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Department:
Economic Development, Environment and Tourism
MPUMALANGA PROVINCIAL GOVERNMENT

Annual Report **2011/2012**



SUBMISSION OF THE ANNUAL REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTING AUTHORITY





SUBMITTING THE ANNUAL REPORT TO THE MEC

ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

Annual Report 2011/12



Mr MN Mokoena

MEC of Economic Development, Environment and Tourism

In terms of section 40 of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), as the Accounting Officer, I am required to prepare and submit an annual report on the work of the Department (Vote 6) for each financial year ended. This annual report therefore seeks to give progress made in implementing our strategic plan and annual performance plan for the 2011-2012 financial year.

I have the honour of submitting the Annual Report of the Department of Economic Development, Environment and Tourism for the period 1 April 2011 to 31 March 2012.



Dr. V. DLAMINI
Accounting Officer

Department of Economic Development, Environment and Tourism

31 August 2012



CONTENTS

1. GENERAL INFORMATION

| | |
|-------------------------------|----|
| Vision, Mission and Values | 9 |
| Organisational Structure | 10 |
| Legislative Mandate | 11 |
| Entities Reporting to the MEC | 12 |
| MEC's Statement | 13 |
| Accounting Officer's Overview | 15 |

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance 19

| | |
|--|----|
| 2.1.1 Voted Funds | 19 |
| 2.1.2 Aim of vote | 19 |
| 2.1.3 Strategic Outcome Oriented Goals | 19 |
| 2.1.4 Overview of the service delivery environment for 2011/12 | 20 |
| 2.1.5 Overview of the organisational environment for 2011/12 | 22 |
| 2.1.6 Key policy developments and legislative changes | 22 |
| 2.1.7 Departmental revenue, expenditure, and other specific topics | 22 |
| 2.1.8 Departmental expenditure | 22 |
| 2.1.9 Transfer payments (if applicable) | 23 |
| 2.1.10 Public Entities | 23 |
| 2.1.11 Conditional grants and earmarked funds | 26 |
| 2.1.12 Capital investment, maintenance and asset management plan | 26 |

2.2 Programme Performance 28

| | |
|---|----|
| Programme 1: Administration | 29 |
| Programme 2: Integrated Economic Development Services | 37 |
| Programme 3: Trade and Sector Development | 43 |



| | |
|--|------------|
| Programme 4: Business Regulation and Governance | 54 |
| Programme 5: Economic Planning | 56 |
| Programme 6: Environmental Services | 59 |
| 3. REPORT OF THE AUDIT COMMITTEE | 72 |
| 4. ANNUAL FINANCIAL STATEMENTS | |
| Report of the Accounting Officer(s) | 75 |
| Report of the Auditor-General | 85 |
| Appropriation Statement | 90 |
| Notes to the Appropriation Statement | 98 |
| Statement of Financial Performance | 100 |
| Statement of Financial Position | 101 |
| Statement of changes in Net Assets | 102 |
| Cash Flow Statement | 103 |
| Statement of Accounting Policies and Related Matters | 104 |
| Notes to the Annual Financial Statements (including Accounting Policies) | 113 |
| Disclosure notes to the Annual Financial Statements | 121 |
| Annexures (Unaudited supplementary schedules) | 131 |
| 5. HUMAN RESOURCE MANAGEMENT | 143 |
| 6. OTHER INFORMATION | |
| Abbreviations and Acronyms | 174 |



GENERAL INFORMATION







1. GENERAL INFORMATION

Vision, Mission and Values

Vision

An inclusive, globally competitive economy.

Mission

Drive economic growth that creates decent employment and promote sustainable development through partnerships.

Values

The Department is guided by the following core values:

Integrity: Officials must adhere to a strict moral and ethical code of conduct in the execution of their duties and responsibilities.

Fairness: Officials must conform to the rules and standards set out by the Department. All decisions should be made free of bias and must always be considerate and just.

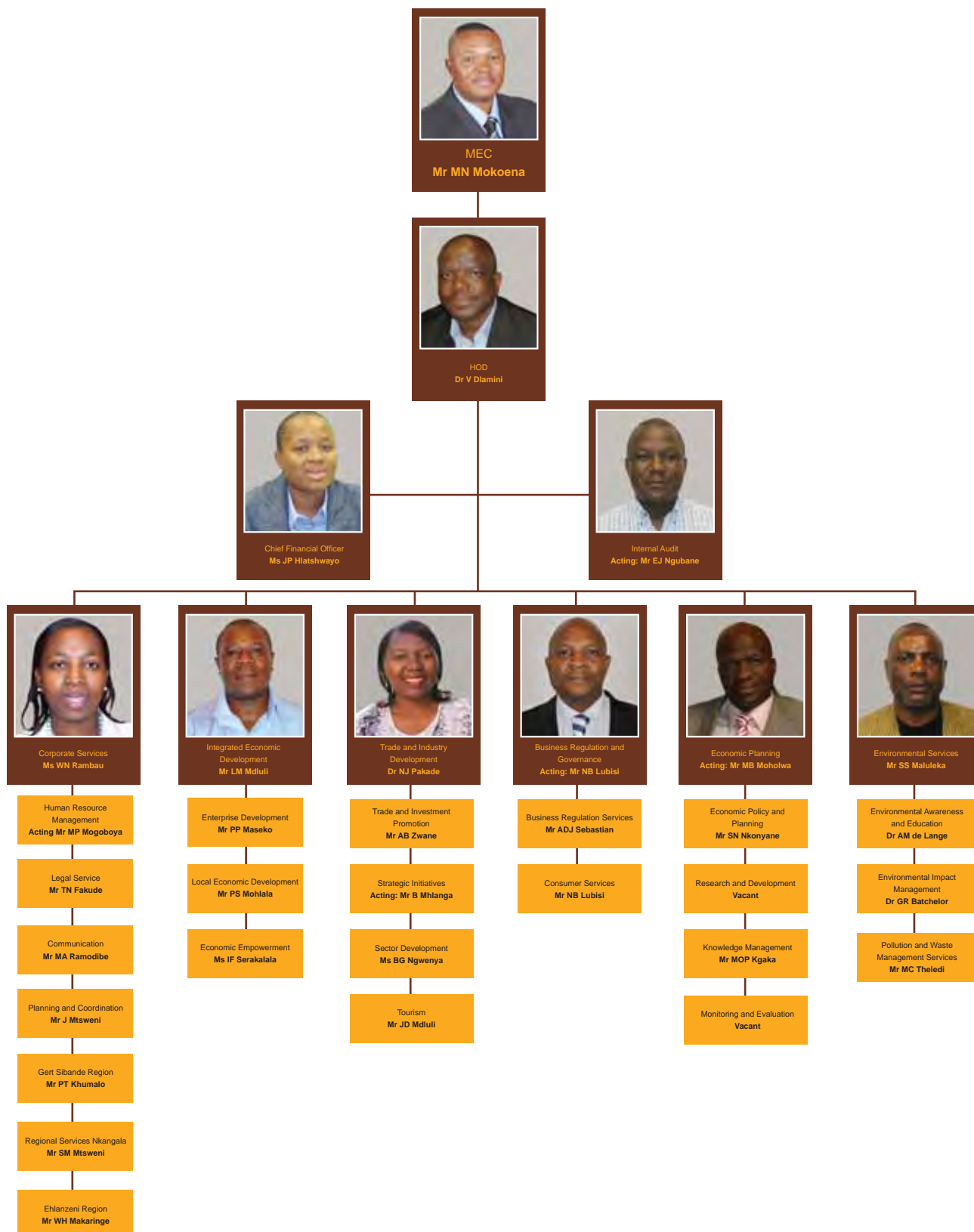
Accountability: Officials should, at all times, be responsible for the performance and results of their agreed upon duties and responsibilities. This refers to the pyramid responsibility that begins with the individuals and builds up to top management.

