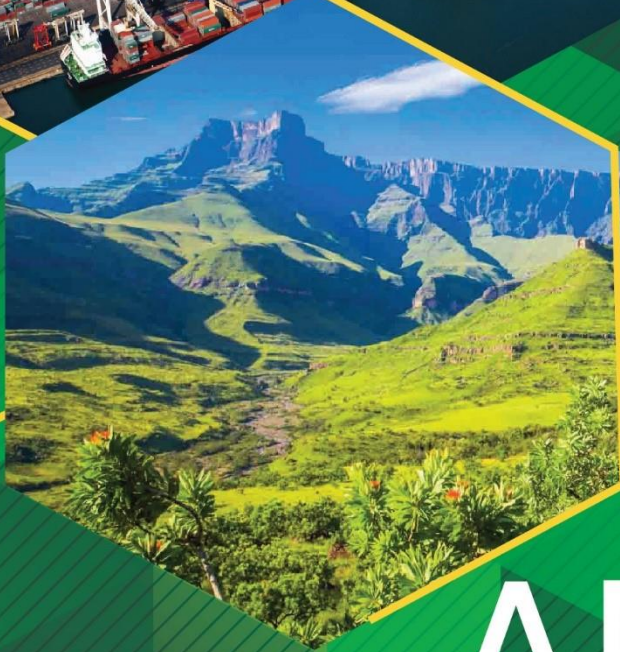




KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**
REPUBLIC OF SOUTH AFRICA



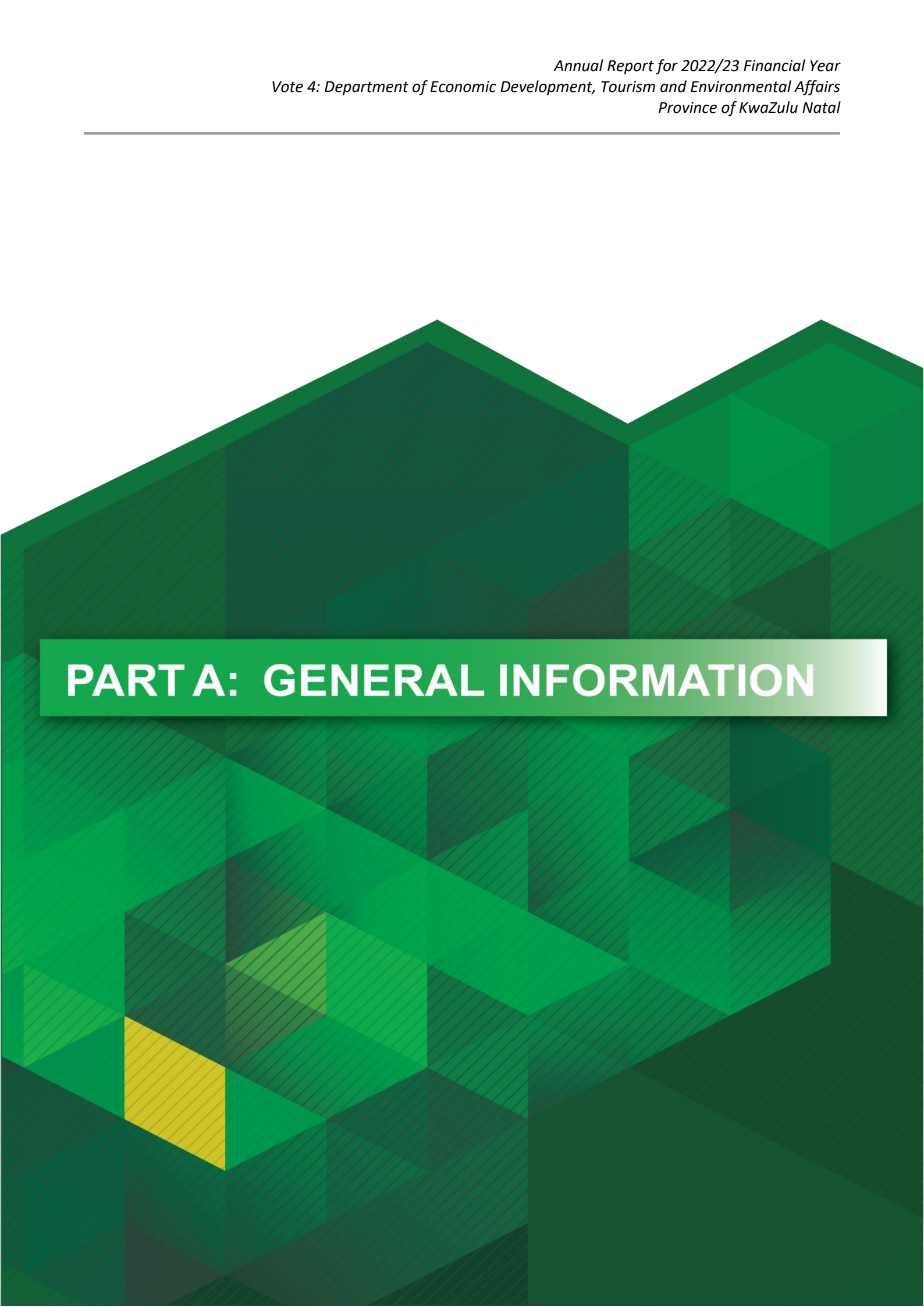
ANNUAL REPORT

2022/23

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

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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. FOREWORD BY THE MEMBER OF EXECUTIVE COMMITTEE[MEC]



Name: Mr SA Duma, MPL

Title: MEC for Economic Development, Tourism and Environmental Affairs and Leader of Government Business

There is absolutely no doubt that we are operating in a tough economic climate globally, a crisis that has seen a number of economies struggling to stabilize, making it difficult for them to function progressively. South Africa has not been exempted in this crisis, and KwaZulu-Natal ultimately will not escape the crisis unaffected.

Several key issues persist to be a hindrance to economic growth in South Africa and KwaZulu-Natal; the fact that central banks around the globe have raised interest rates aggressively has caused a high global inflation rate which in turn sees consumers tightening their belts when it comes to spending.

Domestically, we are already seeing diminished purchasing power across all demographics in the province. Perhaps even more worrying is the consumer indebtedness that is on the rise, meaning that saving and spending are taking a backseat as people struggle to keep the proverbial head above water as they tread the issues around their very survival.

According to Euromonitor International, the war in Ukraine and US-China tensions pose the most significant risks to the global economy in 2023 and beyond. Russia's invasion of Ukraine has rapidly inflated energy and food prices, leading to cost issues for businesses and soaring living costs for consumers.

This pressure is not showing signs of easing off and will be a phenomenon globally, certainly in the short term. With de-escalation unlikely in the short term, uncertainty, a broadening of the war and its consequences, particularly on the global commodity markets, will remain this year.

Escalating tensions between the US and China, the two largest economies could have a profound impact on international trade, thereby potentially transforming the global operating environment and disrupting business operations and supply chains. Time has never been as ripe as now for economies globally to collaborate with each other with a view of finding lasting solutions to drive recoveries in their areas of influence.

The rising cost of production because of increasing fuel prices and increasing fertiliser prices; the interrupted global supply chains because of geo-political tension; the unprocessed driven commodity exports and the inflation of import and export costs due to currency depreciation have seen many businesses crippled and even fold under these factors that are in reality completely outside their abilities to control. We are indeed in the middle of one of the toughest economic times we have seen in recent history.

After a significant rebound in quarter three (3) of 2022, the South African economy contracted on an annualised quarter-on-quarter basis by -4.9% in the fourth quarter of 2022. Seven industries recorded negative growth between the third and fourth quarters of 2022. Signs of constraint remain evident in sectoral output performance as six out of ten industries continue to lag behind their pre-pandemic growth levels. This effectively means that the recovery is still not widespread.

Against this backdrop, the International Monetary Fund (IMF) has revised its growth projects for South Africa downwards for the year 2023. Growth prospects for 2024 remain rather muted, with national economic growth expected to average 1.3%.

ECONOMIC RECONSTRUCTION AND RECOVERY PLAN

Against the backdrop of this, the economy of KwaZulu-Natal is continuing to recover from the devastating impact of Covid-19, July 2021 civil unrest and an onslaught of torrential floods experienced in April/May 2022. A second round of floods befell the province in February 2023, albeit not as catastrophic as the former, signified the devastating impact of climate change that the province should seriously plan for going forward.

Although we are facing seemingly intractable challenges in the economy, it is not all doom and gloom. Our economic development strategy remains clear in terms of what needs to be done to arrest the low economic growth conundrum and unemployment quagmire that confronts us.

Firstly, we have formulated the KwaZulu-Natal Economic Reconstruction and Transformation plan, which was endorsed by the Social partners through the social accord signed in May 2021.

The plan identifies fourteen (14) sectors where the province can realise immediate benefits through increasing levels of investment, infrastructure development, export development, economic transformation and localisation of economic value chains thereof.

AIR CONNECTIVITY

Air traffic activity over King Shaka International Airport continues to increase, with South African Airways, Turkish Airlines, Qatar Airways and Emirates flying long-haul routes directly to Durban, giving the world easy access to what we deem the exceptional Zulu Kingdom!

Regionally, Proflight Zambia has reinstated its Lusaka – Durban route, and Airlink is flying a Durban – Harare Zimbabwe Route just last month (5 May); we welcomed the inclusion of Durban on the ESwatini Air flight schedule.

This opening of air access between SADC countries will significantly boost travel volumes between countries. As we continue to open air routes, improving our connection to the African Continent, we open doors for business across all sectors.

It also creates the opportunity for greater cohesion between countries, fostering better relationships and a greater appreciation of what each country has to offer. Thereby, we help to grow the African economy together so that we can ultimately rise to be an economic giant amongst global economies.

REGIONAL AIRPORTS

The provincial Government intervened to upgrade regional airport infrastructure after realising that the majority of KwaZulu-Natal's municipal airports have been neglected for the past 20 years. These airports we generally run down, disorganised and not realising their potential to contribute to provincial and local economic development and job creation.

The renovations at **Margate Airport** Terminal building at R10.3 million created 50 jobs.

The department has also initiated processes towards upgrading of Pietermaritzburg, Newcastle and Richards Bay airports to ensure that these assets are fully used to drive tourism in KZN.

Richards Bay Airport – Umhlathuze Local Municipality is in the process of conducting a Feasibility Study into the relocation of the Richards Bay Airport. An amount of R1 million was allocated towards this. The Municipality, together with ACSA, has re-established scheduled services at the airport.

Mkhuze Airport - the newly constructed Terminal Building Hand Over Ceremony by EDTEA was concluded last year in November. An Airline Tourism Survey has also been conducted to build a business case to attract airlines to the airport.

Ulundi Airport – An amount of R500k has been made available to undergo repairs and toilet upgrades at the Terminal.

TOURISM RECOVERY PLAN

Despite the challenges faced by the province during and post the COVID-19 pandemic, the tourism sector has not just survived; it has reignited and bounced back with vigour. Now we are now focusing on our growth pillars and are rebuilding our sector in line with the provincial tourism recovery plan.

Our domestic figures recently released by SA Tourism show that KwaZulu-Natal is the country's favourite holiday destination attracting 7,6 million tourists.

To put this in perspective, we had 6,2 million tourists in 2019, and the last time we reached the 7 million mark was in 2017. The economic benefit for KZN was over R19 billion.

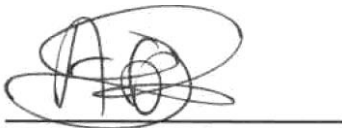
On the international front, we are still in the recovery phase. KwaZulu-Natal attracted 9,4% of the international visitors coming to SA in 2022, which provided an economic spend of R4,2 billion.

I believe our key to this success was the coming together of government and the tourism sector in keeping our name and brand top of mind, instilling confidence in visitors about their safety when visiting us, ensuring that tourism products are affordable and that our service, hospitality, and warmth are of the highest levels.

We applaud you for your continued vote of confidence in the provincial economy, and we can assure you that it is in our interest to partner with you in growing the provincial economy, creating jobs, and reducing inequality.

CONCLUSION

We remain steadfast in our resolve to extricate the citizens of this province from the bondage of poverty, inequality, and unemployment. We are very clear that each and every person has a role to play in growing the economy of this province. We do not subscribe to the view that there are providers and passive recipients. We are all capable partners with distinct roles and responsibilities in this struggle to attain radical economic transformation and, thereby, economic participation. The journey begins by strengthening local economies and ensuring that they are integrated into the mainstream economy.

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

Mr. Sboniso Duma, MPL

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

4. REPORT OF THE ACCOUNTING OFFICER



Name: Mr Nhlakanipho Nkontwana

Title: Accounting Officer

Performance overview of 2022/2023

The period under review has been constrained by a lot of headwinds, not only at a local level but across the globe. Elevated inflationary pressures, tightening global financial conditions associated with high-interest rate hikes, rebound effects of COVID-19, and negative spillover effects from the geo-political tensions, particularly due to the war between Russia and Ukraine weighed down the global growth prospects. As a result, the global economy grew by 3,4% in 2022.

In South Africa, real GDP increased by only 2,0% in 2022 following an increase of 4,9% in 2021. The muted growth levels in the country reflected weaker external demand, debilitating power shortages, and other structural constraints. External shocks such as global geo-political factors and low global demand continued to underpin the low growth trajectory in the country. In line with other leading central banks, the South African Reserve Bank (SARB) lifted rates by a cumulative 425 basis points between November 2021 and December 2022 after it slashed the repo rate to 3,5% in the wake of Covid-19's economic onslaught. By December 2022, the repo rate neared a percentage higher than it was prior to the pandemic.

Higher interest rates have an impact on the country's already slow economic growth. The constrained economic growth landscape continued to hamper the job creation potential of the country whilst accelerating the levels of inequality and poverty. The rate of unemployment in South Africa currently was estimated at 32.9% in the first quarter of 2023, 2.8 percentage points higher than 2020Q1, the last period before the onset of COVID-19.

Electricity supply shortages have constrained South Africa's growth for several years. Rolling scheduled power cuts (load-shedding) started in 2007 and have intensified exponentially, reaching close to 9 hours daily in 2022. This severe electricity shortfall has disrupted economic activity and increased operating costs for businesses, many of which rely on costly diesel generators. It has also affected other infrastructure such as water, IT, and service delivery (health and education).

Due to the Covid pandemic, at the end of 2022, there were still close to half a million fewer jobs than at the end of 2019, with women and youth persistently more impacted. Inequality remains among the highest in the world, and poverty was an estimated 63% in 2022 based on the upper-

middle-income country poverty line, only slightly below its pandemic peak. These trends have prompted growing social demands for government support, which could put the sustainability of public finances at risk if they are to be met.

The global environment remained supportive but increasingly severe domestic constraints led to GDP growth slowing to 2% in 2022 from 4.9% in 2021. In KwaZulu-Natal, the provincial economy has largely followed the national trends growing by 2.7% in 2022. The provincial rate of unemployment emerged slightly lower than the national rate at 30.9% in 2023Q1. However, after incorporating the non-searching unemployed (discouraged work seekers) the province's expanded unemployment jumped to a significant 47.1% in the same period indicating that KZN province remains one of the provinces badly affected by the scourge of unemployment in the country.

The Province of KwaZulu-Natal remains focused on improving the well-being of its citizens. Structural challenges and weak growth have undermined progress in reducing poverty, heightened by the COVID-19 pandemic. The duality of the local economy with one of the highest and most persistent inequality rates in the world, with a consumption expenditure Gini coefficient close to 0.7 remains a consideration when designing government programmes. High inequality is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor and does not generate sufficient jobs. Inequality in wealth is even higher, and intergenerational mobility is low, meaning inequalities are passed down from generation to generation with little change over time.

To mitigate the aforementioned challenges in 2022, the department implemented a raft of interventions underpinned by the immediate desire to:

- Elevate job creation to be the centre of all our service delivery programmes;
- Increase provision of support to provincial enterprises;
- Boost expenditure on catalytic infrastructure to unlock further investment;
- Tackle barriers to growth;
- Widen export markets for locally manufactured goods;
- Promote skills development;
- Increase air connectivity to KZN for trade creation;
- Develop efficient regional airports to support tourism;
- Promote innovation to increase the international competitiveness of local enterprises; and
- Conclude the rationalisation of public entities to optimise limited fiscal resources.

The April /May 2022 and June/July 2023 floods in KwaZulu-Natal left a trail of destruction and claimed over 420 lives. These were the worst in terms of fatalities and the destruction of the infrastructure. This has brought more urgency to respond to climate-induced adverse weather impacts and intervene in terms of issuing emergency directives with a view to rebuilding infrastructure. It is in light of the foregoing that the Department finalised a Disaster Management plan and fast-tracking the finalization of the Provincial Climate change strategy which will better coordinate the multi-sectoral response to climate change.

During the reporting year, the department created more than 250 550 job opportunities through various initiatives which were implemented in the province, with the EPWP having created 9 526 job opportunities and 2359,2 full-time equivalence. The Special Economic Zones (SEZs), namely, Dube

Trade Port and Richards Bay IDZ, jointly contributed 5 269 job opportunities through construction activities.

Enterprise Development and Economic Empowerment

Enterprise development remains one of the catalytic programmes to accelerate economic empowerment and economic growth in the province. During the reporting year, the department continued to strengthen our support to small enterprises (SMMEs and Cooperatives) and the focus was on interventions aimed at improving the state of readiness by small enterprises as the preferred manufacturers and suppliers of goods and services in the various supply chains and market segments in which they operate.

Township and Rural Economies

In terms of the implementation of the Township and Rural Economies Revitalization Strategy, the Department has rolled out the informal economy upliftment programme where 4 Programmes were undertaken to support the Informal Economy in Umzinyathi (Umvoti and Endumeni), UThukela (Inkosi langalibalele) and Amajuba (Newcastle) districts with a total number of 115 trained. Trading space for the informal sector (in available state property across all sectors of government) was also erected and 4 recovery projects (Okhahlamba, Greater Kokstad, Umvoti & Msunduzi) were funded.

Informal Economy

There has been significant progress in the construction/provision of infrastructure for informal traders and small businesses in Umvoti, Okhahlamba, Msunduzi, Kokstad, Umdoni (Scottsburgh), Manguzi, Hlabisa, and eThekweni funded through the Provincial Recovery Fund. The construction of the R13.4million KwaMajomela Mixed Use Centre was also completed and awaits the handover of the facility from the Zulu District Municipality and finalisation of the allocation of space to businesses and traders by the Nongoma Municipality. These projects have thus far cumulatively supported 155 construction jobs and 554 of a targeted 820 informal traders have been placed in their new facilities.

Other projects contracted during the past financial year in Umdoni (Umzinto), Alfred Duma, eMondlo, Msinga, uBuhlebezwe and Mkhuze targeting 714 informal trader beneficiaries are at different stages of implementation (either final design or procurement). A total of 122 enterprises (55 informal and 67 formal) involving 279 employees have benefitted from the programme thus far. In the 22-23 financial year, 12 municipal employment initiatives (MEIs) were activated and are in various stages of implementation

In the 2022-23 financial year, the three-year collaboration with the South African Farmers Development Association (SAFDA) to support Small Scale Growers (SSGs) with fertiliser entered its second year. A total of 584 SSGs benefited including 56 youth and 291 female SSGs.

Industry Development

Dube Trade Port Special Economic Zone (DTPC) and Richards Bay Industrial Development Zone (RBIDZ) attracted R2 billion and R9.1 billion investments during the 2022/2023 financial year respectively. These Special Economic Zones have also created 5 269 jobs combined. During the 2023/24 financial year, RBIDZ will be operationalizing investments worth R800m while DTPC intends to focus on the Durban Logistic Hub which is phase one of the Automotive Supplier Park

Project based at the old Durban airport. This project is vital in advancing transformation in the automotive sector in the Province.

Additionally, during the 2023 financial year, the KZN Economic Council expanded its reach to include Amajuba, uThukela, King Cetshwayo, and Zululand and the intention is for all Districts to see the value in this collaborative approach toward enhancing the economic growth and development of their respective Districts and ultimately the Province.

Air Connectivity

With air routes (both domestic & international) fully resumed in 2022 and 2023, passenger numbers picked up significantly, experiencing an average of 346,000 per month in 2022. There was a 14.8% annual growth in passenger numbers when comparing April 2022 to April 2023. Total passenger numbers jumped from 3.2 million in 2021/22 to 4.3 million in 2022/23. The resumption of flights bodes well for driving tourism and also trade opportunities through the use of the Airfreight Cargo Facility at Dube Tradeport.

The KZN Route Development Strategy articulates the intention of the province to increase direct connectivity to regional and international hubs. To date, previously suspended routes have been resuscitated by the Durban Direct team, routes including Istanbul (Turkish Airlines), Durban – Doha (Qatar Airways), Durban – Harare (Airlink), and Durban – Dubai (Emirates Airline). Additionally, during this financial year (2023), the Durban Direct team has recently secured two regional routes, Durban – Lusaka (ProFlight Zambia), and Durban – Manzini (Eswatini Airlines).

Business Regulation and Compliance

The business regulation and compliance programme has been instrumental in licensing businesses and informal traders and ensuring adherence to the laws regulating general trade, and sale of alcohol in the province as detailed in the following:

The department conducted over 569 business inspections across all 11 districts to address the scourge of illicit and illegal business activities and practices, working together with other law enforcement agencies and various stakeholders conducting joint inspections.

- The consumer Case Management System which has been rolled out in all districts is monitored regularly. All consumer complaints handlers have managed to resolve 83% of consumer complaints through investigation of consumer complaints and conducting alternative dispute resolutions.

A total of 6 386 trading permits were issued resulting in 13 897 informal jobs created. A total of 3 804 business licenses have been issued resulting in 65 404 jobs created (all stats quantified through the System)

The following Bills have been completed and will undergo Legislative processes in the next financial year viz –

- KZN Economic Regulatory Authority Bill; and

- KZN Liquor Act Amendment Bill.

Public Entities

The twelve (12) public entities of the Department are mandated to implement the broad provincial mandate of economic development, tourism, and environmental affairs in a robust, efficient, and efficient manner. A total budget of **R2.362 billion** was allocated to the Department's twelve (12) public entities in the 2022/23 financial year to drive the implementation of the legislative mandate

- Nature conservation and bather protection: Ezemvelo KZN Wildlife – **R854,830 million**, KwaZulu-Natal (KZN) Sharks Board – **R 71,443 million**;
- Special economic zones: Richards Bay Industrial Development Zone – **R109,945 million**, Dube Tradeport Corporation – **R488,991 million**;
- Promotion of trade, investment, tourism, and the film industry: Trade and Investment KZN – **R168,336 million**; KZN Tourism Authority - **R186,749 million**, KZN Film Commission - **R85,705 million**;
- Banking and development finance: KZN Growth Fund Trust – **R69,115 million**, Ithala Development Finance Corporation Limited - **R131,910 million**;
- Gaming, betting and liquor regulation: KZN Gaming & Betting Board – **R50,552 million**; and KZN Liquor Authority - **R88,340 million**; and
- Research: Moses Kotane Institute - **R56,608 million**.

The following four (4) bills are ready to be tabled at the Provincial Legislature:

1. KwaZulu-Natal Tourism and Audio-Visual Agency Bill (mergers the KZN Tourism Authority with the KZN Film Commission)
2. KZN Economic Regulatory Authority Bill (mergers the KZN Gaming and Betting Board with the KZN Liquor Authority)
3. Moses Kotane Research Institute Bill (converts the legal form of the entity from a non-profit company to a provincial public entity listed in the schedules to the PFMA)
4. KZN Growth Fund Agency Bill (converts the legal form of the entity from a Trust to a provincial public entity listed in the schedules to the PFMA)

The Ezemvelo KZN Wildlife Bill (incorporates KZN Sharks Board into Ezemvelo KZN Wildlife) is being amended to include key clauses aligned to the mandate of the new entity. Thereafter, it will also be tabled at the Provincial Legislature.

Overview of the financial results of the department:

- Departmental receipts

Departmental receipts	2022/2023			2021/2022		
	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	710 778	746 417	(35 639)	678 223	621 569	56 654
Casino taxes	587 528	580 439	7 089	560 618	464 108	96 510
Horse racing taxes	92 844	131 273	(38 429)	88 592	133 621	(45 029)
Liquor licences	30 406	34 705	(4 299)	29 013	23 840	5 173
Sale of goods and services other than capital assets	3 129	5 371	(2 242)	2 986	12 674	(9 688)
Transfers received	-	-	-	-	850	(850)
Fines, penalties and forfeits	684	581	103	653	1 540	(887)
Interest, dividends and rent on land	7	1	6	7	1 140	(1 133)
Sale of capital assets	234	-	234	223	2	221
Financial transactions in assets and liabilities	73	4 890	(4 817)	70	13 926	(13 856)
Total	714 260	757 260	(42 355)	682 162	651 701	30 461

The department collected revenue of R757.260 million or 105.9 per cent against the revenue budget of R714.905 million. The collection can be explained as follows:

- Tax receipts derive its revenue 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 R746.417 million against a budget of R710.778 million, and is analysed as follows:
 - ✓ *Casino taxes*: includes taxes from Limited Pay-out Machines (LPM), as well as Bingo taxes. This category collected R580.439 million against a Final Appropriation of R587.528 million, with an under-collection of R7.089 million due to taxes collected being lower than expected. The gambling sector has nearly recovered to pre-pandemic levels, and it is noted that the sector has a close correlation to the Tourism sector, which is also showing signs of recovery. Given that the Tourism sector is still in recovery, the gambling sector has performed better than expected.
 - ✓ *Horse racing taxes*: derives its revenue from bookmakers, as well as totalisators. The amount collected was R131.273 million against a budget of R92.844 million, with the over-collection of R38.429 million mainly resulting from the recovery of the sector following the pandemic, the April 2022 floods, and the July 2021 social unrest. The over-collection was also due to a licensee relocating certain aspects of their business (servers) to the province, and this resulted in taxes generated from these bets now being paid in KZN.
 - ✓ *Liquor licenses*: are collected from issuing new licenses and from the renewal of liquor licenses. The actual collection is at R34.705 million against the budget of R30.406 million, and the over-collection of R4.299 million relates to revenue collected from liquor license fees being higher than anticipated.

- ✓ *Sale of goods and services other than capital assets:* collected at R5 371 million against a budget R3 129 million resulting in an over-collection of R2 242 million. This revenue includes collection from parking fees, tourism guide registration fees, the environmental authorisation application fees, commission on PERSAL deductions such as insurance premiums and garnishee orders, etc. The over-collection relates to fees for the servitude rights on KZN's coastline in accordance with the Seashore Act paid by the South African Petroleum Refineries (SAPREF) in respect of a crude oil pipeline that makes landfall near Durban. This is a new revenue stream, hence, it was not budgeted for, and the final quantum of the fees to be collected was not known at the time the budget was compiled.
- ✓ *Fines, penalties and forfeits:* collected at R581 000 against a budget R684 000. This revenue is derived from fines paid by companies that contravene environmental legislation, such as Environmental Impact Assessment (EIA) regulations, and is difficult to predict.
- ✓ *Interest, dividends, and rent on land:* under-collected by R6 000 against a budget of R7 000. This revenue is generated from interest on staff debts and is difficult to correctly project for.
- ✓ *Revenue relating to the Sale of capital assets:* is derived from the sale of redundant assets, such as vehicles and office equipment. The department did not conduct an auction of redundant assets in 2022/23 as initially planned, as the fleet was inadequate for the department to conduct an auction. Disposal of redundant assets depends on the mileage of the vehicle, thus recording an under-collection of R234 000.
- ✓ *Transactions in financial assets and liabilities:* collected R4.890 million against a budget of R73 000, showing an over-collection of R4.817 million. Revenue collected relates to unspent Merseta prepayment which was erroneously surrendered to the Provincial Revenue Fund. This transaction was subsequently reversed and the funds were repaid to Merseta.

Programme Expenditure

Programme Name	2022/23			2021/22		
	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	323 684	321 796	1 888	304 902	294 016	10 886
Integrated Economic Development Services	339 048	338 372	676	570 953	567 091	3 862
Trade & Sector Development	984 020	982 071	1 949	901 681	898 888	2 793
Business Regulation & Governance	198 724	198 534	190	184 048	184 048	-
Economic Planning	24 851	24 851	-	21 170	20 369	801
Tourism	317 900	311 067	6 833	253 670	247 670	6 000
Environmental Affairs	1 148 455	1 143 414	5 041	1 130 251	1 125 751	4 500
Total	3 336 682	3 320 105	16 577	3 366 675	3 337 833	28 842

- *Administration*: less than 1% under-spending is due to the following: *Transfers and Subsidies*. This under-spending relates to bursaries for students that were not paid due to the students not submitting relevant documents to enable payments. *Payments for Capital Assets*. The under-spending is due to delays in finding a suitable service provider for the construction of park homes for the daycare facility as part of the Sukuma Sakhe programme.
- *Integrated Economic Development Services*: less than 1% under-spending relates to two MEC events: Umyezane and B-BBEE Certificate handover events which were not undertaken due to delays that were caused by the change in political leadership as these require the participation of the MEC.
- *Trade and Sector Development*: Less than 1% under-spending due to *Compensation of Employees* as a result of delays in the filling of Deputy Director and Assistant Director positions that were filled in October and December respectively. *Transfers & Subsidies* are underspent due to two DURA learnership bursary holders from WITS University forfeiting the bursary resulting from poor academic performance. *Payment for Capital Assets* is underspent due to delays experienced in the delivery of desktop printing equipment.
- *Business Regulation and Governance*: The underspending of less than 1% is due to vacant posts of a Personal Assistant for the Chief Director: Business Regulation and Governance which was initially budgeted for under this category and was not filled. Furthermore, there was one medically boarded employee that occupied a level 12 post but was replaced by an incumbent appointed at level 11 which resulted in savings.
- *Tourism*: is at 98% at year-end. The 2% under-spending is due to the following: *Compensation of Employees*: underspent due to interns resigning during the year in the Tourism Graduate Development Programme. *Goods & Services* is underspent due to the implementation of cost-cutting measures for the Tourism Entrepreneurship Career Expo and the late commencement of the Tourist Guides Training Programme, which was delayed due to the Industrial strike action. *Transfers & Subsidies*: This category was underspent due to delays in the payment of uGu Beach Development. This was due to the untimely passing of the Municipal Manager of the municipality which necessitated the development of new documents.
- *Environmental Affairs*: 96% at year-end. The 4% under-spending is due to delays in the following: *Compensation of Employees* – this under-spending is due to the post of the Chief Director of Environmental Affairs being vacant. *Goods & Services*: underspent mainly due to the department losing an appeal that was lodged for the procurement of PPE and failure in securing the appointment of a suitable accredited professional training service provider which resulted in the postponement of the planned training (health & safety). Furthermore, one of the requirements from the Health and Welfare SETA (HWSETA) is that training service providers accredited by HWSETA have to secure a permit from the SETA before they undertake Health and Safety training programmes and they can only apply for such permit once they have secured a tender/project. The appointed service provider experienced delays in securing the required permit from HWSETA, hence the planned training could not be rendered before the end of the financial year. *Transfers & Subsidies*: The transfer of Funds to the municipalities could not be finalised due to delays in the signing of the SLA with Umdoni, Umthonjaneni, and Maphumulo Municipality for the Greenest Municipality Competition. Also contributing were delays in updating company details by beneficiaries within CIPC and SARS for the Waste Economy Support Project under *Private Enterprises*.

