	5,268	1.14	10,340	2.23	17,765	3.84

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel	Amount (R'000)	Overtime as a % of personnel	Amount (R'000)	HOA as a % of personnel	Amount (R'000)	Medical aid as a % of personnel

		costs		costs		costs		costs
Skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	13,172	2.85	905	6.87	940	0.20	1,788	0.38
Highly skilled production (levels 6-8)	92,278	19.97	2,004	0.43	3,711	0.80	8,097	1.75
Highly skilled supervision (levels 9-12)	222,785	48.22	1,480	0.32	4,570	1.18	7,367	1.59
Senior management (level 13-16)	67,277	14.56	0	0	1,035	0.22	331	0.07
Contract/Other	38,297	8.29	879	0.19	84	0.01	182	0.03
Total	433,809	93.91	5,268	1.14	10,340	2.23	17,765	3.84

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 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	261	237	9.7	52
Integrated Economic Development	129	119	7.8	33
Trade & Industry Development	28	24	14.3	8
Business Regulations	55	55	0	3
Economic Planning	44	40	9.1	15

Tourism	68	58	14.7	13
Environmental Affairs	344	323	6.1	106
Total	929	856	7.9	230

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	206	206	0	206
Skilled (3-5)	72	58	20	0
Highly skilled production (6-8)	252	248	1.7	18
Highly skilled supervision (9-12)	333	291	13.1	5
Senior management (13-16)	66	53	21	1
Total	929	856	7,9	230

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related	377	377	0	229
Secretaries & Other Related	25	25	6	0
Drivers/Messengers	7	7	0	0
Legal Admin. Related	5	5	0	0
Communication/ Information Technology Related	9	9	0	0
Trade & Industry Related	77	77	0	0
Environmental Related	336	303	9.82	0
Senior Management Services	66	53	21	1
Total	929	856	7.9	230

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 timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2024

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	2	1	50	1	50
Salary Level 14	13	11	84.61	2	15.38
Salary Level 13	49	39	79.59	10	20.4
Total	66	53	80.30	13	16.69

Table 3.3.2 SMS post information as on 30 September 2023

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/ HOD	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	13	11	84.61	2	15.38
Salary Level 13	49	38	77.55	11	22.44
Total	66	52	78.78	14	21.21

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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/ HOD	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	1

Salary Level 13	2	2	1
Total	2	2	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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months

Delayed due to the process of requiring the funding of posts

Reasons for vacancies not filled within twelve months

Interviews were conducted but no suitable candidates were found and thus posts have to be re-advertised.

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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months

Nil

Reasons for vacancies not filled within six months

Nil

Notes

- 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 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	193	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	258	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	463	5	100%	0	0	0	0
Senior Management Service Band A	56	1	100%	0	0	0	0
Senior Management Service Band B	15	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	989	0	100%	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0

Total	0	0	0	0	0
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Employees with a disability	0
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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 2023 and 31 March 2024

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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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 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0	0	0	0	0
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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 2023 and 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels3-5)	50	15	9	18
Highly skilled production (Levels 6-8)	218	33	8	3.67
Highly skilled supervision (Levels	287	15	17	5.92

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
9-12)				
Senior Management Service Bands A	37	2	4	10.81
Senior Management Service Bands B	11	0	0	0
Senior Management Service Bands C	2	1	1	50
Senior Management Service Bands D	1	0	0	0
Other/Contract	129	216	42	35.56
Total	735	282	81	11.02

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	245	257	66	26.93
Secretaries & Other Related	46	0	0	0
Drivers/Messengers	6	0	0	0
Communications & Marketing	8	0	0	0
Financial & Related	26	0	0	0
Human Resources Management	33	12	0	0
Information Technology	3	0	1	33.33
Trade & Industry Related	80	3	5	6.25
Environmental Management Related	232	7	4	1.72
Senior Management Services	55	3	5	9.09
MEC	1	0	0	0
TOTAL	735	282	81	11.02

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 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	43	53.09
Expiry of contract	19	23.46
Dismissal – operational changes	0	0
Dismissal – misconduct	3	3.7
Dismissal – inefficiency/ Abscondment	1	1.23
Discharged due to ill-health	1	1.23
Retirement	4	4.94
Transfer to other Public Service Departments	10	12.35
Total	81	100
Total number of employees who left as a % of total employment		11.02

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	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	239	3	1.26	0	0
Secretaries & Other Related	48	0	0	0	0
Drivers/Messengers	6	0	0	0	0
Communications & Marketing	8	0	0	0	0
Financial & Related	26	0	0	0	0
Human Resources Management	33	1	3.03	0	0
Information Technology	3	0	0	0	0
Trade & Industry Related	80	3	3.75	0	0
Environmental Management Related	236	3	1.27	0	0

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Senior Management Services	55	0	0	0	0
MEC	1	0	0	0	0
TOTAL	735	10	1.36	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	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)	0	0	0	0	0
Skilled (Levels3-5)	50	0	0	0	0
Highly skilled production (Levels 6-8)	218	1	0.46	0	0
Highly skilled supervision (Levels 9-12)	287	7	2.44	0	0
Senior Management (Level 13-16)	51	2	3.92	0	0
Other/Contract	129	0	0	0	0
Total	735	10	1.36	0	0

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 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	0	2	1	17	1	2	0	52
Professionals	102	2	11	5	121	5	17	2	265
Technicians and associate professionals	66	0	1	0	16	0	13	2	248
Clerks	20	0	0	0	35	1	0	0	56
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	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	3	0	0	0	0	3
Total	217	2	14	9	189	7	32	4	624

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Employees with disabilities	6	0	0	1	0	11	1	1	20
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Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	27	0	2	1	17	1	2	0	50
Professionally qualified and experienced specialists and mid-management	76	1	9	5	97	3	13	1	205
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	92	1	3	0	190	2	17	3	308
Semi-skilled and discretionary decision making	20	0	0	0	35	1	0	0	56
Unskilled and defined decision making	0	0	0	0	3	0	0	0	3
Total	217	2	14		342	7	32	4	624

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	8	0	0	0	5	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	15	0	0	0	40	0	0	0	55

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	9	0	0	0	14	0	0	0	23
Unskilled and defined decision making	48	0	0	0	133	0	0	0	181
Total	83	0	0	0	193	0	0	0	276
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

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	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	0	3	1	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	0	4	1	0	0	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	2	0	0	0	2	0	0	0	4
Professionally qualified and	11	0	1	0		6	1	0	19

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	4	0	0	0	4
Semi-skilled and discretionary decision making	1	0	0	0	4	0	0	0	5
Unskilled and defined decision making	14	0	0	0	23	0	0	0	37
Total	30	0	1	0	33	6	1	0	71
Employees with Disabilities	0	0	0	0	0	0	0		0

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Sanctions issued were, Written Warning, Final Written Warning, Corrective Counselling, and Dismissal	12	0	01	0	04	0	0	0	17

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	0	2	2	17	1	2	0	53
Professionals	88	2	7	5	114	2	23	1	242
Technicians and associate professionals	67	0	3	1	76	4	4	2	157
Clerks	15	0	0	0	34	0	0	1	50
Service and sales workers									

Elementary occupations	34	0	0	0	80	1	7	0	122
Total	233	2	12	8	321	8	36	4	624
Employees with disabilities	4				3	1	3		11

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 2023

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	-	-	-	-
Salary Level 16	1	1	1	100%
Salary Level 15	2	2	1	50%
Salary Level 14	11	11	10	91%
Salary Level 13	43	43	37	91%
Total	57	57	51	89%

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

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
Some SMS members did not adhere to the timeframe of submitting their performance agreement within 3 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 2024

Reasons
Non-Compliant letters were issued to the affected SMS members for the period of 2023/24.

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 2023 to 31 March 2024
Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 to 31 March 2024

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 the performance assessments process for 2023/2024 period is not yet finalised therefore there are no performance rewards that have been awarded to officials due to backlog.

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

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 the performance assessments process for 2023/2024 period is not yet finalised therefore there are no performance rewards that have been awarded to officials due to backlog.

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

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 the performance assessments process for 2023/2024 period is not yet finalised therefore there are no performance rewards that have been awarded to officials due to backlog.

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 2023 to 31 March 2024

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

In relation to the above table the performance assessments process for 2023/2024 period is not yet due for SMS members.

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 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		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)	1	100	1	100	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	2	100	2	100	0	0
Total	3	100	3	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals & Managers	1	100	1	100	0	0

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2023

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)	204	77	31	7.4	7	208
Highly skilled production (levels 6-8)	1 098	82.5	155	37.2	7	1,839
Highly skilled supervision (levels 9 -12)	1 042	81.9	163	39.1	6	3,242
Top and Senior management (levels 13-16)	87	85.1	16	3.8	5	430
Other	159	61.6	52	12.5	3	49
Total	2 590	80.6	417	100	6	5,767

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

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)	93	100	2	40	47	150
Highly skilled supervision (Levels 9-12)	187	100	3	60	62	588
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	280	100	5	100	56	738

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 2023 to 31 December 2023

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)	893	63	14
Highly skilled production (Levels 6-8)	4 483	218	21
Highly skilled supervision (Levels 9-12)	5 980	276	22
Senior management (Levels 13-16)	944	48	20
Other	1 461	221	42
Total	13 761	826	17

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

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 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	47
Highly skilled supervision (Levels 9-12)	4	1	4	56
Senior management (Levels 13-16)	0	0	0	44
Total	0	0	0	52

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 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to termination of service	1048	76	13
Capped leave payouts on termination of service for 2023/24	840	5	168
Current leave payout on termination of service due to death/retirement/medical retirement for 2023/24	449	5	898
Total	1 231	86	1,079

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<ul style="list-style-type: none"> The department has employees who are at the child bearing age and these are deemed high risk as they are most likely to have unprotected sex. Most of our employees have had to leave their families and moved to Pietermaritzburg to get closer to place of employment Most of our employees are field based and spend most of their time traveling to site and sleeping in hotels. The nature of work is highly stressful and demands good coping mechanisms, 	<ul style="list-style-type: none"> Emphasis on sexual health awareness, coping mechanisms, communication skills and basic family values. Papsmear screenings are frequently arranged for all EDTEA female staff with special emphasis for women on ARV treatment. Provision of Voluntary Medical

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some of the employees lack in this regard and end up employing unhealthy coping mechanisms	Male Circumcision (VMMC) for HIV Prevention is currently being introduced to EDTEA.
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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 6 staff members: 1 Deputy Director, 2 Wellness Practitioners and 3 Occupational Health and Safety Practitioners Approved budget of R 4 100 000.00
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, IEC material distributed on the intranet, Webinars for the empowerment of all EDTEA employees covering the following sub-programmes; <ul style="list-style-type: none"> - Financial Literacy Programme - HIV/AIDS Programme - Wellness Management 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		The unit has revised the OHS committee to include EH&W matter. The members inter alia are as follows: <ul style="list-style-type: none"> - Mr. S. Khanyi, (Chairperson) - Ms. K. Simons, (Secretariat) - Ms. N. Msimango (member) - Ms. L. Zikhali (member) - Ms. N. Dlamini (member) - Ms. L. Luthuli (member) - Ms. Z. Dlamini (member) - Mr. N. Mngomezulu - Mr. T. Gambu (member) - Mr. B. Mntambo (member) - Mr. S. Dladla (member) - Ms. G. Sibisi (member) - Ms. Z. Tullock (member) - Mr. A. Manqele (member) - Mr. S. Janekker (member) - Ms. R. Mkhize (member) - Mr. R. James (member) - Ms. C Leonard

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> - Ms. N. Cele - Ms. N Naidoo
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		<ul style="list-style-type: none"> • Victimization Policy • Discrimination Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Y		<ul style="list-style-type: none"> • HIV/AIDS policy is in place and is approved. • The policy clearly outlines that discrimination on the basis of HIV status is and prohibited. • Education and awareness around the issue of HIV/AIDS also assist in dealing with some of the misconceptions and myths around HIV/AIDS. • The unit has an open-door policy where at any time an HIV positive employee can come and discuss his/her concerns. • The department also has the behaviour change program, stigma fighting program and the 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		<ul style="list-style-type: none"> • The department is vigorously encouraging HCT (Health Counselling and testing in the department and the response has been very positive. We can pin this success of this program to the stigma and behaviour change programs that we have in the department. • All district offices will be receiving on-site health screening at the workplace rather than focusing on the head office only. • The sporting programme has also been resuscitated and we ensure that health screening is offered at these events.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Subject matter	Date
Nil	

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 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Corrective counselling	8	62%
Verbal warning	0	0
Written warning	2	15%
Final written warning	1	8%
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	2	15%
Not guilty	0	0
Case withdrawn	0	0
Total	13	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	% of total
Contravened an act, regulations and/or legal obligation	1	7.69%
Unauthorized Absences	2	15.38%
Failure to comply with a lawful instruction	1	7.69%
Reported on duty under the influence of alcohol	1	7.69%
Insubordination	2	15.38%
Engaged external stakeholders without due authority	1	7.69%
Failure to timeously disclose financial interests	4	30.77%
S&T related misconduct	1	7.69%
Total	13	100%