Transparency: Officials will recognise the right of access to information excluding information that is specifically protected by law.

Professionalism: Officials will behave and execute their duties in a manner that enhances the reputation of the Department, adhering to the highest ethical standards.

Organisational Structure

The department consists of the following programmes and sub-programmes





Legislative Mandate

To drive all economic and tourism development, environmental management as well as planning initiatives in the province.

Constitutional Mandates

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- Public Financial Management Act No. 1 of 1999.
- Mpumalanga Gambling Act no.5 of 1999.
- Liquor Act No. 27 of 1989.
- National Gambling Act 59 of 2003.
- Mpumalanga Consumer Act No.6 of 1998.
- Mpumalanga Liquor Licensing Act 5 of 2007.
- Mpumalanga Trading Hours Act No.5 of 1996.
- Mpumalanga Business Act No.2 of 1996
- National Small Business Enabling Act 102 of 1996
- Broad- based Black Empowerment Act 53 of 2003
- Public Service Act of 1994 as amended by Act 30 of 2007
- National Credit Act No. 34 of 2005.
- Basic Condition of Employment Act 75 of 1997
- Labour Relations Act No. 66 of 1995

Environment and Conservation Related Mandates:

- National Environmental Management Act, Act 107 of 1998 (as amended)
- The Environmental Impact Assessment Regulations 543, 544, 545, 546 and 547 in terms of the National Environmental Management Act, 1998, as amended.
- National Environmental Management: Protected Areas Act 57 of 2003.
- National Environmental Management: Biodiversity Act 10 of 2004.
- National Environmental Management: Air Quality Act, 39 of 2004.
- National Environmental Management: Waste Act, 59 of 2008.
- Environmental Implementation Plan (EIP), 2009



Entities Reporting to the MEC

The following entities report to the MEC of Economic Development, Environment and Tourism

| Name of entity | Legislation | Nature of Business |
|--|--|--|
| Mpumalanga Tourism and Parks Agency (MTPA) | Mpumalanga Parks Agency Act of (2005) | <ul style="list-style-type: none"> To provide for the sustainable management and promotion of tourism and nature conservation in the province and to ensure the sustainable utilisation of natural resources. Broaden the participation of historically disadvantaged individuals (HDI's) in the tourism industry. |
| Mpumalanga Economic Growth Agency (MEGA) | Mpumalanga Economic Growth Agency Act (Act No.1 of 2010) | <ul style="list-style-type: none"> Promote trade and investment in Mpumalanga. To provide funding in respect of approved enterprise and agricultural development focusing primarily on the previously disadvantaged individuals in Mpumalanga. To develop property including the granting of housing loans in Mpumalanga. To deliver massive infrastructure in Mpumalanga. |
| Mpumalanga Gambling Board (MGB) | Mpumalanga Gambling Act (Act 5 of 1995) | <p>To perform functions in terms of Mpumalanga Gambling Act, including:</p> <ul style="list-style-type: none"> To ensure that the regulation of gambling is effective and efficient. To render support and advice to the responsible member on gambling issues and ensure that Government's policy on gambling is implemented. |

MEC's Statement



First and foremost, let me thank all the role-players in the provincial economic space for their commitment and efforts towards the national agenda of job-creation, poverty eradication and in dealing with challenges of inequality. Their contribution in pursuance of these strategic priorities is not unnoticed.

This annual report provides a comprehensive account of performance against the five-year strategic plan, 2011/12 Annual Performance Plan (APP) and the budget approved by the Provincial Legislature.

The APP of the Department for the year under review takes into account the five-year Medium Term Strategic Framework, Outcomes 4 and 10, and the 2011 State of the Nation and State of the Province addresses.

In his State of the Province address in the Legislature on 25 February 2011, Premier Mabuza said that the province had initiated a process to develop a Provincial Growth Path, in line with the National Growth Path. He indicated that central to the

proposed Mpumalanga Economic Growth and Development Path, is “economic growth that focuses on job creation and the reduction of poverty and inequality.”

In line with the Premier's commitment, we have, focused on finalising the Mpumalanga Economic Growth and Development Path (the MEGDP) during the financial year under review, in consultation with various stakeholders across the province. We met with organised labour and organised business, amongst others, to promote our views on the strategy (the MEGDP). These stakeholders have bought into the strategy, and made commitments to assist us in our quest to create the much-needed jobs in order to address unemployment, poverty and inequality. We are currently finalising the implementation plan for the MEGDP to guide us in realising the targets we have set.

We continued to provide integrated economic development services to our SMME's and co-operatives, by registering a total of 117 co-operatives. Through our public entity *MEGA*, we funded 75 businesses, including 17 Comprehensive Rural Development Programme (CRDP) projects, to the tune of R46,9 million and funded 18 home loans to the value of R7,2 million. *MEGA* has also facilitated export trade to the value of R6,5 million and new direct investment to the value of R195 million.

We continued to play a critical role in growing tourism in the SADC Region, by collaborating with our tourism counterparts in Mozambique and Swaziland, and launching the TRILAND regional tourism destination brand strategy. The development of this strategy-cum-brand is the culmination of the joint regional destination marketing commitments made in the Memorandum of Understanding signed between the three agencies on 24 October 2009 in Swaziland. Through this brand, we intend to (i) develop and position Mpumalanga, Swaziland and Mozambique as a world-class regional tourism destination, (ii) contribute to the integration of the region, (iii) contribute to employment creation, (iv) develop sustainable tourism, (v) participate in the conservation and protection of biodiversity, and (vi) preserve cultural values, heritage and national pride.

In responding to the ongoing onslaught on our endangered rhino species, we have implemented strategies such as de-horning, and the DNA profiling of our rhino population in provincial reserves, both of which have become useful deterrents.

With regard to business regulation and governance, we continued to ensure compliance with the applicable liquor licencing laws, collected gambling levies to the tune of R60 million, continued to protect consumers from unscrupulous business practices, and recovered over R6,3 million on behalf of consumers.

As a build-up to the United Nations' 17th Conference of the Parties (COP17) held in Durban in November 2011, we hosted the provincial Climate Change Summit in October 2011, where significant views and inputs were raised by civil society, business and government. All these inputs were consolidated into a submission for the province's contribution to South Africa's position paper at the climate change talks. We have also compiled a discussion document on Climate Change Response, which includes the mainstreaming of the green economy in the province through renewable energy and integrated waste management initiatives. In collaboration with the Department of Environmental Affairs, municipalities, industry and community members, we have also compiled the Air Quality Management Plan for the Highveld Air Pollution Priority Area, has been implemented.

In terms of our mandate on environmental sustainability, we continued to review and authorise applications of listed activities in terms of regulations under the National Environmental Management Act, 1998 (NEMA) and also commented on 13 applications for mine prospecting and licencing. We have also processed 14 applications for atmospheric emission licences and issued six waste management licences.

In terms of governance structures, we have ensured that our 3 public entities operate efficiently by appointing and filling vacancies on their Boards of Directors.

This annual report is therefore intended to provide a progress overview to the Honourable Members of the Mpumalanga Provincial Legislature, particularly to the chairperson and members of the Portfolio Committee on Agriculture, Rural Development and Land Administration; Economic Development, Environment and Tourism, on the work performed by our Department (Vote 6) during the financial year under review. This is in terms of the approved Departmental Strategic Plan and Annual Performance Plan, as mandated by chapter 7(65) of the Public Finance Management Act, 1999 (PFMA) .

As the Executing Authority of the Department, it is therefore my pleasure to submit this Annual Report on the work of the Department of Economic Development, Environment and Tourism for the financial year ended 31 March 2012, in terms of section 65(1)(a) of the PFMA, to the Speaker of the Mpumalanga Provincial Legislature, Honourable Member S.W Lubisi.