Changes made in the Second Adjustments Estimate

The adjusted appropriation of the department was R3.431 billion. Subsequent to the tabling of the 2022/23 Adjustments Estimate, departments were requested to indicate whether they were able to surrender any funds towards budget pressures experienced by some departments in the province through a provincial reprioritisation exercise to reduce the provincial fiscal risk. The department indicated that an amount of R95 million could be surrendered from the department to be allocated to the budget pressures in the province and this reduction is summarised below: The final adjusted appropriation of the department was R3.336 billion,

- Funds totalling R14.939 million were moved from Programme 1: Administration, of which R3.439 million was moved from *Compensation of employees* due to delays in the filling of critical vacant posts such as Chief Director: Corporate Services, Director: Security and Deputy Director: Employee Assistance Programme. An amount of R9 million was moved from *Goods and services* due to savings as a result of delays in rebranding and upgrading the departmental website, as well as implementation of financial controls on items such as operating leases, travel and subsistence, and training and development. The balance of R2.500 million was moved from *Machinery and equipment* due to the implementation of financial controls on finance leases.
- Funds totalling R44.910 million were moved from Programme 2: Integrated Economic Development Services, of which R43.650 million was moved from *Goods and services* due to delays caused by the change in political leadership which affected the implementation of various expos and outreach programmes, interventions, and summits as these require the participation of the MEC. Further delays were also caused by the industrial strike action which took place in March 2023. An amount of R1.060 million was moved from *Machinery and equipment* due to delays in the procurement of machinery and equipment, and the balance of R200 000 was moved from *Buildings and other fixed structures* due to delays in project implementation.
- Programme 3: Trade and Sector Development was reduced by R13 million against *Goods and services* due to delays in the implementation of the KZN Competitiveness Enhancement Programme, Fish Processing Facilities, and Agro-processing projects. The delays were caused by the unavailability of suitable service providers even after the tenders were advertised three times, and hence these funds were surrendered as there was no progress made.
- Programme 4: Business Regulation and Governance was reduced by R2.546 million, of which R2.070 million was moved from *Goods and services* due to delays in the implementation of the e-licensing system used to process applications for business licenses and informal trading permits in the province. This is managed by the Regulation Services sub-programme within the department. The delays were in the signing of SLA with SITA which is responsible for the management of the Business Licensing and Information Management System (relating to e-permits). The department also implemented financial controls on items such as legal costs and travel and subsistence. *Machinery and equipment* were reduced by R476 000 due to procurement delays caused by the non-availability of computer equipment such as laptops from the suppliers.
- Programme 6: Tourism was reduced by R8.462 million, of which R4.967 million was moved against *Goods and services* in respect of savings as a result of delays with the Nelson Mandela Lecture event. *Transfers and subsidies* were reduced by R3 million due to delays in the transfer of funds to uMgungundlovu Economic Development Agency for several projects,

such as the Howick Falls Precinct projects, including the upgrade of ablutions, the perimeter fencing project, development of the promenade, construction of picnic facilities, among others. These virements were approved by the Legislature in the Second Adjustments Estimate, as reductions in transfers require Legislature approval. Also, *Machinery and equipment* was reduced by R495 000 due to procurement delays caused by the shortage of computer equipment and laptops.

- Programme 7: Environmental Affairs was reduced by R11.143 million, of which *Goods and services* was reduced by R3 million due to the implementation of financial controls on items such as venues and facilities, consumable supplies, and delays in the implementation of the Biogas project due to a lack of success with the procurement processes. Savings were also identified under various transfers such as *Transfers and subsidies to Provinces and municipalities* in respect of the Greenest Municipality Competition awards (R1.700 million) which were double budgeted for, *Transfers and subsidies to: Public corporations and private enterprises* in respect of the Waste Economy Support Programme (R1.021 million), and *Transfers and subsidies to: Non-profit institutions* in respect of the Wildlife and Environmental Society of South Africa (WESSA) (R500 000) as a result of failure to reach an agreement with regard to programmes that are in the interest of the department. *Machinery and equipment* was reduced by R4.922 million due to procurement delays caused by the shortage of computer equipment, and laptops which took longer than anticipated.

Post Virements

The adjusted appropriation of the department was **R3.336 billion**. The following post adjustment virements were made between Programmes:

Summary by Programme

Programme Name	Adjusted	Post Adjustments movements			Total	Final
	Appropriation	Shift	Virement	Adjustment	Adjustments	Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	335 731		(12 047)		(12 047)	323 684
Integrated Economic Development Services	351 048		(12 000)		(12 000)	339 048
Trade & Sector Development	990 222		(6 202)		(6 202)	984 020
Business Regulation & Governance	198 724		0		0	198 724
Economic Planning	24 418		433		433	24 851
Tourism	294 351		23 549		23 549	317 900
Environmental Affairs	1 142 188		6 267		6 267	1 148 455
Total	3 336 682		0		0	3 336 682

Programmes

- *Programme 1*: R12.047 million was identified against *Goods and services* due to savings on property payments, computer services, and the Operation Vula due diligence costs caused by delays in the Operation Vula policy review. Of this, R6.700 million was moved to *Transfers and subsidies to: Provinces and municipalities* toward the Greenest Municipality Competition awards under Programme 7, and R5.347 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* in respect of Tourism KwaZulu-Natal (TKZN) under

Programme 6 for hosting various festive season events as part of promoting tourism in the province.

- *Programme 2:* R12 million in savings were identified under *Goods and services* due to delays in the implementation of projects such as Operation Vula pulp and paper, and the mentorship support programme. These funds were moved to Programme 6 for transfer to TKZN for hosting various festive season events as part of promoting tourism in the province
- *Programme 3:* Savings of R6.202 million were identified under *Goods and Services* due to slow progress on projects such as the KZN Economic Council. These funds were moved to Programme 6 for transfer to TKZN for hosting various festive season events as part of promoting tourism in the province.
- *Programme 5:* Savings of R433 000 were identified from the *Compensation of employees* under Programme 7 and were moved to this programme to offset the spending pressures under the *Compensation of employees* caused by the earlier than unanticipated filling of the Director: Policy Determination post.
- *Programme 6:* Savings of R23.549 million were moved from Programmes 1, 2, and 3, as well as R498 000 from within the programme under *Goods and Services* to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to TKZN for hosting various festive season events as part of promoting tourism in the province
- *Programme 7:* Savings of R6.700 million were moved from *Goods and services* in Programme 1 due to slow spending on computer services. These funds were moved to *Transfers and subsidies to: Provinces and municipalities toward various local municipalities* such as uPhongolo Municipality, KwaDukuza Municipality, and uMdoni Municipality, among others, for the Greenest Municipality Competition awards relating to a commitment from 2021/22.

The following post adjustment virements were made between economic classifications:

Summary by Economic Classification

Economic Classification	Adjusted	Post Adjustments movements			Total	Final
	Appropriation	Shift	Virement	Adjustment	Adjustments	Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	850 167	0	(42 191)	0	(42 191)	807 976
Compensation of Employees	441 314		(6 442)		(6 442)	434 872
Goods & Services	408 853		(35 749)		(35 749)	373 104
Transfers & Subsidies to:	2 455 906	0	33 167	0	33 167	2 489 073
Provinces & Municipalities	88 899		6 810		6 810	95 709
Departmental agencies & accounts	1 885 194		24 047		24 047	1 909 241
Higher education institutions	5 016		0		0	5 016
Public corporations & private enterprises	250 356	(1 038)	0		(1 038)	249 318
Non-profit institutions	222 319	1 038	1 500		2 538	224 857
Households	4 122		810		810	4 932
Payments for capital assets	30 609	0	695	0	695	31 304
Buildings & other fixed structures	1 088		181		181	1 269
Machinery & equipment	23 213		(527)		(527)	22 686
Software & other intangible assets	6 308		1 041		1 041	7 349
Payments for financial assets	0	0	8 329		8 329	8 329
Total	3 336 682	0	0	0	0	3 336 682

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

Compensation of employees: R6.442 million in savings identified due to delays in the filling of critical vacant posts as a result of lengthy recruitment processes.

Goods and services: Savings of R35.749 million were identified due to the implementation of financial controls on property payments, delays in the implementation of projects such as Operation Vula pulp and paper, and mentorship support programme, and the slow progress on projects such as the KZN Economic Council.

Transfers and subsidies

Provinces & Municipalities: A total of R6.810 million was identified, of which R6.700 million was moved toward the Greenest Municipality Competition awards between local municipalities with respect to service delivery in areas such as waste management and R110 000 to cater for motor licenses fees relating to payment for the certificate of road worthiness for a truck which was higher than anticipated.

Departmental agencies & accounts: R24.027 million was moved to Programme 6 for transfer to TKZN for hosting various festive season events as part of promoting tourism in the province.

Non-profit institutions: R1.500 million was moved in respect of the transfer to the Moses Kotane Institute (MKI) toward the establishment of the Harry Gwala Techno Hub.

Households: R810 000 was moved to cater for unanticipated staff exit costs.

Payments for capital assets

Buildings & other fixed structures. A total of R181 000 was identified, of which R115 000 was moved to cater for paving for the Agro-processing value-adding facilities project in Sikhemelele under the uMhlabuyalingana Local Municipality, which was under-budgeted for and R66 000 to cater for the replacement of a fence at Amajuba District air quality monitoring station.

Machinery & equipment: R527 000 was identified from Machinery and equipment due to the implementation of financial controls on finance leases (cell phone contracts).

Software & other intangible assets: R1.041 was moved to cater to Microfocus which is a security software to control access to the network system. This was under-budgeted.

Payments for financial assets: A total virement of R8.329 million was moved, of which R4.115 million was moved to thefts and losses relating to the SMME risk-sharing agreement between ABSA and Standard Bank wherein the main objective was to create means of access to finance by SMMEs supported by the department and R4.214 million for Irrecoverable debts that were written off.

Shifts

The department shifted R1.038 million from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Non-profit institutions* due to incorrect

classification of beneficiaries, as explained in more detail below. The purpose of the funds remains unchanged, and the shifts are explained below:

The following shift was undertaken in respect of Programme 6 Tourism:

- R1 million was shifted from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Non-profit institutions* within the programme. The funding relating to Tour Operators was incorrectly classified under *Transfer and subsidies to: Public corporations and private enterprises* instead of *Transfers and subsidies to: Non-profit institutions*. The purpose of the funds remains unchanged.

The following shift was undertaken in respect of Programme 7 Environmental Affairs:

- An amount of R38 000 was shifted from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Non-profit institutions* within the programme. The funding relating to the Engonyameni Youth Development in respect of the Waste Economy Support Programme was incorrectly classified under *Transfers and subsidies to: Public corporations and private enterprises* instead of *Transfers and subsidies to: Non-profit institutions*. The purpose of the funds remains unchanged.

Requested roll-overs to 2023/24

The department requested equitable share rollovers. The department identified a total of R4.736 million unspent funds under Transfers and subsidies for which a roll-over was requested, and this is explained as follows:

- The department's Beach Development project relates to the upgrade of beaches and recreational areas to meet the Blue Flag standards. These funds were not transferred in 2022/23 due to delays in the finalisation of the SLA. As a result, the department has requested that R2.500 million be rolled over to allow the transfer to the Ugu District Municipality to be made in 2023/24. The SLA was signed by the end of 2022/23, and the funds were committed as at 31 March 2023.
- The Greenest Municipality Competition relates to a competition between local municipalities with respect to service delivery in areas such as waste management. In this regard, R1.800 million was not transferred as a result of payments not being affected due to delays experienced in finalising all processes. If the rollover is approved, R500 000 will be transferred to Mthonjaneni Municipality, R500 000 to the Maphumulo Municipality, and R800 000 to the uMdoni Municipality in 2023/24. The SLAs were signed by the end of 2022/23, and the funds were thus committed as at 31 March 2023.
- The Waste Economy Support Programme relates to the initiative to support small and emerging waste entrepreneurs to accelerate waste diversion in the province. Funds amounting to R436 000 were not transferred due to delays in the finalisation of SARS documentation by some beneficiaries. The SLAs were signed by the end of 2022/23, and the funds were committed as at 31 March 2023.

The department did not incur any unauthorised, fruitless, and wasteful expenditure in the 2022/2023 financial year.

In conclusion, I would like to extend my humble gratitude, particularly to the Portfolio Committees on Economic Development and Tourism and the Portfolio Committee on Environmental Management, Honourable MEC Siboniso Duma, and the entire staff of the Department of Economic Development, Tourism and Environmental Affairs, including our public entities; for the support they rendered during the year 2022/2023. Now is the time to move with agile economic empowerment initiatives to benefit our people. We have a constitutional mandate and responsibility, working together with all social partners, to bring to the realisation of economic emancipation of our province and her people.



Accounting Officer

Mr. Nhlakanipho Nkontwana

Department of Economic Development Tourism and Environmental Affairs

Date: 16 August 2023

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

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

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

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

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

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

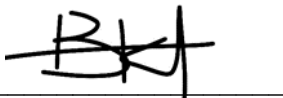
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2023.

Yours faithfully



Accounting Officer

Nhlakanipho Nkontwana

16 August 2023

6. STRATEGIC OVERVIEW

6.1 Vision

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

6.2 Mission

To provide creative and innovative leadership towards:

Facilitating integrated economic planning and growth.

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

6.3 Values

Ubuntu	<i>In the spirit of “Ubuntu”, place citizens at the centre of public service planning and operations, and foster citizen participation through services and programmes of a democratic nature.</i>
Professionalism	<i>Work in a professional manner and attitude by treating others with respect; keeping your word; being loyal and exceeding expectations.</i>
Exponential, innovative and visionary leadership	<i>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.</i>
Accountability and responsibility	<i>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.</i>
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	<i>Embrace the values and principles set out in Chapter 10 (section 195) of the South Africa Constitution, namely:</i> • “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	<i>Demonstrate integrity through sound moral and ethical principles at work, with zero tolerance for corruption.</i>
Commitment	<i>Demonstrate commitment to Work through by diligently taking responsibility for the goals, mission, and vision of EDTEA and South African Government.</i>
Passion	<i>Display passion, through enthusiastically discharging each task at hand.</i>

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

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

Schedule 4 A:

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

Schedule 5 A:

- Liquor licences

7.2 Legislative and Policy Mandate

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

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

2008).

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

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

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

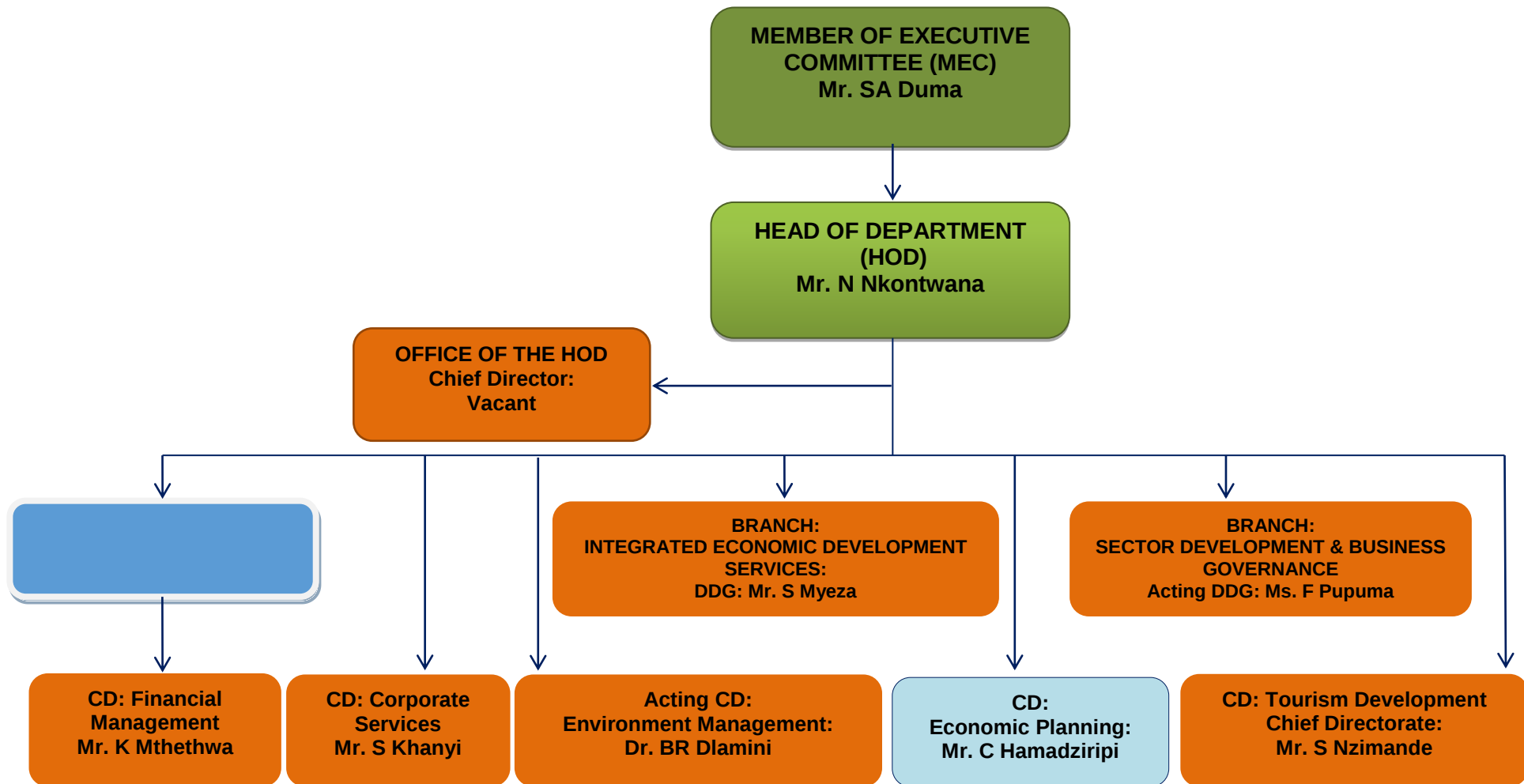
- (i) the KwaZulu-Natal Film Commission Act, 2010 (Act No. 3 of 2010).
- (j) the KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 5 of 2010).
- (k) the KwaZulu-Natal Consumer Protection Act, 2013 (Act No. 4 of 2013).
- (l) the KwaZulu-Natal Provincial Growth and Development Strategy.
- (m)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

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

- Job creation.
- Special economic zones and industrial economic hubs.
- Beneficiation and value addition.
- Infrastructure development.
- Rural economic development.
- Skills development.
- Economic transformation.
- Economic Growth with sustainable small enterprises participating in the mainstream economy
- The KwaZulu-Natal beach tourism policy
- Trade Policy.
- Spatial economic development.
- Black industrialization; and
- The revitalization of township and rural economies.

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

8. ORGANISATIONAL STRUCTURE



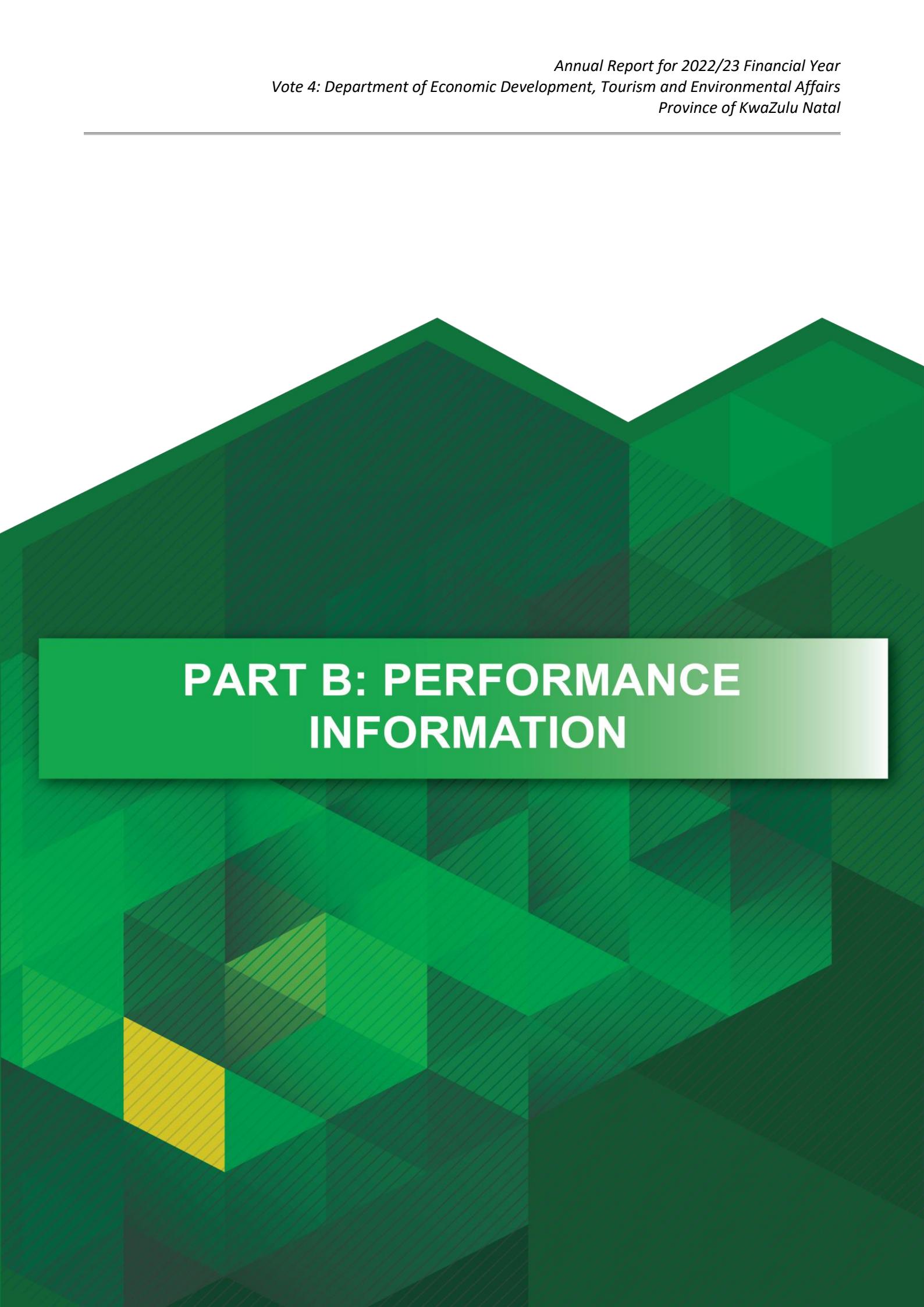
9. ENTITIES REPORTING TO THE MINISTER/MEC

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)	- 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)	- 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 Industrial Development Zone (RBIDZ)	To accelerate and improve infrastructure for industrial development through the government's Industrial Development Zone (IDZ) Programme	Shareholder or Mother Department	Special Economic Zones
KZN Film Commission (KZNFC)	• 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)	• 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	Shareholder or Mother Department	Regulatory Agency

	defined in section 1 of that Act.		
Tourism Authority (KZNTA)	To directly or indirectly develop, promote and market tourism into and within the province of KwaZulu-Natal	Shareholder or Mother Department	Investment and Destination Promotion Agency
KZN Sharks Board (KZNSB)	To undertake, initiate and approve measures for safeguarding bathers against shark attack in the Province.	Shareholder or Mother Department	Nature Conservation Agency
KZN Ezemvelo Wildlife (EKZNW)	• 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 currently performs certain audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no material findings being reported under the Predetermined Objectives heading in the Report on the audit of the annual performance report section of the auditor's report.

Refer to page 192 of the Report of the Auditor General, published as PART F: Financial Information

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 2022/23 service delivery environment continued to present challenges which undermines development efforts to grow the economy of the province. The majority of these challenges are an aftermath from the devastating floods experienced in April and May 2022, Social unrest and presumed economic sabotage in July 2021 and Prolonged effects of Covid-19 induced hard lockdowns instituted globally. The economy had derailed from a stable growth path experiencing a myriad of challenges including:

- Declining contribution of the primary sector;
- Stagnant manufacturing sector (de-industrialization trend over the years)
- Services and consumption driven economy
- Highly concentrated industries (few monopolies and oligopolies)
- Low growth
- High raw exports
- Uncompetitive & costly infrastructure
- Limited integration with regional economies

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.

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	▪ Tourists ▪ Tourist Guides ▪ Tourism Products (game reserves, museums, etc.) ▪ Tourism Business Owners (Restaurants,	▪ Tourist Guide complying in the sector	▪ Tourist Guides accredited by the department ▪ Tourist Guide Inspections

	of 25 working days.	Bed and Breakfasts etc.) ▪ Municipalities		
	Access		▪ Print media notices for stakeholders ▪ Electronic media notices ▪ Forums ▪ Roadshows	▪ Print media notices for stakeholders ▪ Electronic media 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

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

Refer to the SDIP information provided above.

Service delivery information tool

Refer to the SDIP information provided above.

Complaints mechanism

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

2.3 Organisational environment

The department has a newly approved organogram which reconfigures the departmental programmes and increases the number of posts to improve service delivery. The new organisational

structure has an emphasis of the district development model (DDM) of services delivery. The Organizational structure reconfiguration is enabling 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

The department continues to implement internal control to strengthen its control environment and ensure good governance.

2.4 Key policy developments and legislative changes

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

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

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

- a) Development Finance Institutions (Ithala Development Finance Corporation; Ithala SOC Limited; and KwaZulu-Natal Growth Fund Trust);
- b) Investment and Destination Promotion Agencies (Trade and Investment KwaZulu-Natal; KwaZulu-Natal Tourism Authority; and KwaZulu-Natal Film Commission);
- c) Special Economic Zones (Dube TradePort Corporation; and Richards Bay Industrial Development Zone);
- d) Nature Conservation Agencies (KwaZulu-Natal Sharks Board; and Ezemvelo KwaZulu-Natal Wildlife);

- e) Regulatory Agencies (KwaZulu-Natal Liquor Authority; and KwaZulu-Natal Gaming and Betting Board); and
- f) Research Agency (Moses Kotane Institute).

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

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

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

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

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

ongoing, and DTAC, an entity of National Treasury is in the process of finalising Business Cases for the new entities, in order to submit same to National Treasury for consideration.

The Department has certified the KZN Economic Regulatory Bill, 2023, the KZN Tourism and Audio-Visual Agency Bill, 2023, the KZN Moses Kotane Institute Bill, 2023 and the KZN Growth Fund Agency Bill, 2023. All Bills will be presented to the PEC on 16 August 2023, for in- principle approval to be submitted to the Honourable Speaker of the KZN Legislature.