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	5	62.5%
Number of grievances not resolved	3	37.5
Total number of grievances lodged	8	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

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

Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024

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)	Not applicable

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	90
Cost of suspension(R'000)	R 482 027.47

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	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	20	0	10	1	11
	Male	33	0	20	0	20
Professionals	Female	140	0	95	4	99
	Male	102	0	83	1	84
Technicians and associate professionals	Female	86	0	60	10	70
	Male	71	0	56	6	62
Clerks	Female	35	0	10	2	12
	Male	15	0	5	0	5
Elementary occupations	Female	88	0	20	157	177
	Male	34	0	20	49	69
Sub Total	Female	369	0	175	174	349
	Male	255	0	184	56	240
Total		624	0	359	230	589

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	20	0	14	1	15
	Male	33	0	7	0	7
Professionals	Female	140	0	53	4	57
	Male	102	0	42	1	43
Technicians and associate professionals	Female	86	0	35	10	45
	Male	71	0	21	6	27
Clerks	Female	35	0	10	2	12
	Male	15	0	5	0	5
Elementary occupations	Female	88	0	25	157	182
	Male	34	0	15	49	64
Sub Total	Female	369	0	137	174	311
	Male	255	0	90	56	146
Total		624	0	227	230	457

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

3.15 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 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Nil	Nil	Nil	Nil
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Nil	Nil	Nil	Nil

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2023 and 31 March 2024

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

PART E:

PFMA

COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	153 345	254 789
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	(101 444)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	153 345	153 345

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2023/2024	-	-
Irregular expenditure that relates to 2020/21 and identified in 2022/23	-	37 706
Irregular expenditure for the current year	-	-
Total	-	37 706

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ¹	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total ²	-	-

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
Total

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2023/2024	2022/2023
	R'000	R'000
	-	-
Total	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	3 825	3 825
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	(3 825)	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	-	3 825

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁴	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total⁵	-	-

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	3 825
Total	-	3 825

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
n/a
Total

⁴ Group similar items

⁵ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ⁶	-	-
Closing balance	-	-

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment in 2023/24	-	-
Unauthorised expenditure that relates to 2022/23 and identified in 2023/24	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description ⁷	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁸	-	-

⁶ This amount may only be written off against available savings

⁷ Group similar items

⁸ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))⁹

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

⁹ Information related to material losses must be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	5 607	539 274
Invoices paid within 30 days or agreed period	5 558	529 290
Invoices paid after 30 days or agreed period	49	9 983
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Reasons for the payments which exceed 30 days are due to circumstances beyond the control of the department. These include invalid and non-complaint tax invoices, non-delivery of goods or services which required rectification by the service providers, as well as invalid banking details on the invoices which do not agree to the verified accounts on the Central Supplier Database. These matters required rectification before the payment of the invoices.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
1	Deviate from normal SCM process to appoint independent newspaper arena holdings as preferred supplier for the departmental newspaper subscriptions	Arena holdings	Single source deviation	G0181298	R7
2	Deviate from normal SCM process for the procurement of publishing services through Global Africa network PTY (Ltd) for the service leadership in government magazine	Global Africa network	Single source deviation	G0181430	R287
3	Deviate from normal SCM process to appoint Igagasi FM 99.5 for the outside broadcast at the annual bee conference and business awards	Igagasi FM 99.5	Single source deviation	G0181427	R164
4	Deviate from normal SCM process to appoint SABC (Ukhozi FM) to	SABS (Ukhozi	Single source	G0181428	R345

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	broadcast outside at the annual bee conference and business awards	FM)	deviation		
5	Deviate from normal SCM procurement process to appoint government printing works for the publication of provincial gazette notices (publication of the gazette notice- intention to declare Widenham wetland protected environment on the 18th may 2023 as an ordinary KZN provincial notice	Home affairs-government printing works	Sole supplier deviation	G0181449	R2
6	Deviate from normal SCM procurement process to appoint government printing works for the publication of provincial gazette notices (publication of the gazette notice- declaration of a property as the Van Africa Game Reserve on the on the 18th may 2023 as an ordinary KZN provincial notice)	Home affairs-government printing works	Sole supplier deviation	G0181452	R1
7	Deviate from normal SCM procurement process to award government printing works for the publication of provincial gazette notices (publication of the gazette notice- declaration of ORA nature reserve on the on the 18th may 2023 as an ordinary KZN provincial notice)	Home affairs-government printing works	Sole supplier deviation	G0181450	R1
8	Deviate from normal SCM procurement process to award government printing works for the publication of provincial gazette notices (publication of the gazette notice- declaration of Umguvusa protected area on the on the 18th may 2023 as an ordinary KZN provincial notice	Home affairs-government printing works	Sole supplier deviation	G0181451	R1
9	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	Brand edge media advertising	Single source deviation	G0181500	R140

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
10	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	Media mark	Single source deviation	G0181501	R370
11	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	1KZN TV	Single source deviation	G0181504	R495
12	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	Mandla-Matla publishing	Single source deviation	G0181505	R70
13	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	BMS group	Single source deviation	G0181508	R498
14	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	Premedia broadcasting	Single source deviation	G0181509	R460
15	Deviate from normal SCM process for the procurement of multiple media services for all events in the MEC's and departmental calendar of events and to support province - wide edutainment and publicity	South African broadcasting corporation	Single source deviation	G0181510	R690
16	Deviate from normal SCM processes to award a contract to H&G exhibition partnership the sole service provider for the participation of SMMEs and Cooperatives particularly in clothing & textile in the market access platform at the East Coast radio house and garden show 2023 that is scheduled to take place from 1-9	H&G Exhibition Partnership	Sole supplier deviation	G0181607	R738

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	July 2023 at the Durban exhibition centre				
17	Deviate from normal SCM processes in appointing Tourvest holding t/a Tourvest travel services to provide refreshments and boardroom to (bac) the bid adjudication committee meeting for 4 days for 10 officials who are the bid adjudication committee members and secretariat	Tourvest holdings	Single source deviation	G0181577	R18
18	Deviate from normal SCM processes to appoint Gijima printers as preferred supplier to supply, delivery two dummy cheques to be presented into two cooperatives at the Premier service delivery imbizo taking place at Umngeni local municipality on the 15th of July 2023	Gijima printers	Single source deviation	G0181643	R1
19	Deviate from normal SCM procurement process to appoint Government printing works for the publication of provincial gazette notices	Government printing works	Sole supplier deviation	G0181665	R8
20	Deviate from normal SCM procurement process to appoint Government printing works for the publication of provincial gazette notices	Government printing works	Sole supplier deviation	G0181666	R3
21	Deviate from normal SCM procurement process to appoint Government printing works for the publication of provincial gazette notices	Government printing works	Sole supplier deviation	G0181664	R1
22	Deviate from normal SCM procurement process to appoint Mindex Stelsels for the payment of	Mindex stelsels	Sole supplier deviation	G0181632	R35

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	Inmagic system's annual software subscription renewal and telephone support for a period of 12 months used at the department resource centre				
23	Deviate from normal SCM processes to appoint International Association for Impact Assessment South Africa for the officials attending the conference	International Association for Impact Assessment South Africa	Single source deviation	G0181728	R221
24	Deviate from normal SCM processes to appoint The Document Warehouse for disposal of unsuccessful employment applications for permanent and internship positions and internship files as well as financial records salary pay sheets/payrolls.	The Document Warehouse	Single source deviation	G0181746	R13
25	Deviate from normal SCM processes to appoint Tourvest Travel Services for Skukuza safari lodge accommodation for 21 officials attending 2023 international association for impact management conference	Tourvest holdings	Single source deviation	G0181765	R120
26	Deviate from normal SCM processes to appoint Pietermaritzburg and Midlands Chamber of business (PMCB) for the implementation of the KwaZulu Natal exporter competitiveness programme	Pietermaritzburg & midlands chamber of business	Single source deviation	G0181756	R2 000
27	Deviate from normal SCM processes to appoint Samkelokwethu to provide catering	Samkelokwethu	Single source deviation	G0181775	R74

No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	services for the MEC's stakeholder engagement on the 22 august 2023 at Pietermaritzburg city hall, council chambers				
28	Deviate from normal SCM processes to appoint Nduleko business enterprise for provision of hiring pa/ sound system for the MEC's stakeholder's engagement on the 22 august 2023 at the Pietermaritzburg city hall, council chambers	Nduleko business enterprise	Single source deviation	G0181776	R20
29	Deviate from normal SCM processes to appoint Altron TMT security for purchasing of 120 advances electronic signatures including support.	Altron Security	Single source deviation	G0181906	R1 375
30	Deviate from normal SCM processes to appoint government printing works as a single source supplier for gazette consumer tribunal guidelines in both English and isiZulu.	Government Printing Works	Sole supplier deviation	G0181889	R23
31	Deviate from normal SCM process to appoint National School of Government to facilitate the <i>Ethics Management</i> training programmes for employees. The training shall be held in Durban /Pietermaritzburg or as prescribed by the National School of Government for the period from July 2023-march 2024	National School of Government	Single source deviation	G0181905	R104
32	Deviate from normal SCM process to appoint the Institute of Risk Management of South Africa for attendance of IRMSA conference 2023.	Institute of Risk Management of South Africa	Single source deviation:	G0181940	R39

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
33	Deviate from normal SCM process to appoint the Institute of Waste Management of Southern Africa for attendance of Landfill and Waste Management Conference of ten officials	Institute of Waste Management of Southern Africa	Single source deviation	G0181941	R 46
34	Deviate from normal SCM processes to appoint Government Printing Works for the publication of the gazette notices-declaration of spitzkop nature reserve (Karkloof Nature Reserve) as an ordinary KZN provincial notice on the 12 October 2023	Home Affairs Government Printing Works	Sole supplier deviation	G0181001	R1
35	Deviate from normal SCM processes to appoint Intelligent Transfer Centre for the two officials attending Annual Pension Funds Conference 2023	Intelligence Transfer Centre	Single source deviation	G0181994	R18
36	Deviate from the normal SCM processes to appoint National School of Government (NSG) for the training attendance of two officials for the Etella Strategic Leadership Programme	National School of Government	Single source deviation	G0181343	R25
37	Deviate from normal SCM processes to appoint The Environmental Assessment Practitioners Association of South Africa (EAPASA) b for the attendance of the regional conference on Environmental Impact Assessment by 14 employees in the department	Environmental Assessment Practitioners Association of South Africa	Single source deviation	G0181330	R47
38	Deviate from normal SCM processes to appoint Kadukuphi (PTY) LTD for the supply, delivery	Kadukuphi (PTY) LTD	Single source deviation	G0182609	R13

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	and assembling of office furniture				
39	Deviate from the normal SCM process to appoint Lexis Nexis for 4 online licences to be utilized by the staff and members of the Consumer Tribunal	Lexis Nexis	Single source deviation	G0182608	R114
40	Deviate from the normal SCM process to appoint Juta and Company for 4 online licences to be utilized by the staff and members of the Consumer Tribunal	Juta and Company	Single source deviation	G0182612	R33
41	Deviate from normal SCM processes to appoint Government Printing Works for the advertisement on the Government Gazette to nominate potential candidates to fill vacancies on the Board of Ithala Development finance Corporation Board (IDFC)	Government Printing Works	Sole supplier deviation	G0182675	R3
42	Deviate from normal SCM processes to appoint Government Printing Works for the publication of the Gazette Notice Declaration of Babanango Game Reserve as an Ordinary KZN Provincial notice	Government Printing Works	Sole supplier deviation	G1082665	R6
43	Deviate from normal SCM processes to appoint Innovate Durban for the development of eDumbe Legacy Project, Innovation hub and digital centre for a period of five (5) months effective from 1 November 2023 to 31 March 2024	Innovate Durban	Single source deviation	G0182679	R1 750
44	Deviate from normal SCM processes to appoint Gela Production for the procurement of digital and still Billboards across KZN province campaign for a period of 6 months	Gela Productions	Sole supplier deviation	G0182706	R17 250