M.N. MOKOENA (MPL)

Executing Authority

Department of Economic Development, Environment and Tourism

Accounting Officer's Overview



In shaping the provincial economic path for sustainable development, the Department made significant stride towards set goals and targets. Despite resource constraints, we managed to implement our programme of action.

Through the leadership of MEC Norman Mokoena, we managed to develop and align the Mpumalanga Economic Growth Development Path (the MEGDP) with the National Growth Path, and our plan has since been adopted by the Executive Council Lekgotla. In collaboration with the Mpumalanga Regional Training Trust, we managed to provide training to Co-operatives in the seven (7) CRDP areas/municipalities. As a result, a total of 49 Co-operatives were established in various sectors, but mainly in construction. Complimentary economic interventions were developed for the CRDP projects with the expectations that the Co-operatives would contract with the mines for the provision of goods and services.

In our quest to develop small businesses, we provided business development services to 639 SMMEs and 62 Co-operatives in collaboration with SEDA. We also provided support to 20 crafters and 10 manufacturers to exhibit their products in various forums and to expose them to outside markets. In order to ensure that mining houses honour their social labour plans commitments, and that their plans are informed by the IDPs of municipalities, we engaged seven (7) mining houses in this regard.

Through our agency, MEGA, we facilitated investment projects to the value of R346 million above the R3 million annual target. We are also proud that our destination marketing efforts being carried out by the MTPA, continue to be fruitful. As a result, our province is now ranked the second most visited destination by international tourists – up from position four (4). Whilst this is commendable, we acknowledge that much still need to be done in terms of domestic tourist arrivals.

In our efforts to protect consumers from unscrupulous business practices, we managed to resolve 1974 cases filed by consumers, and in turn recouped R6.3 million on behalf of consumers through the effectiveness of the Mpumalanga Consumer Court. Furthermore, we continue to be committed to address the social ills associated with liquor, hence we implemented strict applicable liquor legislation and regulations which saw 86 non-compliant licence requests being refused.

Our efforts to ensure environmental sustainability were done in terms of the applicable laws and prescripts. We continued to provide environmental regulatory conversation and empowerment services such as evaluating environment impact assessments applications and mine prospecting applications, amongst others. This was in support of industries and development initiatives aimed at balancing the economic development and sustainable environment in our province.

Our work was further made easier by the three (3) public entities reporting to the Department, namely, MEGA, MTPA and MGB, and required support, guidance and monitoring, to ensure that collectively, we are able to fulfil our strategic objectives and targets set. Our Department is therefore required to take specific responsibilities in as far as legislation is concerned, which relates to policy directives and corporate governance matters. For the

period under review, the said entities have performed in line with the share-holders compact, and the details of their achievements could be found in their respective annual reports.

We collectively – staff in the Department and the three (3) public entities, owe our ability to continue to implement our mandate to the MEC, Mr Norman Mokoena, for his leadership.

It is worth noting that our collaborative work with our strategic partners, including national agencies operating in the Province, contributed significantly to our successes. We will continue to address key areas of finalising the organisational structure of the Department, and provide the necessary capacity in pursuit to improved organisational performance and service delivery. We however believe that additional funding would assist us to perform even better.



Dr V. DLAMINI
Accounting Officer

Department of Economic Development, Environment and Tourism

31 August 2012

INFORMATION ON PRE-DETERMINED OBJECTIVES





2. INFORMATION ON PRE-DETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

| Main Appropriation | Adjusted Appropriation | Actual Amount Spent | (Over)/Under Expenditure |
|--------------------|---|---------------------|--------------------------|
| R'000 | R'000 | R'000 | R'000 |
| 647,741 | 710,462 | 701,917 | 8,545 |
| Responsible MEC | Mr. MN Mokoena | | |
| Administering Dept | Department of Economic Development, Environment and Tourism | | |
| Accounting Officer | Head of Department: Dr. V Dlamini | | |

2.1.2 Aim of vote

The aim of the vote is to facilitate, implement and coordinate integrated planning and sustainable economic development through partnership in the province

2.1.3 Strategic outcome oriented goals

In our quest for job creation and to fight poverty and inequality, the Department made significant strides towards improving the quality of life of the province's citizens, despite adverse economic conditions and resource constraints. We have ensured that planning processes, internally as well as in our agencies, are congruent with Government's recently adopted outcomes-based planning approach. We have so far focused our organisations and projects to create an environment conducive to massive job creation, in line with Government's call to create decent work for all citizens of the province. Furthermore, the revised mandate of the Department saw the seamless integration and execution of Environmental Management Services to ensure sustainability of the province's natural resources.

During the reporting period, the newly adopted Mpumalanga Economic Growth and Development Path (MEGDP) provided the necessary framework to guide job creation initiatives in key sectors of the province. The MEGDP is focused on achieving, simultaneously, high and sustainable economic growth rates and equity. In the process, sterling work was done to address the cross-cutting administrative and regulatory environmental challenges, including integrated pollution control, and integrated environmental management and governance. In so doing, we focused on the following strategic environmental issues of concern for the province, i.e. ambient air quality, biodiversity and natural resource use, management and disposal of waste, land use management, and water resource management and protection. Noteworthy was the potential of the province's mineral processing activities to cause major and long-term environmental degradation, hence the development of plans to mitigate this, in collaboration with the National Department of Mineral Resources.

Certain tasks were outsourced so as to expedite service delivery. In order to determine the extent of the Department's contribution to and impact on development outcomes, we conducted on-going monitoring and periodic evaluation of economic development and environment programmes and projects, as provided for in the strategic, annual performance and annual implementation plans.

2.1.4 Overview of the service delivery environment for 2011/12

Some of the Department's planned outputs were successfully implemented during the reporting period, in line with the approved APP and implementation plan. The achievements recorded further contributed to Government's 12 outcomes announced by the Department of Performance Monitoring and Evaluation. Particular reference is made to Outcome 4: Decent employment through inclusive economic growth; and Outcome 10: Protect and enhance our environmental assets and natural resources. Amongst these were the implementation, coordination, monitoring and evaluation of 20 CRDP projects, providing support to 639 SMMEs and 62 co-operatives through business development services; and developing local economic development turnaround strategies for municipalities in line with the MEGDP.

Dependency on external strategic partners has, however, impeded effective attainment of certain set targets such as providing advice to, and developing and assisting SMME's in the manufacturing and agricultural sectors to access DTI funding and incentive packages. Successes were also recorded on programmes for the economic emancipation of *HDI's* whereby 20 local companies were awarded contracts as part of the Kusile initiative. In an attempt to create market access for entrepreneurs, we assisted 20 crafters to market their products through the South African Handmade Collection and other local craft exhibitions.

A contractor was appointed for the construction of the water bottling plant as well as conducting training for 23 beneficiaries, and developing a marketing strategy for the plant. Machinery was procured for identified and registered co-operative beneficiaries of the *IPAP* sector initiatives, particularly plants for paint-making, chemical and detergent production, special-type charcoal production and filter bags. Training was also provided for beneficiaries in certain municipalities. The Bushbuckridge agro-processing hub (poultry) was operationalised and a feasibility study has commenced on fruit and vegetables aspects of the hub. In line with the Mpumalanga Tooling Initiative, 20 artisans received training resulting in 20 jobs created. Moreover, three information and awareness workshops were conducted on Tourism BBBEE with the aim of promoting representivity and inclusiveness in the tourism sector.

The Department managed to resolve 1 974 of the 2 085 consumer cases received and investigated. We also conducted 69 consumer awareness workshops, participated in 96 radio phone-in talkshows and 39 road shows, in addition to the 332 liquor inspections and 31 business regulation awareness and education programmes conducted. The *MEGDP*, which seeks to direct economic development and job creation activities in key sectors of the province, was endorsed by the Provincial Executive Council. In addition, a draft programme of action was developed to guide implementation of the MEGDP. In this respect, we managed to continually monitor and evaluate the impact of the Department's programmes, resulting in three monitoring reports and three evaluation reports being produced.