With regards to the KZN Ezemvelo Wildlife Bill, 2023, the Bill was certified, but late comments and input was received from the entity, which has been incorporated into the Bill and will be presented to the entity by 18 August 2023.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

2022/23 Annual Performance Report: Dashboard Analysis

Programme	Indicators with Annual quarter targets	Over-achievement: above 100%	Satisfactory: 100%	Tolerance level: 99%-95%	Unsatisfactory: <95%	Programme's Performance as a %
P1: Administration	14	-	11	-	3	78%
P2: Integrated Economic Development Services	10	7	3	-	-	100%
P3: Trade & Industry Development	15	3	6	-	7	60%
P4: Business Regulations & Governance	11	8	3	-	-	100%
P5: Economic Planning	4	1	2	-	1	75%
P6: Tourism Development	11	2	9	-	-	100%
P7: Environmental Management	46	18	27	-	1	98%
Department's Overall Performance	111	39	61	-	13	90%

Table 2.4.4.1: Originally tabled Annual Performance Plan until date of re-tabling *(In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review)*

Administration									
Sub-programme: District Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Institutional Excellence	Stakeholder engagement strategy	1.2.2 Number of stakeholder engagement strategy	New	New	1	1	0	Target achieved	The applicable target for 2022/23 was achieved in Quarter 1. The annual target was then revised at re-tabling.
	Standard Operating Procedure for the DO team	1.2.3 Number of Standard Operating Procedure for the DO team	New	New	1	1	0	Target achieved	The applicable target for 2022/23 was achieved in Quarter 1. The annual target was then revised at re-tabling.
Corporate Services									
Sub-programme: Human Resource Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Institutional Excellence	Organisational reports on EDTEA's organogram submitted	1.3.1 Number of Organizational Reports on EDTEA's Organogram submitted	New	3	3	1	0	Target achieved	The applicable target for 2022/23 was achieved in Quarter 1. The annual target was then revised at

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									re-tabling.
	Implementation of Health and Wellness Initiatives in accordance to DSPA requirements	1.3.6 Number of Health & Wellness Initiatives Implemented	New	23	16	4	0	Target achieved	The applicable target for 2022/23 was achieved in Quarter 1. The annual target was then revised at re-tabling.
Programme 2: Integrated Economic Development Services									
Sub-programme: Economic Empowerment									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	BBB-BEE Compliance	2.2.3 Number of BBB-BEE compliance interventions implemented	14	4	7	5	0	Target overachieved. Partnerships with entities and stakeholders. Women Economic Empowerment partnered with Dept of Social Development on interventions to support women with skills through the GBV programme.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Operation Vula Programme Interventions	2.2.4 Number of OV interventions co-ordinated	11	5	7	2	0	Target overachieved Due to high.	Due to the floods experienced in KZN during May 2022,

	coordinated							demand and interest from beneficiaries and other stakeholders.	budgets were reprioritised and the APP was subsequently revised.
Programme 2: Integrated Economic Development Services									
Sub-programme: Regional Local and Economic Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	RLED Interventions implemented	2.3.1 Number of RLED employment supporting interventions	New	16	18	10	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Programme 3: Trade and Industry Development									
Sub-programme: Strategic Industrial Interventions									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Jobs created	3.1.1 Number of jobs created	123	27	35	0	-35	No target applicable to Q1.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the

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									APP was subsequently revised.
	Jobs retained	3.1.3 Number of jobs retained	0	174	300	0	0	No target applicable to Q1.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	People trained in Aerotropolis skills; Skin and Hides; Market access; and Green skills programme	3.1.4. Number of people trained for sector specific skills for industrialisation	New	171	95	49	+40	Target overachieved. Since the advent of COVID-19, the Aerotropolis Institute Africa (AIA) has shifted to online and virtual training platforms, allowing for wider stakeholder reach and participation, allowing the opportunity to widen the number of people who can attend training.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Industrial interventions implemented and specialists studies completed	3.1.5 Number of industrial programmes packaged for implementation	New	10	7	0	0	No target applicable to Q1.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

Programme 3: Trade and Industry Development									
Sub-programme: Trade and Investment Promotion									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
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	New	4	5	0	0	No target applicable to Q1.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Programme 4: Business Regulations and Governance									
Sub-programme: Policy and Legislation									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Liquor Authority monitored in terms of regulating its industry	4.1.1 Number of Liquor Authority monitoring reports produced	4	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	KZN Gaming and Betting Board monitored in terms of	4.1.2 Number of KZNGBB monitoring reports produced	4	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were

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	regulating the Gaming and Betting industry								reprioritised and the APP was subsequently revised.
	Catalytic initiatives implemented to encourage an effective and conducive business regulatory environment	4.1.3 Number of catalytic initiatives implemented	7	8	7	2	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Sub-programme: Regulations Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Automated business licencing and information management system implemented in municipalities	4.2.1 Number of local municipalities implementing the KZN automated business licencing and information management system	42	46	41	10	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

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	Municipalities supported for business licencing	4.2.2 Number of municipalities supported with technical support on Business Licencing / Trading Function.	11	44	41	11	+1	Target overachieved. More municipalities receiving a larger number of applications for business licenses has resulted in higher demand for technical support.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Programmes to support informal economy implemented	4.2.3 Number of programmes facilitated to support informal economy	4	8	12	4	+1	Target overachieved. As more municipalities ensure compliance with applicable laws, the unit has received more requests for programmes to support the informal economy.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Business inspections conducted for compliance with business legislation	4.2.4 Number of business inspections conducted	362	289	600	184	+34	Target overachieved. Municipalities had a high demand for business inspections due to non-compliance with the applicable legislation.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
		4.2.5 Number of business	New	New	350	87	+2	Target overachieved.	Due to the floods experienced in KZN

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		compliance education and awareness programmes conducted						More municipalities are focusing on business compliance education and awareness programmes and the unit has received invitations to facilitate these programmes.	during May 2022, budgets were reprioritised and the APP was subsequently revised.
Sub-programme: Consumer Protection Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Consumer educational programmes are implemented	4.3.1 Number of consumer educational programmes implemented	2798	2332	1236	346	+37	The target was exceeded due to MEC events, major workshops, and campaigns conducted.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Inspected businesses	4.3.2 Number of businesses inspected	501	516	350	158	+108	The target was exceeded due to capacity within Compliance and Enforcement and support from other Units.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

Programme 5: Economic Planning									
Sub-programme: Policy and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Quarterly economic publications produced	5.2.2 Number of quarterly economic publications produced	5	5	5	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Programme 6: Tourism Development									
Sub-programme: Tourism Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Supported strategic tourism fora	6.1.1 Number of functional strategic tourism fora	9	14	14	4	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Workshops on tourism	6.1.3 Number of Tourism workshops conducted	3	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was

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									subsequently revised.
Sub-programme: Tourism Growth and Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	Professional tourist guides	6.2.3 Number of Tourist Guides accredited in line with the Tourism Act 3 of 2014	195	193	150	72	+34	Target overachieved. The number of tourist guides registering and renewing their membership with the Department has increased since the country's borders were opened to international tourists.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Compliant tourist guides	6.2.4 Number of Tourist Guides inspections conducted to curb illegal guiding	8	12	14	3	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

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Sub-programme: Tourism Sector Transformation									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Inclusive and Transformed economic growth	People trained within the tourism sector	6.3.1 Number of people capacitated in the tourism sector	792	631	500	122	+22	Target overachieved. Tourism establishments were keen to attend the workshops as they offer information that assist them in improving their businesses, which led to the over-subscription for the Grading workshops.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Conduct surveys on tourism enterprises to determine compliance with Tourism Sector Codes	6.3.3 Number of tourism businesses assessed to ascertain the representation of women in management	New	New	30	10	+5	Target overachieved. The Department was able to access the database of the KwaZulu-Natal Chapter of Women-in-Tourism, as a result of which additional businesses were assessed.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Implementation of Grade and Establishment	6.3.4 Number of service excellence initiatives	New	New	6	1	0	The target applicable to Q1	Due to the floods experienced in KZN during May 2022,

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	awareness	implemented						was achieved.	budgets were reprioritised and the APP was subsequently revised.
Programme 7: Environmental Management									
Sub-programme: Environmental Planning, Governance, and Information Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Environmental sustainability and resilience	Local government support	7.1.5 Number of local government support implementation reports	New	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Sub-programme: Climate Change Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Environmental sustainability and resilience	Public awareness on disaster events for precautionary measures	7.2.3 Number of severe weather watch notifications released and trend analysis report	38	35	40	15	+5	Target overachieved. Extra efforts had to be put into the warning due to the April 2022 floods experiences to ensure public and employee	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

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								safety.	
Sub-programme: Environmental Compliance and Monitoring									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
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	190	202	75	42	+42	Target overachieved. Some districts had new appointments that resulted in additional resources, in addition to which a number of incidents of non-compliance were uncovered during inspections.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Compliance inspections	7.3.3 Number of compliance inspections conducted	524	601	450	163	+51	Target overachieved. A number of incidents of non-compliance were reported, some of which resulted from the flood events, which required officials to respond to those complaints within set time	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

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								frames.	
	Permitted landfill sites monitored	7.3.4 Number of permitted landfill sites monitored for compliance	10	10	8	2	0	Target achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Compliance promotion conducted	7.3.5 Number of compliance promotion activities conducted for priority economic sectors	New	264	150	39	+14	Target overachieved. An integrated approach was used where all affected government departments participated, hence the overachievement of the target.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Sector compliance inspections conducted	7.3.6 Number of sector compliance inspections conducted	New	32	8	4	+2	Target overachieved. An integrated approach was used where the affected municipality provided additional human resources to conduct sector inspections.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

Sub-programme: Environmental Quality Management

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July	Deviation from planned target to Actual Achievement	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual
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						<u>2022</u>	2022/2023		Targets
Environmental sustainability and resilience	Waste minimization projects supported	7.4.1 Number of waste minimization projects / enterprises supported	New	44	55	10	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Reviewed waste management licences	7.4.2 Number of waste licenses reviewed	5	6	6	0	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Compliance with waste management policies and regulations	7.4.3 Number of waste facilities audited	101	76	80	18	+3	Target overachieved. The April 2022 floods necessitated more audits as there were damages to some facilities. Compliance had to be ensured as per lessons learned from the damaged ones.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Municipal support report produced (waste management)	7.4.7 Number of municipal support reports on Waste Management interventions produced	New	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

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	Air Quality Monitoring Reports	7.4.9 Number of ambient air quality monitoring reports generated	3	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Municipal support report produced (Air Quality Management)	7.4.10 Number of municipal support reports on air quality management interventions produced	New	4	4	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Sub-programme: Coastal and Biodiversity Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Environmental sustainability and resilience	Work opportunities created	7.5.2 Number of work opportunities created through NRM Interventions (Wetland rehab, river health)	New	1701	2500	0	0	No target applicable to Q1.	This indicator was removed in the revised APP. Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Coastal monitoring and enforcement	7.5.6 Number of coastal monitoring and enforcement	3	3	3	0	0	No target applicable to Q1	This indicator was removed in the revised APP. Due to

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	activities	activities conducted							the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Management of boat launch sites	7.5.7 Number of boat launch sites reports produced	New	1	3	0	0	No target applicable to Q1	This indicator was removed in the revised APP. Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
Sub-programme: Environmental Empowerment Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until 01 July 2022	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Environmental sustainability and resilience	Environmental capacity building activities	7.6.1 Number of environmental capacity building activities conducted	105	82	60	15	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Environmental awareness	7.6.2 Number of environmental	1195	1334	1000	338	+88	Number of awareness	Due to the floods experienced in KZN

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	activities	awareness activities conducted						increased due to flood interventions and COVID-19 regulation relaxation	during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Clean up campaigns	7.6.5 Number of clean up campaigns hosted	156	171	120	42	+12	Number of clean up campaigns increased due to flood interventions	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Provincial Environmental Events	7.6.6 Number of provincial environmental events to commemorate environmental days hosted	2	6	3	0	-1	Not achieved. The Q1 event was postponed due to UNEP World Environment Day Event.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.
	Environmental learning resources	7.6.7 Number of environmental learning-resource materials developed	New	5	5	1	0	The target applicable to Q1 was achieved.	Due to the floods experienced in KZN during May 2022, budgets were reprioritised and the APP was subsequently revised.

3.1 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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Institutional Excellence	Number of clean audit plans implemented	1.1.1 Number of Clean Audit Plan implemented	New	1	1	1	0	Target achieved
Programme 1: Administration								
Sub-programme: District Operations Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations

Institutional Excellence	Budget for District Operations Team	1.2.1 Percentage of government Expenditure secured	New	New	70%	70%	0	Target achieved
	One plan is developed and implemented	1.2.4 Percentage of Implementation of the One Plan	New	New	50%	50%	0	Target achieved
	Improved Local Government Support	1.2.5 Number of municipalities supported (LG capacity building interventions)	New	New	10	10	0	Target achieved
	Project identification and packaging using consolidated grants	1.2.6 Number of projects identified and packaged to access consolidated grants	New	New	2	2	0	Target achieved
	Community-based LED initiatives packaged and implemented	1.2.7 Number of community-based LED initiatives implemented	New	New	2	2	0	Target achieved
Corporate Services								
Sub-programme: Human Resource Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Actual Achievement 2022/2023	Reasons for deviations

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Institutional Excellence	Organisational reports on EDTEA's organogram submitted	1.3.1 Number of Organizational Reports on EDTEA's Organogram Submitted	New	3	2	2	0	Target achieved
	Recruitment of females at the Senior Management Service level	1.3.2 Percentage of females recruited at the SMS level	New	42%	50%	42%	-8%	Target not achieved. The department experienced a delay in SMS recruitment in the latter part of the year. SMS posts have been recently advertised and are expected to be filled in during the first quarter of 2023/24.
	Recruitment of Persons with Disabilities	1.3.3 Percentage of Persons with Disabilities Recruited	New	1.26%	2%	1.42%	-0.58%	Target not achieved. The department's approach to attract persons living with disability did not yield the expected result in the current year. There are identified posts that have been ringfenced to be filled in with persons with disabilities as of 01 April 2023.
	Vacancy Rate	1.3.4 Percentage of Vacancy Rate	New	6%	6%	7%	-1%	Target not achieved. The capturing of new posts onto PERSAL results in an increase in the vacancy rate. Posts are currently being advertised.
	Signed Performance Agreements	1.3.5 Percentage of signed Performance Agreements submitted	New	91%	100%	100%	0	Target achieved

	Implementation of Health and Wellness Initiatives in accordance with DSPA requirements	1.3.6 Number of Health and Wellness Initiatives Implemented	New	23	12	12	0	Target achieved
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Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Office of the MEC	19 322	19 322	-	13 101	13 001	100
2. Office of the HOD	29 872	28 872	1 000	42 528	41 202	1 326
3. Financial Management	45 253	45 253	-	39 905	39 905	-
4. Corporate Services	229 237	228 349	888	209 368	199 908	9 460
Total	323 684	321 796	1 888	304 902	294 016	10 886

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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Financially viable small enterprises supported	Number of (financially viable) small enterprises supported	1909	4249	1847	5294	+3447	Target overachieved. Business rescue applications and the implementation of the OVF Post disbursement support increased the number of small businesses that sought support from the Department.
	Jobs created by small enterprises funded through Operation Vula	Number of jobs created (by small enterprises funded through Operation Vula)	2425	914	598	787	+189	Target overachieved. The disbursement to OVF beneficiaries was expedited, allowing for the commencement of business operations.
Sub-programme: Economic Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	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	New	2731	800	2394	+1594	Target overachieved.
	Target group entrepreneurs gained access to market	2.2.2 Number of target group entrepreneurs supported to participate in the KZN priority sectors	227	332	90	414	+324	Target overachieved.
	BBB-BEE Compliance	2.2.3 Number of BBB-BEE compliance interventions implemented	14	4	6	24	+18	Target overachieved.
	Operation Vula Programme Interventions coordinated	2.2.4 Number of OV interventions co-ordinated	11	5	6	6	0	Target achieved.
Programme 2: Integrated Economic Development Services								
Sub-programme: Regional Local and Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic	RLED Interventions	2.3.1 Number of RLED employment supporting	New	16	8	8	0	Target Achieved.

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growth	implemented	interventions						
	Social entrepreneurs trained	2.3.2 Number of social entrepreneurs trained	New	59	45	56	+11	Target overachieved. Savings were identified from the first payment transfer due to some of the sessions being done virtually. These savings were used to increase the intake for the 2023 academic year.
	Red tape reduction interventions implemented	2.3.3 Number of municipalities benefitting from the red-tape reduction programme	New	6	7	8	+1	Target overachieved. Due to a request from the Umvoti Municipality.
	Technical and financial support for Municipal Employment and Business Support Interventions	2.3.4 Number of municipalities supported with funding for municipal employment schemes	New	New	3	3	0	Target achieved

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	257 546	257 545	1	493 839	489 978	3 861
Regional and Local Economic Development	55 361	55 361	-	51 047	51 046	1
Economic Empowerment	26 141	25 466	675	26 067	26 067	-
Total	339 048	338 372	676	570 953	567 953	3 862

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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Jobs created	3.1.1 Number of jobs created	123	27	0	33	+33	Target overachieved. There were 33 jobs created at PMB airport, this target was reduced to zero in the revised APP, however, due to R3m grant funding the project has since continued.
	Graduates trained and jobs created	3.1.2 Number of people trained on specific expertise	New	New	15	14	-1	Target not achieved. One of the graduates was unable to attend the orientation as they were called for a job interview on the day.
	Jobs retained	3.1.3 Number of jobs retained	0	174	180	180	0	Target achieved.

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	People trained in Aerotropolis skills; Skin and Hides; Market access; and Green Skills programme	3.1.4. Number of people trained for sector-specific skills for industrialization	New	171	86	134	+48	Target overachieved. Two training sessions were conducted by the AIA to accommodate attendance by the majority of stakeholders.
	Industrial interventions implemented and specialists' studies completed	3.1.5 Number of industrial programmes packaged for implementation	New	10	4	3	-1	Target not achieved. The target was reduced in the revised APP. As the implementing agent, the development agency does not have its own SCM and relies on the DM for this service. This created a delay as the agency did not have control over the time frames.
Programme 3: Trade and Industry Development								
Sub-programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
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	New	4	4	4	0	Target achieved.
	Companies supported for exports	3.2.2 Number of companies supported for exports and investment	New	47	15	15	0	Target achieved.
	Jobs retained	3.2.3 Number of	New	80	80	0	-80	Target not achieved. The KCEP went through the

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		jobs retained						procurement process twice and no bidder was successful. The Department subsequently attempted to enter into an MOA with PMCB which could not be finalised in time to meet the job retention target.
	Social compacts signed	3.2.4 Number of Social Compacts signed through the KZN Economic Council	New	4	4	2	-2	Target not achieved. The department had consultative processes with 5 District Municipalities: uMgungundlovu, Ugu, Harry Gwala, iLembe & Zululand through the KZN EC District Social Compact. Two social compacts were signed and three are still pending the district council's processes i.e. The Ugu District Municipality Social Compact was presented at the DM EXCO on 15/03/2023 and will be subsequently taken to the full council for adoption in Q1 of 2023/24.
	Action plan by social partners	3.2.5 Percentage of KZN Economic Council EDTEA Resolutions implemented	New	80%	80%	80.95%	+0.95%	Target overachieved. 17 out of 21 resolutions were implemented.
	KZN Business Environment Index	3.2.6 Number of KZN Business Environment Studies Conducted	New	New	1	1	0	Target achieved.

Programme 3: Trade and Industry Development								
Sub-programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Sustainable projects implemented	3.3.1 Percentage of sustainable projects implemented	New	100%	100%	33%	-67%	Target not achieved. The indicator had 3 projects. The Livestock Products Processing Project had implementation delays. This project is 75% completed. The 2nd/3rd Tier BPO/GBS Call centre had delays in securing an investor to partner in the implementation of the project.
	Sector Strategic Interventions implemented	3.3.2 Percentage of sector strategic interventions implemented to support job creation	New	67%	100%	75%	-25%	Target not achieved. The indicator had 3 projects. The Edendale Auto Service Hub is a "multi-year" project and is still ongoing and is due for completion in March 2024.
	People trained/mentored in agro-processing; creative industries and BPO/GBS	3.3.3 Number of people trained on specific expertise	New	New	152	150	-2	Target not achieved. The programme experienced a dropout from the total number of trainees inducted in the inception.
	Industry cluster projects supported	3.3.4 Number of Industry Cluster Projects Supported.	1	1	1	1	0	Target achieved.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	109 945	109 945	-	107 189	107 189	-
Sector Development	664 649	663 888	761	580 538	580 192	346
Strategic Initiatives	209 426	208 238	1 188	213 954	211 507	2 447
Total	984 020	982 071	1 949	901 681	898 888	2 793

PROGRAMME 4: BUSINESS REGULATIONS AND GOVERNANCE

Purpose of the Programme:

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

- Consumer Protection
- Business Regulation Services
- Policy and Legislation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 4: Business Regulations and Governance								
Sub-programme: Policy and Legislation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Liquor Authority monitored in terms of regulating its respective industry	4.1.1 Number of Liquor Authority monitoring reports produced	4	4	3	3	0	Target achieved.
	KZN Gaming and Betting Board monitored in terms of regulating the Gaming and Betting industry	4.1.2 Number of KZNGBB monitoring reports produced	4	4	3	3	0	Target achieved.

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	Catalytic initiatives implemented to encourage an effective conducive business regulatory environment	4.1.3 Number of catalytic initiatives implemented	7	8	5	17	+12	Target overachieved.1. Rationalisation process (Meetings: 31 Jan & 28 Feb 2023) 2. Liquor Appeals: Dawon Synergy, Capital Bets and Casino, Sekunjalo, Hammarsdale Shoprite.
Sub-programme: Regulations Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Automated business licensing and information management systems implemented in municipalities	4.2.1 Number of local municipalities implementing the KZN automated business licensing and information management system	42	46	31	34	+3	Target overachieved. Municipalities have been receiving a higher number of applications and have been migrating from capturing applications manually to the online Automated system.
	Municipalities supported for business licensing	4.2.2 Number of municipalities supported with technical support on Business Licencing / Trading Function.	11	44	31	31	0	Target achieved.

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	Programmes to support the informal economy implemented	4.2.3 Number of programmes facilitated to support informal economy	4	8	9	15	+6	Target overachieved. These programs are crucial in capacity building and ensuring that the informal traders grow and transition into the formal economy.
	Business inspections conducted for compliance with business legislation	4.2.4 Number of business inspections conducted	362	289	450	717	+267	Target overachieved. There has been an increase in the drive towards carrying out blitz inspection operations within the municipal districts and this has resulted in an increased number of inspections conducted.
	Business compliance education and awareness programmes conducted	4.2.5 Number of business compliance education and awareness programmes conducted	New	New	265	293	+28	Target overachieved. The need for enforcement has necessitated a drive towards conducting more education and awareness programmes
Sub-programme: Consumer Protection Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Consumer educational programmes are implemented	4.3.1 Number of consumer educational programmes implemented	2798	2332	927	1553	+626	Target overachieved through media coverage such as radio and television.
	Inspected businesses	4.3.2 Number of businesses inspected	501	516	300	411	+111	Target overachieved. The unit partnered with more stakeholders to increase the drive and intensify the inspection programme

								throughout the Province.
	Resolved complaints	4.3.3 Percentage of complaints resolved	78%	81%	75%	87%	+13%	Target overachieved. Cases were finalised within 90 days due to close monitoring and management by supervisors.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	10 703	10 703	-	8 531	8 531	-
Consumer Protection	46 328	46 328	-	34 067	34 067	-
Liquor Regulation	88 340	88 340	-	87 382	87 382	-
Gaming and Betting	53 353	53 163	190	54 068	54 068	
Total	198 724	198 534	190	184 048	184 048	-

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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Innovative technologies supported	5.1.1 Number of innovative technologies supported	New	3	3	3	0	Target achieved.
Programme 5: Economic Planning								
Sub-programme: Policy and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed	Economic Strategies	5.2.1 Number of economic	New	2	2	3	+1	Target overachieved. Margate airport strategy

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economic growth	formulated	strategies formulated						was concluded as part of infrastructure improvements to its terminal building to guide future developments.
	Quarterly economic publications produced	5.2.2 Number of quarterly economic publications produced	5	5	4	4	0	Target achieved.
Programme 5: Economic Planning								
Sub-programme: Monitoring and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Innovative technologies supported	5.3.1 Number of evaluation research conducted on departmental programmes	0	0	3	0	-3	Target not achieved. The appointed service provider was unable to deliver and the department decided to officially cancel the award.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	7 684	7 684	-	6 725	6 716	9
Research and Development	6 661	6 661	-	6 134	5 372	762
Knowledge Management	3 791	3 791	-	3 232	3 202	30
Monitoring and Evaluation	6 715	6 715	-	5 079	5 079	-
Total	24 851	24 851	-	21 170	20 369	801

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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Supported strategic tourism fora	6.1.1 Number of functional strategic tourism fora	9	14	10	10	0	Target achieved.
	Strategic frameworks developed	6.1.2 Number of Tourism Strategic frameworks developed	3	4	4	4	0	Target achieved.
	Workshops on tourism	6.1.3 Number of Tourism workshops	3	4	3	3	0	Target achieved.

		conducted						
Sub-programme: Tourism Growth and Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	Niche tourism products supported	6.2.1 Number of niche Tourism products supported	1	2	2	2	0	Target achieved.
	Tourism products implemented	6.2.2 Number of Tourism attractions and products implemented	New	New	5	5	0	Target achieved.
Inclusive and Transformed economic growth	Professional tourist guides	6.2.3 Number of Tourist Guides accredited in line with the Tourism Act 3 of 2014	195	193	112	162	+50	Target overachieved. The number of tourist guides that are registering and renewing their membership with the Department continues to increase owing to the sectors recovery programme initiated after COVID-19.
	Compliant tourist guides	6.2.4 Number of Tourist Guides inspections conducted to curb illegal guiding	8	12	11	11	0	Target achieved.

Sub-programme: Tourism Sector Transformation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to planned Achievement 2022/2023	Reasons for deviations
Inclusive and Transformed economic growth	People trained within the tourism sector	6.3.1 Number of people capacitated in the tourism sector	792	631	400	3620	+3220	Target overachieved. Tourism establishments were keen to attend the workshops as they offer information that assist them in improving their businesses, which led to the over-subscription for the Grading workshops.
	Tourism graduates placed in the tourism sector	6.3.2 Number of tourism graduates placed in the tourism sector	100	99	100	100	0	Target achieved.
	Conduct surveys on tourism enterprises to determine compliance with Tourism Sector Codes	6.3.3 Number of tourism businesses assessed to ascertain the representation of women in management	New	New	25	25	0	Target achieved.
	Number of service excellence initiatives implemented	6.3.4 Number of service excellence initiatives implemented	New	New	5	5	0	Target achieved.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Final Appropriation	Final Appropriation	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	15 120	13 711	1 409	11 915	11 915	-
Tourism Growth and Development	7 756	7 564	192	3 309	3 309	-
Tourism Sector Transformation	295 024	289 792	5 232	238 446	232 446	6 000
Total	317 900	311 067	6 833	253 670	247 670	6000

PROGRAMME 7: ENVIRONMENTAL MANAGEMENT

Purpose of the Programme:

To advance environmental sustainability for socioeconomic development.

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

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 7: Environmental Management								
Sub-programme: Environmental Planning, Governance, and Information Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from target to Actual Achievement 2022/2023	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	54	1	1	0	Target achieved.
	Environmental management tools informing the development at planning, management,	7.1.2 Number of legislated tools developed	2	2	2	2	0	Target achieved.

	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.
	Local government support	7.1.5 Number of local government support implementation reports	New	4	3	3	0	Target achieved.
Sub-programme: Climate Change Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
An effective climate change mitigation and adaptation response	Tools for climate change planning	7.2.1 Number of climate change response tools developed	1	1	1	1	0	Target achieved.
	Climate change resilient plan	7.2.2 Number of climate change response interventions implemented	11	10	7	7	0	Target achieved.
	Public awareness of disaster events	7.2.3 Number of severe weather watch	38	35	32	52	+20	Target overachieved. Target overachieved. The country is currently in a La-

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	for precautionary measures	notifications released and trend analysis report						Nina period and this period caused increased rainfall in our region which in turn increased the number of weather warnings that the South African Weather Service has to issue hence the achievement above the target as more notifications were issued to stakeholders.
	Expanding the application of green technologies	7.2.4 Number of provincial green economy reports developed	New	1	1	1	0	Target achieved.
	Climate change awareness	7.2.5 Number of climate change education and awareness activities conducted	New	New	3	4	+1	Target overachieved.
Sub-programme: Environmental Compliance and Monitoring								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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	190	202	59	147	+88	Target overachieved. There was a higher-than-anticipated number of contraventions requiring administrative enforcement notices, as such more notices were issued.
	Completed criminal	7.3.2 Number of completed	1	4	2	13	+11	Target overachieved. The damage caused to the

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	investigations handed to NPA for prosecutions	criminal investigation handed to NPA for prosecutions						eThekweni Municipal sewer infrastructure during the floods leads to more docket registration regarding unlawful sewer disposal and there are cases registered in the previous financial years for which investigations were finalised during this financial year hence they were handed over to the NPA prosecution.
	Compliance inspections	7.3.3 Number of compliance inspections conducted	524	601	338	404	+66	Target overachieved. Over and above the planned inspections, there were reactive inspections conducted in response to complaints received, which resulted in overachievement.
	Permitted landfill sites monitored	7.3.4 Number of permitted landfill sites monitored for compliance	10	10	6	8	+2	Target overachieved.
	Compliance promotion conducted	7.3.5 Number of compliance promotion activities conducted for priority economic sectors	New	264	126	137	+11	Target overachieved.
	Sector compliance inspections conducted	7.3.6 Number of sector compliance inspections conducted	New	32	6	15	+9	Target overachieved. With the additional capacity, the officials could conduct follow-up inspections for facilities that had significant non-compliances during the

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								previous financial year. Furthermore, reactive inspections were conducted as unannounced inspections following the receipt of complaints.
Sub-programme: Environmental Quality Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Environmental sustainability and resilience	Waste minimization projects supported	7.4.1 Number of waste minimization projects / enterprises supported	New	44	45	45	0	Target achieved.
	Reviewed waste management licenses	7.4.2 Number of waste licenses reviewed	5	6	5	5	0	Target achieved.
	Compliance with waste management policies and regulations	7.4.3 Number of waste facilities audited	101	76	65	66	+1	Target overachieved.
	Waste Management Indaba	7.4.4 Number of Provincial Waste Management engagements convened	0	1	1	1	0	Target achieved.
	Environmental authorisation permits are issued with legislated	7.4.5 Percentage of EIA applications finalised within	100%	100%	100%	100%	0	Target achieved.

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	timeframes.	legislated timeframes						
	Coordination of jobs created in the circular economy	7.4.6 Number of jobs created in circular / waste economy	New	1000	1000	1070	+70	Target overachieved.
	Municipal support report produced (waste management)	7.4.7 Number of municipal support reports on Waste Management interventions produced	New	4	3	3	0	Target achieved.
	Proactive integrated environmental management tools developed	7.4.8 Number of environmental management instruments developed to streamline environmental authorisation process for activities involving basic service delivery and strategic infrastructure projects (SIPs)	New	2	2	2	0	Target achieved.
	Air Quality Monitoring Reports	7.4.9 Number of ambient air quality monitoring reports generated	3	4	3	3	0	Target achieved.
	Municipal support report produced (Air)	7.4.10 Number of municipal support reports on air	New	4	3	3	0	Target achieved.

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	Quality Management)	quality management interventions produced						
	Environmental authorisation permits are issued with legislated timeframes.	7.4.11 Percentage of complete Atmospheric Emission Licences issued with legislated timeframe	New	New	100%	0	-100%	Target not achieved. The target is demand-driven and there were no applications received during the financial year for Atmospheric Emission Licenses (AEL).
		7.4.12 Percentage of complete waste licence applications finalized within legislated timeframes	New	New	100%	100%	0	Target achieved.
Sub-programme: Coastal and Biodiversity Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Environmental sustainability and resilience	Create jobs through environmental employment programmes	7.5.1 Number of work opportunities created through environmental sector public employment programmes (IASP)	9271	8225	7725	8533	+808	Target overachieved. The directorate identified savings from other budget items and more funds were moved to project operations hence more jobs were able to be created.
	Environmental skills development	7.5.2 Number of beneficiaries trained on IASP	1304	1649	1000	1519	+519	Target overachieved. The directorate identified savings from other budget

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	programme	eradication						items and more funds were moved to project operations hence more training was conducted.
	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	2	0	Target achieved.
	Management of boat launch sites	7.5.7 Number of boat launch sites reports produced	New	1	1	1	0	Target achieved.
	Management of coastal information sharing portal	7.5.8 Number of functional coastal management information systems maintained	New	1	1	1	0	Target achieved.
	ICM Training and capacity development programme	7.5.9 Number of Integrated Coastal Management (ICM) training courses conducted	New	1	1	1	0	Target achieved.
	Aerial coastal inspection survey	7.5.10 Number of coastal aerial inspection survey reports produced	New	1	1	1	0	Target achieved.
	Hectares cleared of invasive alien species	7.5.11. Number of hectares cleared of invasive alien species	161 630	176 387	100 000	201 264,89	+101 164,89	Target overachieved. The directorate identified savings from other budget items and more funds were

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								moved to project operations hence more hectares were cleared. Furthermore, the rainy season experienced results in alien plants growing faster, and more follow-up clearing had to be conducted.
	Fulltime equivalents created	7.5.12 Number of fulltime equivalents /created FTEs	1835	2223	2183	2359,2	+176,2	Target overachieved.
	Entity oversight report	7.5.13 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								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Environmental sustainability and resilience	Environmental capacity-building activities	7.6.1 Number of environmental capacity building activities conducted	105	82	45	69	+24	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	1195	1334	750	899	+149	Target overachieved. There was a collaboration for the calendar that has a cross-cutting mandate with different stakeholders like SANBI and Umngeni.