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
45	Deviate from normal SCM processes to appoint Qube Adventures (PTY)ltd for the training of tourist guides from uMgungundlovu District Municipality in adventure category NQF Level 4.	Qube Adventures (PTY)ltd	Single source deviation	G0182768	R306
46	Deviate from normal SCM processes to appoint Bidvest Steiner for the fumigation of rodents and cleaning thereof	Bidvest Steiner	Emergency deviation	G0182724	R50
47	Deviate from normal SCM processes to appoint National School of Government to facilitate the Introduction to Monitoring and in the Public Service training programmes for employees.	National School of Government	Single source deviation	G0182727	R24
48	Deviate from normal SCM processes to appoint Gijima Printers for procurement of Dummy Cheques for the operation Vula Fund uMzimbhulu Municipality for 26 beneficiaries	Gijima Printers	Single source deviation	G0182856	R26
49	Deviate from normal SCM processes to appoint Msunduzi Local Municipality for Hiring of City Hall, PMB to conduct MEC's public consultation for the draft KZN public interest assessment policy in relation to liquor licensing on 27th November 2023	Msunduzi Local Municipality	Single source deviation	G0182801	R7
50	Deviate from normal SCM processes to appoint Ezemvelo KwaZulu Natal for Venue Hire at Midmar Nature Reserve in Howick for the Department of Economic Development, Tourism and Environmental Affairs on the 28th November 2023	Ezemvelo KwaZulu Natal	Single source deviation	G0182842	R5
51	Deviate from normal SCM processes to appoint Government Printing Works for the publication of Provincial Gazette Notice-Kiron Interactive (PTY) LTD 39's Draw and Fast 15's draw	Government Printing Works	Sole supplier deviation	G0182877	R1

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
52	Deviate from normal SCM processes to appoint Government Printing Works for the publication of Provincial Gazette Notice-Declaration of Normandien Protected Environment on the 07 December 2023 as an ordinary KZN provincial Notice	Government Printing Works	Sole supplier deviation	G0182882	R2
53	Deviate from normal SCM processes to appoint Rainbow Moon Services to render cleaning services at the Raset office for a period of six months and to supply and deliver cleaning material	Rainbow Moon Services	Single source deviation	G0182912	R155
54	Deviate from normal SCM processes to appoint Rainbow Moon Services to render cleaning material at the Head office for a period of six months and to supply and deliver cleaning material	Rainbow Moon Services	Single source deviation	G0182911	R116
55	Deviate from normal SCM processes to appoint The South African Chefs Association for implementing the Master Shisanyama Upskilling Programme	The South African Chefs Association	Single source deviation	G0182937	R499
56	Deviate from normal SCM processes to appoint Government Printing Works for the publication of proposed amendment of fees contained in schedule 2 to the KZN Gaming and Betting Act	Government Printing Works	Sole supplier deviation	G0182941	R20
57	Deviate from normal SCM processes to appoint Igagasi FM for media services for the Operation Khumbulekhaya Programme	Radio Igagasi FM	Single source deviation	G0182964	R200
58	Deviate from normal SCM processes to appoint Ukhozi Fm for media services for the Operation	SABC Ukhozi FM	Single source deviation	G0182963	R345

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	Khumbulekhaya Programme				
59	Deviate from normal SCM processes to appoint Media24 for the department newspaper 12 month subscription	Media24	Single source deviation	G0183268	R10
60	Deviate from normal SCM processes to appoint Igagasi Fm for media services for the Season's greetings messages	Radio Igagasi FM	Single source deviation	G0182997	R200
61	Deviate from normal SCM processes to appoint Ukhozi Fm for media services for the Season's greetings messages	SABC Ukhozi FM	Single source deviation	G0182999	R51
62	Deviate from normal SCM processes to appoint East Cost Radio for media services for the Season's greetings messages	Mediamark (East Cost Radio)	Single source deviation	G0182998	R173
63	Deviate from normal SCM processes to appoint National School of Government	National School of Government	Single source deviation	G0183021	R8
64	Deviate from normal SCM processes to appoint SABC TV News for media services for the handover of a donation to Sukuma Comprehensive School.	South African Broadcasting Corporation (SABC) TV News	Single source deviation	G0183262	R494
65	Deviate from normal SCM processes to appoint Uzungene Construction and Multi services to transport 20 Learner Tourist Guides who will be attending Tourist Guides Training from Somopho Hills to Empangeni City	Uzungene Construction and Multi-Services	Single source deviation	G0183260	R40

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	Centre				
66	Deviate from normal SCM processes to appoint Enterprises University of Pretoria for an official to attend the Equilibrium Modelling Course taking place on the 12 to 16 February 2024.	Enterprises University of Pretoria	Single source deviation	G0183298	R15
67	Deviate from normal SCM processes to appoint Media24 as single source supplier as preferred supplier for the department newspaper 12 months subscription.	Media24	Single source Deviation	G0183268	R10
68	Deviate from normal SCM processes to appoint Business Processing Enabling South Africa (BPESA) for an official to attend the BPESA/AMARA Women in BPO: Leadership Development Programme	Business Processing Enabling South Africa (BPESA)	Single source deviation	G0183294	R37
69	Deviate from normal SCM processes to appoint Government Printing Works for the publication of the Gazette Notice of Intention to Declare the Umphafa Private Nature Reserve on the 15th of February 2024.	Home Affairs Government Printing Works	Sole supplier deviation	G0183295	R1
70	Deviate from normal SCM processes to appoint Igagasi Fm for media services for the Umthayi Marula Festival	Radio Igagasi Fm	Single source deviation	G0183297	R197
71	Deviate from normal SCM processes to appoint Tourvest travel services for venue and facilities hire for the hosting of uMthayi Marula Business	Tourvest Travel Services	Single source deviation	G0183299	R103

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	Investment Gala Dinner on the 9th of February 2024				
72	Deviate from normal SCM processes to appoint Ukhozi Fm for media services for the uMthayi Marula Festival 2024, the flood relief disbursement, and the operation vula fund disbursement programme in uMkhanyakude district	SABC Ukhozi Fm	Single source deviation	G0184004	R340
73	Deviate from normal SCM processes to appoint Radio Igagasi Fm for media services for the Uthayi Marula Festival 2024, the flood relief disbursement, and the operation vula fund disbursement programme in uMkhanyakude district	Radio Igagasi Fm	Single source deviation	G0184005	R174
74	Deviate from normal SCM processes to appoint Government Printing Works for the publication of the Gazette Notice for extension of closing date on government gazette inviting public comments for proposed amendments to KZN gambling regulations and for the substitution schedule of fees	Home Affairs Government Printing Works	Sole supplier deviation	G0184011	R3
75	Deviate from normal SCM processes to appoint Lexis Nexis to purchase and renew 5 online licenses for a period of one year.	Lexis Nexis	Single source deviation	G0184026	R340
76	Deviate from normal SCM processes to appoint Vuma 103 Fm for media services for the Uthayi Marula Festival 2024, the flood relief disbursement, and the operation vula fund disbursement	Vuma 103 FM	Single source deviation	G0184006	R109

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	programme in uMkhanyakude district				
77	Deviate from normal SCM processes to appoint Government printing works for publication gazette notice in the provincial government gazette, calling on members of the public to submit comments on draft provincial coastal management programme (CMP)	Home Affairs Government Printing Works	Single source deviation	G0184041	R1
78	Deviate from normal SCM processes to appoint University of Cape Town for the attendance of the Legislative drafting: An introduction course for the interns within the department	University of Cape Town	Single source deviation	G0184045	R12
79	Deviate from normal SCM processes to appoint Government Printing Works for the publication of the Gazette Notice for calling on members of the public to submit comments on draft KwaZulu Natal Estuary Management Plans (EstMP)	Home Affairs Government Printing Works	Sole supplier deviation	G0184051	R1
80	Deviate from normal SCM processes to appoint Spintelligent (PTY) Ltd trading as Vuka Group for the attendance of The Africa's Green Economy Summit for the employee within the department	Spintelligent (PTY) Ltd T/A Vuka Group	Sole supplier deviation	G0184046	R17
81	Deviate from normal SCM processes to appoint Ukhozi Fm for media services outside broadcast for the EPWP Launch that will take place at Curries Fountain Sporting Development Centre in Durban on	SABC Ukhozi FM	Single source deviation	G0184159	R322

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No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	the 8 March 2024				
82	Deviate from normal SCM processes to appoint Vuma 103 Fm for media services prepromo adverts and outside broadcast for the for the EPWP Launch that will take place at Curries Fountain Sporting Development Centre in Durban on the 8 March 2024	Vuma 103 FM	Single source deviation	G0184158	R90
83	Deviate from normal SCM process to appoint Radio Igagasi 99,5 FM for media services for the creative economy, innovation and business week Kwande Festival 2024	Radio Igagasi 99,5	Single source deviation	G0184176	R307
84	Deviate from normal SCM process to appoint Radio Ikhwezi for media services for the creative economy, innovation and business week Kwande Festival 2024	Radio Khwezi	Single source deviation	G0184180	R52
85	Deviate from normal SCM processes to appoint Vuma 103 Fm for media services (Interviews and outside broadcast) for the Stakeholder engagement in Umlazi, Durban on the 28 March 2024	Vuma 103 FM	Single source deviation	G0184213	R90
86	Deviate from normal SCM processes to appoint Radio Igagasi 99,5 FM for media services (Interviews and outside broadcast) for the Stakeholder engagement in Umlazi, Durban on the 28 March 2024	Radio Igagasi 99,5	Single source deviation	G0184214	R188
87	Deviate from normal SCM processes to appoint SABC Ukhozi FM for media services (Interviews and outside broadcast) for the Stakeholder engagement in Umlazi, Durban on the 28 March 2024	SABC Ukhozi FM	Single source deviation	G0184215	R345
	Total				R 33 116,00

3.2. Contract variations and expansions

	Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
					R'000	R'000	R'000
1	Request for variation of purchase order that was issued to provide transportation and catering services to the beneficiaries during the epwp provincial launch	Mzamo Emihle Trading Enterprise	Expansion	G0183106	R1 168	N/A	R550
2	Request for variation of purchase order that was issued to supply and delivery of cameras	Renric Business Solutions	Variation	G0182780	R139	N/A	R75
3	Extension of the existing contracts for the provision of cleaning services amajuba district office for period of 18 months	Grefs Holdings (Pty) Ltd	Extension	P1/AUX/CLN/01/21(AA)	R396	N/A	R66
4	Extension of the existing contracts for the provision of cleaning services at raset offices for period of 18 months	La Thobs Cleaning & Hygiene Services (Pty) Ltd	Extension	P1/AUX/CLN/03/21(AA)	R324	N/A	R54
5	Extension of the existing contracts for the provision of cleaning services at ministry for period of 18 months	La Thobs Cleaning & Hygiene Services (Pty) Ltd	Extension	P1/AUX/CLN/04/21(AA)	R396	N/A	R66
6	Extension of the existing contracts for the provision of cleaning services at uthukela district for period of 18 months	Nhlanyiso Trading	Extension	P1/AUX/CLN/05/21(AA)	R478	N/A	R80
7	Extension of the existing contracts for the	Sukuma Uzame	Extension	P1/AUX/CLN/06/2	R401	N/A	R67

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	provision of cleaning services at king chetswayo district for period of 18 months	Trading		1(AA)			
8	Extension of the existing contracts for the provision of cleaning services at ilembe district for period of 18 months	Sukuma Uzame Trading	Extension	P1/AUX/CLN/07/21(AA)	R402	N/A	R67
9	Extension of the existing contracts for the provision of cleaning services at vryheid district offices for period of 18 months	Grefs Holdings (Pty) Ltd	Extension	P1/AUX/CLN/08/21(AA)	R397	N/A	R66
10	Extension of the existing contracts for the provision of cleaning services at umzinyathi / dundee offices for period of 18 months	Grefs Holdings (Pty) Ltd	Extension	P1/AUX/CLN/09/21(AA)	R402	N/A	R67
11	Extension of the existing contracts for the provision of cleaning services at mkhuze for period of 18 months	Sukuma Uzame Trading	Extension	P1/AUX/CLN/11/21(AA)	R400	N/A	R67
12	Extension of the existing contracts for the provision of cleaning services at harry gwala for period of 18 months	La Thobs Cleaning & Hygiene Services (Pty) Ltd	Extension	P1/AUX/CLN/12/21(AA)	R352	N/A	R59
13	Extension of the existing contracts for the provision of cleaning services ay ethekweni for period of 18 months	Umhlangi Uluthando	Extension	P1/AUX/CLN/13/21(AA)	R647	N/A	R108
14	Extension of the existing contracts for the provision of cleaning services at cascades for period of 18 months	La Thobs Cleaning & Hygiene Services (Pty) Ltd	Extension	P1/AUX/CLN/14/21(AA)	R376	N/A	R63
15	Extension of the existing contracts for the provision of cleaning services at king chestwayo enviro offices	Grefs Holdings (Pty) Ltd	Extension	P1/AUX/CLN/15/21(AA)	R395	N/A	R66