In pursuit of environmental sustainability, 153 EIA applications were authorised out of the 252 evaluated, whereas 14 atmospheric emission licencing (AEL) applications on AEL activities were processed. A Draft Climate Change Response Strategy discussion document is available and we successfully hosted a Provincial Annual Climate Change Summit. A total of 9 311 trees – beyond the 5 000 target – were planted. We managed to upgrade 5 of the 10 planned environmental education centres.

Finally, 23 environmental criminal investigations were conducted and seven finalised, in addition to the 64 environmental complaints resolved. Reports are available on the cumulative impact of mining on ecosystems functions and activities of the provincial Decade of Education for Sustainable Development programme.

In steering provincial economic growth activities and ensuring the preservation of the environment, the following key services are rendered by the Department:

- The development of small enterprises and co-operatives, empowerment of historically disadvantaged individuals, and facilitated the implementation of local economic development strategies and programmes;



- Facilitation and industry development of the provincial priority sectors;
- Implementation of consumer protection and awareness programmes and developing and implementing business regulatory policies and legislation;
- Management of provincial economic planning;
- Facilitating sustainable development through environmental planning and coordination, greener governance, environmental awareness and capacity building, integrated pollution and waste management, enforcing compliance with environmental legislation, and promoting biodiversity management.

Overall, administrative support to the above programmes is offered by the administration programme to ensure effective and efficient service delivery. This is inclusive of providing political guidance and strategic direction, financial management, internal auditing, risk management, and corporate services.

Certain projects could not be implemented, hence underperformance is reported on some planned targets in the same period. Due to budgetary constraints, the following projects were not implemented: the establishment of the SMME one-stop centres, the Entrepreneurship School of Excellence, IPAP sector initiatives, establishment of various plants (such as for the manufacture of school shoes, pallets, juice bottling, sugar milling, and food-processing). The much-needed feasibility studies were not conducted. Sector development programmes were also severely hampered by these constraints, as was the establishment of the long-awaited Mpumalanga Liquor Authority.

Dependence on external strategic partners also impeded the implementation of projects such as support to tourist guides to improve and maintain standards in the tourist guiding sector, as well as training of tourism staff in tourism centres and facilitating CRDP tourism skills development programmes. The planned food technology centre, for instance, could not be established appropriately due to process-delays in areas such as finalisation of land demarcation.

There has been significant demand for environmental education and awareness services as well as the tree-planting service due to an increase in community outreach activities.

Millennium Development Goals Achievement

The Department continued contributing to the attainment of the Millennium Development Goals in the reporting period, particularly Goals 1 and 7. On MDG 1, DEDET succeeded in promoting the participation of HDIs in the mainstream of the economy; facilitated support and development of business enterprises including SMMEs and Cooperatives; provided strategic economic development support to municipalities; ensured the development of competitive growth sectors having a high labour absorbency; and implemented consumer protection and awareness programmes in a bid to create an environment conducive to fair trade.

Furthermore, considerable strides were made to contribute to MDG 7, with an aim of ensuring environmental sustainability. In this regard, DEDET continued facilitating sustainable development through environmental planning and co-ordination, greener governance, environmental awareness and capacity building, integrated pollution and waste management, enforcing compliance to environmental legislation and promoting biodiversity management. More information on achievements on these goals is detailed in Programmes' performance.

2.1.5 Overview of the organizational environment for 2011/12

Organisational efficiencies were constrained by four key factors during the reporting period. Firstly, most of the programmes operated with acute staff shortages, especially Economic Policy and Environmental Services. Secondly, appointments were made for two sector specialists to reinforce our strategic skills base. In addition to HR capacity constraints, the Department also encountered strained budget allocations notwithstanding the cost curtailment measures so as to ameliorate the situation. Thirdly, the planned business re-engineering process of the Department was put on hold due to budgetary constraints. Lastly, the process of revising the departmental organogram took longer than anticipated, resulting in stalled recruitment and selection process for key personnel.

2.1.6 Key policy developments and legislative changes

- Mpumalanga Economic Growth and Development Path

2.1.7 Departmental revenue

Total revenue collected for the Department amounted to R65,537 million against a budget of R63,011million which represents an over-collection of 4%. Revenue generated from environmental centres during the year under review amounted to R1,267 million and is accounted for under Other Revenue.

| REVENUE | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2011/12 | % |
|---|---------------|---------------|---------------|---------------|---------------|-----------------------|
| | Actual | Actual | Actual | Target | Actual | Deviation from target |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % |
| Tax revenue | 40,686 | 44,570 | 50,584 | 55,695 | 60,143 | 107 |
| Non-tax revenue | 2,496 | 873 | 4,101 | 6,672 | 4,594 | 78 |
| Sale of capital assets | 144 | 79 | 58 | 96 | 246 | 257 |
| Financial transaction in assets and liabilities | 95 | 42 | 141 | 548 | 554 | 98 |
| TOTAL DEPARTMENTAL RECEIPTS | 43,421 | 45,564 | 54,884 | 63,011 | 65,537 | 4 |

2.1.8 Departmental expenditure

A total budget of R647 741 million was appropriated for Vote 6 in the 2011/12 financial year. During the adjustment budget the Department received an additional allocation of R62 721 million which increased the baseline to R710 462 million. This adjustment comprised an additional R15 million to the Department for contractual obligations, and an additional sum of R47 721 million to MTPA in order to alleviate budget pressures within the entity.

Total expenditure for the Department amounted to R701 917 million, representing a savings of 1%. During the year under review, the Department implemented prudent financial control measures to ensure that there was no over-spending and that limited resources are utilised effectively and efficiently. The Department will ensure that (for the 2012/13 financial year) no new operational leases are entered into due to the current financial position.

| PER PROGRAMME | MAIN BUDGET | ADJUSTED BUDGET | EXPENDITURE | AVAILABLE | % SPEND |
|--------------------------------|----------------|-----------------|----------------|--------------|-----------|
| | R'000 | R'000 | R'000 | R'000 | % |
| Administration | 92,034 | 107,034 | 104,706 | 2,328 | 98 |
| Integrated Econ. Development | 167,539 | 168,219 | 167,921 | 298 | 100 |
| Trade and Industry Development | 251,495 | 298,536 | 296,447 | 2,089 | 99 |
| Business Regulations | 60,224 | 58,694 | 57,899 | 795 | 99 |
| Economic Planning | 10,553 | 9,178 | 7,765 | 1,413 | 85 |
| Environmental Development | 65,896 | 68,801 | 67,179 | 1,622 | 98 |
| TOTAL | 647,741 | 710,462 | 701,917 | 8,545 | 99 |

The table below shows how the Department has performed (per economic classification)

| PER ECONOMIC CLASSIFICATION | MAIN BUDGET | ADJUSTED BUDGET | EXPENDITURE | AVAILABLE | % SPEND |
|-----------------------------|----------------|-----------------|----------------|--------------|-----------|
| | R'000 | R'000 | R'000 | R'000 | % |
| Compensation of employees | 157,345 | 157,494 | 149,790 | 7,704 | 95 |
| Goods and services | 65,373 | 80,644 | 81,256 | (612) | 100 |
| Transfers | 414,285 | 461,586 | 461,860 | (274) | 100 |
| Capital Assets | 10,738 | 10,738 | 9,011 | 1,727 | 84 |
| TOTAL | 647,741 | 710,462 | 701,917 | 8,545 | 99 |

2.1.9 Transfer payments

| Name of Public Entity | 2011/12 | 2010/11 |
|--|----------------|----------------|
| | R'000 | R'000 |
| Mpumalanga Economic Growth Agency (MEGA) | 143,728 | 143,265 |
| Mpumalanga Tourism and Parks Agency (MTPA) | 260,670 | 240,861 |
| Mpumalanga Gambling Board (MGB) | 39,908 | 38,960 |
| Zithabiseni Holiday Resort | 16,000 | 18,700 |
| Total | 460,306 | 441,786 |

2.1.10 Public Entities

MEGA's achievements

The year under review was dominated by the uncertainty of economic recovery, pockets of industries not recovering, and the on-going merger process of the *MADC*, *MEGA* and *MHFCO*.