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	School Environment Education Programme	7.6.3 Number of SEEP Programmes implemented	New	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 campaigns hosted	156	171	90	118	+28	Target overachieved. Some clean-up campaign activities were in response to flood impacts hence the overachievement.
	Provincial Environmental Events	7.6.6 Number of provincial environmental events to commemorate environmental days hosted	2	6	2	5	+3	Target overachieved.
	Environmental learning resources	7.6.7 Number of environmental learning-resource materials developed	New	5	4	4	0	Target achieved.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	28 727	28 727	-	23 200	20 700	2 500
Compliance and Enforcement	23 030	23 030	-	26 705	26 705	-
Environmental Quality Management	74 743	72 507	2 236	52 907	51 407	1 500
Biodiversity Management	974 029	972 506	1 523	986 188	986 188	-
Environmental Empowerment Services	40 999	40 974	25	36 934	36 434	500
Environmental Services Administrative Support	6 927	5 670	1 257	4 317	4 317	-
Total	1 148 455	1 143 414	5 041	1 130 251	1 125 751	4 500

4. TRANSFER PAYMENTS

4.1 Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Ithala Development Finance Corporation (IDFC)	- Increased investment in development programmes and projects. - 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. - Property portfolio optimisation for tenant retention and attraction	131 910	71 590	- R54 million was the Rand value of external match funding secured by the entity for investment in development programme and projects. 98.5% of the business that accessed funding from the entity were pre-supported. Furthermore, 2018 jobs were created through Small, Medium and Micro-Enterprises (SMMEs) and co-operatives that received funding from the entity. - R126.5 million was the Rand value of support provided by the entity to SMME's and co-operatives that benefited from Provincial Government procurement spend. A total of forty-nine (49) SMME's and co-operatives were supported to supply the KwaZulu-Natal government with prioritised commodities. 209 new leases were concluded by the entity with tenants. The entity was also able to achieve a 3.6% repairs and maintenance percentage over its asset base. Furthermore, the entity was able to achieve a 6.5% return of investment in its property portfolio.
KZN Growth Fund (KZNGF)	- Increased procurement spend on targeted B-BBEE suppliers (Procurement spend on targeted suppliers/total procurement spend) - Increased percentage of projects that meet the B-BBEE investment	69 115	-	78.3% of total procurement was spent on suppliers with BEE Level 2 and above, and 42.43% of total spend on targeted suppliers. 100% of disbursed projects

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	policy criteria (No. of projects that meet the B-BBEE criteria/total no. of projects disbursed) - At the time of the valuation of the investment, the valuation reductions should be less than or equal to 40% of the cost of the portfolio (Equity) - Achieve operational cost effectiveness (Total operational costs/total assets under management).			meet the new B-BBEE Investment policy criteria as at 31 March 2023. 69% of the cost of equity investments have been maintained at 31 March 2023. - The entity achieved operational cost effectiveness of 4.49% as at 31 March 2023.
Moses Kotane Institutes (MKI)	- Enhance effective government policy formulation through evidence-based research. - Promote an efficient and competitive economy enabled by innovative and easily accessible digital technologies. - Enhance knowledge economy through maritime. - A responsive, efficient and effective administration and governance	56 608	56 544	- The entity conducted eleven (11) strategic sector research as at 31 March 2023. The entity also hosted four (4) strategic sector dialogues during the year under review. - Four (4) innovation and technology projects for intellectual property were filed for processing. Furthermore, the entity was able to host four (4) innovation and technology competition/ hackathon. Two (2) Digital capacity interventions were implemented by the entity. - One (1) business intelligence report was produced by the entity, including hosting one (1) oceans economy conference. The entity was also able to produce eight (8) statistical reports. - The entity entered into two (2) new strategic partnerships as at 31 March 2023. Furthermore, the entity was able to create 1007 temporary jobs in 2022/23.
Trade and Investment KZN (TIKZN)	- Growth and expansion (including transformation) of the economy through new Greenfields fixed investment. - Increased investment	168 336	91 695	R2.835 billion is the total Rand value of new fixed domestic and foreign investment commitments, in the province, facilitated

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	opportunities through targeted destination marketing. - Transforming of the economy through expansion and retention of investments and jobs. - An enabling business environment through improved knowledge and business intelligence.			through targeted investment support. 3889 potential jobs were facilitated through targeted investment support. - Fifteen (15) international investment and trade platforms were hosted by the entity. One (1) investment conference was coordinated in the province by the entity. 135 businesses were supported through business retention interventions. R1.397 billion was the Rand value of expansion and retention projects committed through targeted business expansion and retention support activities. Furthermore, 1978 potential jobs could be created from targeted expansion and retention support interventions. - Eight (8) investment and export led investment projects were packaged by the entity. Nine (9) policy advocacy initiatives were facilitated by the entity.
Dube Trade port (DTPC)	- Increased total new investment by black-owned companies in capital equipment and buildings - Increased total revenue from all DTPC properties - Increased total capital expenditure on infrastructure projects - Increased total revenue generated from cargo terminal services	488 991	237 847	- A total of R70.9 million was the new investment by black-owned companies in capital equipment. A further total investment of R44.6 million was made aligned to buildings. - R59.7 million was the total revenue generated by the entity from all its properties. - R240.1 million was the total capital expenditure incurred by the entity on infrastructure projects as at 31 March 2023. - R18.6 million was the total

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
				revenue generated by the entity from cargo terminal services.
Richards bay IDZ (RBIDZ)	- Inclusive growth - Land portfolio ready for investment attraction - More decent jobs created and sustained - Improved operationalized investment value	109 945	109 945	- Businesses owned by targeted groups were supported and the total number is as follows, (23) black women owned businesses, (12) black youth owned, and (5) business owned by people with disabilities. 131 hectares of land were procured by the entity for development by 31 March 2023. - Four (4) construction projects were implemented. (565) construction jobs created. - R1.270 billion is the total Rand value of operational domestic or foreign direct investments. R9.107 billion is the total Rand value of investments approved by the Board.
Film Commission (KZNFC)	- Reliable data that will assist the sector predict future trends. - Development projects awarded funding through KZNFC Film Fund. - Temporary KZN crew employed on KZNFC funded projects. - Effective administrative business processes, that inculcate good governance, risk management and compliance	85 705	64 277	- Seven (7) research papers were produced by the entity. - Eighteen (18) projects were funded by the entity as at 31 March 2023. 86% of temporary crew members employed on KZNFC funded projects were from KZN. - The entity achieved an unqualified audit opinion with no material findings.
KZN Liquor Authority (KZNLA)	- Annual licence evaluation applications processed before expiry dates 80% of Annual Evaluations compliance inspections concluded (Section 64 renewals) - Increased number of routine compliance inspections conducted on licensed premises - Increased number of	88 340	79 404	- Achieved: 100% (6152 licences processed before the expiry dates). 91,04% of the annual compliance inspections were concluded (5529 Out of 6073) 6245 routine compliance inspections were conducted on licensed premises - A total of seven (7) awareness campaigns

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Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	awareness campaign conducted to schools on the negative effects of alcohol abuse			were conducted in the 2022/23 financial year.
KZN Gaming and Betting Board (KZNGBB)	• Implementation of Gambling Black Industrialist Plan • Renewal applications processed in terms of the KZNGBB Act • Annual tax target of R 783 million collected (80%) on behalf of Provincial Government • Jobs facilitated within Black Industrialist and SMME Development	50 552	50 552	• Three (3) Interventions were implemented to support the development of Black Industrialist Programme. • 100% of the renewal applications (822) received were processed before 31 March 2023. • Annual tax target of R 783 million collected (92% - R719.405 million) on behalf of Provincial Government • Forty-Two (42) jobs were facilitated within Black Industrialist and SMM Development.
KZN Tourism Authority (KZNTA)	• Research reports produced • Tourism product development plans completed • Tourism deals promoted • Business events hosted in the province	186 749	181 210	• Twenty (20) research reports were produced by the entity. • Four (4) tourism product development plans were completed. • 118 Tourism deals were promoted by the entity. • Twenty-Two (22) business events were hosted in the province.
KZN Sharks Board (KZNSB)	• Annual report on shark attacks in South Africa • Procurement projects implemented • International trade shows attended • Peer-reviewed publications	71 443	71 443	• The entity was able to produce an annual report on shark attacks in South Africa. • A 100% of the procurement projects were implemented. • The entity attended two (2) international trade shows. • The entity was able to produce two (2) peer-reviewed publications at 31 March 2023.
Ezemvelo Wildlife (EKZNW)	• Districts managed to the minimum effectiveness standard • Biodiversity economy initiatives implemented • PDI (Previously Disadvantaged	854 830	854 830	• Eleven (11) districts were managed to the minimum effectiveness standard by the entity. • Three (3) biodiversity economy initiatives were

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
	Individuals) benefiting from natural resource uses from Pas (Protected Areas) (i.e. incema, meat, clean water, etc.) Procurement amount spent (incl. committed) on local suppliers			implemented by the entity. - A total of 2289 PDI benefited from natural resource uses from PAs. 80.9% of the entity's procurement amount was spent (incl. committed) on local suppliers.

5. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023:

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
eThekweni Metro	Municipality	eFolweni Infrastructure	Yes	1 800	-	The municipality is working on obtaining approval of use of a portion of this R1,8m for steel price escalation from the procurement committees (one sitting on 19 April), specifications for procurement for phase 2 (R1,8m) have been completed. Project is scheduled to be completed after implementation of phase 2. On phase 1, expenditure is R3,435,661.74. Project phase 1 will be close out upon handover from the contractor to the Municipality.

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eThekweni Metro	Municipality	Isiphingo MEI	Yes	1 000	73	The funding was for the payment of waste pickers around municipality area and beneficiary selection has been finalised (22). The expenditure incurred was for the first payment made to waste pickers. .
Umdoni Municipality	Municipality	uMzinto Infrastructure	Yes	2 000	-	Procurement process - technical panel of expert appointment has been concluded and the specification of fencing & paving was submitted to Bid Spec committee for approval.
Ray Nkonyeni Municipality	Municipality	MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received and LM finalising selection for applicants.
Ray Nkonyeni Municipality	Municipality	Margate Airport	Yes	5 000	1 000	The Terminal Building was completed and specification for the security perimeter fence was submitted to the Bid Specification Committee for approval.
Ugu District Municipality	Municipality	Natural Resource Management Competition	Yes	2 500	2 050	Ugu District Municipality could not spend the R450 000 due to a late start of the project, which was largely due to delays within the municipality's procurement processes. A request to work beyond March in order to complete the work was submitted and approval granted.

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Msunduzi Municipality	Municipality	Msunduzi MEI	Yes	2 000	-	Procurement process - call for proposals advertised, applications received, and qualifying MEI applications were approved for support and recently referred to the SCM Unit of the Municipality to procure the required goods and equipment for the MEI enterprises.
Msunduzi Municipality	Municipality	Pietermaritzburg Airport	Yes	3 000	1 000	Funds only transferred on 30 Dec 2022 but service provider has been appointed
Richmond Municipality	Municipality	High Over Game Reserve	Yes	3 000	105	The Municipality has also encountered challenges with municipal SCM processes which caused delays in the appointment of service providers . The project entailed the planning phase which has since been completed, and will be followed by actual construction.
Alfred Duma Municipality	Municipality	Alfred Duma Infrastructure	Yes	2 000	-	Appointment of Contractor is currently with the 14-day appeal period. Expenditure is expected to be recorded by June 2023
uThukela District	Development Agency	Coal Gasification Project		2 000	20	Only spent toward advertising of BID. However, the service provider has been appointed and balance has been committed.

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uMsinga Municipality	Municipality	Msinga Infrastructure	Yes	1 000	-	Municipality currently on the SCM Procurement process and awaiting finalisation of the BID documents and then advertising
uMzinyathi District Municipality	Development Agency	MEI	Yes	1 500	1 490	
uMzinyathi District Municipality	Municipality	uMzinyathi Economic Development	Yes	1 000	584	Draft Strategy completed and consulting team is attending to comments raised by the PSC for presentation of final draft.
UMzinyathi Development Agency	Development Agency	Livestock Product Processing Project	Yes	2 000	2 000	N/A
Newcastle Municipality	Municipality	MEI	Yes	2 000	-	Procurement is currently in progress. Expenditure is expected to be recorded by June 2023
Newcastle Municipality	Municipality	Newcastle Airport	Yes	3 000	-	Service Provider appointed to do technical inspection, stress test, core testing, Geo-Tech and surveying/technical drawings of runway design and drawing report complete. PSC to meet on Technical Report and resurfacing options in order to proceed to appoint a contractor.
eMadlangeni Municipality	Municipality	Balele Game Reserve	Yes	6 500	566	Project is implemented by the Municipality internally, and this has led to delays in procurement of service from multiple service provider.

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eDumbe Municipality	Municipality	Greenest Municipality Competition	Yes	600	-	Busy with procurement process
eDumbe Municipality		eDumbe Economic Development	Yes	1 000	100	Delay in the appointment of service provider due to SCM challenges relating to procurement and pricing. A new service provider has been appointed and inception report was presented to the PSC
uPhongolo Municipality	Municipality	Greenest Municipality competition	Yes	1000	-	Busy with procurement process
AbaQulusi Municipality	Municipality	eMondlo Infrastructure	Yes	2 000	-	Municipality currently procuring, have appointed the professional project management service provider who is due to submit the inception report.
Nongoma Municipality	municipality	Greenest Municipality Competition	Yes	800	-	Busy with procurement process
Zululand District Municipality	Municipality	Ulundi Airport	Yes	500	-	Delays in SCM processes
uMhlabuyalingana District Municipality	Municipality	Beach Development	Yes	2 500	-	An amount of R 2.5 Million was budgeted for the project during 2022/2023 FY, and was redirected to floods, such amount was later returned towards the end of March 2023 and is yet to be spent.

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uMhlabuyalingana District Municipality	Municipality	Manguzi trade Stalls	Yes	4 500	-	This is a multi-year projects and R2,480341, 99 been spent from first transfer payment (balance includes retention), the second transfer was done in Feb 2023 and Municipality is finalising the procurement process to appoint contractor
uMhlabuyalingana District Municipality	Municipality	uTshwayelo Aquaculture Dev and Fish Farm	Yes	1 000	-	Awaiting to appoint Management Agency
Jozini Municipality	Municipality	Greenest Municipality Competition	Yes	500	-	Busy with procurement process
Jozini Municipality	Municipality	Mkuze Infrastructure	Yes	1000	370	Municipality started with the site preparation and procurement of steel tables that are being manufactured.
Mtubatuba Municipality	Municipality	Mtubatuba Information Center	Yes	6 500	1 574	An amount of R 6.5 Million was budgeted for the project during 2022/2023 FY, R 3.5 Million was redirected to floods, such amount was later returned towards the end of March 2023 and is yet to be spent. Some of the challenges experienced was the shortage of steel from manufactures affected progress and spending of other deliverables.
uMkhanyakude District Municipality	Municipality	Raset Agroprocessing	Yes	900	900	N/A
uMkhanyakude District Municipality	Develoment Agecny	Mkhuze Airport	Yes	13 083	10 083	R10.083m was for infrastructure and R3m for operationalisation busy procuring equipment

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uMhlathuze Municipality	Municipality	Richards Bay Airport	Yes	1 000	-	Delays in the signing of MOA
uMhlathuze Municipality	Municipality	uMhlathuze MEI	Yes	2 000	22	Cost incurred was for advertising. The evaluation / screening of the beneficiaries was finalised and LM is currently finalising the procurement process of the actual goods.
Mandeni Municipality	Municipality	Mandeni MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received, evaluation done awaiting finalisation of procurement of goods for beneficiaries.
Mandeni Municipality	Municipality	Greenest Municipality Competition	Yes	500	-	Busy with procurement process
KwaDukuza Municipality	Municipality	KwaDukuza MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received and LM will start with the evaluation meeting
KwaDukuza Municipality	Municipality	Greenest Municipality Competition	Yes	1 000	-	Busy with procurement process
Ndwedwe Municipality	Municipality	Ndwedwe MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received and LM will start with the evaluation meeting
Maphumulo Municipality	Municipality	Maphumulo MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received and LM will start with the evaluation meeting

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Greater Kokstad Municipality	Municipality	MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received, and qualifying MEI applications were approved for support and recently referred to the SCM Unit of the Municipality to procure the required goods and equipment for the MEI enterprises.
uBuhlebezwe Municipality	Municipality	Infrastructure	Yes	2 000	-	The Municipality appointed a project manager to do the detailed planning and design work, but has made no payments for services rendered yet. The procurement of a contractor to install the infrastructure commenced. Advert was placed and briefing session was held on 15 March 2023.
uMzimkhulu Municipality	Municipality	Greenest Municipality Competition	Yes	500	-	Busy with procurement process
Dr Nkosazana Dlamini Zuma Municipality	Municipality	MEI	Yes	1 000	-	Procurement process - call for proposals advertised, applications received, and qualifying MEI applications were approved for support and recently referred to the SCM Unit of the Municipality to procure the required goods and equipment for the MEI enterprises.

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University of KwaZulu Natal	Higher Education Institution	RLED Initiative	Yes	3 255	519	Academic year commenced in January 2023 and funds transferred to UKZN to implement the project during 2023 academic year. The spending will take place throughout the year
Durban University of Technology	Higher Education Institution	RLED Initiative	Yes	1 751	375	Academic year commenced in January 2023 and funds transferred to DUT to implement the project during 2023 academic year. The spending will take place throughout the year
South African Farmers Development Association	Non-Profit Institution	EDTEA Collaboration	Yes	4 000	4 000	N/a
KUMISA	Public Corporation and Private Enterprise	KZN Music Cluster	Yes	4 500	4 500	N/A
Get2 Natural	Public Corporation and Private Enterprise		Yes	200	-	
South african Tourism Association	Non-Profits Institutions	Tour Operators	Yes	999	-	Funds transferred towards the financial year end
Keswa Recycling	Public Corporation and Private Enterprise	Waste Economy Support	Yes	245	245	N/A
Bio Stat Recycling	Public Corporation and Private Enterprise	Waste Economy Support	Yes	63	60	
Kamhezo Trading	Public Corporation and Private Enterprise	Waste Economy Support	Yes	324	267	

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Inguquququ	Public Corporation and Private Enterprise	Waste Economy Support	Yes	293	293	
Juliyana (PTY) LTD	Public Corporation and Private Enterprise	Waste Economy Support	Yes	150	134	
Thokoza Junior	Public Corporation and Private Enterprise	Waste Economy Support	Yes	99	99	
Zizamele Waste Service	Public Corporation and Private Enterprise	Waste Economy Support	Yes	40	-	
Fezekile Enterprise	Public Corporation and Private Enterprise	Waste Economy Support	Yes	140	129	
Uthando Sollutions	Public Corporation and Private Enterprise	Waste Economy Support	Yes	633	247	
Philangohlelo	Public Corporation and Private Enterprise	Waste Economy Support	Yes	340	340	N/A
SAAMBR	Non-Profit Institution		Yes	8 366	8 366	N/A
eNgonyameni Youth Development	Non-Profit Institution	Waste Economy Support	Yes	38	-	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, 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
Umdoni Local Municipality	Greenest Municipality Competition	800	-	Delays in the signing of Service Level Agreement
Ugu District Municipality	Beach Development	2 500	-	Delays in the signing of Service Level Agreement
Emthonjaneni Local	Greenest	500	-	Delays in the signing of Service

Municipality	Municipality Competition			Level Agreement
Maphumulo Local Municipality	Greenest Municipality Competition	500	-	Delays in the signing of Service Level Agreement
Z Zulu Recycling	Waste economy Support	21	-	Delays in the signing of Service Level Agreement
Maguchi Enterprise	Waste Economy Support	70	-	Delays in the signing of Service Level Agreement
Nhlaba Trading	Waste economy Support	325	-	Delays in the signing of Service Level Agreement

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the department.

6.2 Conditional grants and earmarked funds received

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

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	414 Work opportunities and 108 Full Time Equivalents
Actual outputs achieved	417 Work Opportunities and 133.4 Full Time Equivalents
Amount per amended DORA	R6,402,000
Amount received (R'000)	R6,307,000
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	X4 EPWP Data Capturers were appointed on 5% of the Grant's allocation, X1 Data Capturer worked until December 2022 and could not be replaced for the remaining three months of the FY. This resulted in a balance on the allocated order number. Furthermore, 1 of 13 appointed service providers in the Grant funded Richmond project was found non-tax compliant, with delayed resolution the services could only be provided to the department for a period of 4 months. These combined cases resulted in underspending.

Monitoring mechanism by the receiving department	1. Compliance with the requirements of the relevant framework. 2. 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. 3. 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. 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 allocation and submit such evaluation to the transferring national officer and relevant Provincial Treasury
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7. DONOR FUNDS

7.1 Donor Funds Received

Name of donor	Government of the Swiss Confederation (SECO)
Full amount of the funding	R126 475 042 (R96 286 519,82 (Mariswe contract) and R30,188,522.00 (Non-Revenue Water)
Period of the commitment	2017 to 2024 (The programme end date has been extended to 31 December 2024 to accommodate Non-Revenue Water project and other projects transferred to Municipalities. The fifth contract addendum is underway for the Service Level Agreement between EDTEA and Mariswe (Pty) Ltd to end date of 31 December 2024).
Purpose of the funding	The objective of the programme is to improve the economic future of the iLembe District Municipality and the quality of life for its inhabitants. The team of Experts were appointed to form the Programme Co-ordinating Unit (PCU). The programme is primarily a technical assistance programme that integrates various strategic components that impact local economic development.
Expected outputs	Inception phase completed. Programme to progress to implementation phase and focus following components: - 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	The inception phase commenced in June 2017 and was completed. The programme progressed to the implementation period. As of 31 March 2023, there were 43 contracts under implementation. Of those 43 projects, 21 have been completed, 14 were in implementation stage, 1 was awaiting PMT/PSC approval and SECO non-objection, 1 was still to commence, 2 were subject to transfer to municipalities and 4 were formally withdrawn. Those withdrawn projects will be transferred to the benefiting municipalities to take over and enter into a contract with the Department of Economic Development, Tourism and Environmental Affairs until the end of the Programme Agreement in December 2024. High-level achievements on each component to date are outlined below: a) Public Finance Management (PFM) • 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. • 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.

b) Municipal Infrastructure (MI) Programme

- 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.

c) Private Sector Development (PSD) & Building Inclusive Growth (BIG)

- Initial success in building plan reform project. By Jan 2020 time involved in securing building plan approval had been reduced from approximately 6 months to 1.5 months.
 - Building plans smaller of than 500m² taking 20 days (down from 30), minor building works being approved in 11 days (down from 35 days). Unfortunately, many of these gains have subsequently reversed during the COVID 19 Period.
 - 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.
- 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. d) Partnership and Co-operation (P&C) - 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 first two Case Studies during the period: Development Charges and Non- Revenue Water. - Eight (8) Vuthela Spark Newsletters have been completed and distributed widely.
Amount received in current period (R'000)	R16, 867
Amount spent by the department (R'000)	R19,606
Reasons for the funds unspent	The over relates to prior year balances brought forward
Monitoring mechanism by the donor	The Programme Co-ordinating unit is expected to report monthly on all programme activities and financial expenditure against the Project Execution Plan. There are Project Management Team meetings monthly to monitor programmes on the programme. There are quarterly Project Steering Committee meetings attended by the political and administrative heads of the participating municipalities as well as the Donor.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2022/2023			2021/2022		
	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	1 203	203	1 000	1 608	1 246	362
Existing infrastructure assets	66	66	-	-	-	-
- Rehabilitation, renovations and refurbishments	66	66	-	-	-	-
Infrastructure transfer	237 405	237 405	-	239 108	239 108	-
- Current	-	-	-	-	-	-
- Capital	237 405	237 405	-	239 108	239 108	-
Total	238 674	237 674	1 000	240 716	240 354	362

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PART C: GOVERNANCE

1. INTRODUCTION

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

During the 2022/2023 financial year, the committee made great advances in the areas of Governance of information technology, business continuity, loss control, Occupational Health & Safety, fraud prevention awareness. This was primarily possible due to the maturing of thinking around true governance and the obligation the department has towards its stakeholders.

The department's risk management approach is aligned with the National and Provincial Risk Management Framework and this is championed by the Risk and Integrity Management Unit.

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

2. RISK MANAGEMENT

The department takes risk management seriously hence efforts were made to prevent risky activities taking place in all its business operations. The Accounting Officer commits the Department to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA). The Accounting Officer has elevated the status of risk management by ensuring that Executive Management are the members of the Risk Management Committee.

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

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

Moreover, the department has a Risk Management Committee (Chaired by the Accounting Officer) that advises management on the overall system of risk management, especially the mitigation of

unacceptable levels of risk. The Risk Management Champions Steering Committee (Chaired by the Chief Risk Officer) is functional and it is a key contributor in ensuring the institutionalisation of risk management in all levels within the Department. These committees mainly facilitate the management of risk facing the department and ensures appropriate action is taken to address those risks. There has been significant progress in the implementation of risk mitigation plans compared to previous years.

3. FRAUD AND CORRUPTION

The department continues to implement the approved fraud prevention plan, this plan is reviewed on an annual basis. The approved fraud prevention plan incorporates fraud response policy which features mechanisms in place to report fraud and corruption. It's also includes a whistle blowing policy to limit the risk of employee's victimisation.

The Ethics Management Committee (Chaired by the Accounting Officer) is functional and meets on a quarterly basis to discuss issues relating to ethics and integrity management. This committee was established in terms of the guidelines.

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

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

4. MINIMISING CONFLICT OF INTEREST

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

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

5. CODE OF CONDUCT

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

An employee shall be guilty of misconduct and may be dealt with in accordance with the disciplinary procedure if they contravene any provision of the Code of Conduct or fails to comply with any provision thereof. Supervisors/ managers alert the employee of the breach and seek a response. Depending on the nature of the breach, impact of the breach on the public service, level of the employee and mitigating and aggravating factors supervisors may sanction the employee in an informal meeting. More serious breaches require a formal discipline hearing.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Despite the repeal of the Covid-19 restrictions, the normal health and safety laws of South Africa have not been repealed. The Occupational Health and Safety Act (Act No. 85 of 1993) requires the employer to take all steps necessary to protect the employees and others persons present at the workplace from occupational hazards. The workplace should remain safe from any communicable diseases. EDTEA has an existing OHS committee that is formulated to discuss any occupational incident at the workplace; pressing occupational health and safety matters; and to make recommendations to the employer regarding matters affecting the health and safety of employees at the workplace. Employees can report accidents or any observed unsafe or unhealthy conditions to the employer or to the health and safety representative of EDTEA.

7. PORTFOLIO COMMITTEES

The dates of the meetings:

Environmental Affairs Portfolio Committee	Economic Development, Tourism and Environmental Affairs Portfolio Committee
3 June 2022	10 June 2022
23 August 2022	30 August 2022
13 September 2022	16 September 2022
9 December 2022	17 January 2023
17 March 2023	16 March 2023

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

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

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

- Quarterly performance (non-financial performance report and financial performance report)
- Update on the appointment of Ezemvelo Board
- Status of waste facilities under Ilembe, Ugu and eThekweni
- Impact of waste water works in coastal towns to the surrounding environment
- Report regarding Baffelsdraai landfill site water sampling, analysis and the enforcement action undertaken by EDTEA
- Compliance status for the Dolphin Coast landfill management landfill site - operated by Dolphin Coast Landfill management within Kwadukuza Local Municipality
- Compliance status for the King Cetshwayo regional landfill site administered by King Cetshwayo district municipality
- Stakeholder Engagement on APP and Budget 2023/2024
- Annual Report 2021/2022

- Adoption of 2023/2024 APP and Budget
- Fraud and Risk Prevention Plan
- Progress Report on eThekweni Metro State of water treatment works and challenges relating to disposal of sewage into the natural environment.
- Update on the filling of critical vacant posts.
- List of assisted businesses looted during unrest 2021.
- Progress on the Rationalisation of the Public Entities
- Budget Repriorisation 2022/2023: KZN Disaster Floods
- Economic recovery after one year of the unrest.
- KZN Growth Fund
- KZN Sharks Board: Maritime School of Excellence
- Operation Vula Fund

Under-spending by public entities

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 17/2022	Material impairment of R31.58 million: Recoverability of debtors (relating to Resolution 162/2021)	The department was required to provide progress made in the civil and criminal trials.	Detailed response below	No
• The Civil litigation instituted separately by EDTEA, and Provincial Treasury is being considered for consolidation into one matter. The Provincial Treasury has indicated that they will be bringing the application to join matters through a court application before the end of June 2022. If all the Parties in both matters do not oppose the joining of the two matters then the matter will be enrolled in the Pietermaritzburg High Court, however if any of the Parties oppose then the issue will be argued and a decision will be taken by the court to join the matters or not. The consolidation will assist in finalizing both matters speedily and save on the state legal costs. • The criminal trial is ongoing, and has been postponed sine die for further evidence to be presented by the State. Upon completion of the matter, and if a conviction is secured, the State will apply for a Compensation Order in terms of the provisions of section 300 of the Criminal Procedure Act, 1977 (Act No. 51 of 1977).				