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	for period of 18 months						
16	Extension of the existing contracts for the provision of cleaning services at mtubtuba offices for period of 18 months	Sukuma Uzame Trading	Extension	P1/AUX/CLN/17/21(AA)	R405	N/A	R68
17	Extension of the existing contracts for the provision of physical security for 4 months	Qiniso Security	Expansion	P1/AUX/SEC/03/21(AAAA)	R350	R 1 735	R189
18	Extension of the existing contracts for the provision of physical security for 4 months	Idlangamandla Security	Expansion	P1/AUX/SEC/02/21(AAAA)	R363	R1 799	R196
19	Extension of the existing contracts for the provision of physical security for 4 months	Isambulo Business	Expansion	P1/AUX/SEC/03/21(AAAA)	R494	R2 445	R267
20	Extension of the existing contracts for the provision of physical security for 6 months	Siyejabula Security	Expansion	P1/AUX/SEC/04/21(AAAA)	R3 309	R13 634	R1 191
21	Extension of the existing contracts for the provision of physical security for 4 months	Gobizazi Security	Expansion	P1/AUX/SEC/05/21 (AAAA)	R365	R1 912	R197
22	Extension of the existing contracts for the provision of physical security for 4 months	Nomathiliza Security	Expansion	P1/AUX/SEC/06/21 (AAAA)	R305	R1 676	R412
23	Extension of the existing contracts for the provision of physical security for 4 months	Stay On Alert	Expansion	P1/AUX/SEC/07/21 (AAAA)	R282	R799	R152
24	Extension of the existing contracts for the provision of physical security for 4 months	Siyejabula Security	Expansion	P1/AUX/SEC/08/21 (AAAA)	R327	R1 619	R618
25	Extension of the existing contracts for the provision of physical security for 4 months	Vela Tech Security	Expansion	P1/AUX/SEC/09/21 (AAAA)	R280	R1 847	R202
26	Extension of the existing contracts for the provision of physical	M & D Security	Expansion	P1/AUX/SEC/10/21 (AAAA)	R409	R2 028	R770

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	security for 4 months						
27	Extension of the existing contracts for the provision of physical security for 03 years	Mshiywa Protection	Expansion	P1/AUX/SEC/11/21 (AAAA)	R4 539	R4 740	R1 807
28	Extension of the existing contracts for the provision of physical security for 4 months	Siyefana Security	Expansion	P1/AUX/SEC/12/21 (AAAA)	R311	R1 542	R168
29	Extension of the existing contracts for the provision of physical security for 4 months	Jabsho Security	Expansion	P1/AUX/SEC/13/21 (AAAA)	R342	R1 782	R637
	Total				<u>R18 754</u>	<u>R37 558</u>	<u>R8 395</u>

PART F:

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 210 to 273, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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 2024 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, 2023 (Act No. 5 of 2023) (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 responsibilities of the auditor-general 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 274 to 290 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 it.

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.

Responsibilities of the auditor-general 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. This description, which is located at page 205, forms part of our auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 3: Trade and industry development	55-62	To stimulate economic growth through the promotion of trade and investment in priority economic sectors and the implementation of strategic initiatives to advance industrial development.
Programme 7: Environmental management	76-90	To advance environmental sustainability and resilience for socio-economic development through the protection and promotion of sustainable use of natural resources in support of accelerated economic recovery.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement.
20. The tables that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 45 to 90.

Programme 3: Trade and Industry development

<i>Targets achieved: 80%</i>		
<i>Budget spent: 100%</i>		
Key indicator not achieved	Planned target	Reported achievement
3.1.2. Number of jobs retained	220	0
3.3.2 Number of sector strategic interventions	4	3

implemented to support job creation		
3.3.3. Number of people trained on sector specific expertise/skills	140	133

Programme 7: Environmental Management

<i>Targets achieved: 93%</i> <i>Budget spent: 99.4%</i>		
Key indicator not achieved	Planned target	Reported achievement
7.4.2 Percentage of complete Atmospheric Emission Licenses (AELs) issued within legislated timeframes	100%	50%

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: Trade and Industry development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. 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

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

Other reports

32. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
33. The forensic services unit housed at the Office of the Premier conducted 12 investigations covering the period 2013 to 2019. The investigations related to allegations of irregularities over procurement processes and alleged fraud and corruption. Eleven (11) cases have been completed and one (1) is still in progress. In

terms of consequence management, seven (7) cases have been fully implemented, with four (4) cases still in progress

Auditor-General

Pietermaritzburg

31 July 2024



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
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Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); Section 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3; ; 16A8.4; 16A9.1(b)(ii); Regulation ; 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8;

Legislation	Sections or regulations
	Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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

***ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024***

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Appropriation per programme									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	356 059	2 500	27 369	385 928	384 053	1 875	99,5%	323 684	321 796
2. Integrated Economic Development	346 105	-	(15 022)	331 083	329 771	1 312	99,6%	339 048	338 372
3. Trade and Sector Development	883 774	-	(15 017)	868 757	868 343	414	100,0%	984 020	982 071
4. Business Regulation and Governance	214 541	-	1 986	216 527	216 527	-	100,0%	198 724	198 534
5. Economic Planning	35 714	(2 500)	(1 546)	31 668	30 444	1 224	96,1%	24 851	24 851
6. Tourism	297 046	-	(2 556)	294 490	287 388	7 102	97,6%	317 900	311 067
7. Environmental Affairs	1 251 144	-	4 786	1 255 930	1 248 954	6 976	99,4%	1 148 455	1 143 414
Subtotal	3 384 383	-	-	3 384 383	3 365 480	18 903	99,4%	3 336 682	3 320 105
Statutory Appropriation									
Provincial equitable share								-	-
National Skills Fund								-	-
TOTAL	3 384 383	-	-	3 384 383	3 365 480	18 903	99,4%	3 336 682	3 320 105

	2023/24				2022/23	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)	3 384 383	3 365 480			3 336 682	3 320 105

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Reconciliation with statement of financial performance					
ADD					
Departmental receipts	243 360			10 843	
NRF Receipts	-				
Aid assistance	-				
Actual amounts per statement of financial performance (Total revenue)	3 627 743			3 347 525	
ADD					
Aid assistance					
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (Total expenditure)		3 365 480			3 320 105

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Appropriation per economic classification									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 007 840	-	(988)	1 006 852	1 005 688	1 164	99,9%	807 976	797 741
Compensation of employees	474 967	-	(11 880)	463 087	461 923	1 164	99,7%	434 872	430 951
Goods and services	532 873	-	10 892	543 765	543 765	-	100,0%	373 104	366 790
Transfers and subsidies	2 350 505	-	934	2 351 439	2 337 987	13 452	99.4%	2 489 073	2 483 934

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Provinces and municipalities	63 300	-	8	63 308	56 208	7 100	88,8%	95 709	91 409
Departmental agencies and accounts	1 835 329	-	-	1 835 329	1 832 324	3 005	99,8%	1 909 241	1 909 241
Higher education institutions	5 102	-	-	5 102	5 102	-	100,0%	5 016	5 016
Public corporations and private enterprises	237 737	-	-	237 737	234 572	3 165	98,7%	249 318	248 882
Non-profit institutions	206 453	-	-	206 453	206 275	178	99,9%	224 857	224 831
Households	2 584	-	926	3 510	3 506	4	99,9%	4 932	4 555
Payments for capital assets	26 038	-	-	26 038	21 751	4 287	83,5%	31 304	30 101
Buildings and other fixed structures	1 063	-	141	1 204	402	802	33,4%	1 269	269
Machinery and equipment	24 975	-	(163)	24 812	21 327	3 485	86,0%	22 686	22 483
Intangible assets	-	-	22	22	22	-	100,0%	7 349	7 349
Payments for financial assets	-	-	54	54	54	-	100,0%	8 329	8 329
Total	3 384 383	-	-	3 384 383	3 365 480	18 903	99,4%	3 336 682	3 320 105

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Programme 1: ADMINISTRATION									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office Of The MEC	17 343	-	1 471	18 814	18 814	-	100,0%	19 322	19 322
2. Office Of The HOD	33 303	2 500	(7 631)	28 172	28 172	-	100,0%	29 872	28 872
3. Financial Management	43 407	-	(761)	42 646	42 646	-	100,0%	45 253	45 253

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

4. Corporate Services	262 006	-	34 290	296 296	294 421	1 875	99,4%	229 237	228 349
Total for sub programmes	356 059	2 500	27 369	385 928	384 053	1 875	99,5%	323 684	321 796
Economic classification									
Current payments	337 064	2 500	26 358	365 922	365 922	-	100,0%	289 279	288 600
Compensation of employees	131 353	-	(6 804)	124 549	124 549	-	100,0%	121 561	120 882
Goods and services	205 711	2 500	33 162	241 373	241 373	-	100,0%	167 718	167 718
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	959	-	224	1 183	1 183	-	100,0%	2 345	2 136
Provinces and municipalities	200	-	8	208	208	-	100,0%	226	226
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	759	-	216	975	975	-	100,0%	2 119	1 910
Payments for capital assets	18 036	-	764	18 800	16 925	1 875	90,0%	27 846	26 846
Buildings and other fixed structures	93	-	141	234	234	-	100,0%	1 000	-
Machinery and equipment	17 943	-	623	18 566	16 691	1 875	89,9%	19 497	19 497
Intangible assets	-	-	-	-	-	-	-	7 349	7 349
Payments for financial assets	-	-	23	23	23	-	100,0%	4 214	4 214
Total	356 059	2 500	27 369	385 928	384 053	1 875	99,5%	323 684	321 796

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Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Enterprise Development	231 415	-	(6 193)	225 222	224 014	1 208	99,5%	257 546	257 545
2. Regional and Local Economic Development	53 777	-	(560)	53 217	53 157	60	99,9%	55 361	55 361
3. Economic Empowerment	60 913	-	(8 269)	52 644	52 600	44	99,9%	26 141	25 466
Total for sub programmes	346 105	-	(15 022)	331 083	329 771	1 312	99,6%	339 048	338 372
Economic classification									
Current payments	141 307	-	(15 024)	126 283	126 283	-	100,0%	92 377	91 702
Compensation of employees	75 944	-	1 481	77 425	77 425	-	100,0%	68 305	67 630
Goods and services	65 363	-	(16 505)	48 858	48 858	-	100,0%	24 072	24 072
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	202 488	-	2	202 490	202 490	-	100,0%	241 963	241 962
Provinces and municipalities	26 300	-	-	26 300	26 300	-	100,0%	31 800	31 800
Departmental agencies and accounts	14 900	-	-	14 900	14 900	-	100,0%	-	-
Higher education institutions	5 102	-	-	5 102	5 102	-	100,0%	5 016	5 016
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	102 022	-	-	102 022	102 022	-	100,0%	131 910	131 910
Non-profit institutions	53 579	-	-	53 579	53 579	-	100,0%	73 115	73 115
Households	585	-	2	587	587	-	100,0%	122	121

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Payments for capital assets	2 310	-	-	2 310	998	1 312	43,2%	593	593
Buildings and other fixed structures	970	-	-	970	168	802	17,3%	-	-
Machinery and equipment	1 340	-	-	1 340	830	510	61,9%	593	593
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	4 115	4 115
Total	346 105	-	(15 022)	331 083	329 771	1 312	99,6%	339 048	338 372

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

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Programme 3: TRADE AND SECTOR DEVELOPMENT									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	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	545 044	-	(2 882)	542 162	542 032	130	100,0%	109 945	109 945
2. Sector Development	178 904	-	(6 650)	172 254	171 974	280	99,8%	664 649	663 888
3. Strategic Initiatives	159 826	-	(5 485)	154 341	154 337	4	100,0%	209 426	208 238
4. Strategic Initiatives (Industry Development)	-	-	-	-	-	-	-	-	-
Total for sub programmes	883 774	-	(15 017)	868 757	868 343	414	100,0%	984 020	982 071
Economic classification									
Current payments	61 171	-	(15 209)	45 962	45 962	-	100,0%	36 482	34 903
Compensation of employees	22 907	-	(2 236)	20 671	20 671	-	100,0%	19 332	18 251
Goods and services	38 264	-	(12 973)	25 291	25 291	-	100,0%	17 150	16 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	822 123	-	192	822 315	822 133	182	100,0%	947 073	946 906
Provinces and municipalities	8 000	-	-	8 000	8 000	-	100,0%	31 483	31 483
Departmental agencies and accounts	536 873	-	-	536 873	536 873	-	100,0%	657 327	657 327
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	132 115	-	-	132 115	132 115	-	100,0%	114 445	114 445

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Non-profit institutions	144 140	-	-	144 140	143 962	178	99,9%	142 313	142 313
Households	995	-	192	1 187	1 183	4	99,7%	1 505	1 338
Payments for capital assets	480	-	-	480	248	232	51,7%	465	262
Buildings and other fixed structures	-	-	-	-	-	-	-	115	115
Machinery and equipment	480	-	-	480	248	232	51,7%	350	147
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	883 774	-	(15 017)	868 757	868 343	414	100,0%	984 020	982 071

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Programme 4: BUSINESS REGULATION AND GOVERNANCE									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Regulation Services	14 631	-	(346)	14 285	14 285	-	100,0%	10 703	10 703
2. Consumer Protection	55 216	-	2 898	58 114	58 114	-	100,0%	46 328	46 328
3. Liquor Regulation	89 252	-	-	89 252	89 252	-	100,0%	88 340	88 340
4. Gaming and Betting	55 442	-	(566)	54 876	54 876	-	100,0%	53 353	53 163
Total for sub programmes	214 541	-	1 986	216 527	216 527	-	100,0%	198 724	198 534
Economic classification									
Current payments	72 080	-	2 388	74 468	74 468	-	100,0%	59 706	59 516
Compensation of employees	37 628	-	(269)	37 359	37 359	-	100,0%	35 791	35 624