MEGA has to implement a moratorium on issuing loans and maintenance of properties due to cash flow constraints resulting from the merger, as there was no dedicated budget for the merger process. The entity also had to fund projects from the Department of Economic Development, Environment and Tourism which were not planned.

There are two provincial priority projects in Mpumalanga: the Thaba Chweu Housing project in Ext 6 where 474 sites have full services, and ready for the construction of houses, and the Balfour Walk-up unit project. These projects are in different, advanced stages of planning and implementation. MEGA is positioned to facilitate funding for these projects and negotiations are taking place to combine public and private funding for implementation soon.

Eighteen (18) home loans valued at R7.2 million were provided during the year. A total number of 36 agricultural loans were issued to the value of R20.5 million. MEGA has issued 28 business loans worth R20.6 million and a total of 924 jobs have been created.

The cash flow constraints faced resulted in MEGA approving fewer loans for projects than anticipated, resulting in fewer job opportunities created.

Trade and Investment experienced an increase in the number and value (R324 million compared to its annual target of R300 million) of investment projects has facilitated during the period under review.

The achievements of *T&I* have contributed towards growing the provincial economy (GGP), that will eventually contribute towards growing the national economy in the form of the GDP. It has also contributed towards saving and creating employment (new jobs) that will contribute towards the national count of new jobs.

The activities further resulted in creating a whole new Green Economy sector for investment, where there is a clear comparative and competitive advantage.

Trade and Investment focused on good relationships with the international community, contributing to creating an awareness of Mpumalanga as an investment destination of choice with a diverse economy, and presenting a wide variety of investment opportunities. This is important as it strengthens the stream of foreign exchange that contributes to growing the economy.

MTPA's achievements

In order to achieve Outcome 4 (Decent employment through inclusive economic growth) the entity managed to achieve the following:

- Created 543 jobs through the *SRP* projects for the period 1 April 2011 to 31 March 2012. Jobs created were within the *SRP* projects at Songimvelo (238 jobs), Blyde River Canyon (53 jobs) and Zithabiseni resort (252 jobs);
- Maintained 273 jobs through the EPWP programme as follows: Biodiversity Conservation (112 jobs), Security (149 jobs) and Tourism (12 jobs);
- Facilitated training and placed 75 tourism ambassadors at hotels, lodges, guest houses and tour operators;
- Provided non-financial support services to 45 SMME's and potential SMME's;
- Participated as one of the major stakeholders in the Jobs Fund partnership Programme driven by SANBI.
- Mpumalanga moved from 3rd position to the 2nd position in terms of International arrivals during the third quarter. The report from SAT reflects that Mpumalanga received 353 390 International arrivals in the third quarter (July to September 2011). The tourists spent 1 172 528 bed nights and the total estimated revenue contribute to the Province was R1.3 billion. Details will be provided in the Annual Report of SA Tourism.

For Outcome 10 (Environment assets and natural resources protected and enhanced) the following were achieved:

- MTPA negotiated 2 stewardship agreements (Kudu Ranch and Buffelskloof) which will result in an increase of 6 338 hectares of land under conservation once these two areas are declared;



- Provided ecological and business advice to three land reform communal property associations (Mndawe, Manal Mgibe and Botshabelo);
- Developed a first draft of the Chrissiesmeer Integrated Biodiversity Conservation Plan;
- Developed a stewardship process manual on compact disc (CD), and facilitated Stewardship training with all grassland provinces and partners, including NGO's in Wakkerstroom;
- Developed an Integrated Biodiversity Conservation Framework for Blyde River Canyon and submitted to *DEA* a request for Global Environmental Facility (GEF) round 5 funding;
- Drafted an Invasive Alien Species Plan for 23 reserves and presented it to the Department of Environmental Affairs and Working for Water for medium-term support;
- Submitted *TOPS* species lists amendments;
- Drafted a plan for Game reductions/census;
- Conducted an implementation workshop for the Mpumalanga Biodiversity and Conservation Plan (MBCP);
- Invited *DEA* to visit MTPA reserves to determine areas of co-operation to ensure effective management of protected areas;
- Facilitated and participated in the Provincial Climate Change Summit and presented a paper on MTPA's Climate Change Response Strategy.

MGB's achievements

With regard to collection of gambling levies and taxes due to the provincial fiscus, the MGB has collected approximately R60 million during the year under review. Although this milestone is appreciated, the MGB continued to place a high premium on balancing the social costs and benefits of the gambling industry through public awareness campaigns on responsible gambling.

The penetration of social media within the communities we serve and the use of creative arts, especially industrial theatre (dramatised play), have given a new impetus to our responsible gambling awareness campaigns, as well as to the fight against illegal gambling.

We have in the past financial year, through the use of social media and industrial theatre, recorded the highest number of interactions with communities in public places, schools, shopping malls and other communal areas, educating our citizenry on responsible gambling and the social ills associated with gambling. Approximately 100 000 people were reached throughout the province. Furthermore, responsible gambling messages are from time to time placed in the media to conscientise the people of our province about the ills associated with irresponsible gambling.

The MGB has positioned itself to offer a regulatory environment that is likely to attract world-class operations in a tightly controlled and well regulated regime, but one that is flexible and sensitive to commercial and social realities. We are pleased that the MGB is regarded as being at the forefront of regulation of gambling countrywide.



2.1.11 Conditional grants and earmarked funds

None

2.1.12 Capital investment, maintenance and asset management plan

Capital investment

None

Asset management

Change over the 2011/2012 financial year

The budget for assets during financial years 2011 and 2012 changed in the following ways:

| 2011 financial year | 2012 financial year |
|-----------------------------|---------------------|
| R'000 | R'000 |
| Capital Assets 3,980 000.00 | 2, 000 000.00 |

Disposal during financial year 2011/12

A total of 55 items were disposed, amounting to R53 797.88.

Theft and Losses

Theft and losses during the 2011/12 financial year amounted to 99 items. Some of the cases concerned with these thefts and losses are still pending.

Measures to ensure asset register remained up to date.

- There are four quarterly asset verification in a year.
- The verification is informed by departmental policy.
- After each verification, the asset register is updated in order to meet all minimum asset requirements.
- Monthly reconciliation is done to also update the asset register.

Current state of departmental capital stock

All assets in the department are rated as follows:

| Good | Fair | Poor |
|------|------|------|
| 65% | 25% | 10% |

Maintenance

All our departmental office accommodation, which belongs to the Department of Public Works, Roads and Transport, is maintained by the custodian department. However the environmental centres listed below are maintained by the department:

Fixed Structure

| DETAILS | BUDGET | EXPENDITURE | AVAILABLE |
|--------------------|--------------|--------------|--------------|
| | R'000 | R'000 | R'000 |
| Head Office | 1,136 | 825 | 311 |
| Amsterdam | 2,500 | 1,674 | 826 |
| Delmas | 1,700 | 903 | 797 |
| Elukwatini | 563 | 1,580 | (1,017) |
| Graskop | 200 | 552 | (352) |
| Pilgrims Rest | 150 | 139 | 11 |
| Tonga | 200 | 193 | 7 |
| Mdala | 133 | 297 | 236 |
| KwaMhlanga | 50 | - | 50 |
| Barberton | 1,000 | 879 | 121 |
| Bushbuckridge | 500 | - | 500 |
| GRAND TOTAL | 8,532 | 7,042 | 1,490 |

The department's expenditure on fixed structures was under spend due to delays in the supply chain process (delay in appointing consultants) and service providers not submitting invoices on time.