Resolution 18/2022	Irregular Expenditure in 2020/21 - R581 000 (Balance of prior years' irregular expenditure of R220.131 million not yet condoned) (relating to Resolution 163/2021)	The department was required to provide • progress made in the determination testing of the amounts submitted for condonation but not condoned and the submission of the supporting evidence and documents to Treasury and timeframes for doing so. • And progress made in the determination testing of the remaining balance of irregular expenditure and timeframes for submission thereof to Provincial Treasury for condonation.	Detailed response below	Yes
• Feedback was received from Provincial Treasury relating to the irregular expenditure amounting to R80.50 million. This amount pertains to irregular expenditure reported by the Department between the 2001/2002 and 2013/2014 Financial Years. All investigations of irregular expenditure prior to the 2014/2015 Financial Year were conducted by Provincial Treasury and it also dealt with the applications for condonation thereof. There have been continuous engagements between the Department and Provincial Treasury to ensure finalization of the condonation process. In the feedback received Provincial Treasury has requested for the following information in respect to the department's condonation request relating to 2001-2014 financial periods: (a) The remedial action taken to prevent occurrence of the irregular expenditure under similar circumstances; (b) Evidence of consequence management taken against the affected employee(s); (c) Confirmation that the transactions are not subject to forensic investigation. The submissions from Department are evaluated in accordance with National Treasury Instruction Note No 2 of 2019/2020 and amendments thereof, which gives legal effect to the Irregular Expenditure Framework effective from 17 May 2019. This means that all the 2001-2014 transactions have to be reassessed to comply with the new framework as the old framework did not require the inclusion of the elements mentioned above. • The determination tests for prior financial years (i.e. 2014/15 -2020/21) have been concluded and submission was made to Provincial Treasury as at 31 March 2022. The remaining balance not submitted relates to matters referred for forensic investigation. The investigations are still in progress and the department is yet to receive the forensic reports. The forensic investigations are conducted by Integrity Management and Forensic Investigations unit within the Office of the Premier. Since the investigations have not been completed, the Department is as yet unable to apply for condonation.				
Resolution 19/2022	Fruitless and wasteful Expenditure in 2020/21 - R78 000 (Prior years' fruitless and wasteful	The department was required to provide a report on the outcomes of the investigations, including the findings and recommendations and steps taken to	A detailed progress report was provided with explanation for each case	Yes

	expenditure of R3.747 million not yet resolved) (relating to Resolution 164/2021)	implement the recommendations, as well as time frames for finalising these matters.		
Resolution 20/2022	Forensic Investigations (relating to Resolution 165/2021)	The department was required to provide Progress made in all matters in respect of criminal cases, civil recoveries and disciplinary proceedings which are either pending or have not yet commenced.	A detailed progress report was provided with explanation for each case	Yes
Resolution 113/2022	Material impairment of R31.58 million (Relating to Follow-up Resolution 17/2022)	The resolution required an outcome of the civic litigations aimed at the recovery of the debts amounting to R31.58 million and progress made in the recovery of the debts amounting to R31.58 million.	Detailed response below	No
10. The KZN Provincial Treasury made an application to court to have the two matters combined into one matter and the aforesaid application was heard on 9 November 2022. The court granted the application by the KZN Provincial Treasury which effectively means that the Pietermaritzburg High Court matter under case number 15697/15 instituted by the MEC for the KZN Provincial Treasury and the Durban High Court matter under case number 1167/2014 instituted by the MEC for Economic Development have been combined into one matter because they have the same cause of action. 11. The Department's legal representatives and the legal representatives for the KZN Provincial Treasury have scheduled a meeting to take place before the end of January 2023 to discuss the approach on how to proceed with the one cause of action to ensure the expeditious finalization of the matter and save costs in the process by avoiding duplication of court processes. 12. The criminal case is still ongoing with more witnesses scheduled to testify on the next date set down for the trial to proceed with the trial anticipated to take several months given the number of witnesses who are due to testify in the matter. The Department has had its own employees called to testify on behalf of the state and same have been cross examined by the Defense's legal teams.				
Resolution 114/2022:	Irregular expenditure under assessment: R37 705 000 and Irregular Expenditure incurred in prior years not yet condoned (Relating to follow-up resolution 17/2021)	The department was required to provide Progress made in monitoring of investigation and determination testing of all irregular expenditure by IDT as well as time frames for doing so.	The determination test for the IDT irregular expenditure of R37 705 000 is currently in progress and anticipated to be finalised before end of financial year. The assessment is done in collaboration with Provincial and National Treasury. Management continues to monitor the compliance by IDT on a regular basis.	Yes

Resolution 115/2022	Investigations	The department was required to detail the findings and recommendations of all completed investigations, the amounts involved, the steps taken to implement the recommendations, including disciplinary action and the outcomes thereof per matter, and steps taken to recover any losses, as well as time frames for finalising the matters. Measures implemented to avoid a recurrence.	A detailed progress report was provided with explanation for each case	Yes
Resolution 220/2022	Human Resource Management: Vacancies in Senior Management and Critical Positions	The department was required to provide progress made in the filling of senior management positions, critical positions as well as the outcomes of their engagements with Provincial Treasury and the Office of the Premier on the filling of posts and the funding thereof.	EDTEA has not filled positions within the 90-day timeframe provided by DPISA due to the department awaiting approval of the organizational structure. The organizational structure was endorsed by DPISA in May 2022 and approved by the Former Premier in June 2022, subsequently the department has started the process of implementation of the organizational structure by: • Capacitating current staff; • Matching and placing; and • Prioritising critical positions with the focus on women at SMS level, youth employment and persons with disabilities.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department obtained a clean audit report in the previous years:

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.

- I. Follow up review on the implementation of recommendations made by the Auditor – General in 2021/2022.
 - II. Follow up review on the implementation of recommendations made by the Provincial Treasury during 2022/2023.
 - III. Determination tests on Irregular expenditure.
 - IV. Determination tests on fruitless and wasteful expenditure.
 - V. Compliance to legislations and policies review.
 - VI. Compliance with prescripts (Monthly BAS and Hardcat payments).
- Quarterly Inventory stock count

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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 2023, 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 PARC and ESID CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	ESID CARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson	5 of 5	4 of 4
2	Mr M Tarr – ESID CARC Chairperson	5 of 5	4 of 4
3.	Ms S Makhathini	5 of 5	4 of 4
4.	Mr S Mthethwa	4 of 5	N/A*
5.	Ms R Ramphal	5 of 5	N/A*
6.	Mr S Maharaj	5 of 5	N/A*

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

2. The Effectiveness of Internal Control

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

- Operational Vula Fund
- Performance Information
- Transfer Payments

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

3. Effectiveness of Internal Audit

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

The PIAS planned to conduct eleven (11) audit assignments for the period under review, of which ten (10) were finalised; one (1) was rolled over with the approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2023/24 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

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

As at the end of the 2022/23 financial year, the Department's risk register status was as follows:

Focus areas	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of identified risks	7	46	38	5	1	97
Number of agreed action plans due by Quarter 4	10	84	70	9	1	174
Number of action plans completed by Quarter 4	10	64	52	9	1	136
% Action plans implemented	100%	76%	74%	100%	100%	78%

The Committee noted the significant progress made by the Department on implementing 78% of its risk mitigation plans, but urged the Department to ensure the timely mitigation of remaining risks. The Committee also noted the progress made by the Department on implementing the revised provincial risk management framework. The Department is urged to comply with all minimum risk management standards contained within the revised framework, including the identification and escalation of transversal risks to the recently established provincial risk management committee for noting and assistance with resolution.

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.

6. Evaluation of Financial Statements

The Committee has:

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

7. 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.

8. 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

04 August 2023

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 has developed the Operation Vula Fund Policy which is a grant to assist small businesses. The policy targets Blacks and Africans in particular. Tier 2 and 3 applicants have to submit B-BBEE certificates as part of their applications.

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PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department.

- Currently the department has 610 employees employed in posts on the permanent structure and 158 recruits in developmental programmes which include interns, graduates and learners. In total there are 769 employees on the establishment. These employees are distributed amongst the 7 programmes of the department based on the mandates of each programme. At the beginning of the financial year we had a vacancy rate of 7% which we managed to reduce to 6% by March 2023.
- Human resource priorities for the year under review and the impact of these.
- The department's 3-year Strategic HR Plan was approved and assessed by the Office of the Premier in October 2022. The HR Planning research had identified the following areas that required improvement and also provided strategies to achieve the desired targets and goals|:

	Strategic HRP Objectives	Strategic HRP Interventions
1.	• Elevate human resource as a strategic partner within the organization	• Improve the rating of human resource as a strategic role player within the department
2.	• Have an approved structure that meets the needs of each programme such that there is alignment with the departments mandates and Strategic Plan	• Have an approved structure in place with correctly evaluated posts and to ensure there is a mutual understanding of OSD
3.	• Implement Change Management strategy across the department such that employees have a mutual understanding of the strategic direction the department is embarking on, inclusive of all other change management issues	• Develop and Implement a Change Management Strategy with appropriate interventions to address all areas of change within the organization
4.	• Reduce the vacancy rate to address the human capital shortfalls to ensure the strategic goals and outcomes of the	• Reduce vacancy rate from 15% to 8%

	department are achieved,	
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 institutional memory	• Develop Strategy to preserve organizational memory

During the second year (2022/23) of implementation, our goals were as follows:

- **Elevate HRM & D as a strategic partner within the organization;** which meant ensuring HR matters are discussed at MANCO and EXCO. Being more in touch with other programmes such that HR understands their needs and are more responsive. Create a shift from an administrative role to a more strategic role. HR being a member of the strategic and APP planning process of the department.
- **Have an approved structure in place;** 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 approval for prioritised posts. Implement recruitment process.
- **Increase recruitment of females at SMS from 40% to 50%;** here again the department has been struggling to achieve this target since 2012. Our aim was to increase the percentage of females at SMS to at least 48% in year one.
- **Increase recruitment of PWD's from 1.27% to 2%;** it has also been a struggle to recruit PWD's since 2012. Our aim was to achieve at least 1.8% in the first 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 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 4% in year one. 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 Peral 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 Peral audits and verifications taking place continuously. Year one required an improvement from 97% to 98%.
- **Implement EHW interventions to address identified gaps to ensure a healthy and balanced workforce and conducive working environment;** Our aim 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 aim here 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 aim 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 second year of implementation the department was successful in achieving the following interventions / targets.

- The department's approved new structure is currently being implemented. All employees have been successfully matched and placed in the new structure. Letters of placement have been issued. All PA's on salary level 7 had been placed in practitioner posts.
- Successful alignment of the department's strategic plan and HR Plan to its mandates and functions
- Kick-off in terms of research and consultation process with regards to a change management strategy. Alignment of the National Change Management Strategy and Departmental Strategy is taking place. A Departmental Strategy would be in place in year 3 of the plan
- HR Matters are being discussed at MANCO and EXCO and discussions on HR matters are taking place in other programmes. HR is involved in the Strategic Planning and APP process.
- A drastic reduction in vacancy rate from 15% to 5% in year 2. Due to implementation of the new structure and filling of critical posts the vacancy rate has increased from 6% in year 1 to 7% in year 2 which is expected. During year 2, 72 posts were advertised (8 SMS, 64 levels 1-12). 78 posts were filled (2 SMS, 76 level 1-12), some of the advertisements were carried over from year 1. Recruitment expenditure for year 2 of the plan amounted to R1 786 687.13
- A reduction in turnover rate from 5% to 4%.
- 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.
- 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 98%. 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.
- SMS skills audit done by the Office of the Premier (KZN) and report has been presented to COHOD by October 2022. MMS skills audit done by the Office of the Premier (KZN) and the report has been presented to COHOD by January 2023. JMS skills audit is ongoing as they analysing the information. Currently doing the skills audit for SL 8. Policy approved on Graduate Internship Programme in 22 August 2022.
- 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 2022/23. This includes articles, flyers, pamphlets, posters and in contact session.

- Research and consultation is also are taking place with regards to a consequence management strategy as per plan. The Provincial Strategy is currently being looked at and customised to suit our department.
- The Provincial framework on consequence management was initially distributed. The item/issue was raised at the Provincial Labour Relations Forum as there are collective bargaining agreements that are specific about consequence management processes/procedures that arise. The debate about responsibility also delayed deliberations and implementation. A draft consequence management strategy distributed to Legal Services Integrity Management and Internal Audit and upon consensus shall be forwarded for concurrence to the Accounting officer.
- A strategy and database to preserve organization memory is currently being developed by the Knowledge Management Unit and it should be finalised in year 2 of the plan as envisaged.

However, we have been less successful in the achieving the following targets:

- The increase in recruitment of females at SMS from 40% to 48%; In the reporting period 5 females from SMS exited the department which resulted in the department not meeting its target of 48%. Currently, the department is at 39%.
- Increase in the recruitment of PWD's from 1.27% to 2%; The department is currently at 1.42%.
- Addressing the skills gap at SMS. Only 8% was trained to lack of attendance.
- Improving supply in critical and scarce skill areas of the department. Only one external bursary was issued instead of the targeted 6.
- Addressing all matters of performance management as per EPMDS implementation plan. Only 77% was achieved 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.
 - Successful compilation, approval and assessment of HRP Implementation report for 2020/21 which was submitted in May 2021. Achievement of 100% for compliance and 100% for quality of information.
 - Successful reporting of EE statistics to Department of Labour for 2020/2021.
 - Successful Audit by Department of Labour on all EE matters for the period 2021/2022. Furthermore, successful approval of department's new EE Plan for the period 01 January 2022 to 31 December 2026 by the Department of Labour.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

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	126,473	120,906	2,045	3,522	95.6	514.5
INTEGRATED ECONOMIC DEVELOPMENT	82,352	67,631	2,028	12,693	82.13	593.26
TRADE AND SECTOR DEVELOPMENT	29,063	18,251	660	10,152	62.8	675.97
BUSINESS REGULATION & GOVERNANCE	36,952	35,625	0	1,327	96.41	647.73
ECONOMIC PLANNING	19,023	19,008	15	0	99.93	655.45

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TOURISM	26,866	22,294	823	3,749	84.48	891.76
ENVIRONMENTAL AFFAIRS	150,614	147,262	1,574	1,778	97.78	518.53
Total	471,343	430,977	7,145	33,221	91.44	560.44

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (level 3-5)	10,675	2.5	52	205.29
Highly skilled production (levels 6-8)	78,268	18.2	221	354.16
Highly skilled supervision (levels 9-12)	186,711	43.3	285	655.13
Senior and Top management (levels 13-16)	60,862	14.1	53	1,148.34
Contract/others	31,845	7.4	158	201.55
Total	368,361	85.5	769	479.02

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	103,776	85.84	1,136	0.94	3,017	2.50	4,786	3.96
INTEGRATED ECONOMIC DEVELOPMENT	58,598	71.16	4	0.01	1449	2.15	1,639	2.43
TRADE AND SECTOR DEVELOPMENT	16,461	56.64	0	0	489	2.68	250	1.37
BUSINESS REGULATION & GOVERNANCE	30,278	81.94	0	0	781	2.20	1,391	3.91
ECONOMIC PLANNING	16,548	86.99	11	0.06	406	2.14	324	1.71
TOURISM	21,369	79.54	0	0	633	2.84	1,401	6.29
ENVIRONMENTAL AFFAIRS	121,331	80.56	0	0	3,227	2.20	6,834	4.64

Total	368,361	85.48	1,151	0.27	10,002	2.32	16,625	3.86
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Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	10,675	2.48	191	0.44	874	0.21	1,342	0.32
Highly skilled production (levels 6-8)	78,268	18.16	446	0.11	3,405	0.79	7,634	1.78
Highly skilled supervision (levels 9-12)	186,711	43.33	366	0.09	4,388	1.02	7,189	1.67
Senior management (level 13-16)	60,862	14.13	0	0	1,335	0.31	397	0.10
Contract/Other	31,845	7.39	148	0.04	0	0	84	0.02
Total	368,361	85.5	1,151	0.27	10,002	2.32	16,625	3.86

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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION	259	235	9.27	75
INTEGRATED ECONOMIC DEVELOPMENT	121	114	5.79	25
TRADE & INDUSTRY DEVELOPMENT	28	27	3.58	6
BUSINESS REGULATIONS	58	55	5.18	4
ECONOMIC PLANNING	29	29	0	5
TOURISM	28	25	10.42	10
ENVIRONMENTAL AFFAIRS	317	284		33
Total	840	769	8.46	158

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0	0
Skilled (3-5)	214	194	9.35	153
Highly skilled production (6-8)	235	222	5.54	1
Highly skilled supervision (9-12)	327	295	9.79	1
Senior management (13-16)	64	58	9.38	3
Total	840	769	8.46	158

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED	404	372	7.92	93
SECRETARIES & OTHER RELATED	50	47	6	0
DRIVERS/MESSENGERS	6	6	0	0
INFORMATION TECHNOLOGY RELATED	4	4	0	1

TRADE & INDUSTRY RELATED	85	78	8.24	26
ENVIRONMENTAL RELATED	227	204	10.14	33
SENIOR MANAGEMENT SERVICES	64	58	9.38	5
Total	840	769	8.46	158

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 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/ Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	2	2	100	0	0
Salary Level 14	14	11	78.58	3	21.43
Salary Level 13	47	43	91.49	4	8.51
Total	65	58	89.23	7	10.77

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	2	100	0	0
Salary Level 14	14	11	78.58	3	21.43
Salary Level 13	45	41	91.12	4	8.89
Total	63	56	88.89	7	11.12

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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	2	0	2
Salary Level 13	7	2	5
Total	9	2	7

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
N/A

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 2022 and 31 March 2023

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 2022 and 31 March 2023

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 (Levels1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	193	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	255	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	467	29	6.21%	n/a	n/a	n/a	n/a
Senior Management Service Band A	56	13	23.21%	n/a	n/a	n/a	n/a
Senior Management Service Band B	14	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
OSD	282	0	0	0	0	0	0
Total	1271	42	3.3%	0	0	0	0

n/a= * The posts are newly created, and the Job Evaluation (JE) process followed a benchmarking route, in accordance with the instructions from the Department of Public Service and Administration (DPSA), due to the suspension of the online JE System.

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 2022 and 31 March 2023

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
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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 2022 and 31 March 2023

Total number of Employees whose salaries exceeded the grades determined 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 2022 and 31 March 2023

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 2022 and 31 March 2023

Salary band	Number of employees at beginning of period- 1 April 2022	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)	44	13	5	11.37
Highly skilled production (Levels 6-8)	230	23	10	4.35
Highly skilled supervision (Levels 9-12)	275	33	14	5.09
Senior Management Service Bands A	39	3	2	5.13
Senior Management Service Bands B	12	0	2	16.67
Senior Management Service Bands C	3	0	1	33.34
Senior Management Service Bands D	1	0	0	0
Other/Contract	294	7	270	91.84
Total	898	79	304	33.86

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period- April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED	449	29	284	63.26
SECRETARIES & OTHER RELATED	43	5	1	2.33
DRIVERS/MESSENGERS	4	2	1	25
COMMUNICATIONS & MARKETING	9	3	1	11.12
FINANCIAL & RELATED	31	0	4	12.91
HUMAN RESOURCES MANAGEMENT	29	2	0	0
INFORMATION TECHNOLOGY	3	0	0	0
TRADE & INDUSTRY RELATED	68	15	2	2.95

ENVIRONMENTAL MANAGEMENT RELATED	206	19	6	2.92
SENIOR MANAGEMENT SERVICES	55	3	4	7.28
MEC	1	1	1	100
TOTAL	898	79	304	33.86

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 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	3	0.99
Resignation	69	22.7
Expiry of contract	227	74.68
Dismissal – operational changes		
Dismissal – misconduct	1	0.33
Dismissal – inefficiency		
Discharged due to ill-health	1	0.33
Retirement	3	0.99
Transfer to other Public Service Departments		
Total	304	
Total number of employees who left as a % of total employment	33.86	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees	Promotions	Salary level	Progressions	Notch progression
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	1 April 2022	to another salary level	promotions as a % of employees by occupation	to another notch within a salary level	as a % of employees by occupation
ADMINISTRATIVE RELATED	449	5	1.12	0	0
SECRETARIES & OTHER RELATED	43	0	0	0	0
DRIVERS/MESSENGERS	4	0	0	0	0
COMMUNICATIONS & MARKETING	9	0	0	0	0
FINANCIAL & RELATED	31	1	3.23	0	0
HUMAN RESOURCES MANAGEMENT	29	1	3.45	0	0
INFORMATION TECHNOLOGY	3	0		0	0
TRADE & INDUSTRY RELATED	68	3	4.42	0	0
ENVIRONMENTAL MANAGEMENT RELATED	206	5	1.43	0	0
SENIOR MANAGEMENT SERVICES	55	0	0	0	0
MEC	1	0	0	0	0
TOTAL	898	15	1.67	0	0

Salary Band	Employees 1 April 2022	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)	44	0	0	0	0
Highly skilled production (Levels 6-8)	230	3	1.31	0	0
Highly skilled supervision (Levels 9-12)	275	11	4	0	0
Senior Management (Level 13-16)	55	0	0	0	0
Other/Contract	294	1	0.34	0	0
Total	898	15	1.67	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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	0	2	2	20	1	2	0	56
Professionals	43	0	8	2	52	3	4	1	113
Technicians and associate professionals	129	2	4	3	227	3	28	3	399
Clerks	17	0	0	0	28	1	0	0	46
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	3	0	0	0	6	0	0	0	9
Total	223	2	14	7	333	8	34	4	625
Employees with disabilities	2	0	0	2	4	0	1	1	10

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	26	0	2	2	20	1	2	0	53
Professionally qualified and experienced specialists and mid-management	43	0	8	2	52	3	4	1	113
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	129	2	4	3	227	3	28	3	399
Semi-skilled and discretionary decision making	22	0	0	0	31	1	0	0	54

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Unskilled and defined decision making	0	0	0	0	3	0	0	0	3
Total	223	2	14	7	333	8	34	4	625

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

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	17	0	0	0	14	1	0	0	32
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	13	0	0	0	22
Semi-skilled and discretionary decision making	5	0	0	0	9	0	0	0	14
Unskilled and defined decision making	0	0	0	0	5	0	0	0	5
Total	34	0	0		42	1	0	0	77
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

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	4	0	0	0	4	0	0	0	8
Professionally qualified and experienced specialists and mid-management	6	0	0	0	6	0	1	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	4	0	0	0	7
Semi-skilled and discretionary decision making	0	0	0	0		0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	14	0	1	0	28

Employees with disabilities	1	0	0	0	0	0	0	0	1
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Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	1	0	0	0	0	0	2
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	5	0	0	0	3	0	4	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	1	0	0	4	0	0	1	11
Semi-skilled and discretionary decision making	1	0	0	0	3	0	0	0	4
Unskilled and defined decision making	41	0	0	0	109	1	1	0	152
Total	54	1	1	0	129	1	5	1	182
Employees with Disabilities	1	0	0	0	0	0	0		1

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspended without pay	3	0	0	0	0	0	0	0	3
Dismissal for abscondment	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male					Female				Total
	African	Coloured	Indian	White		African	Coloured	Indian	White	
Legislators, senior officials and managers	31	0	1	2		33	0	3	0	70
Professionals	15	0	0	0		34	1	2	0	52
Technicians and associate professionals	15	0	0	0		30	0	0	0	45

Clerks	15	0	0	0		18	0	0	0	33
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	0		0	0	0	0	0
Total	76	0	1	2		115	1	5	0	200
Employees with disabilities	1	0	0	1		0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0
Salary Level 15	2	2	1	50%
Salary Level 14	12	12	11	92%
Salary Level 13	40	40	37	93%
Total	55	55	50	91%

Notes

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

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
Some SMS members did not adhere to the timeframe of submitting their performance agreement within 3 months of their appointment.
Simultaneously, the department had not finalised its organizational structure placement process upon approval of the new structure, as a result, some SMS members were not placed during the reporting period.

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 2023

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

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 2022 to 31 March 2023

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 2022/2023 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 2022 to 31 March 2023

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 2022/2023 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 2022 to 31 March 2023

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 2022/2023 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 2022 to 31 March 2023

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 2022/2023 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 2020 and 31 March 2023

Salary band	01 April 2022		31 March 2023		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 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
n/a						

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 2022 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)	228	85.1	34	9.4	7	222
Highly skilled production (levels 6-8)	954	83.9	123	34.1	8	1 486
Highly skilled supervision (levels 9 -12)	1 007	86.8	137	38	7	2 814
Top and Senior management (levels 13-16)	82	91.5	11	3	7	374
Other	189	49.2	56	15.5	3	53
Total	2 460	82.7	361	100	7	4 949

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 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)	16	100	1	25	16	15
Highly skilled production (Levels 6-8)	6	100	1	25	6	9
Highly skilled supervision (Levels 9-12)	225	100	2	50	113	646
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	247	100	4	100	62	670

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 2022 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)	985	52	19
Highly skilled production (Levels 6-8)	3 969	224	18
Highly skilled supervision(Levels 9-12)	5 444	269	20
Senior management (Levels 13-16)	957	49	20
Other	3 123	244	21
Total	14 490	838	17

Table 3.10.4 Capped leave for the period 1 January 2022to 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 2023
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

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

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2022/23	205	2	102 500
Current leave payout on termination of service for 2022/23	1 026	51	85 235
Total	1 231	53	

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
- 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, some of the employees lack in this regard and end up employing unhealthy coping mechanisms	- Emphasis on sexual health awareness, coping mechanisms, communication skills and basic family values. - Substance abuse awareness

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Y		HR Manager Ms. Nonhlanhla Msimango
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Y		The Employee Health and Wellness unit and It has 5 staff members: 2 Wellness Practitioners and 3 Occupational Health and Safety Practitioners Approved budget of R 2 100 000.00
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 - Personal Finance Management 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 the OHS committee which incorporate the issues of Health and Wellness. The members are as follows: - - 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. Mgomezulu - Mr. T. Gambu (member) - Mr. B. Mntambo (member) - Mr. S. Dladla (member) - Mr. N. Ndlela (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)
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		• 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		• HIV/AIDS policy is in place and is approved. • The policy clearly outlines that discrimination on the basis of HIV status is 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 achieved.	Y		• The department 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, more people have participated in the program.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Y		• Monitoring the use of sick and vacation leave • Internal surveys • MANCO & EXCO Feedbacks

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	20%
Verbal warning	0	
Written warning	3	20%
Final written warning	2	13.33%
Suspended without pay	3	20%
Fine	n/a	
Demotion	0	
Dismissal	0	
Not guilty	0	
Resigned pending hearing	2	13.33%
Case withdrawn	0	
Pending	2	13.33%
Total	15	100%

Notes

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

Total number of Disciplinary hearings finalised	13
--	-----------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Breach of PFMA	2	13.33%
Absent Without Official leave	1	6.67%
Physical assault	1	6.67%

Theft of diesel from state vehicle	1	6.67%
Failure to disclose financial interests	3	20%
Failure to follow instructions	1	6.67%
Abuse of state vehicle	2	13.33%
Attempt to do fraudulent action	1	6.67%
Fruitless and wasteful expenditure	1	6.67%
Failure to submit sick leave	1	6.67%
Utilising state vehicle without authority resulting in it getting stolen	1	6.67%
Total	15	100%

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	14	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	14	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

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

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	1
Total costs working days lost	1 day
Amount recovered as a result of no work no pay (R'000)	R806.49

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	2
Number of people who's suspension exceeded 30 days	2
Average number of days suspended	11 months and 22 days
Cost of suspension(R'000)	R2 007 064.69

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 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	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	22	0	41	0	41
	Male	34	0	47	0	47
Professionals	Female	154	0	129	0	129
	Male	117	0	67	0	67
Technicians and associate professionals	Female	154	0	124	0	124
	Male	62	0	54	0	54
Clerks	Female	27	0	24	0	24
	Male	18	0	20	0	20
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	205	0
	Male	0	0	0	84	0
Sub Total	Female	357	0	0	0	318
	Male	231	0	0	0	188
Total		588	0	0	289	506

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	36	0	36
	Male	34	0	34	0	34
Professionals	Female	154	0	37	0	37
	Male	117	0	15	0	15
Technicians and associate professionals	Female	154	0	30	0	30
	Male	62	0	15	0	15
Clerks	Female	27	0	18	0	18
	Male	18	0	15	0	15
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	205	0
	Male	0	0	0	84	0
Sub Total	Female	357	0	121	0	0
	Male	231	0	79	0	0
Total		588	0	0	289	200

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 2022 and 31 March 2023

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 2022 and 31 March 2023

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

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Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

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	2022/2023	2021/2022
	R'000	R'000
Opening balance	254 789	219 627
Add: Irregular expenditure confirmed	-	37 706
Less: Irregular expenditure condoned	(101 444)	(2 544)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	153 345	254 789

The Independent Development Trust (IDT) was appointed by the Department to assist with the implementation of the Operation Vula Fund. The primary role of the IDT is the procurement and delivery of business assets, equipment and inputs for successful applicants.

IDT did not comply with clause 6 of the Service Level Agreement, that is not submitting a detailed report to EDTEA's internal audit within five days after the conclusion of every procurement process. This has resulted in irregular expenditure amounting to R37 705 768 incurred in 2020/21.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/2022	-	-
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 current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-

¹ Group similar items

Irregular expenditure under investigation	-	-
Total 2	-	-

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	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
The Independent Development Trust (IDT) was appointed by the Department to assist with the implementation of the Operation

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

Vula Fund. The primary role of the IDT is the procurement and delivery of business assets, equipment and inputs for successful applicants. IDT did not comply with clause 6 of the Service Level Agreement, that is not submitting a detailed report to EDTEA's internal audit within five days after the conclusion of every procurement process. This has resulted in irregular expenditure amounting to R37 705 768 incurred in 2020/21.	
Total	R37 705 768,00

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

Description	2022/2023	2021/2022
	R'000	R'000
n/a	-	-
Total	-	-

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
n/a

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	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	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2023	-	-

Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

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

Description ³	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total⁴	-	-

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	3 825	-
Total	3 825	-

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

Disciplinary steps taken

³ Group similar items

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	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 ⁵	-	-
Closing balance	-	-

Include discussion here where deemed relevant.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22		
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23		
Unauthorised expenditure for the current year		
Total		

a) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ⁶	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-

⁵ This amount may only be written off against available savings

⁶ Group similar items

Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁷	-	-

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

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	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	2022/2023	2021/2022
	R'000	R'000
n/a	-	-
Total	-	-

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
n/a	-	-
Total	-	-

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
n/a	-	-
Total	-	-

⁷ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	4528	R766 917
Invoices paid within 30 days or agreed period	4504	R766 125
Invoices paid after 30 days or agreed period	23	R734
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	1	R57
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	0

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(*Deviations*)

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of Danisile Nkosi & Associates (DNA) for the provision of the secretariat services for the KwaZulu-Natal Economic Council for a period of twelve months (1 year)	Danisile Nkosi & associates	Single Source	G 0183542	R 2 409
Request to deliver and install five sewing machines and five buttonhole machines to different districts in KwaZulu natal by the same service provider the Department procured the machines from -T and V Technology (Pty)Ltd	T and V Technology	Single Source	G 0183545	R 7

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Deviation from normal SCM processes and appoint Arena Holdings for the Departmental Newspaper Subscriptions for 2002/2023 financial year period	Arena holdings (Sunday Times)	Single Source	G0183578	R 1
Deviation from normal SCM processes and appoint Independent Newspapers supplier for the Departmental Newspaper Subscriptions for 2022/2023 financial year period	Independent Newspapers	Single Source	G0183552	R 4 778
Deviation - request to utilize 1KZNTV Community Consumer Education and Awareness Programs from May 2022-March 2023	One KZNTV Media House	Single Source	G 0183565	R 3 428
Deviation for the payment to the Intelligence Transfer Centre for the attendance of the Annual Environmental Crimes Conference in Johannesburg from 11-12 May 2022 by the Director	Intelligence Transfer Centre	Single source	G0183560	R 5
Appointment of the H and G exhibition partnership for the provision of Exhibition Space and Associated Infrastructure including marketing and communication requirements for the participation of the SMME's and Cooperatives in the event	Clive Roy Shedlock (the H & G exhibition partnership)	Single Source	G0183569	R 448
For the payment to The National School of Government for Ethical Leadership and Executive Oversight Programme	National School of Government	Single Source	G0183583	R 180
Deviation from normal SCM processes and appoint Independent Newspapers for the Departmental Newspaper Subscriptions for 2022/2023 financial year period	Independent Newspapers	Single Source	G0183552	R 4

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Deviation from the normal SCM processes and appoint Mindex Systems BK (cc) for an online system to manage the circulation of materials, storing user records, catalogues, printing records and other administrative functions of the resource centre	Mindex Systems BK	Sole supplier	G0183714	R 41
Deviation from the normal SCM processes and appoint Sabinet Online LTD for online journals and sabinet subscription renewal for the period of 12 months	Sabinet Online LTD	Sole Supplier	G0183710	R 117
Deviate from normal SCM processes and utilize HP South Africa PTY LTD to undertake repairs on the computer laptop	HP South Africa	Single Source	G0183706	R 7
Request to deviate from normal SCM processes in appointing Potgieter Kunene Xaba (PKX) from the panel of litigation attorneys to assist with the SMEC South Africa (PTY) LTD High Court Litigation Matter	Potgieter Kunene Xaba (PKX)	Single Source	G0183771	R 1 000
Deviation from normal SCM process and allow the use of general contract to renew data subscription to Quantec Enterprise (PTY) LTD for a period of 1 year (from 01 August 2022 to 31 July 2023)	Quantec Enterprises	Single Source	G0183947	R 268
Deviation from normal SCM process to renew data subscription to IHS information Insight for a period of 1 year (from 11 July 2022 to 11 July 2023)	IHS Information Insight	Single Source	G0183974	R 272
Deviation from normal SCM process for payment to the Intelligence Transfer Centre for the attendance of the annual leadership development conference for women in Johannesburg	Intelligence Transfer Centre	Sole Supplier	G0183960	R 57