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Goods and services	34 452	-	2 657	37 109	37 109	-	100,0%	23 915	23 892
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	141 934	-	-	141 934	141 934	-	100,0%	138 975	138 975
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	141 928	-	-	141 928	141 928	-	100,0%	138 892	138 892
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6	-	-	6	6	-	100,0%	83	83
Payments for capital assets	527	-	(402)	125	125	-	100,0%	43	43
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	527	-	(402)	125	125	-	100,0%	43	43
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	214 541	-	1 986	216 527	216 527	-	100,0%	198 724	198 534

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

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Programme 5: ECONOMIC PLANNING									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Policy and Planning	6 833	-	(223)	6 610	5 676	934	85,9%	7 684	7 684
2. Research and Development	7 324	-	(302)	7 022	7 022	-	100,0%	6 661	6 661
3. Knowledge Management	6 717	-	(714)	6 003	5 713	290	95,2%	3 791	3 791
4. Monitoring and Evaluation	14 840	(2 500)	(307)	12 033	12 033	-	100,0%	6 715	6 715
Total for sub programmes	35 714	(2 500)	(1 546)	31 668	30 444	1 224	96,1%	24 851	24 851
Economic classification									
Current payments	33 817	(2 500)	(1 246)	30 071	28 907	1 164	96,1%	22 508	22 508
Compensation of employees	25 455	-	(863)	24 592	23 428	1 164	95,3%	19 007	19 007
Goods and services	8 362	(2 500)	(383)	5 479	5 479	-	100,0%	3 501	3 501
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 004	-	-	1 004	1 004	-	100,0%	2 208	2 208
Provinces and municipalities	1 000	-	-	1 000	1 000	-	100,0%	2 000	2 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	200	200
Non-profit institutions	-	-	-	-	-	-	-	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Households	4	-	-	4	4	-	100,0%	8	8
Payments for capital assets	893	-	(300)	593	533	60	89,9%	135	135
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	893	-	(322)	571	511	60	89,5%	135	135
Intangible assets	-	-	22	22	22	-	100,0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	35 714	(2 500)	(1 546)	31 668	30 444	1 224	96,1%	24 851	24 851
Programme 6: TOURISM									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Tourism Sector Transformation	14 612	-	251	14 863	14 863	-	100,0%	15 120	13 711
2. Tourism Planning	7 728	-	(303)	7 425	7 425	-	100,0%	7 756	7 564
3. Tourism Growth and Development	274 706	-	(2 504)	272 202	265 100	7 102	97,4%	295 024	289 792
Total for sub programmes	297 046	-	(2556)	294 490	287 388	7 102	97,6%	317 900	311 067
Economic classification									
Current payments	38 427	-	(2 860)	35 567	35 567	-	100,0%	37 285	32 953
Compensation of employees	25 704	-	(2 414)	23 290	23 290	-	100,0%	22 627	22 294
Goods and services	12 723	-	(446)	12 277	12 277	-	100,0%	14 658	10 659
Interest and rent on land	-	-	-	-	-	-	-	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Transfers and subsidies	257 867	-	452	258 319	251 819	6 500	97,5%	280 193	277 692
Provinces and municipalities	17 000	-	-	17 000	13 500	3 500	79,4%	21 000	18 500
Departmental agencies and accounts	240 853	-	-	240 853	237 853	3 000	98,8%	258 192	258 192
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	1 000	999
Households	14	-	452	466	466	-	100,0%	1	1
Payments for capital assets	752	-	(150)	602	-	602	-	422	422
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	752	-	(150)	602	-	602	-	422	422
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	2	2	2	-	100,0%	-	-
Total	297 046	-	(2 556)	294 490	287 388	7 102	97,6%	317 900	311 067

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Programme 7: ENVIRONMENTAL AFFAIRS									
2023/24								2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Environmental Policy and Co-Ordination	29 064	-	1 640	30 704	30 704	-	100,0%	28 727	28 727
2. Compliance and Enforcement	28 667	-	(1 582)	27 085	27 085	-	100,0%	23 030	23 030
3. Environmental Quality Management	125 190	-	2 718	127 908	120 937	6 971	94,5%	74 743	72 507
4. Biodiversity Management	1 024 280	-	(1 522)	1 022 758	1 022 753	5	100,0%	974 029	972 506
5. Environmental Empowerment Services	39 162	-	4 176	43 338	43 338	-	100,0%	40 999	40 974
6. General Manager: Environmental Affairs	4 781	-	(644)	4 137	4 137	-	100,0%	6 927	5 670
Total for sub programmes	1 251 144	-	4 786	1 255 930	1 248 954	6 976	99,4%	1 148 455	1 143 414
Economic classification									
Current payments	323 974	-	4 605	328 579	328 579	-	100,0%	270 339	267 559
Compensation of employees	155 976	-	(775)	155 201	155 201	-	100,0%	148 249	147 263
Goods and services	167 998	-	5 380	173 378	173 378	-	100,0%	122 090	120 296
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	924 130	-	64	924 194	917 424	6 770	99,3%	876 316	874 055
Provinces and municipalities	10 800	-	-	10 800	7 200	3 600	66,7%	9 200	7 400
Departmental agencies and accounts	900 775	-	-	900 775	900 770	5	100,0%	854 830	854 830

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	3 600	-	-	3 600	435	3 165	12,1%	2 763	2 327
Non-profit institutions	8 734	-	-	8 734	8 734	-	100,0%	8 429	8 404
Households	221	-	64	285	285	-	100,0%	1 094	1 094
Payments for capital assets	3 040	-	88	3 128	2 922	206	93,4%	1 800	1 800
Buildings and other fixed structures	-	-	-	-	-	-	-	154	154
Machinery and equipment	3 040	-	88	3 128	2 922	206	93,4%	1 646	1 646
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	29	29	29	-	100,0%	-	-
Total	1 251 144	-	4 786	1 255 930	1 248 954	6 976	99,4%	1 148 455	1 143 414

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024**

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, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions 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

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	385 928	384 053	1 875	0,5%
Integrated Economic Development Services	331 083	329 771	1 312	0,4%
Trade and Sector Development	868 757	868 343	414	0,0%
Business Regulation and Governance	216 527	216 527	0	0,0%
Economic Planning	31 668	30 444	1 224	3,9%
Tourism	294 490	287 388	7 102	2,4%
Environmental Affairs	1 255 930	1 248 954	6 976	0,6%
Total	3 384 383	3 365 480	18 903	0,6%

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	463 087	461 923	1 164	0,3%
Goods and services	543 765	543 765	0	0,0%
Transfers and subsidies				
Provinces and municipalities	63 308	56 208	7 100	11,2%

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024**

Departmental agencies and accounts	1 835 329	1 832 324	3 005	0,2%
Higher education institutions	5 102	5 102	0	0,0%
Public corporations and private enterprises	237 737	234 572	3 165	1,3%
Non-profit institutions	206 453	206 275	178	0,1%
Households	3 510	3 506	4	0,1%
Payments for capital assets				
Buildings and other fixed structures	1 204	402	802	66,6%
Machinery and equipment	24 812	21 327	3 485	14,0%
Intangible assets	22	22	0	0,0%
Payments for financial assets	54	54	0	0,0%
Total	3 384 383	3 365 480	18 903	0,6%

Provinces and municipalities showed under-expenditure, largely in respect of transfers to some municipalities that could not be finalised in respect of the Greenest Municipality Competition awards. Some payments were not effected due to the unit responsible delaying to finalise the necessary processes for payment. Also contributing was the delay in the transfer of funds to the iLembe Enterprise Development in respect of the Kwashushu Hotsprings due to CSD challenges which were identified upon payment.

Departmental agencies and accounts reflect under-expenditure in respect of funds which were committed for transfer to TKZN for the Mkuze Falls Game Reserve during the 2023/24 Adjustments Estimate, however, the agreement of sale fell through due to a change in objective and a new request to redirect the funding was made.

Buildings and other fixed structures reflect under-expenditure, in respect of the procurement of a farming tunnel prefabricated structure in support of co-operatives in the eThekwin District. The order was cancelled due to non-delivery by the initial service provider and the bid was re-advertised in January 2024 but delivery did not materialise by year-end.

Machinery and equipment under-spent, mainly attributed to delays experienced in the delivery of computer equipment, the approval of the telecommunication policy due to consultations with the relevant stakeholders taking longer than anticipated, the upgrade of existing cellphone packages, as well as the late finalisation of procurement in respect of office furniture.

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	6236	6236	0	0%
Total	6236	6236	0	0%

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024**

	<i>Note</i>	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	3 384 383	3 336 682
Departmental revenue	2	243 360	10 843
TOTAL REVENUE		3 627 743	3 347 525
EXPENDITURE			
Current expenditure		1 005 688	797 742
Compensation of employees	3	461 923	430 951
Goods and services	4	543 765	366 791
Transfers and subsidies		2 337 987	2 483 934
Transfers and subsidies	6	2 337 987	2 483 934
Expenditure for capital assets		21 751	30 101
Tangible assets	7	21 729	22 752
Intangible assets	7	22	7 349
Payments for financial assets	5	54	8 328
TOTAL EXPENDITURE		3 365 480	3 320 105
SURPLUS/(DEFICIT) FOR THE YEAR		262 263	27 420
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		18 903	16 577
Annual appropriation		18 903	16 482
Statutory appropriation			
Conditional grants		-	95
Departmental revenue and NRF receipts	13	243 360	10 843
SURPLUS/(DEFICIT) FOR THE YEAR		262 263	27 420

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

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2024**

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		49 402	52 870
Cash and cash equivalents	8	48 138	47 968
Prepayments and advances	9	-	23
Receivables	10	1 264	4 879
Non-current assets		1 036 082	1 035 948
Investments	11	1 008 607	1 008 607
Receivables	10	27 475	27 341
TOTAL ASSETS		1 085 484	1 088 818
LIABILITIES			
Current liabilities		76 313	71 776
Voted funds to be surrendered to the Revenue Fund	12	18 903	16 577
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	15	60
Payables	14	57 395	55 139
Non-current liabilities			
Payables	15	260	4 190
TOTAL LIABILITIES		76 573	75 966
NET ASSETS		1 008 911	1 012 852
	Note	2023/24 R'000	2022/23 R'000
Represented by:			
Capitalisation reserve		1 008 607	1 008 607
Recoverable revenue		304	4 245
TOTAL		1 008 911	1 012 852

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

**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2024**

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Capitalisation reserves			
Opening balance		1 008 607	1 008 607
Transfers			
Movement in equity			
Movement in operational funds			
Other movements			
Closing balance		1 008 607	1 008 607
Recoverable revenue			
Opening balance		4 245	4 036
Transfers:		(3 941)	209
Debts revised		(4 140)	20
Debts recovered (included in departmental revenue)		(41)	(21)
Debts raised		240	210
Closing balance		304	4 245
TOTAL		1 008 911	1 012 852

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**CASH FLOW STATEMENT
for the year ended 31 March 2024**

	<i>Note</i>	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 627 743	3 347 525
Annual appropriation funds received	1.1	3 384 383	3 336 682
Departmental revenue received	2	240 380	10 842
Interest received	2.3	2 980	1
Net (increase)/decrease in net working capital		5 894	(5 358)
Surrendered to Revenue Fund		(259 982)	(40 622)
Current payments		(1 005 688)	(797 742)
Payments for financial assets		(54)	(8 328)
Transfers and subsidies paid		(2 337 987)	(2 483 934)
Net cash flow available from operating activities	16	29 926	11 541
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(21 751)	(30 101)
(Increase)/decrease in non-current receivables	10	(134)	3 826
Net cash flow available from investing activities		(21 885)	(26 275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(3 941)	209
Increase/(decrease) in non-current payables		(3 930)	3 900
Net cash flows from financing activities		(7 871)	4 109
Net increase/(decrease) in cash and cash equivalents		170	(10 625)
Cash and cash equivalents at beginning of period		47 968	58 593
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	17	48 138	47 968

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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.