2.2 PROGRAMME PERFORMANCE

The activities of the Department of Economic Development, Environment and Tourism are organised in the following six programmes:

- **Programme 1: Administration**
- **Programme 2: Integrated Economic Development Services**
- **Programme 3: Trade and Sector Development**
- **Programme 4: Governance and Business Regulation.**
- **Programme 5: Economic Planning**
- **Programme 6: Environmental Services**



PROGRAMME 1: ADMINISTRATION

Purpose: The purpose of Programme 1 is to provide effective, efficient and accountable administration.

Strategic Objectives

Programme 1 consists of the following Strategic Objectives:

- set policy and political directives in order to achieve provincial objectives;
- translate policies and priorities into strategies for effective service delivery;
- provide independent objective assurance services regarding the adequacy and effectiveness of governance, risk management and control processes;
- provide efficient and effective financial management;
- provide efficient and effective risk and fraud management;
- provide business management, coordination and planning services to the Department;
- provide integrated human resources;
- provide integrated communication services;
- provide efficient and effective legal support services to the Department;
- render comprehensive security services;
- implement integrated employee health and wellness programmes; and
- provide sustainable and accessible economic impact at the regional level.

Performance indicators and targets

The Department finalised the 2011/2012 Strategic Risk Assessment report, Bushbuckridge Project Risk Assessment report and ICT risk Assessment reports. Three risk management and two fraud prevention committee meetings were convened. The risk management and fraud prevention committee charter and annual risk management implementation plan for 2011/2012 were developed and approved. The risk appetite and tolerance levels were defined and approved. Two Fraud Awareness workshops were conducted in Mdala and Head Office.

By analyzing the media during the period under review, indications are that the Department, including its three public entities, received free publicity and/or coverage worth R2, 240 149 through 273 published articles – 141 of which were positive and which represent 52% of the coverage received. The remainder is shared between balanced (neither positive nor negative) and negative reporting/coverage.

Support was provided to the MEC by drafting 42 speeches; participated in 25 Executive Council outreach and departmental public participation programmes, and in ten government exhibitions; and provided support to 30 departmental events.

In order to ensure that security is managed in the Department, we vetted five employees: three from supply chain and two senior managers who all received security clearance certificates. Six security audits were conducted (IT audit by COMSEC; information security audit by SSA; physical security audit at the private residence of the MEC by SAPS; and Graskop and Amsterdam environmental centres). Two security awareness workshops were conducted: one for senior managers and the other for employees at Murray Street in Nelspruit. Fourteen strategic offices were swept (debugged) at the Head Office and 83 security inspections were conducted at 14 departmental sites.

In terms of our oversight of the three entities, significant progress was made in with respect to the following:

1. Mpumalanga Gambling Board:

The term of office of the previous Board expired on 31 March 2012 and the appointment of a new Board as contemplated in section 4 of the MGB Act, 1995, was finalised.

Notices inviting nominations as well as objections were duly published. No objections were received and the Executive Council duly concurred with the MEC's recommendations and the newly-appointed Board assumed office on 01 April 2012.

2. Mpumalanga Tourism and Parks Agency

Five Members of the Board appointed during October 2010, resigned prior to the expiry of their term of office in September 2014.

In order to fill the vacancies an invitation for nominations was published in accordance with section 7(2) read with section 10 of the MTPA Act, 2005.

The five vacancies were duly filled and the Board is presently constituted of 11 members with voting powers as prescribed by section 5(3) of the Act.

3. Mpumalanga Economic Growth Agency

In June 2011, the MEC terminated the Board membership of all members appointed during October 2010, in accordance with section 9 of the MEGA Act, 2010. An interim Board was appointed and following the expiry of its term of office in March 2012, a new Board was appointed in accordance with section 7(2) of the Act.

The new Board members will remain in office for the unexpired portion of their predecessor's term of office, which expires in September 2014.

| Sub-Programme: Office of the MEC | | | | |
|----------------------------------|---|-----------------------------------|------------------|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of MUNIMEC meetings held | ECC meetings were attended and MUNIMEC meetings were not coordinated. | Hold 4 MUNIMEC meetings | Not achieved | PCF and MUNIMEC's from other Sector Departments are targeting the same stakeholders |

Sub-Programme: Office of the HOD

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|------------------------------------|--|--------------------------------|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of performance reports submitted | 4 performance reports submitted | Submit 4 performance reports | Submitted 6 performance reports <ul style="list-style-type: none">Quarterly reportsMid-Term and Nine months report submitted | Exceeded target due to demand. |
| Number of annual reports submitted | 1 Annual report (2009/10) submitted | Submit 1 annual performance report | Submitted 1 Annual report (2010/11) | None |
| Number of Annual Performance Plans submitted | Final Annual Performance and Implementation Plan operational (annual reporting) produced | Submit 1 Annual Performance Plan | Submitted 1 APP (2012/13) | None |
| Number of operational plans submitted. | 1 APP submitted | Submit 1 operational plan | Submitted 1 APP (2012/13) | None |

Sub-Programme: Internal Audit

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|---|---|----------------------|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Internal Audit reports on progress made against the annual audit operational plan on the department's control, risk management and governance processes. | 9 Internal audit reports produced | 12 Internal Audit reports on progress made against the annual audit operational plan on the department's control, risk management and governance processes. | 12 internal audit reports produced against the annual audit operational plan on the department's control, risk management and governance processes. | None |

Sub-Programme: Financial Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|-----------------------------------|---|----------------------|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of financial reports submitted in compliance with relevant legislations | 12 monthly expenditure reports were submitted to Treasury | 12 In-Year-Monitoring reports | 12 In-Year-Monitoring reports were submitted to Treasury by the 15 th of every month | None |

Sub-Programme: Risk Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|---|--|--|---|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Risk Management and Fraud Prevention Committee produced | 4 Risk Management Reports produced | 4 Risk Management Committee Reports produced | 3 Risk Management Committee Reports produced | 75% of target was achieved The non- achievement of the 25% is due to budgetary constraints as the meeting is chaired by an independent party. |
| | 3 Fraud Prevention reports produced | 4 Fraud Prevention Committee Reports produced | 2 Fraud Prevention Committee Report produced. | 50% of target was achieved. The non-achievement of the 50% is due to budgetary constraints as the meeting is chaired by an independent party. |
| Number of Risk Management Reports on the Control risk assessment where progress against risk action plans is monitored. | 2 reports on risk action plans produced. | 4 control risk assessment report on progress against risk action plans | 3 control risk assessment report on progress against risk action plans produced | 75% of target was achieved. The non-achievement of the 25% is due to a shortage of personnel. |

Sub-Programme: Strategic Planning Services

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|---|---|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of plans developed | 3 Plans produced: • Final 2011-12 APP • Revised Strategic Plan • Project Plan produced | 2 Performance Plans and final Performance Plan produced | 2 Performance Plans and final Performance Plan produced | None |
| Number of reports produced | 19 reports produced and submitted to the office Premier, Legislature and Treasury. | 16 reports produced | 19 reports produced | Exceeded target due to demands of reports by stakeholders. |
| Number of Service Delivery Improvement Plan (SDIP) report produced | • 3 SDIP Quarterly reports generated for submission • Facilitated the provision of Departmental reports on Service Standards for the EIE Cluster | 4 reports produced on SDIP | 2 SDIP reports produced | The other two reports could not be produced due to change in strategic focus that led to the review and development of the new SDIP |

Sub-Programme: Human Resource Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|---|--|--|--|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of HR Plans reviewed and implemented | Draft HR plan developed | Implement HR Plan | HR Plan implemented | None |
| Business Process Re-engineering | None | Complete the Business Process Re-engineering | Not achieved. However, the advertisement, briefing sessions and short listing processes were done. | The process was not finalised due to budgetary constraints |