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Request the Head of Department to approve deviation from normal SCM process and allow the use of Home Affairs-Government Printing Works to supply and deliver the 300 z606 forms.	Home affairs-Government Printing Works	Sole Supplier	G0183975	R 26
Request approval to deviate from normal SCM procurement processes and utilize sole service provider from The Heart with regards to the participation of 25 Cooperatives and SMMes at I Heart Market.	I Heart Market	Sole Supplier	G0183972	R 294
Deviate from normal SCM process and appoint Independent Newspapers for the Departmental Newspaper Subscriptions.	Independent Newspapers	Single Source	G183992	R 4
Deviate from normal SCM processes in appointment of Ernest and Young Advisory Services to lead evidence at the forthcoming discipline hearing for two SMS members	Ernest and Young Advisory Services	Single Source	G0183081	R 238
Deviate from normal SCM processes in appointing Inono Event Coordinators CC to supply and delivery Catering Services for 100 people for the MEC's engagement with business and religious sectors on economy recovery plan to be held at KZN Sharks Board Conference Centre, Umhlanga on the 25 august 2022	Inono Event Coordinators CC	Single Source	G0183083	R 9
Appointment of SITA for the attendance of the SITA Govtech in Durban from 12-15 September 2022 for two employees- M. Buthelezi and Z. Khoza	State Information Technology Agency	Single Source	G0183190	R 30
Appointment of SITA for the attendance of the SITA Govtech in Durban from 12-15 September 2022 for one employee Ms F. Pupuma	State Information Technology Agency	Single Source	G0183191	R 15

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Appointment of Messe Frankfurt South Africa for the participation of Imizamo Yethu Primary Co-operative at The All Fashion Sourcing Cape Town 2022 (Market Access Platforms) schedule to take place on 29 September to 1 October 2022 at Wonderland Film Studio	Messe Frankfurt South Africa	Sole Supplier	G0183196	R 20
Appointment of International Association for Impact Assessment South Africa supplier for the Climate Change Conference to be attended by two employees in the department.	International Association for Impact Assessment South Africa	Single Source	G0183207	R 27
Appointment of South African Monitoring and Evaluation Association (SAMEA) for the SAMEA Conference	South African Monitoring and Evaluation association (SAMEA)	Single Source	G0183211	R 16
Appointment of Psychological Society of South Africa for the attendance of the Psychological Society of South Africa Conference in Johannesburg from 12-14 October 2022 for Mr. M. Masondo	Psychological Society of South Africa	Single Source	G0183214	R 9
Appointment of Lom Event Solutions for the participation of enterprise at the Durban Business Fair (Market Access Platform) schedule for 5 days (20-25 September) at the Durban exhibition centre.	Lom Event Solutions	Single source	G0183226	R 20
Request to the Head of Department to approve deviation from normal SCM process and appoint Thuthukani Taxi Association for 65 taxis to transport the community from their respective wards to attend operation MBO Event at Harding area	Thuthukani Taxi Association	Single Source	G0183242	R 130
Appointment of National School of Government for the Advanced Management Development Programme	National School of Government	Single Source	G0182012	R 219

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Appointment of National School of Government for the Diversity Management Course	National School of Government	Single Source	G0182011	R 84
Appointment of National School of Government for the contract Management Course	National School of Government	Single Source	G0182004	R 112
Appointment of National School of Government for the Emerging Management Development Programme	National School of Government	Single Source	G0182006	R 218
Appointment of National School of Government for the Bid Committee Course	National school of government	Single source	G0182005	R 125
Appointment of National School of Government for the Disability Management in the public service course	National School of Government	Single Source	G01822013	R 125
Appointment of National School of Government for the Disability Management in the public service course	National school of Government	Single Source	G0182010	R 93
Appointment of National School of Government for the Disability Management in the public service course	National School of Government	Single Source	G0182007	R 93
Appointment of National School of Government for the Disability Management in the public service course	National school of government	Single source	G0182008	R 125
Appointment of National School of Government deviation from normal SCM processes for the Disability Management in the public service course	National School of Government	Single Source	G0182009	R 112
Deviate from normal SCM processes in appointing One KZNTV Media House for the procurement of multiple media services for the Integrated Communication and Marketing plan leading up to the 100 days in office celebration	1KZNTV	Single Source	G0182103	R 450
Deviate from normal SCM processes in appointing Tourvest Holdings for the accommodation of 98 participants and Conferencing 130 Pax over 1 and half day	Tourvest Holding	Single Source	G0182120	R 235

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Appointing Calandria 159 CC for the procurement of Digital Newspapers for the MEC office and the Resource Centre for the period of 36 months	Calandria 159	Single Source	G0182108	R 151
Deviate from normal SCM processes in appointing Broadcasting Mobile Studios (BMS Group) for the procurement of multiple media services for the Integrated Communication and Marketing plan leading up to the 100 days in office celebration	BMS group	Single Source	G0182126	R 449
Appointment of National School of Government for the Project Course Management in the public service course	National School of Government	Single Source	G0182134	R 113
Appointment of National School of Government for the Project Management Course in the public service course	National School of Government	Single Source	G0182135	R 84
Appointing Burning Spear Advertising to publish erratum in the newspapers for the Invitation of Nominations to fill vacancies within the KZN Growth Fund trust board	Burning Spear Advertising	Single Source	G0182189	R 11
Procurement of media services for slots on Ukhozi FM for the procurement of Ukhozi FM Services for the upcoming uGu Business Indaba and Exhibition	South African Broadcasting Corporation	Single Source	G0182193	R 345
Deviate from normal SCM processes in appointing Primedia for the procurement of multiple media services for the Integrated Communication and Marketing plan leading up to the 100 days in office celebration	Primedia	Single Source	G0182109	R 1 020
Deviate from normal SCM processes in appointing radio Igagasi 99.5 for the procurement of multiple media services for the Integrated Communication and Marketing plan leading up to the 100 days in office celebration	Radio Igagasi 99.5	Single Source	G0182104	R 907

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Appointing Versatile Office Furniture to supply, delivery, assemble and commissioning of Furniture and Branding of the Satellite Office in Durban for the office of the MEC	Versatile Office Furniture	Single Source	G0182427	R 917
Appointment of a Creative Industries Service Provider to develop, manage and implement the "Emerging Designers Retail programme" in collaboration with the Department of EDTEA for the 2022/23 financial year	South African Creative Industries Incubator	Single Source	G0182350	R 493
Deviate from normal SCM processes to appoint Media 24 for the procurement of 4 x The Witness Newspapers to be delivered to 270 Jabu Ndlovu Street, Pietermaritzburg	Media-24	Single Source	G0181064	R 10
Request to deviate from normal SCM processes in appointing CCI SA Umhlanga Career Box for the training and placement of Business Process Outsource (BPO) 2022-23 financial year.	CCI SA	Single Source	G0182283	R 941
Deviation from SCM processes in the appointment of Palm Tissue Mills for Operation Vula Prioritized commodities, Pulp and Paper Manufacturing Support Programme	Palm Tissue Mills	Single Source	G0181066	R 8
Deviation from normal SCM processes to purchase 10 licences from Lexi Nexis for one year	Lexis Nexis	Single Source	G0182488	R 350
Deviation from normal SCM processes to purchase 05 online licences from Juta for one year	Juta Company	Single Source	G0182497	R 103
Hiring of a venue services to host Tourism Entrepreneurship Career Expo	Sugar Rush	Single Source	G0182505	R 58
Deviation from normal SCM processes to repair laptop from HP	HP South Africa	Single Source	G0182506	R 8

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Deviate from normal SCM processes in appointing Igagasi House for the procurement of multiple media services for broadcasting at Umthayi Marula Festival	Radio Igagasi	Single Source	G0182486	R 180
Deviate from normal SCM processes in appointing One KZNTV Media House for the procurement of multiple media services for the broadcasting services at the Umthayi Marula Festival	1KZNTV	Single Source	G0182485	R 100
Deviate from normal SCM processes in appointing Vuma FM for the procurement of multiple media services for broadcasting at Umthayi Marula Festival	Vuma FM	Single Source	G0182487	R 106
Deviate from normal SCM process to appoint Mcimbi Trading for the Mentorship program based in iLembe, uMgungundlovu and eThekweni Municipality	Mcimbi trading	Single Source	G0182476	R 975
Deviation from normal SCM processes to utilise 1KZNTV services for Production and Broadcasting of Consumer Education and Awareness Programs for a period of 12 months	1KZNTV	Single Source	G0182546	R 3 500
Appointment of Searle Van Eeden and Routen (Paladin Consulting) to implement the Dundee Digital Skills Hub (incorporating a contact centre) as part of the second and third tier contact program for the 2022/2023 financial year	Searle Van Eeden and Routen t/a Paladin Consulting	Single Source	G 0181145	R 1 987
Request for advertising of the Annual B-BBEE Summit at radio Ukhozi fm	Ukhozi FM	Single Source	G0181140	R 345
Deviate from normal SCM process and appoint 2u Getsmarter in collaboration with the University of Cape town	2u Getsmarter	Single source	G0181127	R 25
Total				<u>R 13 791</u>

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
Extension of the existing contracts for the provision of physical security for 6 months	Siyejabula Security	Expansion	P1/AUX/SEC/04/21 (AAAA)	R 3 309	R 7 020	R 1 793
Extension of the existing contracts for the provision of physical security for 4 months	Nomathiliza Security	Expansion	P1/AUX/SEC/06/21 (AAAA)	R 305	R 978	R 535
Extension of the existing contracts for the provision of physical security for 4 months	Gobizazi Security	Expansion	P1/AUX/SEC/05/21 (AAAA)	R 365	R 1 168	R 639
Extension of the existing contracts for the provision of physical security for 4 months	Idlangamandla Security	Expansion	P1/AUX/SEC/02/21 (AAAA)	R 364	R 1 164	R 637
Extension of the existing contracts for the provision of physical security for 4 months	Jabsho Security	Expansion	P1/AUX/SEC/13/21 (AAAA)	R 342	R 1 095	R 599

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Extension of the existing contracts for the provision of physical security for 4 months	Isambulo Business	Expansion	P1/AUX/SEC/03/21 (AAAA)	R 494	R 1 581	R 865
Extension of the existing contracts for the provision of physical security for 4 months	Qiniso Security	Expansion	P1/AUX/SEC/03/21 (AAAA)	R 350	R 1 121	R 613
Extension of the existing contracts for the provision of physical security for 4 months	Siyefana Security	Expansion	P1/AUX/SEC/12/21 (AAAA)	R 312	R 997	R 545
Extension of the existing contracts for the provision of physical security for 03 years	Mshiywa Protection	Expansion	P1/AUX/SEC/11/21 (AAAA)	R 4 540	R 3 064	R 1 677
Extension of the existing contracts for the provision of physical security for 4 months	Vela Tech Security	Expansion	P1/AUX/SEC/09/21 (AAAA)	R 373	R 1 195	R 653
Extension of the existing contracts for the provision of physical security for 4 months	M & D Security	Expansion	P1/AUX/SEC/10/21 (AAAA)	R 410	R 1 311	R 717
Extension of the existing contracts for the provision of physical security for 4 months	Siyejabula Security	Expansion	P1/AUX/SEC/08/21 (AAAA)	R 327	R 1 047	R 573
Extension of the existing contracts for the provision of physical security for 4 months	Stay on Alert	Expansion	P1/AUX/SEC/07/21 (AAAA)	R 283	R 904	R 495
Total				<u>R 10 975</u>	<u>R 10 023</u>	<u>R5 949</u>

The background of the page is a complex, abstract geometric pattern. It consists of various overlapping polygons, primarily in shades of green, ranging from dark forest green to bright lime green. A single, prominent yellow polygon is located in the lower-left quadrant. The shapes are arranged to create a sense of depth and movement, resembling a stylized landscape or a modern architectural design.

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 199 to 283, which comprise the appropriation statement, statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Tourism and Environmental Affairs as at 31 March 2023 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, 2022 (Act No. 5 of 2022) (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 matters

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 284 to 306 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.

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

8. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Economic Development, Tourism and Environmental Affairs. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now required to be included as part of other information in the annual report of the auditees.
9. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

10. 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.

11. 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

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

14. In accordance with the Public Audit Act 25 of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I 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.
15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure 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	[71 to 75]	To stimulate economic growth through the promotion of trade and investment in priority economic sectors and the implementation of strategic initiatives to

Programme	Page numbers	Purpose
		advance industrial development.
Programme 7: Environmental management	[87 to 97]	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.

16. 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.

17. 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
- the indicators are well-defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or under achievement of targets.

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information of the selected subject matters.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for the over and under achievement.

Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3: Trade and industry development. As management subsequently corrected the misstatements I did not include material findings in this regard.

Report on compliance with legislation
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23. 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.

24. 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.

25. 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.

26. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information 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.

28. 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.

29. 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.

30. 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

31. 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. 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.

Investigations

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. Seven investigations were completed and some were recommended for civil recovery, criminal and disciplinary proceedings. The remaining 5 investigations are in progress at the date of my report.

Auditor-General

Pietermaritzburg

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

For the year ended
31 March 2023

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

***ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023***

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Appropriation per programme									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. <u>ADMINISTRATION</u>	335,731	-	(12,047)	323,684	321,796	1,888	99.4%	304,902	294,016
2. <u>INTEGRATED ECONOMIC DEVELOPMENT SERVICES</u>	351,048	-	(12,000)	339,048	338,372	676	99.8%	570,953	567,091
3. <u>TRADE AND SECTOR DEVELOPMENT</u>	990,222	-	(6,202)	984,020	982,071	1,949	99.8%	901,681	898,888
4. <u>BUSINESS REGULATION AND GOVERNANCE</u>	198,724	-	-	198,724	198,534	190	99.9%	184,048	184,048
5. <u>ECONOMIC PLANNING</u>	24,418	-	433	24,851	24,851	-	100.0%	21,170	20,369
6. <u>TOURISM</u>	294,351	-	23,549	317,900	311,067	6,833	97.9%	253,670	247,670
7. <u>ENVIRONMENTAL AFFAIRS</u>	1,142,188	-	6,267	1,148,455	1,143,414	5,041	99.6%	1,130,251	1,125,751
Programme sub total	3,336,682	-	-	3,336,682	3,320,105	16,577	99.5%	3,366,675	3,337,833
Statutory Appropriation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL	3,336,682	-	-	3,336,682	3,320,105	16,577	99.5%	3,366,675	3,337,833

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Reconciliation with Statement of Financial Performance					
Add:					
Departmental receipts	10,843			30,132	
NRF Receipts	-			-	
Aid assistance	-			-	
Actual amounts per Statement of Financial Performance (Total Revenue)	3,347,525			3,396,807	
Add: Aid assistance			-		-
Prior year unauthorised expenditure approved without funding					
Actual amounts per Statement of Financial Performance Expenditure		3,320,105			3,337,833

Appropriation per economic classification									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	850,167	-	(42,191)	807,976	797,741	10,235	98.7%	728,677	726,669

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Compensation of employees	441,314	-	(6,442)	434,872	430,951	3,921	99.1%	401,235	400,746
Salaries and wages	387,440	-	(6,477)	380,963	377,333	3,630	99.0%	352,722	352,274
Social contributions	53,874	-	35	53,909	53,618	291	99.5%	48,513	48,472
Goods and services	408,853	-	(35,749)	373,104	366,790	6,314	98.3%	327,442	325,923
Administrative fees	1,527	-	301	1,828	1,779	49	97.3%	835	832
Advertising	14,651	-	(2,056)	12,595	12,403	192	98.5%	12,601	12,587
Minor assets	1,238	-	(388)	850	727	123	85.5%	527	527
Audit costs: External	5,523	-	191	5,714	5,714	-	100.0%	5,540	5,540
Bursaries: Employees	179	-	-	179	179	-	100.0%	355	355
Catering: Departmental activities	2,907	-	(159)	2,748	1,670	1,078	60.8%	437	437
Communication (G&S)	11,907	-	(6,570)	5,337	5,337	-	100.0%	6,089	6,089
Computer services	32,469	-	(468)	32,001	32,001	-	100.0%	29,519	29,519
Consultants: Business and advisory services	69,066	-	(35,404)	33,662	33,220	442	98.7%	39,704	39,043
Laboratory services	250	-	(250)	-	-	-	-	-	-
Legal services	7,077	-	1,963	9,040	9,040	-	100.0%	5,857	5,857
Contractors	17,842	-	3,106	20,948	20,948	-	100.0%	14,746	14,699
Agency and support / outsourced services	72,869	-	13,482	86,351	86,351	-	100.0%	72,632	72,632
Fleet services (including government motor transport)	6,598	-	(181)	6,417	6,417	-	100.0%	4,580	4,580
Inventory: Clothing material and accessories	10,471	-	(3,878)	6,593	5,997	596	91.0%	760	760
Inventory: Farming supplies	6,897	-	(942)	5,955	5,955	-	100.0%	2,904	2,904
Inventory: Materials and supplies	4	-	7	11	11	-	100.0%	7	7
Inventory: Other supplies	6,678	-	(916)	5,762	4,596	1,166	79.8%	3,702	3,019
Consumable supplies	4,077	-	951	5,028	5,028	-	100.0%	1,927	1,927
Consumable: Stationery, printing and office supplies	4,728	-	(377)	4,351	4,347	4	99.9%	2,999	2,999
Operating leases	38,880	-	(213)	38,667	38,667	-	100.0%	36,747	36,747
Property payments	38,298	-	(1,862)	36,436	36,436	-	100.0%	37,222	37,222
Transport provided: Departmental activity	725	-	107	832	588	244	70.7%	549	549
Travel and subsistence	34,838	-	2,676	37,514	36,581	933	97.5%	23,109	23,005
Training and development	10,240	-	(1,607)	8,633	7,146	1,487	82.8%	3,624	3,624
Operating payments	5,051	-	(998)	4,053	4,053	-	100.0%	3,661	3,654
Venues and facilities	3,411	-	(2,302)	1,109	1,109	-	100.0%	16,219	16,219
Rental and hiring	452	-	38	490	490	-	100.0%	590	590

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Transfers and subsidies	2,455,906	-	33,167	2,489,073	2,483,934	5,139	99.8%	2,610,232	2,593,072
Provinces and municipalities	88,899	-	6,810	95,709	91,409	4,300	95.5%	88,049	78,045
Provinces	116	-	110	226	226	-	100.0%	116	112
Provincial agencies and funds	116	-	110	226	226	-	100.0%	116	112
Municipalities	88,783	-	6,700	95,483	91,183	4,300	95.5%	87,933	77,933
Municipal bank accounts	70,800	-	6,700	77,500	73,200	4,300	94.5%	78,433	71,433
Municipal agencies and funds	17,983	-	-	17,983	17,983	-	100.0%	9,500	6,500
Departmental agencies and accounts	1,885,194	-	24,047	1,909,241	1,909,241	-	100.0%	1,808,830	1,808,830
Departmental agencies	1,885,194	-	24,047	1,909,241	1,909,241	-	100.0%	1,808,830	1,808,830
Higher education institutions	5,016	-	-	5,016	5,016	-	100.0%	5,342	5,341
Public corporations and private enterprises	250,356	(1,038)	-	249,318	248,882	436	99.8%	250,621	250,621
Public corporations	241,855	-	-	241,855	241,855	-	100.0%	245,571	245,571
Other transfers to public corporations	241,855	-	-	241,855	241,855	-	100.0%	245,571	245,571
Private enterprises	8,501	(1,038)	-	7,463	7,027	436	94.2%	5,050	5,050
Other transfers to private enterprises	8,501	(1,038)	-	7,463	7,027	436	94.2%	5,050	5,050
Non-profit institutions	222,319	1,038	1,500	224,857	224,831	26	100.0%	453,662	446,507
Households	4,122	-	810	4,932	4,555	377	92.4%	3,728	3,728
Social benefits	2,293	-	766	3,059	3,058	1	100.0%	2,193	2,193
Other transfers to households	1,829	-	44	1,873	1,497	376	79.9%	1,535	1,535
Payments for capital assets	30,609	-	695	31,304	30,101	1,203	96.2%	27,766	18,092
Buildings and other fixed structures	1,088	-	181	1,269	269	1,000	21.2%	1,608	1,246
Buildings	-	-	-	-	-	-	-	85	85
Other fixed structures	1,088	-	181	1,269	269	1,000	21.2%	1,523	1,161
Machinery and equipment	23,213	-	(527)	22,686	22,483	203	99.1%	16,749	14,334
Transport equipment	4,584	-	1,433	6,017	6,017	-	100.0%	476	476
Other machinery and equipment	18,629	-	(1,960)	16,669	16,466	203	98.8%	16,273	13,858
Software and other intangible assets	6,308	-	1,041	7,349	7,349	-	100.0%	9,409	2,512
Payment for financial assets	-	-	8,329	8,329	8,329	-	100.0%	-	-
	3,336,682	-	-	3,336,682	3,320,105	16,577	99.5%	3,366,675	3,337,833

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditu re as % of final appropriat ion	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>OFFICE OF THE MEC</u>	19,119	-	203	19,322	19,322	-	100.0%	13,101	13,001
2. <u>OFFICE OF THE HOD</u>	34,646	-	(4,774)	29,872	28,872	1,000	96.7%	42,528	41,202
3. <u>FINANCIAL MANAGEMENT</u>	44,957	-	296	45,253	45,253	-	100.0%	39,905	39,905
4. <u>CORPORATE SERVICES</u>	237,009	-	(7,772)	229,237	228,349	888	99.6%	209,368	199,908
	335,731	-	(12,047)	323,684	321,796	1,888	99.4%	304,902	294,016
Economic classification									
Current payments	306,457	-	(17,178)	289,279	288,600	679	99.8%	281,104	279,804
Compensation of employees	122,947	-	(1,386)	121,561	120,882	679	99.4%	116,430	116,430
Salaries and wages	108,177	-	(1,172)	107,005	106,326	679	99.4%	102,899	102,899
Social contributions	14,770	-	(214)	14,556	14,556	-	100.0%	13,531	13,531
Goods and services	183,510	-	(15,792)	167,718	167,718	-	100.0%	164,674	163,374

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Administrative fees	515	-	377	892	892	-	100.0%	324	324
Advertising	5,930	-	(673)	5,257	5,257	-	100.0%	6,028	6,028
Minor assets	469	-	(49)	420	420	-	100.0%	285	285
Audit costs: External	5,523	-	191	5,714	5,714	-	100.0%	5,540	5,540
Bursaries: Employees	179	-	-	179	179	-	100.0%	288	288
Catering: Departmental activities	605	-	(326)	279	279	-	100.0%	8	8
Communication (G&S)	11,907	-	(6,570)	5,337	5,337	-	100.0%	6,089	6,089
Computer services	32,469	-	(468)	32,001	32,001	-	100.0%	29,519	29,519
Consultants: Business and advisory services	9,387	-	(5,865)	3,522	3,522	-	100.0%	4,191	2,891
Legal services	7,077	-	1,868	8,945	8,945	-	100.0%	5,731	5,731
Contractors	4,939	-	(2,140)	2,799	2,799	-	100.0%	2,817	2,817
Fleet services (including government motor transport)	6,598	-	(181)	6,417	6,417	-	100.0%	4,580	4,580
Inventory: Other supplies	210	-	276	486	486	-	100.0%	659	659
Consumable supplies	1,432	-	(663)	769	769	-	100.0%	681	681
Consumable: Stationery, printing and office supplies	4,131	-	107	4,238	4,238	-	100.0%	2,778	2,778
Operating leases	38,880	-	(213)	38,667	38,667	-	100.0%	36,747	36,747
Property payments	38,275	-	(1,853)	36,422	36,422	-	100.0%	37,222	37,222
Transport provided: Departmental activity	75	-	68	143	143	-	100.0%	-	-
Travel and subsistence	8,250	-	1,812	10,062	10,062	-	100.0%	4,785	4,785
Training and development	3,182	-	(1,137)	2,045	2,045	-	100.0%	373	373
Operating payments	2,621	-	(491)	2,130	2,130	-	100.0%	1,902	1,902
Venues and facilities	856	-	59	915	915	-	100.0%	14,000	14,000
Rental and hiring	-	-	79	79	79	-	100.0%	127	127
Transfers and subsidies	1,632	-	713	2,345	2,136	209	91.1%	1,180	1,176

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Provinces and municipalities	116	-	110	226	226	-	100.0%	116	112
Provinces	116	-	110	226	226	-	100.0%	116	112
Provincial agencies and funds	116	-	110	226	226	-	100.0%	116	112
Households	1,516	-	603	2,119	1,910	209	90.1%	1,064	1,064
Social benefits	1,187	-	603	1,790	1,790	-	100.0%	510	510
Other transfers to households	329	-	-	329	120	209	36.5%	554	554
Payments for capital assets	27,642	-	204	27,846	26,846	1,000	96.4%	22,618	13,036
Buildings and other fixed structures	1,000	-	-	1,000	-	1,000	-	444	85
Buildings	-	-	-	-	-	-	-	85	85
Other fixed structures	1,000	-	-	1,000	-	1,000	-	359	-
Machinery and equipment	20,334	-	(837)	19,497	19,497	-	100.0%	12,765	10,439
Transport equipment	4,584	-	1,433	6,017	6,017	-	100.0%	476	476
Other machinery and equipment	15,750	-	(2,270)	13,480	13,480	-	100.0%	12,289	9,963
Software and other intangible assets	6,308	-	1,041	7,349	7,349	-	100.0%	9,409	2,512
Payment for financial assets	-	-	4,214	4,214	4,214	-	100.0%	-	-
	335,731	-	(12,047)	323,684	321,796	1,888	99.4%	304,902	294,016

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditu re as % of final appropriat ion	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>ENTERPRISE DEVELOPMENT</u>	267,404	-	(9,858)	257,546	257,545	1	100.0%	493,839	489,978
2. <u>REGIONAL AND LOCAL ECONOMIC DEVELOPMENT</u>	55,362	-	(1)	55,361	55,361	-	100.0%	51,047	51,046
3. <u>ECONOMIC EMPOWERMENT</u>	28,282	-	(2,141)	26,141	25,466	675	97.4%	26,067	26,067
	351,048	-	(12,000)	339,048	338,372	676	99.8%	570,953	567,091
Economic classification									
Current payments	108,400	-	(16,023)	92,377	91,702	675	99.3%	100,119	102,913
Compensation of employees	68,192	-	113	68,305	67,630	675	99.0%	60,919	60,919
Salaries and wages	60,834	-	(112)	60,722	60,047	675	98.9%	54,163	54,163
Social contributions	7,358	-	225	7,583	7,583	-	100.0%	6,756	6,756
Goods and services	40,208	-	(16,136)	24,072	24,072	-	100.0%	39,200	41,994

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Administrative fees	233	-	(146)	87	87	-	100.0%	64	64
Advertising	426	-	(43)	383	383	-	100.0%	217	217
Minor assets	35	-	(31)	4	4	-	100.0%	28	28
Catering: Departmental activities	302	-	332	634	634	-	100.0%	103	103
Consultants: Business and advisory services	26,263	-	(13,570)	12,693	12,693	-	100.0%	26,143	27,676
Contractors	121	-	465	586	586	-	100.0%	5,630	6,891
Agency and support / outsourced services	30	-	(30)	-	-	-	-	-	-
Inventory: Clothing material and accessories	1,150	-	(371)	779	779	-	100.0%	-	-
Inventory: Other supplies	3,808	-	(1,420)	2,388	2,388	-	100.0%	22	22
Consumable supplies	146	-	(22)	124	124	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	5	-	(5)	-	-	-	-	-	-
Transport provided: Departmental activity	155	-	61	216	216	-	100.0%	424	424
Travel and subsistence	3,276	-	(64)	3,212	3,212	-	100.0%	2,817	2,817
Training and development	2,028	-	-	2,028	2,028	-	100.0%	1,953	1,953
Operating payments	695	-	(166)	529	529	-	100.0%	452	452
Venues and facilities	1,085	-	(1,085)	-	-	-	-	884	884
Rental and hiring	450	-	(41)	409	409	-	100.0%	463	463
Transfers and subsidies	241,954	-	9	241,963	241,962	1	100.0%	470,619	463,963

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Provinces and municipalities	31,800	-	-	31,800	31,800	-	100.0%	24,838	24,838
Municipalities	31,800	-	-	31,800	31,800	-	100.0%	24,838	24,838
Municipal bank accounts	31,800	-	-	31,800	31,800	-	100.0%	24,838	24,838
Higher education institutions	5,016	-	-	5,016	5,016	-	100.0%	5,342	5,341
Public corporations and private enterprises	131,910	-	-	131,910	131,910	-	100.0%	138,432	138,432
Public corporations	131,910	-	-	131,910	131,910	-	100.0%	138,382	138,382
Other transfers to public corporations	131,910	-	-	131,910	131,910	-	100.0%	138,382	138,382
Private enterprises	-	-	-	-	-	-	-	50	50
Other transfers to private enterprises	-	-	-	-	-	-	-	50	50
Non-profit institutions	73,115	-	-	73,115	73,115	-	100.0%	300,987	294,332
Households	113	-	9	122	121	1	99.2%	1,020	1,020
Social benefits	113	-	9	122	121	1	99.2%	1,020	1,020
Payments for capital assets	694	-	(101)	593	593	-	100.0%	215	215
Machinery and equipment	694	-	(101)	593	593	-	100.0%	215	215
Other machinery and equipment	694	-	(101)	593	593	-	100.0%	215	215
Payment for financial assets	-	-	4,115	4,115	4,115	-	100.0%	-	-
	351,048	-	(12,000)	339,048	338,372	676	99.8%	570,953	567,091

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 3: TRADE AND SECTOR DEVELOPMENT									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>STRATEGIC INITIATIVES (INDUSTRY DEVELOPMENT)</u>	109,945	-	-	109,945	109,945	-	100.0%	107,189	107,189
2. <u>TRADE AND INVESTMENT PROMOTION</u>	667,151	-	(2,502)	664,649	663,888	761	99.9%	580,538	580,192
3. <u>SECTOR DEVELOPMENT</u>	213,126	-	(3,700)	209,426	208,238	1,188	99.4%	213,954	211,507
	990,222	-	(6,202)	984,020	982,071	1,949	99.8%	901,681	898,888
Economic classification									
Current payments	44,304	-	(7,822)	36,482	34,903	1,579	95.7%	30,562	27,822
Compensation of employees	20,209	-	(877)	19,332	18,251	1,081	94.4%	17,817	17,328