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

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

1.	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	Going concern The financial statements have been on a going concern basis.
3.	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	Foreign currency translation 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.
6.	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	Revenue
7.1	Appropriated funds

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

	<p>Appropriated funds comprises 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>Appropriated funds are measured at the amounts receivable.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
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>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</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</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	<p>capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</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 or fair value at the reporting date.</p>
8.4	<p>Leases</p>
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 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> <p>cost, being the fair value of the asset; or</p> <p>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9.	<p>Aid assistance</p>
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>CARA Funds are recognised when receivable and measured at the amounts receivable.</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>

ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	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.
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 and advances are expensed when there is delivery of goods and services by the recipient and clear evidence has been received of such delivery.</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> <p>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.</p>
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.	Capital assets
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>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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>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 capital 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 use.</p>
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.	<p>Provisions and contingents</p>
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</p>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	the reporting date.
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 measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets 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 recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
19.	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20.	<p>Irregular expenditure</p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to</p>

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<p>be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21.	<p>Changes in accounting policies, estimates and errors</p> <p>Changes in accounting policies are applied in accordance with MCS requirements.</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 the Invasive Alien Species and Waste projects. In terms of the arrangement the department is the principal and is responsible for project oversight. 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>The financial statements present fairly the department's primary and secondary information; the department complied with the Standard.</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 performance when written-off.</p>
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>

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	The full compensation of key management personnel is recorded in the notes to the financial statements.
28.	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>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 recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</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>

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

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	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation Received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	385 928	385 928	-	323 684	323 684	-
Integrated Economic Development Services	331 083	331 083	-	339 048	339 048	-
Trade and Sector Development	868 757	868 757	-	984 020	984 020	-
Business Regulation and Governance	216 527	216 527	-	198 724	198 724	-
Economic Planning	31 668	31 668	-	24 851	24 851	-
Tourism	294 490	294 490	-	317 900	317 900	-
Environmental Affairs	1 255 930	1 255 930	-	1 148 455	1 148 455	-
Total	3 384 383	3 384 383	-	3 336 682	3 336 682	-

1.2. Conditional grants

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Total grants received	30	6 236	6 402

2. Departmental revenue

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	13 774	5 371
Fines, penalties and forfeits	2.2	4 554	581
Interest, dividends and rent on land	2.3	2 980	1
Transactions in financial assets and liabilities	2.5	222 052	4 890
Total		243 360	10 843

For the 2023/24 FY the department received the following Tax Revenue (R721,900m from Gaming and Betting as well as R30,000 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,

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as per the Modified Cash Standard

The high Revenue collection is mainly due to funds from prior years that were surrendered by some of Public entities such as Growth Fund R103.408 million, TKZN R10.707m, as well as DTP R108.75m (which includes R8.75m for Crime fighting initiative received).

2.1. Sales of goods and services other than capital assets

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services produced by the department		13 761	5 356
Sales by market establishment		44	38
Administrative fees		13 413	5 085
Other sales		304	233
Sales of scrap, waste and other used current goods		13	15
Total	2	13 774	5 371

2.2. Fines, penalties and forfeits

	Note	2023/24 R'000	2022/23 R'000
Fines		4 554	580
Forfeits		-	1
Total	2	4 554	581

2.3. Interest, dividends and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest		2 980	1
Total	2	2 980	1

2.4. Transactions in financial assets and liabilities

	Note	2023/24 R'000	2022/23 R'000
Receivables		2 451	21
Other receipts including Recoverable Revenue		219 601	4 869
Total	3	222 052	4 890

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2.4.1. Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

	<i>Note</i>	2023/24 R'000	2022/23 R'000
	<i>Annex 1H</i>		
Gifts		1	5
Total gifts, donations and sponsorships received in kind		1	5

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

	2023/24		
	Amount received	Amount paid to the revenue fund	Balance
Name of entity	R'000	R'000	R'000
KZN Gaming and Betting	721 900	664 639	57 261
KZN Liquor Authority	30 000	30 000	-
Total	751 900	694 639	57 261

	2022/23		
	Amount received	Amount paid to the revenue fund	Balance
Name of entity	R'000	R'000	R'000
KZN Gaming and Betting	711 713	657 020	54 693
KZN Liquor Authority	34 704	34 704	-
Total	746 417	691 724	54 693

An amount of R57,261 m was not paid over to the Revenue Fund during 2023/24 FY.

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3. Compensation of employees

3.1. Analysis of balance

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Basic salary		328 373	302 348
Performance award		1 169	360
Service based		142	222
Compensative/circumstantial		7 878	4 022
Other non-pensionable allowances		65 755	70 381
Total		403 317	377 333

3.2. Social contributions

Employer contributions	<i>Note</i>	2023/24 R'000	2022/23 R'000
Pension		40 325	36 847
Medical		18 041	16 614
Bargaining council		76	79
Insurance		164	78
Total		58 606	53 618
Total compensation of employees		461 923	430 951
Average number of employees		807	860

4. Goods and services

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Administrative fees		2 870	1 779
Advertising		34 000	12 403
Minor assets	4.1	1 003	727
Bursaries (employees)		899	179
Catering		3 920	1 670
Communication		4 207	5 337
Computer services	4.2	63 630	32 001
Consultants: Business and advisory services		22 448	33 220
Legal services		11 477	9 040
Contractors		51 359	20 948
Agency and support / outsourced services		128 498	86 351

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Audit cost - external	4.3	5 020	5 714
Fleet services		7 600	6 417
Inventories	4.4	42 156	16 560
Consumables	4.5	9 250	9 375
Operating leases		41 271	38 667
Property payments	4.6	41 990	36 436
Rental and hiring		1 219	490
Transport provided as part of the departmental activities		1 193	588
Travel and subsistence	4.7	47 336	36 581
Venues and facilities		4 047	1 109
Training and development		13 876	7 146
Other operating expenditure	4.8	4 496	4 053
Total		543 765	366 791

4.1. Minor assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets	4	1 003	727
Machinery and equipment		1 003	727
Total		1 003	727

4.2. Computer services

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		37 397	29 146
External computer service providers		26 233	2 855
Total	4	63 630	32 001

4.3. Audit cost - external

	Note	2023/24 R'000	2022/23 R'000
Regularity audits		5 020	5 714
Total	4	5 020	5 714

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4.4. Inventories

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Clothing material and accessories		11 324	5 997
Farming supplies		12 631	5 955
Food and food supplies		197	-
Materials and supplies		2 330	12
Medical supplies		222	-
Other supplies	4.4.1	15 452	4 596
Total	4	42 156	16 560

4.4.1. Other supplies

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Assets for distribution		15 452	4 596
Machinery and equipment		15 436	4 596
Other assets for distribution		16	-
Total	6.4	15 452	4 596

4.5. Consumables

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Consumable supplies		5 986	5 028
Uniform and clothing		70	116
Household supplies		2 238	2 112
Building material and supplies		80	425
Communication accessories		3	-
IT consumables		11	4
Other consumables		3 584	2 371
Stationery, printing and office supplies		3 264	4 347
Total	4	9 250	9 375

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4.6. Property payments

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Municipal services		5 303	6 685
Property maintenance and repairs		130	-
Other		36 557	29 751
Total	4	41 990	36 436

4.7. Travel and subsistence

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Local		46 460	35 152
Foreign		876	1 429
Total	4	47 336	36 581

4.8. Other operating expenditure

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Professional bodies, membership and subscription fees		1 106	1 682
Resettlement costs		91	161
Other		3 299	2 210
Total	4	4 496	4 053

5. Payments for financial assets

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Extension of loans for policy purposes		-	4 115
Debts written off	8.3	54	4 213
Total		54	8 328

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5.1. Debts written off

		2023/24	2022/23
Nature of debts written off	Note	R'000	R'000
<i>Group major categories, but list material items</i>			
Recoverable revenue written off			
Supplier Debt		-	4 213
Staff Debt		54	-
Total debt written off	8	54	4 213

6. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Provinces and municipalities	31	56 208	91 409
Departmental agencies and accounts	Annex 1B	1 832 324	1 909 241
Higher education institutions	Annex 1C	5 102	5 016
Public corporations and private enterprises	Annex 1D	234 572	248 882
Non-profit institutions	Annex 1E	206 275	224 831
Households	Annex 1F	3 506	4 555
Total		2 337 987	2 483 934

7. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		21 729	22 752
Buildings and other fixed structures		402	270
Machinery and equipment		21 327	22 482
Intangible capital assets		22	7 349
Software		22	7 349
Total		21 751	30 101

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7.1. Analysis of funds utilised to acquire capital assets – 2023/2024

Name of entity	2023/24		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	21 729	-	21 729
Buildings and other fixed structures	402		402
Machinery and equipment	21 327		21 327
Intangible capital assets	22	-	22
Software	22		22
Total	21 751	-	21 751

7.2. Analysis of funds utilised to acquire capital assets – 2022/2023

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	22 752		22 752
Buildings and other fixed structures	203	-	203
Machinery and equipment	22 549	-	22 549
Intangible capital assets	7 349	-	7 349
Software	7 349	-	7 349
Total	30 101		30 101

7.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		6 680	2 553
Total		6 680	2 553

Finance Leases in respect of cell phone & 3G contracts

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8. Cash and cash equivalents

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General Account		48 133	47 968
Cash on hand		5	-
Total		48 138	47 968

Included in the balance of Cash and Cash Equivalents is an amount of R57,261m in respect of Gaming & Betting tax receipts which was received from the entity at year end, and was not possible to disburse to the Revenue Fund before the close of the 2023/24 accounting period.

9. Prepayments and advances

	Note	2023/24 R'000	2022/23 R'000
Travel and subsistence		-	23
Total		-	23

Analysis of Total Prepayments and advances

Current Prepayments and advances	-	23
Total	-	23

9.1. Prepayments (Not expensed)

		2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Other		-	-	-	-	-
Total	9	-	-	-	-	-

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2022/23

		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Other		4 115	-	-4 115	-	-
Total	9	4 115	-	-4 115	-	-

9.2. Prepayments (Expensed)

2023/24

	Amount as at 1 April 20YY	Less: Received in the current year	Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Goods and services					
Total	-	-	-	-	-

2022/23

	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	221	(221)	-	-	-
Total	221	(221)	-	-	-

9.3. Advances paid (Expensed)

2023/24

	Amount as at 1 April 20YY	Less: Received in the current year	Less: Other	Add Current year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Public entities	25 652	(4 143)			21 509
Other entities	5 198	(631)			4 567
Total	30 850	(4 774)	-	-	26 076

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Public entities Opening balance adjusted due to prior period error.

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Public entities	38 253	(12 601)	-	-	25 652
Other entities	11 365	(6 167)	-	-	5 198
Total	49 618	(18 768)	-	-	30 850

10. Receivables

		2023/24			2022/23		
		Current	Non- current	Total	Current	Non- current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	927	-	927	4 582	-	4 582
Recoverable expenditure	10.2	5	297	302	-	363	363
Staff debt	10.3	328	254	582	232	91	323
Other receivables	10.4	4	26 924	26 928	65	26 887	26 952
Total		1 264	27 475	28 739	4 879	27 341	32 220

10.1. Claims recoverable

	<i>Note</i>	2023/24 R'000	2022/23 R'000
National departments		-	2 739
Provincial departments		922	966
Public entities		5	877
Total	10	927	4 582

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10.2. Recoverable expenditure

	Note	2023/24 R'000	2022/23 R'000
<i>Group major categories, but list material items</i>			
Sal: Tax Debt CA		5	-
Sal: Reversal Control CA		77	143
Disallowance payment fraud :CA		220	220
Disall :Damages&Losses :Recover:CA		129	129
Disall :Damages&Losses :CA		(129)	(129)
Total	10	302	363

10.3. Staff debt

	Note	2023/24 R'000	2022/23 R'000
<i>Group major categories, but list material items</i>			
Bursaries		1	9
Salary & allowance overpayments		340	302
Tax Debt		43	12
Other		198	-
Total	10	582	323

10.4. Other receivables

	Note	2023/24 R'000	2022/23 R'000
<i>Group major categories, but list material items</i>			
Supplier Debt		26 928	26 927
Other Receivables		-	25
Total	10	26 928	26 952

10.5. Impairment of receivables

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of receivables		26 927	26 887
Total		26 927	26 887

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11. Investments

Non-current	<i>Note</i>	2023/24 R'000	2022/23 R'000
Shares and other equity			
<i>List investments at cost</i>			
Ithala Development Finance Cooperation		1 008 582	1 008 582
African Phoenix Investment (ex-African Bank)		25	25
Total		1 008 607	1 008 607

Analysis of non-current investments	<i>Note</i>	2023/24 R'000	2022/23 R'000
Opening balance		1 008 607	1 008 607
Closing balance		1 008 607	1 008 607

11.1. Impairment of investments

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Estimate of impairment of investments		24	23
Total		24	23

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Opening balance		16 577	28 842
Prior period error		—	—
As restated		16 577	28 842
Transferred from statement of financial performance (as restated)		18 903	16 577
Paid during the year		(16 577)	(28 842)
Closing balance		18 903	16 577

The bank balance of R87,688 million on the Trial Balance includes an amount of R57,261m in respect of Gaming & Betting tax receipts which was received from the entity at year end, and was not possible to disburse to the Revenue Fund before the close of the 2023/24 accounting period.