Sub-Programme: Communications

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|---|---|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Media information products drafted and distributed | Prepared and distributed 41 media statements/ advisories or alert per event | Prepared and distribute (1) one Media alert/ Advisory/Statement per event | Prepared and distributed 67 media alert statements/ advisories and five (5) opinion pieces | None |
| | Hosted 2 media briefing successfully | Arrange (4) four quarterly media Briefings | Not achieved. However information dissemination to stakeholders was achieved through the issuing of media statements as indicated above | None |
| | None | Produce 12 monthly media analysis reports | Produced 12 monthly media analysis reports. | None |
| | None | Foster good relations with the media by visiting 4 media houses | Visited 2 media houses to foster good relations | 50% of the target was not achieved due to budgetary constraints |
| | None | Implement one (1) media publicity/ Marketing campaign | Implemented 19 media publicity/ marketing campaigns, conducted 33 radio and four (4) television interviews | We exceeded the planned target due to sound relations with the media houses |



Sub-Programme: Communications

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|---|--|---|---|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of information products disseminated to all Stakeholders | Produced and distributed 12 issues of the internal bulletin | Produce and distribute 12 Monthly staff bulletins | Produced and distributed ten (10) Monthly staff bulletins | 20% of the targeted output was not achieved due to staff shortage |
| | Produced and distributed three (3) quarterly external newsletters. | Produce and distribute 4 quarterly external Newsletters | Produced and distributed five (5) external newsletters | Exceeded the planned target due to the prominence given to COP 17 marketing and CRDP Projects |
| | Updated the website 49 times | Update the Website 48 times | Updated the Website 51 times | Exceeded the planned target to respond to information demand |
| | Updated the intranet daily | Update the intranet 48 times | Updated the Intranet 144 times | Exceeded the planned target to respond to information demand |

Sub-Programme: Legal Services

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--------------------------------------|--|---|--|----------------------|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of agreements drafted/perused | <ul style="list-style-type: none"> MEGA Act, 2010 enacted Review of the Consumer Protection Bill in progress | Draft/peruse all agreements as and when requested | Drafted and perused 31 agreements as requested | None |

Sub-Programme: Security Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|-------------------------------------|--|-----------------------------------|-----------------------------|------------------------------------|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of security audits conducted | 4 awareness workshops conducted | 4 security audits conducted | 6 security audits conducted | Exceeded the planned target by 50% |

| Sub-Programme: Transversal Services | | | | |
|---|---|--|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Implementation of integrated Employee Health & Wellness Programme | <ul style="list-style-type: none"> 07 employee Health & Wellness Programmes implemented (334 employees reached) Supported 106 employees on personal and workplace problems and 04 bereaved families. | 8 integrated Employee Health and Wellness Programmes implemented and 40 employees assisted | 10 employee health & wellness programmes implemented reaching 344 employees, 94 employees assisted and 05 bereaved families. | Exceeded the planned target owing to better relations with GEMS and Department of Health |
| Mainstreaming and monitoring the implementation of special programmes | 04 quarterly compliance reports on special programs report compiled. | 4 monitoring reports compiled and 4 special programmes awareness campaigns conducted | 04 monitoring reports compiled and 09 awareness campaigns conducted. | Exceeded planned target as other programmes were not planned for but the Department was required to implement them in partnership with the Department of Trade and Industry (DTI) and the Mpumalanga Provincial Legislature at no cost to the Department. |

| Sub-Programme: Regional Services | | | | |
|---|--|---|---|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of CRDP Projects implemented, coordinated, monitored and evaluated | Regional offices operationalised. | 7 CRDP Projects coordinated, implemented, monitored and evaluated per region in the marginal Municipalities. | 20 CRDP projects were coordinated, implemented, monitored and evaluated. | 95% achieved and the 5 % not achieved due to budgetary constraints |
| Number of cooperative based employment projects established in each region. | None | 2 cooperative based employment projects established in each Region. | 5 Cooperatives based employment projects were established | Target exceed due to demand. |
| Number of Community Works Programme (CWP) supported per region. | | Support the establishment of 3 CWP programmes per region in partnership with private Sector partners creating at least 50 jobs per Region | Supported the establishment of 1 CWP and 100 beneficiaries were trained and received stipend. | Partnerships with private sector did not materialise. |



| Sub-Programme: Regional Services | | | | |
|---|--|---|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of CRDP Municipalities supported with their LED coordination linking them with the Growth Path | None | Facilitate the operation of all the non functional LED Forums in the seven Municipalities | Facilitated the operationalisation of non functional LED Forums in the 7 CRDP sites. | None |
| | | Facilitate the development of 7 LED strategies in the CRDP Municipalities linked to the Growth Path | Not achieved | Delays in the finalisation of the MEGDP |

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose:

The programme is responsible for the development of small enterprises and cooperatives, empowerment of historically disadvantaged individuals and facilitating the implementation of local economic development strategies and programmes in the province.

Strategic Objectives:

The programme consists of the following Strategic Objectives:

- To facilitate support and development of business enterprises
- To ensure the participation of *HDIs* in the mainstream of the economy
- To provide strategic economic development support to municipalities

Performance Indicators and Targets

The Department was hard at work in empowering SMME's and co-operatives. The Department has supported SMME's and Cooperatives in the manufacturing sectors and assisted Cooperatives to access funding and general business development services. The Department was active in the promotion of the Comprehensive Rural Development Projects in the 3 (three) districts of the province.

The Department facilitated the finalisation of the BBBEE Strategy for the province and assisted local contractors to access opportunities at the Eskom's Kusile project. The Department also facilitated BBBEE seminars in the 3 districts of the province. The Department supported municipalities in the province to finalise and align their integrated development plans to the PGDS. The Department also assisted municipalities in the province to formulate local investment incentives.

| Sub-Programme: Enterprise Development | | | | |
|---|--|--|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of existing and new SMME's and co-operatives supported through business development services. | 592 SMME's and co-operatives supported and developed through SEDA | 100 SMME's & 15 co-operatives supported through business development services. | 639 SMME's and 62 co-operatives were supported through business development by SEDA | Target exceeded in partnership with SEDA. |
| Number of Small & Medium Enterprises in priority sectors advised, developed & assisted to access funding and incentive packages of the DTI. | 896 SMMEs were advised on general business advice, CC's registration, annual returns submissions and training on hospitality industry. | 20 SMME's (5 per sector) advised, developed & assisted to access funding and incentive packages of the DTI | 13 Small & Medium Enterprises in manufacturing/ agricultural sector advised, developed & assisted to access funding and incentive packages of the DTI | 65% of the planned target was achieved. However 35% was not achieved due to dependence on DTI budget. |

Sub-Programme: Enterprise Development

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|---|--|--|--|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of SMME's One –Stop Shops established. | None | 4 SMME One-Stop Shop established | The SMME One-Stop Shop was not established. | Budgetary constraints. |
| Number of entrepreneurs developed through the entrepreneurship school of excellence and other training programmes | None | 1 Entrepreneurship School of Excellence established | Not achieved | The School of Excellence could not be established due to budgetary constraints. |
| | None | 4 comprehensive Business Training needs analyses conducted | 5 Comprehensive Business Training conducted by Nedbank, MRTT, Traction and SEDA | Exceed the target by 25 % due to partnership with MRTT and other service providers. |
| Mpumalanga Business launch pad competition held. | 4 Quarterly progress reports on the Mpumalanga Provincial Business Launch Pad competition produced (Annual report) | 1 Mpumalanga Provincial Business Launch Pad competition held | Not achieved, however nomination of participants were concluded. | Budgetary constraints |
| Number of sectoral co-operatives and co-operatives movements established to support CRDP projects | 15 primary co-operatives and 3 secondary co-operative were established | Establishment of 12 primary and 4 secondary co-operatives in identified growth sectors i.e. Agriculture and Manufacturing. | 117 Primary Manufacturing and Agriculture co-operatives established to support CRDP projects. The Province does not have strong secondary co-operative | Target exceed for the establishment of primary co-operatives even though the process for the secondary co-operative is slow. |
| | None | Establishments of Districts sectoral co-operatives movements to support CRDP projects | District sectoral co-operatives movements were partially achieved however the concept document for the sectors was formulated. | The District sectoral co-operative was partially implemented however budgetary constraints have only allowed for the concept document. |
| Number of feasibility Study on co-operatives bank conducted | None | Feasibility study on the co-operatives Bank conducted. | Not achieved | The feasibility study on co-operative Bank has not been implemented due to enabling legislation not finalised |