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Salaries and wages	18,236	-	(793)	17,443	16,463	980	94.4%	16,082	15,634
Social contributions	1,973	-	(84)	1,889	1,788	101	94.7%	1,735	1,694
Goods and services	24,095	-	(6,945)	17,150	16,652	498	97.1%	12,745	10,494
Administrative fees	70	-	5	75	75	-	100.0%	63	60
Advertising	656	-	100	756	756	-	100.0%	745	731
Minor assets	5	-	(5)	-	-	-	-	2	2
Catering: Departmental activities	5	-	1	6	6	-	100.0%	4	4
Consultants: Business and advisory services	17,910	-	(7,759)	10,151	10,151	-	100.0%	5,829	5,697
Contractors	5	-	7	12	12	-	100.0%	1,650	342
Inventory: Clothing material and accessories	351	-	-	351	351	-	100.0%	-	-
Inventory: Farming supplies	-	-	380	380	380	-	100.0%	78	78
Inventory: Other supplies	1,487	-	228	1,715	1,715	-	100.0%	2,199	1,516
Consumable supplies	492	-	-	492	492	-	100.0%	3	3
Travel and subsistence	2,309	-	241	2,550	2,052	498	80.5%	1,663	1,559
Training and development	660	-	-	660	660	-	100.0%	-	-
Operating payments	145	-	(143)	2	2	-	100.0%	77	70
Venues and facilities	-	-	-	-	-	-	-	432	432
Transfers and subsidies	945,568	-	1,505	947,073	946,906	167	100.0%	870,019	870,019
Provinces and municipalities	31,483	-	-	31,483	31,483	-	100.0%	36,720	36,720

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Municipalities	31,483	-	-	31,483	31,483	-	100.0%	36,720	36,720
Municipal bank accounts	13,500	-	-	13,500	13,500	-	100.0%	34,720	34,720
Municipal agencies and funds	17,983	-	-	17,983	17,983	-	100.0%	2,000	2,000
Departmental agencies and accounts	657,327	-	-	657,327	657,327	-	100.0%	575,843	575,843
Departmental agencies	657,327	-	-	657,327	657,327	-	100.0%	575,843	575,843
Public corporations and private enterprises	114,445	-	-	114,445	114,445	-	100.0%	112,189	112,189
Public corporations	109,945	-	-	109,945	109,945	-	100.0%	107,189	107,189
Other transfers to public corporations	109,945	-	-	109,945	109,945	-	100.0%	107,189	107,189
Private enterprises	4,500	-	-	4,500	4,500	-	100.0%	5,000	5,000
Other transfers to private enterprises	4,500	-	-	4,500	4,500	-	100.0%	5,000	5,000
Non-profit institutions	140,813	-	1,500	142,313	142,313	-	100.0%	144,207	144,207
Households	1,500	-	5	1,505	1,338	167	88.9%	1,060	1,060
Social benefits	-	-	5	5	5	-	100.0%	79	79
Other transfers to households	1,500	-	-	1,500	1,333	167	88.9%	981	981
Payments for capital assets	350	-	115	465	262	203	56.3%	1,100	1,047
Buildings and other fixed structures	-	-	115	115	115	-	100.0%	897	894
Other fixed structures	-	-	115	115	115	-	100.0%	897	894
Machinery and equipment	350	-	-	350	147	203	42.0%	203	153
Other machinery and equipment	350	-	-	350	147	203	42.0%	203	153
Payment for financial assets									
	990,222	-	(6,202)	984,020	982,071	1,949	99.8%	901,681	898,888

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 4: BUSINESS REGULATION AND GOVERNANCE									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>REGULATION SERVICES</u>	10,703	-	-	10,703	10,703	-	100.0%	8,531	8,531
2. <u>CONSUMER PROTECTION</u>	46,328	-	-	46,328	46,328	-	100.0%	34,067	34,067
3. <u>LIQUOR REGULATION</u>	88,340	-	-	88,340	88,340	-	100.0%	87,382	87,382
4. <u>GAMING AND BETTING</u>	53,353	-	-	53,353	53,163	190	99.6%	54,068	54,068
	198,724	-	-	198,724	198,534	190	99.9%	184,048	184,048
Economic classification									
Current payments	59,794	-	(88)	59,706	59,516	190	99.7%	45,080	45,080
Compensation of employees	36,474	-	(683)	35,791	35,624	167	99.5%	32,695	32,695
Salaries and wages	31,645	-	(494)	31,151	31,016	135	99.6%	28,492	28,492
Social contributions	4,829	-	(189)	4,640	4,608	32	99.3%	4,203	4,203
Goods and services	23,320	-	595	23,915	23,892	23	99.9%	12,385	12,385

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Administrative fees	60	-	26	86	81	5	94.2%	42	42
Advertising	6,354	-	(656)	5,698	5,680	18	99.7%	3,581	3,581
Minor assets	5	-	(5)	-	-	-	-	2	2
Catering: Departmental activities	87	-	(7)	80	80	-	100.0%	4	4
Consultants: Business and advisory services	5,202	-	(3,875)	1,327	1,327	-	100.0%	2,559	2,559
Legal services	-	-	95	95	95	-	100.0%	126	126
Contractors	8,112	-	4,663	12,775	12,775	-	100.0%	3,388	3,388
Consumable supplies	-	-	773	773	773	-	100.0%	31	31
Consumable: Stationery, printing and office supplies	76	-	(70)	6	6	-	100.0%	-	-
Travel and subsistence	2,904	-	139	3,043	3,043	-	100.0%	2,173	2,173
Operating payments	520	-	(488)	32	32	-	100.0%	352	352
Venues and facilities	-	-	-	-	-	-	-	127	127
Transfers and subsidies	138,905	-	70	138,975	138,975	-	100.0%	138,767	138,767
Departmental agencies and accounts	138,892	-	-	138,892	138,892	-	100.0%	138,743	138,743
Departmental agencies	138,892	-	-	138,892	138,892	-	100.0%	138,743	138,743
Households	13	-	70	83	83	-	100.0%	24	24
Social benefits	13	-	70	83	83	-	100.0%	24	24
Payments for capital assets	25	-	18	43	43	-	100.0%	201	201
Machinery and equipment	25	-	18	43	43	-	100.0%	201	201
Other machinery and equipment	25	-	18	43	43	-	100.0%	201	201
Payment for financial assets	-	-	-	-	-	-	-	-	-
	198,724	-	-	198,724	198,534	190	99.9%	184,048	184,048

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 5: ECONOMIC PLANNING									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>POLICY AND PLANNING</u>	7,221	-	463	7,684	7,684	-	100.0%	6,725	6,716
2. <u>RESEARCH AND DEVELOPMENT</u>	5,604	-	1,057	6,661	6,661	-	100.0%	6,134	5,372
3. <u>KNOWLEDGE MANAGEMENT</u>	4,081	-	(290)	3,791	3,791	-	100.0%	3,232	3,202
4. <u>MONITORING AND EVALUATION</u>	7,512	-	(797)	6,715	6,715	-	100.0%	5,079	5,079
	24,418	-	433	24,851	24,851	-	100.0%	21,170	20,369
Economic classification									
Current payments	22,028	-	480	22,508	22,508	-	100.0%	18,816	18,054
Compensation of employees	17,670	-	1,337	19,007	19,007	-	100.0%	15,851	15,851
Salaries and wages	15,734	-	1,284	17,018	17,018	-	100.0%	14,237	14,237
Social contributions	1,936	-	53	1,989	1,989	-	100.0%	1,614	1,614
Goods and services	4,358	-	(857)	3,501	3,501	-	100.0%	2,965	2,203

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Administrative fees	67	-	31	98	98	-	100.0%	40	40
Advertising	100	-	(12)	88	88	-	100.0%	1	1
Minor assets	175	-	(124)	51	51	-	100.0%	15	15
Catering: Departmental activities	-	-	2	2	2	-	100.0%	-	-
Consultants: Business and advisory services	1,000	-	(1,000)	-	-	-	-	783	21
Consumable supplies	-	-	3	3	3	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	228	-	(168)	60	60	-	100.0%	169	169
Travel and subsistence	1,839	-	532	2,371	2,371	-	100.0%	1,315	1,315
Training and development	120	-	(104)	16	16	-	100.0%	-	-
Operating payments	829	-	(17)	812	812	-	100.0%	642	642
Transfers and subsidies	2,204	-	4	2,208	2,208	-	100.0%	2,000	2,000
Provinces and municipalities	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Municipalities	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Municipal bank accounts	2,000	-	-	2,000	2,000	-	100.0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	2,000	2,000
Public corporations and private enterprises	200	-	-	200	200	-	1	-	0
Private enterprises	200	-	-	200	200	-	100.0%	-	-
Other transfers to private enterprises	200	-	-	200	200	-	100.0%	-	-
Households	4	-	4	8	8	-	100.0%	-	-
Social benefits	4	-	4	8	8	-	100.0%	-	-
Payments for capital assets	186	-	(51)	135	135	-	100.0%	354	315
Machinery and equipment	186	-	(51)	135	135	-	100.0%	354	315
Other machinery and equipment	186	-	(51)	135	135	-	100.0%	354	315
Payment for financial assets	-	-	-	-	-	-	-	-	-
	24,418	-	433	24,851	24,851	-	100.0%	21,170	20,369

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 6: TOURISM									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>TOURISM SECTOR TRANSFORMATION</u>	15,120	-	-	15,120	13,711	1,409	90.7%	11,915	11,915
2. <u>TOURISM PLANNING</u>	7,756	-	-	7,756	7,564	192	97.5%	3,309	3,309
3. <u>TOURISM GROWTH AND DEVELOPMENT</u>	271,475	-	23,549	295,024	289,792	5,232	98.2%	238,446	232,446
	294,351	-	23,549	317,900	311,067	6,833	97.9%	253,670	247,670
Economic classification									
Current payments	37,784	-	(499)	37,285	32,953	4,332	88.4%	23,700	23,700
Compensation of employees	22,609	-	18	22,627	22,294	333	98.5%	20,798	20,798
Salaries and wages	20,314	-	129	20,443	20,145	298	98.5%	19,059	19,059
Social contributions	2,295	-	(111)	2,184	2,149	35	98.4%	1,739	1,739
Goods and services	15,175	-	(517)	14,658	10,659	3,999	72.7%	2,902	2,902

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Administrative fees	190	-	17	207	184	23	88.9%	90	90
Advertising	530	-	(294)	236	186	50	78.8%	141	141
Minor assets	80	-	67	147	97	50	66.0%	2	2
Bursaries: Employees	-	-	-	-	-	-	-	67	67
Catering: Departmental activities	1,342	-	(148)	1,194	182	1,012	15.2%	173	173
Consultants: Business and advisory services	4,449	-	(508)	3,941	3,749	192	95.1%	-	-
Contractors	329	-	1,783	2,112	2,112	-	100.0%	93	93
Inventory: Clothing material and accessories	110	-	-	110	110	-	100.0%	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	7	7
Inventory: Other supplies	1,173	-	-	1,173	7	1,166	0.6%	442	442
Consumable supplies	525	-	(484)	41	41	-	100.0%	7	7
Consumable: Stationery, printing and office supplies	127	-	(84)	43	43	-	100.0%	27	27
Transport provided: Departmental activity	395	-	(63)	332	88	244	26.5%	-	-
Travel and subsistence	4,052	-	(731)	3,321	2,986	335	89.9%	1,676	1,676
Training and development	1,750	-	-	1,750	823	927	47.0%	177	177
Operating payments	49	-	-	49	49	-	100.0%	-	-
Venues and facilities	72	-	(72)	-	-	-	-	-	-
Rental and hiring	2	-	-	2	2	-	100.0%	-	-
Transfers and subsidies	256,146	-	24,047	280,193	277,692	2,501	99.1%	229,591	223,591
Provinces and municipalities	21,000	-	-	21,000	18,500	2,500	88.1%	17,000	11,000
Municipalities	21,000	-	-	21,000	18,500	2,500	88.1%	17,000	11,000
Municipal bank accounts	21,000	-	-	21,000	18,500	2,500	88.1%	11,500	8,500
Municipal agencies and funds	-	-	-	-	-	-	-	5,500	2,500

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Departmental agencies and accounts	234,145	-	24,047	258,192	258,192	-	100.0%	212,587	212,587
Departmental agencies	234,145	-	24,047	258,192	258,192	-	100.0%	212,587	212,587
Public corporations and private enterprises	1,000	(1,000)	-	-	-	-	-	-	0
Private enterprises	1,000	(1,000)	-	-	-	-	-	-	-
Other transfers to private enterprises	1,000	(1,000)	-	-	-	-	-	-	-
Non-profit institutions	-	1,000	-	1,000	999	1	99.9%	-	-
Households	1	-	-	1	1	-	100.0%	4	4
Social benefits	1	-	-	1	1	-	100.0%	4	4
Payments for capital assets	421	-	1	422	422	-	100.0%	379	379
Buildings and other fixed structures	-	-	-	-	-	-	-	267	267
Other fixed structures	-	-	-	-	-	-	-	267	267
Machinery and equipment	421	-	1	422	422	-	100.0%	112	112
Other machinery and equipment	421	-	1	422	422	-	100.0%	112	112
Payment for financial assets									
	294,351	-	23,549	317,900	311,067	6,833	97.9%	253,670	247,670

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 7: ENVIRONMENTAL AFFAIRS									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>ENVIRONMENTAL POLICY PLANNING AND CO-ORDINATION</u>	28,301	-	426	28,727	28,727	-	100.0%	23,200	20,700
2. <u>COMPLIANCE AND ENFORCEMENT</u>	23,988	-	(958)	23,030	23,030	-	100.0%	26,705	26,705
3. <u>ENVIRONMENTAL QUALITY MANAGEMENT</u>	66,893	-	7,850	74,743	72,507	2,236	97.0%	52,907	51,407
4. <u>BIODIVERSITY MANAGEMENT</u>	974,783	-	(754)	974,029	972,506	1,523	99.8%	986,188	986,188
5. <u>ENVIRONMENTAL EMPOWERMENT SERVICES</u>	41,271	-	(272)	40,999	40,974	25	99.9%	36,934	36,434
6. <u>GENERAL MANAGER: ENVIRONMENTAL AFFAIRS</u>	6,952	-	(25)	6,927	5,670	1,257	81.9%	4,317	4,317
	1,142,188	-	6,267	1,148,455	1,143,414	5,041	99.6%	1,130,251	1,125,751

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Economic classification									
Current payments	271,400	-	(1,061)	270,339	267,559	2,780	99.0%	229,296	229,296
Compensation of employees	153,213	-	(4,964)	148,249	147,263	986	99.3%	136,725	136,725
Salaries and wages	132,500	-	(5,319)	127,181	126,318	863	99.3%	117,790	117,790
Social contributions	20,713	-	355	21,068	20,945	123	99.4%	18,935	18,935
Goods and services	118,187	-	3,903	122,090	120,296	1,794	98.5%	92,571	92,571
Administrative fees	392	-	(9)	383	362	21	94.5%	212	212
Advertising	655	-	(478)	177	53	124	29.9%	1,888	1,888
Minor assets	469	-	(241)	228	155	73	68.0%	193	193
Catering: Departmental activities	566	-	(13)	553	487	66	88.1%	145	145
Consultants: Business and advisory services	4,855	-	(2,827)	2,028	1,778	250	87.7%	199	199
Laboratory services	250	-	(250)	-	-	-	-	-	-
Contractors	4,336	-	(1,672)	2,664	2,664	-	100.0%	1,168	1,168
Agency and support / outsourced services	72,839	-	13,512	86,351	86,351	-	100.0%	72,632	72,632
Inventory: Clothing material and accessories	8,860	-	(3,507)	5,353	4,757	596	88.9%	760	760
Inventory: Farming supplies	6,897	-	(1,322)	5,575	5,575	-	100.0%	2,826	2,826
Inventory: Materials and supplies	4	-	7	11	11	-	100.0%	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	380	380
Consumable supplies	1,482	-	1,344	2,826	2,826	-	100.0%	1,205	1,205
Consumable: Stationery, printing and office supplies	161	-	(157)	4	-	4	-	25	25
Property payments	23	-	(9)	14	14	-	100.0%	-	-
Transport provided: Departmental activity	100	-	41	141	141	-	100.0%	125	125
Travel and subsistence	12,208	-	747	12,955	12,855	100	99.2%	8,680	8,680
Training and development	2,500	-	(366)	2,134	1,574	560	73.8%	1,121	1,121
Operating payments	192	-	307	499	499	-	100.0%	236	236
Venues and facilities	1,398	-	(1,204)	194	194	-	100.0%	776	776

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Transfers and subsidies	869,497	-	6,819	876,316	874,055	2,261	99.7%	898,056	893,556
Provinces and municipalities	2,500	-	6,700	9,200	7,400	1,800	80.4%	7,375	3,375
Municipalities	2,500	-	6,700	9,200	7,400	1,800	80.4%	7,375	3,375
Municipal bank accounts	2,500	-	6,700	9,200	7,400	1,800	80.4%	7,375	3,375
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	854,830	-	-	854,830	854,830	-	100.0%	881,657	881,657
Departmental agencies	854,830	-	-	854,830	854,830	-	100.0%	881,657	881,657
Public corporations and private enterprises	2,801	(38)	-	2,763	2,327	43600.0%	1	-	0
Private enterprises	2,801	(38)	-	2,763	2,327	436	84.2%	-	-
Other transfers to private enterprises	2,801	(38)	-	2,763	2,327	436	84.2%	-	-
Non-profit institutions	8,391	38	-	8,429	8,404	25	99.7%	8,468	7,968
Households	975	-	119	1,094	1,094	-	100.0%	556	556
Social benefits	975	-	75	1,050	1,050	-	100.0%	556	556
Other transfers to households	-	-	44	44	44	-	100.0%	-	-
Payments for capital assets	1,291	-	509	1,800	1,800	-	100.0%	2,899	2,899
Buildings and other fixed structures	88	-	66	154	154	-	100.0%	-	-
Other fixed structures	88	-	66	154	154	-	100.0%	-	-
Machinery and equipment	1,203	-	443	1,646	1,646	-	100.0%	2,899	2,899
Other machinery and equipment	1,203	-	443	1,646	1,646	-	100.0%	2,899	2,899
Payment for financial assets									
	1,142,188	-	6,267	1,148,455	1,143,414	5,041	99.6%	1,130,251	1,125,751

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

• **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.

• **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	323 684	321 796	1 888	0,6%
INTEGRATED ECONOMIC DEVELOPMENT SERVICES	339 048	338 372	676	0,2%
TRADE AND SECTOR DEVELOPMENT	984 020	982 071	1 949	0,2%
BUSINESS REGULATION AND GOVERNANCE	198 724	198 534	190	0,1%
ECONOMIC PLANNING	24 851	24 851	-	0,0%
TOURISM	317 900	311 067	6 833	2,1%
A variance of 2.1 % was mainly due to the implementation of financial controls on items such as Catering, Transport for departmental activities and delays in the procurement of iNgakithi Tourism Schools Competition prizes, Quad Bikes for distribution to support tourist destinations as well as due to the department being unable to support eleven tourist guides who were supposed to participate in the National Tourist Guides Celebration in the Northern Cape owing to the Nehawu strike action. Also contributing was a delay in the finalization of SLA in respect of Ugu Beach Development project due to a change in Management of uMdoni Municipality.				
ENVIRONMENTAL AFFAIRS	1 148 455	1 143 414	5 041	0,4%
Total	3 336 682	3 320 105	16 577	0.5%

**ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

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	434 872	430 951	3 921	0,9%
Goods and services	373 104	366 790	6 314	1,7%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	95 709	91 409	4 300	4,5%
Departmental agencies and accounts	1 909 241	1 909 241	-	0,0%
Higher education institutions	5 016	5 016	-	0,0%
Public corporations and private enterprises	249 318	248 882	436	0,2%
Non-profit institutions	224 857	224 831	26	0,0%
Households	4 932	4 555	377	7,6%
Payments for capital assets				
Buildings and other fixed structures	1 269	269	1 000	78,8%
Machinery and equipment	22 686	22 483	203	0,9%
Intangible assets	7 349	7 349	-	0,0%
Payments for financial assets	8 329	8 329	-	0,0%
Total	3 336 682	3 320 105	16 577	0,5%

Goods and services

Goods and services reflects an underspending of R6,339 million due to the implementation of financial controls on items such as Catering, Transport for departmental activities as well as delays in the procurement of iNgakithi Tourism Schools Competition prizes, Quad Bikes for distribution to support tourist destinations as well as due to the department being unable to support eleven tourist guides who were supposed to participate in the National Tourist Guides Celebration in the Northern Cape owing to the Nehawu strike action. Also contributing was the postponement of the planned training for health and safety and the Environmental Outlook project which was suspended to 2023/24 and the Biogas project funds which were reprioritized due to lack of success with the procurement processes in finding a suitable service provider.

Transfers and subsidies

Provinces and municipalities:

The variance is at 4,5% of the Final Appropriation (R 4,3 million under spending). This is mainly due to transfers to some Municipalities which could not be finalised in respect of the Greenest Municipality Competition awards, as well as delays in the finalization of SLA in respect of Ugu Beach Development project due to change in Management of uMdoni Municipality.

Households

Households under-spent by R377 000 due to two Durban Aerotropolis Learnership bursary holders from the

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

University of the Witwatersrand (WITS) who did not achieve satisfactory results and forfeited the DURA Learnership for the 2022 academic year as well as payments for external students being delayed as a result of students not submitting necessary documentation in order to process payments.

Payments for capital assets

Buildings and other fixed structures reflect under-spending of R1 million due to delays in respect of finding a suitable service provider for the construction of park homes for a day care facility as part of the MEC's Operation Sukuma Sakhe in KwaMaphumulo.

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
Conditional grant	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	6 402	6 307	95	1,5%
Total	6 402	6 307	95	1,5%

VOTE 4

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	3 336 682	3 366 675
Departmental revenue	2	10 843	30 132
TOTAL REVENUE		3 347 525	3 396 807
EXPENDITURE			
Current expenditure			
Compensation of employees	3	430 951	400 746
Goods and services	4	366 791	325 923
Total current expenditure		797 742	726 669
Transfers and subsidies			
Transfers and subsidies	6	2 483 934	2 593 072
Expenditure for capital assets			
Tangible assets	7	22 752	15 580
Intangible assets	7	7 349	2 512
Total expenditure for capital assets		30 101	18 092
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	5	8 328	-
TOTAL EXPENDITURE		3 320 105	3 337 833
SURPLUS/(DEFICIT) FOR THE YEAR		27 420	58 974
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		16 577	28 842
Annual appropriation		16 482	28 842
Conditional grants		95	-
Departmental revenue and NRF receipts	13	10 843	30 132
SURPLUS/(DEFICIT) FOR THE YEAR		27 420	58 974

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STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		52 870	63 415
Cash and cash equivalents	8	47 968	58 593
Prepayments and advances	9	23	4 115
Receivables	10	4 879	707
Non-current assets		1 035 948	1 039 774
Investments	11	1 008 607	1 008 607
Prepayments and advances		-	-
Receivables	10	27 341	31 167
TOTAL ASSETS		1 088 818	1 103 189
LIABILITIES			
Current liabilities		71 776	90 256
Voted funds to be surrendered to the Revenue Fund	12	16 577	28 842
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	60	997
Payables	14	55 139	60 417
Non-current liabilities			
Payables	15	4 190	290
TOTAL LIABILITIES		75 966	90 546
NET ASSETS		1 012 852	1 012 643
	Note	2022/23 R'000	2021/22 R'000
Represented by:			
Capitalisation reserve		1 008 607	1 008 607
Recoverable revenue		4 245	4 036
Unauthorised expenditure			
TOTAL		1 012 852	1 012 643

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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023**

	2022/23	2021/22
Note	R'000	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	4 036	3 847
Transfers:	209	189
Irrecoverable amounts written off		
Debts revised	20	-
Debts recovered (included in departmental revenue)	(21)	174
Debts raised	210	15
Closing balance	4 245	4 036
TOTAL	1 012 852	1 012 643

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CASH FLOW STATEMENTS
for the year ended 31 March 2023

	Note	2022/23 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 347 525	3 396 805
Annual appropriation funds received	1.1	3 336 682	3 366 675
Departmental revenue received	2	10 842	28 990
Interest received	2.3	1	1 140
Net (increase)/decrease in net working capital		(5 358)	63 903
Surrendered to Revenue Fund		(40 622)	(42 803)
Current payments		(797 742)	(726 669)
Payments for financial assets		(8 328)	-
Transfers and subsidies paid		(2 483 934)	(2 593 072)
Net cash flow available from operating activities	16	11 541	98 164
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	7	(30 101)	(18 092)
Proceeds from sale of capital assets	2.4	-	2
(Increase)/decrease in non-current receivables	10	3 826	(168)
Net cash flow available from investing activities		(26 275)	(18 258)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		209	189
Increase/(decrease) in non-current payables		3 900	290
Net cash flows from financing activities		4 109	479
Net increase/(decrease) in cash and cash equivalents		(10 625)	80 385
Cash and cash equivalents at beginning of period		58 593	(21 792)
Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	17	47 968	58 593

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

7.	Revenue
7.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amount receivable. 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.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8.	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.

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for the year ended 31 March 2023**

8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. 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.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	Aid assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	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. CARA Funds are recognised when receivable and measured at the amount receivable. 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.
9.2	Aid assistance paid 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.
10.	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances are expensed when there is delivery of goods or services by the recipient and clear evidence has been received of such delivery.
12.	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Investments Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14.1	Financial assets (not covered elsewhere) 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. 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

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets 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.
15.	Payables Payables recognised in the statement of financial position are recognised at cost.
16.	Capital assets
16.1	Immovable capital assets 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible capital assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

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	Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17.	Provisions and contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18.	Unauthorised expenditure Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • 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.	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of. • 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.	Irregular expenditure 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 be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • 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

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	irregular expenditure incurred in the current year.
21.	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	Events after the reporting date 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.
23.	Principal-Agent arrangements The department is party to a principal-agent arrangement for <i>[include details here]</i>. In terms of the arrangement the department is the <i>[principal / agent]</i> and is responsible for <i>[include details here]</i>. 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.
24.	Departures from the MCS requirements The financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.
25.	Capitalisation reserve 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.
26.	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27.	Related party transactions 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. The number of individuals and the full compensation of key management personnel is recorded in

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	the notes to the financial statements.
28.	Inventories (<i>Effective from date determined by the Accountant-General</i>) At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. 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. The cost of inventories is assigned by using the weighted average cost basis.
29.	Public-Private Partnerships 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. 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.
30.	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
31.	Transfer of functions 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. 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.
32.	Mergers 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. 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.

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

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	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. Appropriated funds are measured at the amounts receivable. 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.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8.	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The

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	expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. 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.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: ▪ cost, being the fair value of the asset; or ▪ the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	Aid assistance
9.1	Aid assistance received 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. CARA Funds are recognised when receivable and measured at the amounts receivable. 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.
9.2	Aid assistance paid 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.
10.	Cash and cash equivalents

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	Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <i><Indicate when prepayments and advances are expensed and under what circumstances></i>
12.	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Investments Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14.1	Financial assets (not covered elsewhere) 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. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets 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.
•	Payables Payables recognised in the statement of financial position are recognised at cost.
16.	Capital assets
16.1	Immovable capital assets 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready

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	for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible capital assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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•	Provisions and contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18.	Unauthorised expenditure Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • 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.	Fruitless and wasteful expenditure 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.

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	Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of . • 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.
•	Irregular expenditure 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 be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • 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.	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	Events after the reporting date 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.
23.	Principal-Agent arrangements The department is party to a principal-agent arrangement for <i>[include details here]</i>. In terms of the arrangement the department is the <i>[principal / agent]</i> and is responsible for <i>[include details here]</i>. 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.
24.	Departures from the MCS requirements <i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i>
25.	Capitalisation reserve

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	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.
26.	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27.	Related party transactions 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. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28.	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. 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. The cost of inventories is assigned by using the weighted average cost basis.
29.	Public-Private Partnerships 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. 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.
30.	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
31.	Transfer of functions 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.

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	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.
32.	Mergers 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. 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.

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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:

Programmes	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	323 684	323 684	-	304 902	304 902	-
INTEGRATED ECONOMIC DEVELOPMENT SERVICES	339 048	339 048	-	570 953	570 953	-
TRADE AND SECTOR DEVELOPMENT	984 020	984 020	-	901 681	901 681	-
BUSINESS REGULATION AND GOVERNANCE	198 724	198 724	-	184 048	184 048	-
ECONOMIC PLANNING	24 851	24 851	-	21 170	21 170	-
TOURISM	317 900	317 900	-	253 670	253 670	-
ENVIRONMENTAL AFFAIRS	1 148 455	1 148 455	-	1 130 251	1 130 251	-
Total	3 336 682	3 336 682	-	3 366 675	3 366 675	-

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1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	28	6 402	5 080

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	5 371	12 674
Fines, penalties and forfeits	2.2	581	1 540
Interest, dividends and rent on land	2.3	1	1 140
Sales of capital assets	2.4	-	2
Transactions in financial assets and liabilities	2.5	4 890	13 926
Transfer received	2.6	-	850
Total revenue collected		10 843	30 132
Less: Own revenue included in appropriation	13	-	-
Total		10 843	30 132

For the 2022/23 FY the department received the following Tax Revenue (R711,713m from Gaming and Betting as well as R34,704 for Liquor Authority). This is not recognised as revenue in the financial statements as the department is only a conduit for the receiving of cash on behalf of the Revenue Fund, as per the Modified Cash Standard.

2.1 Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		5 356	12 671
Sales by market establishment		38	39
Administrative fees		5 085	12 345
Other sales		233	287
Sales of scrap, waste and other used current goods		15	3
Total	2	5 371	12 674

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2.2 Fines, penalties and forfeits

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Fines		580	1 540
Penalties		-	-
Forfeits		1	-
Total	2	581	1 540

2.3 Interest, dividends and rent on land

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Interest		1	1 140
Total	2	1	1 140

2.4 Sales of capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		-	2
Total	2	-	2

2.5 Transactions in financial assets and liabilities

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Receivables		21	56
Other receipts including Recoverable Revenue		4 869	13 870
Total	2	4 890	13 926

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2.6 Transfers received

	Note	2022/23 R'000	2021/22 R'000
Public corporations and private enterprises		-	850
Households and non-profit institutions			
Total	2	-	850

2.6.1 Donations received in-kind (not included in the main note or sub note)

	Note	2022/23 R'000	2021/22 R'000
Civil Aviation SA		4	-
SITA		1	-
Total		5	-

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

Name of entity	2022/23		
	Amount received	Amount paid to the revenue fund	Balance
	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

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

An amount of R54,693 m was not paid over to the Revenue Fund during 2022/23 FY.