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12.1. Reconciliation on unspent conditional grants

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Total conditional grants received	1.2	6 236	6 402
Total conditional grants spent		(6 236)	-6 307
Unspent conditional grants to be surrendered		-	95
Due by the Provincial Revenue Fund		-	95

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

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Opening balance		60	997
Prior period error		-	-
As restated		60	997
Transferred from statement of financial performance (as restated)		243 360	10 843
Paid during the year		(243 405)	(11 780)
Closing balance		15	60

14. Payables - current

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Advances received	14.1	-	268
Clearing accounts	14.2	134	178
Other payables	14.3	57 261	54 693
Total		57 395	55 139

14.1. Advances received

	<i>Note</i>	2023/24 R'000	2022/23 R'000
Other institutions	Annex8B	-	268
Total	14	-	268

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14.2. Clearing accounts

Description	Note	2023/24 R'000	2022/23 R'000
<i>Identify major categories, but list material items</i>			
Sal: income tax		134	109
Sal: ACB Recalls		-	12
Sal: GEHS Refund		-	57
Total	14	134	178

14.3. Other payables

Description	Note	2023/24 R'000	2022/23 R'000
<i>Identify major categories, but list material items</i>			
Tax Receipt		57 261	54 693
Total	14	57 261	54 693

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.

15. Payables - non-current

Description	Note	2023/24				2022/23
		One to two years	Two to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities						-
Advances received	15.1	-	-	260	260	4 190
Total		-	-	260	260	4 190

15.1. Advances received

Description	Note	2023/24 R'000	2022/23 R'000
National departments	Annex8B	-	3 930
Provincial departments	Annex8B	260	260
Total	15	260	4 190

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16. Net cash flow available from operating activities

	Note	2023/24 R'000	2022/23 R'000
Net surplus/(deficit) as per Statement of Financial Performance		262 263	27 420
Add back non-cash/cash movements not deemed operating activities		(232 337)	(15 879)
(Increase)/decrease in receivables		3 615	(4 172)
(Increase)/decrease in prepayments and advances		23	4 092
Increase/(decrease) in payables - current		2 256	(5 278)
Expenditure on capital assets		21 751	30 101
Surrenders to Revenue Fund		(259 982)	(40 622)
Net cash flow generated by operating activities		29 926	11 541

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

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		48 133	47 968
Cash on hand		5	-
Total		48 138	47 968

18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

Liable to	Nature	Note	2023/24 R'000	2022/23 R'000
Other guarantees		Annex 2A	300 000	300 000
Claims against the department		Annex 2B	14 110	14 210
Total			314 110	314 210

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.

he claims against the Department are classified as Possible amounting a total of R 14 110m. 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. The court judgments are also delayed based on the judicial officer's workload apart from the fact that litigation cannot have time frame because it depends on indeterminable timelines for the exchange of documents until the matter is considered by a judicial officer.

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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. We rely on the plaintiffs to take the matters to the next stage or set it down for hearing and some matter get stalled for years without any movement.

18.2. Contingent assets

Nature of contingent asset	Note	2023/24 R'000	2022/23 R'000
Undue Salary Payment		-	931
Breach of Contract		-	4 122
Total		-	5 053

19. Capital commitments

	Note	2023/24 R'000	2022/23 R'000
Buildings and other fixed structures		594	-
Machinery and equipment		1 439	2 000
Total		2 033	2 000

20. Accruals and payables not recognised

20.1. Accruals

Listed by economic classification	Note	2023/24			2022/23
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services		6 435	1 127	7 562	6 441
Total		6 435	1 127	7 562	6 441

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Listed by programme level	<i>Note</i>	2023/24 R'000	2022/23 R'000
Programme 1: Administration		5 067	4 286
Programme 2: Integrated Economic Development services		399	425
Programme 3: Trade and Sector Development		100	98
Programme 4: Business Regulations & Governance		88	256
Programme 5: Economic Planning		37	126
Programme 6: Tourism		4	289
Programme 7: Environmental Affairs		1 867	961
Total		7 562	6 441

20.2. Payables not recognised

Listed by economic classification	<i>Note</i>	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		6 070	-	6 070	362
Total		6 070	-	6 070	362

Listed by programme level	<i>Note</i>	2023/24 R'000	2022/23 R'000
Programme 1: Administration		5 712	86
Programme 2: Integrated Economic Development services		40	-
Programme 3: Trade and Sector Development		-	-
Programme 4: Business Regulations & Governance		-	-
Programme 5: Economic Planning		-	-
Programme 6: Tourism		-	58
Programme 7: Environmental Affairs		318	218
Total		6 070	362

Included in the above totals are the following:	<i>Note</i>	2023/24 R'000	2022/23 R'000
Confirmed balances with other departments	<i>Annex 5</i>	1 936	3 561
Total		1 936	3 561

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21. Employee benefits

	Note	2023/24 R'000	2022/23 R'000
Leave entitlement		10 547	28 983
Service bonus		12 107	11 168
Performance awards		4 631	4 349
Capped leave		6 399	6 787
Other		345	356
Total		34 029	51 643

At this stage the department is not able to reliably measure the long-term portion of the long service awards. Performance award provision is estimated at 1% of the Compensation of Employees Budget.

22. Lease commitments

22.1. Operating leases

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	45 558	6 871	52 429
Later than 1 year and not later than 5 years	-	2 688	2 688
Total lease commitments	45 558	9 559	55 117

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	43 302	9 579	52 881
Later than 1 year and not later than 5 years	234	4 946	5 180
Total lease commitments	43 536	14 525	58 061

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

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per lease agreement entered into between the landlord and public works on our behalf. All twelve lease commitments disclosed have expired however the department still occupies these buildings. For these the department disclosed a commitment of 12 months.

22.2. Finance leases **

	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	726	726
Later than 1 year and not later than 5 years	337	337
Later than 5 years	-	-
Total lease commitments	1 063	1 063

	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	6 029	6 029
Later than 1 year and not later than 5 years	1 120	1 120
Later than 5 years	-	-
Total lease commitments	7 149	7 149

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

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. A significant decrease is due to majority of contracts ending in June 2024.

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23. Related party transactions

Other	<i>Note</i>	2023/24 R'000	2022/23 R'000
Guarantees issued/received		300 000	300 000
<i>List other contingent liabilities between the department and related party</i>			
Total		300 000	300 000

In-kind goods and services (provided)/received	<i>Note</i>	2023/24 R'000	2022/23 R'000
<i>List in-kind goods and services between the department and related party</i>			
Deputy Director General was seconded to KZN Nature Conservative Board as an Accounting Authority, an entity within the portfolio of the department.		(1 474)	(2 048)
Acting Accounting Authority was seconded from Moses Kotane Institute, an entity within the portfolio of the department.		1 414	-
Total		(60)	(2 048)

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, Richardsbay 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 granted approval for the KZN MEC for EDTEA to issue a guarantee to the value of R300m from 1 January 2022 to 31 December 2024 to enable Ithala Limited to comply with the capital adequacy requirements and to protect the depositors' 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.

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24. Key management personnel

	2023/24 R'000	2022/23 R'000
Political office bearers (<i>provide detail below</i>)	2 218	2 274
Officials:		
Executive Members	21 953	22 439
Family members of key management personnel	1 171	240
Total	25 342	24 953

Members of the Executive Management Committee (EXCO) are entrusted with taking Key Management decisions on the Operational Policies and Performance of the Department. Excluded from the total disclosed under key management personnel is the compensation of employee amount in respect of two officials who were suspended. The remuneration for the officials was excluded on the basis that they did not exercise any control over the activities of the department during the period of their suspension.

Any guarantees issued by the department are disclosed in the Note on *Contingent liabilities*.

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 March 2024

	2023/24			
	Opening balance	Value adjustments	Additions	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	156 580		14 618	35 905
Transport assets	74 247		4 969	32 075
Computer equipment	49 789		5 390	3 448
Furniture and office equipment	15 915		2 440	343
Other machinery and equipment	16 629		1 819	39
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	156 580		14 618	35 905
				135 293

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Movable Tangible Capital Assets under investigation

	<i>Note</i>	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		381	8 859
Total		381	8 859

The asset under Investigation related to assets that have been reported as missing or lost or broken or not found during asset verification but the entire disposal process has not been finalised.

25.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	137 331		19 627	378	156 580
Transport assets	68 230		6 017	-	74 247
Computer equipment	39 799		10 368	378	49 789
Furniture and office equipment	13 405		2 510	-	15 915
Other machinery and equipment	15 897		732	-	16 629
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	137 331	-	19 627	378	156 580

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25.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 March 2024

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	156	11 970	12 126
Value adjustments			-
Additions	-	593	593
Disposals	4	753	757
Total Minor assets	152	11 810	11 962

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	2 860	2 860
Number of minor assets at cost	51	5 880	5 931
Total number of minor assets	51	8 740	8 791

Minor capital assets under investigation

	Number	Value R'000
	<i>Note</i>	
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment	1 032	1105

Provide reasons why assets are under investigation and actions being taken to resolve the matters.

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MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	156	11 380	11 536
Prior period error	-	-	-
Additions	-	597	597
Disposals	-	7	7
Total Minor assets	156	11 970	12 126

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	3 117	3 117
Number of minor assets at cost	53	6 047	6 100
Total number of minor assets	53	9 164	9 217

Include discussion here where deemed relevant.

25.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	113	113
Total movable assets written off	-	113	113

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	378	378
Total movable assets written off	-	378	378

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26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 March 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	15 225	22	2 287	12 960
TOTAL INTANGIBLE CAPITAL ASSETS	15 225	22	2 287	12 960

26.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7 876	-	7 349	-	15 225
TOTAL INTANGIBLE CAPITAL ASSETS	7 876	-	7 349	-	15 225

27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	7 943	402	-	8 345
Non-residential buildings	351	-	-	351
Other fixed structures	7 592	402	-	7 994
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	7 943	402	-	8 345

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27.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	12 861	-	270	5 188	7 943
Non-residential buildings	351		-	-	351
Other fixed structures	12 510		270	5 188	7 592
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	12 861	-	270	5 188	7 943

28. Principal-agent arrangements

28.1. Department acting as the principal

	Note	2023/24 R'000	2022/23 R'000
<i>Invasive alien species project</i>		2 893	2 833
<i>IDT</i>		-	418
<i>IDFC</i>		1	6 210
Total		2 894	9 461

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 5% out of wages that is paid to the contractor.

28.2. Department acting as the agent

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28.2.1. Revenue received for agency activities

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<hr/>			
National Treasury IGR (iLembe LED Project).			
Total		<hr/> - <hr/>	<hr/> - <hr/>

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.

28.2.2. Reconciliation of funds and disbursements - Current year

	2023/24	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	R'000	R'000
Funds received for execution of project: Seco	46 657	47 848
Total	<hr/> 46 657 <hr/>	<hr/> 47 848 <hr/>

Reconciliation of funds and disbursements - Prior year

	2022/23	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	R'000	R'000
Funds received for execution of project: Seco	16 867	19 606
Total	<hr/> 16 867 <hr/>	<hr/> 19 606 <hr/>

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

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per the agreed Project Agreement

28.2.3. Reconciliation of carrying amount of receivables and payables - current year

Receivables

Name of principal entity	2023/24				
	Opening balance 1 April 2023	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
National Treasury IGR (SECO Agreement)	(1 191)	-	47 848	46 657	-
DTEA receives money from both Munic (prepaid) and from the SECO funding (after expenses)					
Total	(1 191)	-	47 848	46 657	-

Reconciliation of carrying amount of receivables and payables - prior year

Name of principal entity	2022/23				
	Opening balance 1 April 2022	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National Treasury IGR (SECO Agreement)	(3 930)		19 606	16 867	(1 191)
DTEA receives money from both Munic (prepaid) and from the SECO funding (after expenses)					
Total	(3 930)	-	19 606	16 867	(1 191)

29. Prior period errors

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29.1. Correction of prior period errors

		2022/23		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
Note				
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Prepayments Expensed (Opening Balance)	9.4	25 709	(57)	25 652
Line item 2 affected by the change				
Line item 3 affected by the change				
Net effect		25 709	(57)	25 652

Prepayments Expensed: Public entities Opening balance was adjusted.

		2022/23		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
Note				
Other: (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Related Party In-kind services (provided)	24	2 028	(4 056)	(2 028)
Line item 2 affected by the change				
Line item 3 affected by the change				
Net effect		2 028	(4 056)	(2 028)

The related party in-kind services (Provided) were reported as Received.