3. Compensation of employees

3.1. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Basic salary		302 348	281 547
Performance award		360	707
Service based		222	460
Compensative/circumstantial		4 022	1 962
Periodic payments		-	552
Other non-pensionable allowances		70 381	67 046
Total		377 333	352 274

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3.2 Social contributions

Employer contributions	<i>Note</i>	2022/23 R'000	2021/22 R'000
Pension		36 847	33 450
Medical		16 614	14 893
Bargaining council		79	62
Insurance		78	67
Total		53 618	48 472
 Total compensation of employees		 430 951	 400 746
 Average number of employees		 860	 862

4. Goods and services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Administrative fees		1 779	832
Advertising		12 403	12 587
Minor assets	4.1	727	527
Bursaries (employees)		179	355
Catering		1 670	437
Communication		5 337	6 089
Computer services	4.2	32 001	29 519
Consultants: Business and advisory services		33 220	39 043
Legal services		9 040	5 857
Contractors		20 948	14 699
Agency and support / outsourced services		86 351	72 632
Audit cost - external	4.3	5 714	5 540
Fleet services		6 417	4 580
Inventories	4.4	16 560	6 690
Consumables	4.5	9 375	4 926
Operating leases		38 667	36 747
Property payments	4.6	36 436	37 222
Rental and hiring		490	590
Transport provided as part of the departmental activities		588	549
Travel and subsistence	4.7	36 581	23 005
Venues and facilities		1 109	16 219
Training and development		7 146	3 624
Other operating expenditure	4.8	4 053	3 654
Total		366 791	325 923
			252

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4.1 Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		727	527
Buildings and other fixed structures		-	-
Machinery and equipment		727	527
Total	4	727	527

4.2 Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		29 146	24 971
External computer service providers		2 855	4 548
Total	4	32 001	29 519

4.3 Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		5 714	5 540
Total	4	5 714	5 540

4.4 Inventories

	Note	2022/23 R'000	2021/22 R'000
Clothing material and accessories		5 997	760
Farming supplies		5 955	2 904
Materials and supplies		12	7
Other supplies	4.4.1	4 596	3 019
Total	4	16 560	6 690

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4.4.1 Other supplies

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Assets for distribution		4 596	3 019
Machinery and equipment		4 596	3 019
Other			
Total	4.4	4 596	3 019

4.5 Consumables

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Consumable supplies		5 028	1 954
Uniform and clothing		116	4
Household supplies		2 112	1 284
Building material and supplies		425	44
Communication accessories		-	97
IT consumables		4	3
Other consumables		2 371	522
Stationery, printing and office supplies		4 347	2 972
Total	4	9 375	4 926

4.6 Property payments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Municipal services		6 685	6 537
Property maintenance and repairs		-	359
Other		29 751	30 326
Total	4	36 436	37 222

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4.7 Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		35 152	22 478
Foreign		1 429	527
Total	4	36 581	23 005

4.8 Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		1 682	1 032
Resettlement costs		161	419
Other		2 210	2 203
Total	4	4 053	3 654

5. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Extension of loans for policy purposes		4 115	-
Debts written off	5.1	4 213	-
Total		8 328	-

5.1 Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Supplier Debt		4 213	-
Total		4 213	-

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6. Transfers and subsidies

		2022/23	2021/22
	<i>Note</i>	R'000	R'000
Provinces and municipalities	29, Annex 1A	91 409	78 045
Departmental agencies and accounts	Annex 1B	1 909 241	1 808 830
Higher education institutions	Annex 1C	5 016	5 341
Public corporations and private enterprises	Annex 1D	248 882	250 621
Non-profit institutions	Annex 1E	224 831	446 507
Households	Annex 1F	4 555	3 728
Total		2 483 934	2 593 072

7. Expenditure for capital assets

		2022/23	2021/22
	<i>Note</i>	R'000	R'000
Tangible capital assets		22 752	15 580
Buildings and other fixed structures	26	270	1 246
Machinery and equipment	24	22 482	14 334
Intangible capital assets		7 349	2 512
Software	25	7 349	2 512
Total		30 101	18 092

7.1 Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	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

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7.2 Analysis of funds utilised to acquire capital assets - Prior year

Name of entity	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	15 580		15 580
Buildings and other fixed structures	1 246		1 246
Machinery and equipment	14 334		14 334
Intangible capital assets	2 512		2 512
Software	2 512		2 512
Total	18 092		18 092

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		2 553	7 516
Total		2 553	7 516
<i>Finance Leases in respect of cellphone & 3G contracts.</i>			

8. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		47 968	58 590
Cash on hand		-	3
Total		47 968	58 593

9. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Travel and subsistence		23	-
Prepayments (Not expensed)	9.1	-	4 115
Total		23	4 115

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Analysis of Total Prepayments and advances

Current Prepayments and advances	23	-
Non-current Prepayments and advances	-	4 115
Total	23	4 115

9.1 Prepayments (Not expensed)

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
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Other	4 115		(4 115)		-
Total	4 115		(4 115)		-

SMME Risk Sharing was correctly classified as a Receivable instead of a Prepayment, in order to enable the subsequent write-off of the long-outstanding irrecoverable balance.

2021/22					
	Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2022
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Goods and services					
Interest and rent on land					
Transfers and subsidies					
Capital assets					
Other	5 615		(1 500)		4 115
Total	5 615		(1 500)		4 115

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9.2 Prepayments (Expensed) (*"prepayments expensed" not permitted from 1 April 2023*)

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)			-

2021/22

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

9.3 Advances paid (Expensed) (*"advances expensed" not permitted from 1 April 2023*)

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	38 310	(12 601)	-	-	25 709
Other entities	11 365	(6 167)	-	-	5 198
Total	49 675	(18 768)	-	-	30 907

2021/22

	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Public entities	60 800	(22 490)	-	-	38 310

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Other entities	65 510	(54 145)	-	-	11 365
Total	126 310	(76 635)	-	-	49 675

10. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	4 582	-	4 582	391	-	391
Recoverable expenditure	10.2		363	363	214	220	434
Staff debt	10.3	232	91	323	62	133	195
Other receivables	10.4	65	26 887	26 952	40	30 814	30 854
Total		4 879	27 341	32 220	707	31 167	31 874

10.1 Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments		2 739	-
Provincial departments		966	391
Public entities		877	-
Total	10	4 582	391

10.2 Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
Sal: Tax Debt CA		-	12
Sal: Reversal Control CA		143	196
Disallowance payment fraud :CA		220	220
Disall :Damages&Losses :Recover:CA		129	129
Disall :Damages&Losses :CA		(129)	(129)
Sal: Deduction Disall Acc: CA		-	6
Total	10	363	434

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10.3 Staff debt

	Note	2022/23 R'000	2021/22 R'000
Bursaries		9	-
Salary & allowance overpayments		302	185
Tax Debt		12	10
Total	10	323	195

10.4 Other receivables

	Note	2022/23 R'000	2021/22 R'000
Supplier Debt		26 927	30 852
Other Receivables		25	2
Total	10	26 952	30 854

10.5 Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		26 887	30 900
Total		26 887	30 900

11. Investments

	Note	2022/23 R'000	2021/22 R'000
Non-current			
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

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	Note	2022/23 R'000	2021/22 R'000
Analysis of non-current investments			
Opening balance		1 008 607	1 008 607
Closing balance		1 008 607	1 008 607

11.1 Impairment of investments

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of investments		23	24
Total		23	24

The impairment of African Phoenix Shares has been slightly adjusted in the current year to reflect a recently announced board resolution regarding the repurchase of shares by the company for a fixed offer per share.

12. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		28 842	10 384
Prior period error		-	-
As restated		28 842	10 384
Transferred from statement of financial performance (as restated)		16 577	28 842
Add: Unauthorised expenditure for the current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures)		-	-
Conditional grants surrendered by the provincial department		-	-
Paid during the year		(28 842)	(10 384)
Closing balance		16 577	28 842

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12.1 Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	6 402	5 080
Total conditional grants spent		(6 307)	(5 080)
Unspent conditional grants to be surrendered		95	-
Less: Paid to the Provincial Revenue Fund by Provincial department			-
Approved for rollover			-
Not approved for rollover			-
Add: Received from provincial revenue fund by national department			-
Due by the Provincial Revenue Fund		95	-

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

	Note	2022/23 R'000	2021/22 R'000
Opening balance		997	3 284
Prior period error			
As restated		997	3 284
Transferred from statement of financial performance (as restated)		10 843	30 132
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)		-	-
Paid during the year		(11 780)	(32 419)
Closing balance		60	997

14. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Advances received	14.1	268	8 706
Clearing accounts	14.2	178	51
Other payables	14.3	54 693	51 660
Total		55 139	60 417

14.1 Advances received

	Note	2022/23 R'000	2021/22 R'000
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National departments		-	3 900
Other institutions		268	4 806
Total	14	268	8 706

14.2 Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
Sal: income tax		109	39
Sal: ACB Recalls		12	12
Sal: GEHS Refund		57	-
Total	14	178	51

14.3 Other payables

Description	Note	2022/23 R'000	2021/22 R'000
Tax Receipt		54 693	51 660
Total	14	54 693	51 660

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

15. Payables - non-current

	Note	2022/23				2021/22
		One to two years	Two to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Advances received	14.1	-	3 560	630	4 190	290
Total			3 560	630	4 190	290

15.1 Advances received

	Note	2022/23 R'000	2021/22 R'000
National departments		3 930	30
Provincial departments		260	260
Total	15	4 190	290

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16. Net cash flow available from operating activities

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		27 420	58 974
Add back non-cash/cash movements not deemed operating activities		(15 879)	39 190
(Increase)/decrease in receivables		(4 172)	2 381
(Increase)/decrease in prepayments and advances		4 092	1 500
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		-5 278	60 022
Proceeds from sale of capital assets		-	(2)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		30 101	18 092
Surrenders to Revenue Fund		(40 622)	(42 803)
Surrenders to RDP Fund/Donors		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generating		11 541	98 164

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

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		47 968	58 590
Cash on hand		-	3
Total		47 968	58 593

18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

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Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Other guarantees			300 000	300 000
Claims against the department		Annex 2A	14 210	9 499
Total			314 210	309 499

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

The claims against the Department are classified as Possible amounting a total of R 14 210m.

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

18.2 Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Undue Salary payment		931	840
Breach of Contract		4 122	-
Total		5 053	840

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

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19. Capital commitments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Machinery and equipment		2 000	4 477
Total		2 000	4 477

20. Accruals and payables not recognised

20.1 Accruals

	<i>Note</i>	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Listed by economic classification					
Goods and services		6 235	206	6 441	5 040
Capital assets		-	-	-	89
Total		6 235	206	6 441	5 129

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Listed by programme level			
Programme 1: Administration		4 286	2 492
Programme 2: Integrated Economic Development services		425	518
Programme 3: Trade and Sector Development		98	93
Programme 4: Business Regulations & Governance		256	307
Programme 5: Economic Planning		126	162
Programme 6: Tourism		289	105
Programme 7: Environmental Affairs		961	1 452
Total		6 441	5 129

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20.2 Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		362	-	362	590
Capital assets					6 557
Total		362	-	362	7 147

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Programme 1: Administration		86	6 443
Programme 2: Integrated Economic Development services		-	243
Programme 3: Trade and Sector Development		-	-
Programme 4: Business Regulations & Governance		-	143
Programme 5: Economic Planning		-	-
Programme 6: Tourism		58	314
Programme 7: Environmental Affairs		218	4
Total		362	7 147

Included in the above totals are the following:	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with other departments	Annex 4	3 561	7 454
Total		3 561	7 454

21. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		28 983	34 329
Service bonus		11 168	10 054
Performance awards		4 349	3 709
Capped leave		6 787	6 890
Other		356	254
Total		51 643	55 236

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

Performance Award provision is calculated at 1% of the wage bill.

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22. Lease commitments

22.1. Operating lease

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	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
Later than 5 years	-	-	-
Total lease commitments	43 536	14 525	58 061

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

EDTEA photocopying machines leased do not escalate for the entire leased period of 36 months for all contracts. Rental for office accommodation is per the lease contract and they escalate between 5 to 10% as per lease agreement entered into between the landlord and public works on our behalf. Twelve of the 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	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

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	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	5 038	5 038
Later than 1 year and not later than 5 years	434	434
Later than 5 years	-	-
Total lease commitments	5 471	5 471

** 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.

Other	Note	2022/23 R'000	2021/22 R'000
Guarantees issued/received		300 000	300 000
Total		300 000	300 000

In-kind goods and services provided/received	Note	2022/23 R'000	2021/22 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.		2 048	1 594
Total		2 048	1 594

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

23. Key management personnel

	2022/23	2021/22
	R'000	R'000
Political office bearers (<i>provide detail below</i>)	2 274	2 000
Officials:		
Executive Members	22 439	24 877
Family members of key management personnel	240	-
Total	24 953	26 877

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

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

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24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR

	2022/23				
	Opening balance	Value adjustments	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

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		472	9 529

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

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	128 243	2 217	15 735	8 864	137 331
Transport assets	57 120	2 217	9 976	1 083	68 230
Computer equipment	40 523		4 526	5 250	39 799
Furniture and office equipment	14 532		633	1 760	13 405
Other machinery and equipment	16 068		600	771	15 897
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	128 243	2 217	15 735	8 864	137 331

24.1.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2019/20 <i>[affecting the opening balance]</i>		2 217
		2 217
Total prior period errors		2 217

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24.2 Minor assets

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

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	156	-	11 380	-	11 536
Value adjustments	-	-	-	-		
Additions	-	-	-	597	-	597
Disposals	-	-	-	7	-	7
Total Minor assets	-	156	-	11 970	-	12 126
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	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

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

2021/22						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 061	-	12 296	-	13 357
Prior period error	-	-	-	-	-	-
Additions	-	-	-	400	-	400
Disposals	-	905	-	1 316	-	2 221
Total Minor assets	-	156	-	11 380	-	11 536
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3 102	-	3 102
Number of minor assets at cost	-	53	-	5 884	-	5 937
Total number of minor assets	-	53	-	8 986	-	9 039

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24.3 Movable tangible capital assets written off

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

	2022/23				
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	378	-
Total movable assets written off	-	-	-	378	-

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 293	-
Total movable assets written off	-	-	-	1 293	-

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25. Intangible Capital Assets

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

2022/23				
	Opening balance	Additions	Disposals	Closing balance
	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

25.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

2021/22					
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	15 860	-	2 512	10 496	7 876
TOTAL INTANGIBLE CAPITAL ASSETS	15 860	-	2 512	10 496	7 876

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26. Immovable Tangible Capital Assets

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	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

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	11 616	-	1 245	-	12 861
Non-residential buildings		-	351	-	351
Other fixed structures	11 616	-	894	-	12 510
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	11 616	-	1 245	-	12 861

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27. Principal-agent arrangements

27.1 Department acting as the principal

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Invasive alien species project		2 833	2 455
IDT		418	4 570
KZN Growth Fund		-	20 033
IDFC		6 210	-
Total		9 461	27 058

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

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

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

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

27.2 Department acting as the agent

27.2.1 Revenue received for agency activities

	<i>Note</i>	2022/23 R'000	2021/22 R'000
National Treasury IGR (iLembe LED Project)		-	-
Total		-	-

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

27.2.2 Reconciliation of funds and disbursements - Current year

	2022/23
	Total funds received
	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	R'000
	R'000

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Funds received for execution of project: Seco	16 867	19 606
Total	16 867	19 606

Reconciliation of funds and disbursements - Prior year

Category of revenue or expenditure per arrangement	2021/22	
	Total funds received	Expenditure incurred against funds
	R'000	R'000
Funds received for the execution of project:	11 761	7 261
Merseta	4 538	-
Total	16 299	7 261

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

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27.2.3 Reconciliation of carrying amount of receivables and payables - current year

Receivables

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)
EDTEA receives money from both Munis (prepaid) and from the SECO funding (after expenses)					
Total	(3 930)	-	19 606	16 867	(1 191)

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Reconciliation of carrying amount of receivables and payables - prior year

Name of principal entity	2021/22				
	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)	570	-	7 261	11 761	(3 930)
EDTEA receives money from both Munis (prepaid) and from the SECO funding (after expenses)					
Merseta	-	-	-	4 538	(4 538)
Total	570	-	7 261	16 299	(8 468)

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28. Statement of conditional grants received

Name of grant	2022/23									2021/22	
	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- / (Overspending)	% 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	6 402	-	-	-	6 402	6 402	6 307	95	99%	5 080	5 080
TOTAL	6 402	-	-	-	6 402	6 402	6 307	95	99%	5 080	5 080

All transfers received in terms of the grant were deposited by the Provincial Treasury directly into the departmental primary bank account.

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

Name of municipality	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	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)	116	-	110	226	226	-	-	116	112
eThekweni	2 800	-	-	2 800	2 800	-	-	4 200	4 200
KZN212 uMdoni	2 000	-	800	2 800	2 000	-	-	2 000	2 000
KZN216 Ray Nkonyeni	6 000	-	-	6 000	6 000	-	-	817	817
DC21 Ugu District Municipality	5 000	-	-	5 000	2 500	-	-	2 500	-
KZN225 Msunduzi	5 000	-	-	5 000	5 000	-	-		
KZN227 Richmond	3 000	-	-	3 000	3 000	-	-		
KZN238 Alfred Duma	2 000	-	-	2 000	2 000	-	-		
DC23 uThukela District Municipality	2 000	-	-	2 000	2 000	-	-		
KZN244 uMsinga	1 000	-	-	1 000	1 000	-	-		
DC24 uMzinyathi District Municipality	4 500	-	-	4 500	4 500	-	-		
KZN252 Newcastle	5 000	-	-	5 000	5 000	-	-	3 000	3 000
KZN253 eMadlangeni	6 500	-	-	6 500	6 500	-	-	3 000	
KZN261 eDumbe	1 000	-	600	1 600	1 600	-	-		
KZN262 uPhongolo		-	1 000	1 000	1 000	-	-	3 500	3 500
KZN263 AbaQulusi	2 000	-	-	2 000	2 000	-	-		

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KZN265 Nongoma		-	800	800	800	-	-		
DC26 Zululand District Municipality	500	-	-	500	500	-	-	7 821	7 821
KZN271 uMhlabuyalingana	8 000	-	-	8 000	8 000	-	-	4 720	4 720
KZN272 Jozini	1 000	-	500	1 500	1 500	-	-		
KZN275 Mtubatuba	6 500	-	-	6 500	6 500	-	-	6 000	6 000
DC27 uMkhanyakude District Municipality	13 983	-	-	13 983	13 983	-	-	31 000	31 000
KZN282 uMhlathuze	3 000	-	-	3 000	3 000	-	-		
KZN285 Mthonjaneni		-	500	500	-	-	-		
KZN291 Mandeni	1 000	-	500	1 500	1 500	-	-		
KZN292 KwaDukuza	1 000	-	1 000	2 000	2 000	-	-	1 700	1 700
KZN293 Ndwedwe	1 000	-	-	1 000	1 000	-	-		
KZN294 Maphumulo	1 000	-	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	-	-	1 000	1 000
KZN435 uMzimkhulu		-	500	500	500	-	-	1 000	1 000
KZN436 Dr Nkosazana Dlamini Zuma	1 000	-	-	1 000	1 000	-	-	375	375
DC29 iLembe District Municipality		-	-	-	-	-	-	2 500	2 500
DC22 uMgungundlovu District Municipality		-	-	-	-	-	-	3 000	
KZN2 KZN241 eNdumeni 35 Okhahlamba		-	-	-	-	-	-	1 000	1 000
KZN241 eNdumeni		-	-	-	-	-	-	1 300	1 300
KZN276 Big Five Hlabisa		-	-	-	-	-	-	3 000	3 000
DC43 Harry Gwala District Municipality		-	-	-	-	-	-	2 000	2 000

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Unallocated	-	-	-	-	-	-	1 500	-
TOTAL	88 899	-	6 810	95 709	91 409	-	88 049	78 045

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

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30. 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.

31. COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Goods and services		42	811
Total	<i>Annex 6</i>	42	811

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DORA and other transfers	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	Amount received by munici- pality	Amount spent by munici- pality	Unspent funds	% of available funds spent by Municipali- ty	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Msunduzi Municipality (Motor Vehicle licences)	116	-	110	226	226	-	-	226			0%	116	112
eThekweni	2 800	-	-	2 800	2 800	-	-	2 800	73	2 727	3%	4 200	4 200
KZN212 uMdoni	2 000	-	800	2 800	2 000	-	-	2 000	-	2 000	0%	2 000	2 000
KZN216 Ray Nkonyeni	6 000	-	-	6 000	6 000	-	-	6 000	1 000	5 000	17%	817	817
DC21 Ugu District Municipality	5 000	-	-	5 000	2 500	-	-	2 500	2 050	450	82%	2 500	-
KZN225 Msunduzi	5 000	-	-	5 000	5 000	-	-	5 000	1 000	4 000	20%	-	-

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KZN227 Richmond	3 000	-	-	3 000	3 000	-	-	3 000	105	2 895	4%	-	-
KZN238 Alfred Duma	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	-	-
DC23 uThukela District Municipality	2 000	-	-	2 000	2 000	-	-	2 000	20	1 980	1%	-	-
KZN244 uMsinga	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0%	-	-
DC24 uMzinyathi District Municipality	4 500	-	-	4 500	4 500	-	-	4 500	4 074	426	91%	-	-
KZN252 Newcastle	5 000	-	-	5 000	5 000	-	-	5 000	-	5 000	0%	3000	3000
KZN253 eMadlangeni	6 500	-	-	6 500	6 500	-	-	6 500	566	5 934	9%	3 000	-
KZN261 eDumbe	1 000	-	600	1 600	1 600	-	-	1 600	100	1 500	6%	-	-
KZN262 uPhongolo		-	1 000	1 000	1 000	-	-	1 000	-	1 000	0%	3 500	3 500
KZN263 AbaQulusi	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	-	-
KZN265 Nongoma		-	800	800	800	-	-	800	-	800	0%	-	-
DC26 Zululand District Municipality	500	-	-	500	500	-	-	500	-	500	0%	7 821	7 821
KZN271 uMhlabuyalingana	8 000	-	-	8 000	8 000	-	-	8 000	-	8 000	0%	4 720	4 720
KZN272 Jozini	1 000	-	500	1 500	1 500	-	-	1 500	370	1 130	25%		

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KZN275 Mtubatuba	6 500	-	-	6 500	6 500	-	-	6 500	1 574	4 926	24%	6 000	6 000
DC27 uMkhanyakude District Municipality	13 983	-	-	13 983	13 983	-	-	13 983	10 983	3 000	79%	31 000	31 000
KZN282 uMhlatuze	3 000	-	-	3 000	3 000	-	-	3 000	22	2 978	1%	-	-
KZN285 Mthonjaneni		-	500	500	-	-	-	-	-	-		-	-
KZN291 Mandeni	1 000	-	500	1 500	1 500	-	-	1 500	-	1 500	0%	-	-
KZN292 KwaDukuza	1 000	-	1 000	2 000	2 000	-	-	2 000	-	2 000	0%	1 700	1 700
KZN293 Ndwedwe	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0%	-	-
KZN294 Maphumulo	1 000	-	500	1 500	1 000	-	-	1 000	-	1 000	0%	-	-
KZN433 Greater Kokstad	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0%	1 000	1 000
KZN434 uBuhlebezwe	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	1 000	1 000
KZN435 uMzimkhulu		-	500	500	500	-	-	500	-	500	0%	1 000	1 000
KZN436 Dr Nkosazana Dlamini Zuma	1 000	-	-	1 000	1 000	-	-	1 000	-	1000	0%	375	375
DC29 iLembe District Municipality		-	-	-	-	-	-	-	-	-	-	2 500	2 500
DC22 uMgungundlovu District Municipality		-	-	-	-	-	-	-	-	-	-	3 000	-

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KZN2 KZN241														
eNdumeni 35														
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	
KZN241 eNdumeni	-	-	-	-	-	-	-	-	-	-	-	1 300	1 300	
KZN276 Big Five														
Hlabisa	-	-	-	-	-	-	-	-	-	-	-	3 000	3 000	
DC43 Harry Gwala														
District Municipality	-	-	-	-	-	-	-	-	-	-	-	2 000	2 000	
Unallocated	-	-	-	-	-	-	-	-	-	-	-	1 500	-	
TOTAL	88 899	-	6 810	95 709	91 409	-	-	91 409	21 937	69 246	-	88 049	78 045	

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	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	88 340	-	-	88 340	88 340	100%	87 382	87 382
KZN Dube Tradeport	488 991	-	-	488 991	488 991	100%	477 537	477 537
Ezemvelo KZN Wildlife	854 830	-	-	854 830	854 830	100%	881 657	881 657
KZN Tourism Authority	162 702	-	24 047	186 749	186 749	100%	142 342	142 342
Natal Sharks board	71 443	-	-	71 443	71 443	100%	70 245	70 245
KZN Trade and Investment	168 336	-	-	168 336	168 336	100%	98 306	98 306
KZN Gambling & Betting Board	50 552	-	-	50 552	50 552	100%	51 361	51 361
TOTAL	1 885 194	-	24 047	1 909 241	1 909 241	100%	1 808 830	1 808 830

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2022/23							2021/22	
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted Budget	Roll overs	Adjustments	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	3 255	-	-	3 255	3 255	-	0%	3 094	3 094
Durban University of Technology	1 761	-	-	1 761	1 761	-	0%	2 248	2 247
TOTAL	5 016	-	-	5 016	5 016	-	0%	5 342	5 341

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation / private enterprise	2022/23								2021/22	
	GRANT ALLOCATION				EXPENDITURE					
	Adjusted Budget	Roll overs	Adjust- ments	Total Available	Actual transfer	% of Available funds transferred	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	241 855			241 855	241 855	100,0%		241 855	245 571	245 571
Ithala Limited	131 910	-	-	131 910	131 910	100,0%	-	131 910	138 382	138 382
Richards Bay IDZ	109 945	-	-	109 945	109 945	100,0%	-	109 945	107 189	107 189
Total	241 855	-	-	241 855	241 855	100,0%	-	241 855	245 571	245 571
Private Enterprises										
Transfers	8 301		(1 038)	7 263	6 827	94,0%	-	6 827	5 000	5 000
KZN Music Cluster (KUMISA)	4 500	-	-	4 500	4 500	100,0%	-	4 500	4 000	4 000
Tembe Marula Development Trust			-	-	-	-	-		1 000	1 000
Tour Operators	1 000	-	(1 000)	-	-	-	-	-	-	-
Waste Economy Support	2 801	-	(38)	2 763	2 327	84,2%	-	2 327	-	-

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Programme										-
Subsidies	200	-	-	200	200	100,0%	-	200	50	50
Demazane Enterprise	-	-	-	-	-	-	-	-	50	50
Get2Natural	200	-	-	200	200	100%	-	200	-	-
Sub - total: Private enterprises	8 501	-	(1 038)	7 463	7 208	94,2%	-	7 027	5 050	5 050
TOTAL	250 356	-	(1 038)	249 318	248 882	99,8%		248 882	250 621	250 621

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
	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
Transfers								
Moses Kotane Institute	55 108	-	1 500	56 608	56 608	100%	56 125	56 125
KZN Film Commison	85 705	-	-	85 705	85 705	100%	84 082	84 082
KZN Growth Fund Trust	69 115	-	-	69 115	69 115	100%	292 437	285 782
KZN Clothing Textile	-	-	-	-	-	-	2 000	2 000
Durban Chemicals Man Cluster	-	-	-	-	-	-	1 000	1 000
Durban Automotive Cluster	-	-	-	-	-	-	1 000	1 000
Downstream Aluminium Centre of Tech.	-	-	-	-	-	-	1 000	1 000
SAAMBR	8 366	-	-	8 366	8 366	100%	7 968	7 968
WESSA	25	-	-	25	-	-	500	-
SA Farmers Development Association	4 000	-	-	4 000	4 000	100%	7 550	7 550
Tour Operators	-	-	1 000	1 000	999	100%	-	-
Waste Economy Support Programme	-	-	38	38	38	100%	-	-
TOTAL	222 319		2 538	224 857	224 831	100%	453 662	446 507

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustment s	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
Transfers								
H/H EMPL S/BEN:LEAVE GRATUITY	1 209	-	766	1 975	1 974	100%	2 146	2 146
H/H:BURSARIES(NON-EMPLOYEE	1 765	-	-	1 765	1 389	79%	1 535	1 535
H/H EMPL S/BEN:INJURY ON DUTY	-	-	-	-	-	-	47	47
H/H:CLAIMS AGAINST STATE CASH	64	-	44	108	108	100%	-	-
H/H EMPL S/BEN:SEVERANCE PACKAGE	1 084	-	-	1 084	1 084	100%	-	-
TOTAL	4 122	-	810	4 932	4 555	92%	3 728	3 728

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in kind			
Civil Aviation SA	Leather Trolley Bag	4	
SITA	Kooshty Hot & Kold Mug Set	1	
TOTAL		5	

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	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
Malherbe vs MEC for EDTEA	85	-	85	-	-
INET BFA (Pty) Ltd vs EDTEA	18	-	-	-	18
Jali Bird (Pty) Ltd vs MEC for EDTEA	3 000	-	-	-	3 000
Nandz Construction and Projects	2 000	-	2 000	-	-
AKNN Liquor Stores (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 Environment Affairs	-	2 000	-	-	2 000
BR Wilkinson vs EDTEA	-	336	-	-	336
TOTAL	9 499	6 796	2 085	-	14 210

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 3

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
KZN Sports and Recreation	-	-	369	391	369	391		
KZN Department of Health	-	-	16	-	16	-		
KZN COGTA	-	-	580	-	580	-		
Subtotal	-	-	965	391	965	391		
Other Government Entities								
Ezemvelo Wildlife	-	-	877	-	877	-		
Subtotal	-	-	877	-	877	-		
TOTAL	-	-	1 842	391	1 842	391		

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 4
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
							Payment date up to six (6) working days after year end	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
KZN Public Works	3 561	6 995	588	1 203	4 149	8 198		
KZN Human Settlement	-	459	-	-	-	459		
TOTAL	3 561	7 454	588	1 203	4 149	8 657		

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 5A

INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
KZN Provincial Treasury	-	-	-	4 115	-	4 115
TOTAL	-	-	-	4 115	-	4 115

ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS KZN

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 5B

INTERENTITY ADVANCES RECEIVED (Note 20 AND Note 21)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Treasury (Seco Funds)	-	-	-	3 900	-	3 900
Subtotal	-	-	-	3 900	-	3 900
Non-current						
National Treasury (Seco Funds)	-	-	3 930	30	3 930	30
Subtotal	-	-	3 930	30	3 930	30
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	268	268

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

Marseta				4 538		4 538
Subtotal	-	-	268	4 806	268	4 806
TOTAL	-	-	4 458	8 996	4 458	8 996
Current	-	-	268	8 706	268	8 706
Non Current	-	-	4 190	290	4 190	290

ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS KZN

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 6

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	-	21	21		42	811
<i>List all applicable SCOA level 4 items</i>						
Cons Supplies	-	21	21	-	42	654
Property Payments	-	-	-	-	-	139
Minor Assets	-	-	-	-	-	18
TOTAL COVID 19 RESPONSE EXPENDITURE	-	21	21	-	42	811



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
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REPUBLIC OF SOUTH AFRICA

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