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30. Statement of conditional grants received

Name of grant	2023/24									2022/23	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspe-nding)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
	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	6 909	-	(673)	-	6 236	6 236	6 236		100%	6 402	6 307
TOTAL	6 909	-	(673)	-	6 236	6 236	6 236		100 %	6 402	6 307

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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31. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Msunduzi Municipality (Motor Vehicle licences)	200		8	208	208			226	226
ETH eThekwini				-				2 800	2 800
KZN212 uMdoni	5 500		800	6 300	6 300			2 800	2 000
KZN216 Ray Nkonyeni	2 000			2 000	2 000			6 000	6 000
DC21 Ugu District Municipality	1 500		1 200	2 700	2 700			5 000	2 500
KZN225 Msunduzi	5 000			5 000	5 000			5 000	5 000
KZN227 Richmond	500			500	500			3 000	3 000
KZN238 Alfred Duma	2 500			2 500	2 500			2 000	2 000
DC23 uThukela District Municipality				-	-			2 000	2 000
KZN244 uMsinga	2 000			2 000	2 000			1 000	1 000
DC24 uMzinyathi District Municipality	1 000			1 000	1 000			4 500	4 500
KZN252 Newcastle				-	-			5 000	5 000
KZN253 eMadlangeni	3 500			3 500	3 500			6 500	6 500
KZN261 eDumbe				-	-			1 600	1 600
KZN262 uPhongolo				-	-			1 000	1 000
KZN263 AbaQulusi	2 000			2 000	2 000			2 000	2 000

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Name of municipality	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
KZN265 Nongoma				-	-			800	800
DC26 Zululand District Municipality	2 000			2 000	2 000			500	500
KZN271 uMhlabuyalingana	4 500			4 500	4 500			8 000	8 000
KZN272 Jozini				-	-			1 500	1 500
KZN275 Mtubatuba	3 000			3 000	3 000			6 500	6 500
DC27 uMkhanyakude District Municipality	1 000			1 000	1 000			13 983	13 983
KZN282 uMhlathuze				-	-			3 000	3 000
KZN285 Mthonjaneni			500	500	500			500	-
KZN291 Mandeni				-	-			1 500	1 500
KZN292 KwaDukuza	2 700		(1 200)	1 500	1 500			2 000	2 000
KZN293 Ndwedwe				-	-			1 000	1 000
KZN294 Maphumulo			500	500	500			1 500	1 000
KZN433 Greater Kokstad	1 000			1 000	1 000			1 000	1 000
KZN434 uBuhlebezwe	2 000			2 000	2 000			2 000	2 000
KZN435 uMzimkhulu				-	-			500	500
KZN436 Dr Nkosazana Dlamini Zuma	1 200			1 200	1 200			1 000	1 000
DC29 iLembe District Municipality	3 500			3 500					
DC22 uMgungundlovu District	5 000			5 000	5 000				

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Name of municipality	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipality									
KZN213 Umzumbe	1 000			1 000	1 000				
KZN222 uMngeni	2 400			2 400	2 400				
KZN224 Impendle	900			900	900				
KZN266 Ulundi	-			-	-				
KZN281 Mfolozi	1 000			1 000	1 000				
KZN284 uMlalazi	1 000			1 000	1 000				
Unallocated	5 400		(1 800)	3 600					
TOTAL	63 300	-	8	63 308	56 208	-	-	95 709	91 409

***NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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32. 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.

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Msunduzi Municipality	200		8	208	208							226	226
ETH eThekwini				-								2 800	2 800
KZN212 uMdoni	5 500		800	6 300	6 300			6 300	-	6 300	-	2 800	2 000
KZN216 Ray Nkonyeni	2 000			2 000	2 000			2 000	-	2 000	-	6 000	6 000
DC21 Ugu District Municipality	1 500		1200	2 700	2 700			2 700	558	2 142	20.7%	5 000	2 500
KZN225 Msunduzi	5 000			5 000	5 000			5 000	1 237	3 763	24.7%	5 000	5 000
KZN227 Richmond	500			500	500			500	-	500	-	3 000	3 000
KZN238 Alfred Duma	2 500			2 500	2 500			2 500	1 092	1 408	43.7%	2 000	2 000
DC23 uThukela District Municipality				-	-							2 000	2 000

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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
KZN244 uMsinga	2 000			2 000	2 000			2 000	-	2 000	-	1 000	1 000
DC24 uMzinyathi District Municipality	1 000			1 000	1 000			1 000	1 000		100%	4 500	4 500
KZN252 Newcastle				-	-							5 000	5 000
KZN253 eMadlangeni	3 500			3 500	3 500			3 500	-	3 500	-	6 500	6 500
KZN261 eDumbe				-	-							1 600	1 600
KZN262 uPhongolo				-	-							1 000	1 000
KZN263 AbaQulusi	2 000			2 000	2 000			2 000	257	1 743	12.9%	2 000	2 000
KZN265 Nongoma				-	-							800	800
DC26 Zululand District Municipality	2 000			2 000	2 000			2 000	23	1 977	1.2%	500	500
KZN271 uMhlabuyalingana	4 500			4 500	4 500			4 500	-	4 500	-	8 000	8 000

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
KZN272 Jozini				-	-							1 500	1 500
KZN275 Mtubatuba	3 000			3 000	3 000			3 000	747	2 253	24.9%	6 500	6 500
DC27 uMkhanyakude District Municipality	1 000			1 000	1 000			1 000	380	620	38%	13 983	13 983
KZN282 uMhlathuze				-	-							3 000	3 000
KZN285 Mthonjaneni			500	500	500			500	30	470	6%	500	-
KZN291 Mandeni				-	-							1 500	1 500
KZN292 KwaDukuza	2 700		(1 200)	1 500	1 500			1 500	154	1 346	10.2%	2 000	2 000
KZN293 Ndwedwe				-	-							1 000	1 000
KZN294 Maphumulo			500	500	500			500	-	500	-	1 500	1 000
KZN433 Greater Kokstad	1 000			1000	1 000			1 000	211	789	21.1%	1 000	1 000
KZN434	2 000							2 000	2 000		100%		

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
uBuhlebezwe				2 000	2 000							2 000	2 000
KZN435 uMzimkhulu				-	-							500	500
KZN436 Dr Nkosazana Dlamini Zuma	1 200			1 200	1 200			1 200	1 153	47	96.1%	1 000	1 000
DC29 iLembe District Municipality	3 500			3 500									
DC22 uMgungundlovu District Municipality	5 000			5 000	5 000			5 000	-	5 000	-		
KZN213 Umzumbe	1 000			1 000	1 000			1 000	-	1 000	-		
KZN222 uMngeni	2 400			2 400	2 400			2 400	-	2 400	-		
KZN224 Impendle	900			900	900			900	240	660	26.7%		
KZN266 Ulundi	-			-	-								
KZN281 Mfolozi	1 000			1 000	1 000			1 000	809	191	80.9%		
KZN284 uMlalazi	1 000			1 000	1 000			1 000	495	505	49.5%		
Unallocated	5 400		(1 800)	3 600									

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
TOTAL	63 300	-	8	63 308	56 208	-	-	56 000	10 386	45 614		95 709	91 409

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
KZN Liquor Authority	89 252			89 252	89 252	100,0%	88 340	88 340
KZN Dube Tradeport	433 281			433 281	433 281	100,0%	488 991	488 991
Ezemvelo KZN Wildlife	900 775			900 775	900 770	100,0%	854 830	854 830
KZN Tourism Authority	171 190			171 190	168 190	98,2%	186 749	186 749
Natal Sharks board	69 663			69 663	69 663	100,0%	71 443	71 443
KZN Trade and Investment	103 592			103 592	103 592	100,0%	168 336	168 336
KZN Gambling & Betting Board	52 676			52 676	52 676	100,0%	50 552	50 552
SEDA	2 000			2 000	2 000	100,0%		
Public Service SETA	12 900			12 900	12 900	100,0%		
TOTAL	1 835 329	-	-	1 835 329	1 832 324		1 909 241	1 909 241

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2023/24							2022/23	
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	Amount not transferred	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
University of KwaZulu Natal	3 429			3 429	3 429		100.0%	3 255	3 255
Durban University of Technology	1 673			1 673	1 673		100.0%	1 761	1 761
TOTAL	5 102	-	-	5 102	5 102	-	100.0%	5 016	5 016

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation / private enterprise	2023/24								2022/23	
	GRANT ALLOCATION				EXPENDITURE					
	Adjusted Budget	Roll overs	Adjust- ments	Total Available	Actual transfer	% of Available funds transferr ed	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers	230 137			230 137	230 137	100,0%		81 366	241 855	241 855
Ithala Limited	102 022			102 022	102 022	100,0%		81 366	131 910	131 910
Richards Bay IDZ	128 115			128 115	128 115	100,0%		-	109 945	109 945
Subsidies	-			-	-	-		-	-	-
Subtotal: Public corporations	230 137	-	-	230 137	230 137	100,0%	-	81 366	241 855	241 855
Private Enterprises										
Transfers	7 600			7 600	4 435	58,4%			7 263	6 827
KZN Music Cluster (KUMISA)	4 000			4 000	4 000	100,0%			4 500	4 500

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VOTE 4**

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Waste Economy Support Programme	3 600			3 600	435	12,1%			2 763	2 327
Z.Zulu										
Subsidies									200	200
Get2Natural									200	200
Subtotal: Private enterprises	7 600	-	-	7 600	4 435	58,4%	-	-	7 463	7 027
TOTAL	237 737	-	-	237 737	234 572	98,7%	-	81 366	249 318	248 882

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23						
	EXPENDITURE						
	Adjusted Budget	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers							
Moses Kotane Institute	59 233		59 233	59 055	99.7%	56 608	56 608
KZN Film Commison	84 907		84 907	84 907	100.0%	85 705	85 705
KZN Growth Fund Trust	45 579		45 579	45 579	100.0%	69 115	69 115
SAAMBR	8 734		8 734	8 734	100.0%	8 366	8 366
WESSA	-		-			25	-
South African Farmers Development Association	8 000		8 000	8 000	100.0%	4 000	4 000
Tour Operators						1 000	999
Waste Economy Support Programme						38	38
Total	206 453	-	206 453	206 275		224 857	224 831
Subsidies							
Total							
TOTAL	206 453	-	206 453	206 275		224 857	224 831

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						
	EXPENDITURE						
	Adjusted Budget	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers							
H/H Empl S/Ben:Leave Gratuity	1 567	865	2 432	2 432	100,0%	1 975	1 974
H/H:Bursaries(Non-Employee)	987	61	1 048	1 044	99,6%	1 765	1 389
H/H:Claims Against State(Cash)	30		30	30	100,0%	108	108
H/H Empl S/Ben:Severance Package						1 084	1 084
Total	2 584	926	3 510	3 506		4 932	4 555
Subsidies							
Total							
TOTAL	2 584	926	3 510	3 506		4 932	4 555

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2023/24	2022/23
		R'000	R'000
<u>Received in kind</u>			
Gifts			
Civil Aviation SA	Leather Trolley Bag		4
SITA	Kooshty Hot & Kold Mug Set		1
Church of the Holy Ghost	Blanket		
		1	-
Total gifts		1	5
Subtotal – received in kind		1	5
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		1	5

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 March 2024 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2024	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ithala Guarantee	Other	300,000	300,000				300,000		
TOTAL		300,000	300,000	-	-	-	300,000	-	-

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
LG Naidu vs EDTEA	4 321				4 321
Rainov8 Concepts (t/a DJ Production) vs EDTEA	75				75
INET BFA (Pty) Ltd vs MEC for EDTEA	18				18
Jali Bird (Pty) Ltd vs MEC for EDTEA	3 000				3 000
AKNN Liquor Store (t/a Malvern Liquor Stores) v MEC for EDTEA & 2 others	4 460				4 460
Iso Lokhozi (Pty) Ltd vs The Department of Economic Development, Tourism and Environmental Affairs	2 000				2 000
BR Wilkinson vs EDTEA	336		100		236
Total	14 210	-	100	-	14 110

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

**ANNEXURE 3
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
KZN Sports and Recreation	386	-	-	369	386	369
KZN Provincial Treasury	-	-	536	-	536	-
KZN Department of Health	-	-	-	16	-	16
KZN COGTA	-	-	-	580	-	580
Subtotal	386	-	536	965	922	965
Other Government Entities						
Trade & Investment KZN	5	-	-	-	5	-
KZN Ezemvelo	-	-	-	877	-	877
Subtotal	5	-	-	877	5	877
TOTAL	391	-	536	1 842	927	1 842

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

**ANNEXURE 4
INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
KZN Public Works	1 915	3 561	-	588	1 915	4 149
KZN Department of Transport	21	-	279	-	300	-
Total	1 936	3 561	279	588	2 215	4 149

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

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

ANNEXURE 5A

INTERENTITY ADVANCES RECEIVED (Note 14 AND Note 15)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Non-current						
National Treasury (Seco Funds)	-	-	-	3 930	-	3 930
Subtotal	-	-	-	3 930	-	3 930
PROVINCIAL DEPARTMENTS						
Non-current						
Office of the Premier (Gamming & Betting)	-	-	260	260	260	260
Subtotal	-	-	260	260	260	260
OTHER ENTITIES						
Current						
UMgungundlovu Municipality (Invasive Project)	-	-	-	268	-	268
Subtotal	-	-	-	268	-	268
TOTAL	-	-	260	4 458	260	4 458
Current	-	-	-	268	-	268
Non-current	-	-	260	4 190	260	4 190



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



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