| Sub-Programme: Enterprise Development | | | | |
|--|---|--|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of academically accredited co-operatives established. | None | 50% of academically accredited co-operatives established in partnership with institution of Higher learning | Non achieved | Budgetary constraints. |
| Number of co-operatives Awareness Seminars conducted | 12 seminars on co-operatives awareness programmes held. in Thaba Chweu, Mkhondo, Emakhazeni, Lekwa Bushbuckridge, Dipaliseng, Albert Luthuli, Thembisile, JS Moroka, Pixley Kaseme, Nkomazi & Delmas Municipalities | 10 co-operatives Awareness Seminars for the municipalities and 4 for the Districts conducted to serves as a build up to the Provincial co-operative Summit | 2 co-operatives Awareness Seminar conducted at Emakhazeni and Mkhondo Local municipality. | 80 % of the target was not achieved due to budgetary constraints and the other municipalities could not be reached. |
| Number of Provincial events for SMME & co-operatives supported | None | 1 Provincial co-operative Summit organized | Not achieved, however municipal awareness workshops were conducted in some municipalities as part of the buildup of the Province Summit. | The Provincial Summit was not hosted due to budgetary constraints. |

| Sub-Programme: Economic Empowerment | | | | |
|---|--|---|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of policies and strategies finalised | None | Provincial Preferential Procurement policy and BBBEE strategy finalised and implementation facilitated. | Consultation on the draft BBBEE Strategy for finalisation was done, inputs were also sent on the draft Preferential Procurement Policy which is being finalised by Treasury. | The BBBEE Strategy was done, currently being reviewed and awaiting the finalisation of the revised BBBEE codes of good practice |



| Sub-Programme: Economic Empowerment | | | | |
|--|---|---|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of initiatives implemented | 2 initiatives supported: 177 Mpumalanga companies accessed various opportunities from Kusile project. | Kusile initiative implemented which involves : <ul style="list-style-type: none"> • Opportunities from Eskom, Murray and Roberts • Tender opportunities • Linkages between small contractors and big companies | The Kusile initiation was well implemented and 20 local companies were awarded contracts in the various areas of work of this initiative. | The Kusile initiation was well implemented and we exceeded our target, however the financial institution like MEGA, IDC, NEF, and NYDA have been very slow in providing the necessary financial support to SMME to implement their contracts. |
| Number of awareness and compliance information activities on BBBEE conducted | Analysis report on procurement spend by Provincial government has been developed. | Annual report on compliance of Provincial Departments, Municipalities and Agencies to BBBEE produced | Annual report on BBBEE spending by Provincial Departments is finalised. | The directorate still battle to get BBBEE spending reports from some departments and Municipalities. |
| | 5 BBBEE awareness workshops were hosted for increased compliance: | 4 BBBEE awareness seminars conducted in Bushbuckridge, Govan Mbeki, Dr J.S. Moroka and Msukaligwa Municipalities for increased compliance on BBBEE | 2 BBBEE Awareness Seminars were successfully hosted in Thulamahashe (Bushbuckridge Municipality) and eMbalenhle (Govan Mbeki Municipality). | The directorate has achieved 50% of its target in BBBEE Awareness Seminars however due to budgetary constraints the directorate could not implement the other seminars. |
| | None | Facilitate 10 local suppliers to participate in the Public sector infrastructure development programmes | No local supplier was linked with the public infrastructure project | Budget constraints resulted in the staff in the sub programme being unable to travel and facilitate the participation in the EPWP projects. |
| Number of agreements on BBBEE compliance target | The following 12 Corporations were engaged on BBBEE to increase compliance | Agreements on transformation targets for local people entered into with 5 corporations in the following sectors: Forestry, Agriculture and Manufacturing. | Three Agreements completed. (TSB, Columbus Steel and Highveld Steel) companies has already received the agreements for completion of the targets and signing thereafter. | Companies still need more time to properly set their targets before signing the Memorandum of Understanding |

Sub-Programme: Economic Empowerment

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|--|---|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Mining companies monitored for the implementation of social labour plans | None | Monitor the implementation of the social labour plans for all Mining Companies in the Province | 7 mines were engaged to monitor the implementation of their Social labour plans | Mines were engaged on social labour plans even though the were budgetary and human resource constraints. |

Sub-Programme: Regional and Local Economic Development

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|---|---|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of municipalities supported in the development of turnaround strategies in line with the Growth Path | 2 LED Strategies developed, 17 reviewed and supported. | Development of turnaround strategy in 4 municipalities: in line with the Growth Path | 2 turnaround strategies for Thaba Chweu and Emalahleni developed. | Successfully developed 2 turnaround strategies which forms 50% of the work. The other 2 were not developed due to human and budgetary constraint. |
| Number of Municipal IDP's aligned with departmental plans | 21 Municipal IDP plans aligned to departmental strategy and PGDS | 21 municipal IDP and Departmental plans to be aligned. | 21 municipal IDP plans aligned to departmental strategy | There has been an improvement in integration of plans of the department and the municipalities. 100% achievement of the target |
| Number of opportunities developed in for implementation of projects in rural municipalities for job creation in line with the Growth Path. | 2 projects under implementation (Hydroponics farming project in Lekwa and Sihlosile Farming Project in Pixley Ka Seme). 2 projects identified but not yet implemented (Job centre in Dr JS Moroka Injaka dam tourism opportunities in Bushbuckridge) | Development of opportunities for the benefit of Communities within 5 nodal points. Blyderiver cable car, Bushbuckridge Agro-processing hub, broadband infrastructure in Nkomazi, Theme park resort in Loskop dam and Monument and hospitality complex in Volksrust. | 3 community meetings held in Thaba Chweu, Nkomazi and Bushbuckridges municipalities to get buy-in for development of opportunities. Process for the implementation of Gustav Klieng Bell (Thaba Chweu), Mpumalanga Digital Hub (Nkomazi) and Agro-processing hub (Bushbuckridge) is in process. | More time was needed for consultation in the 3 municipal nodal points such that work could not commence in the other remaining nodes of Loskop dam and Volksrust. The work done compose of 40% of the target. |
| Number of investment incentive strategies facilitated to be in line with the Growth Path | 1 Concept document for the development of IIS in districts in place. | Development of 3 investment incentive strategies (IIS) in major municipalities of Steve Tshwete, Mbombela and Govan Mbeki | Draft IIS for Nkangala District and Mbombela municipality in place. | The work done compose of 50% of the target. There was a challenge of accessing the baseline information on incentives provided by the municipalities. |



| Sub-Programme: Regional and Local Economic Development | | | | |
|--|--|---|--|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| % Increase in Rand value in Corporate Social Investment (CSI) on LED in 7 municipalities | None | Increase the Corporate social investment (CSI) funding by companies in 7 Municipalities. | Project proposals from 3 municipalities collated to source funding in companies. | Funding not yet accessed from the companies. The other 4 municipalities did not submit project proposals. Only 25% of the target was reached |
| Number of investment support sourced to revitalise the identified industrial nodes | None | Facilitate the implementation of Development of 6 Industrial Nodes projects in the Municipalities linked to the Growth Path 1. Komatipoort, Mbombela Tekwane node, Emalahleni Logistics, Barberton, Mashishing & Tswelopele Junction development | No actuals as there was not enough capacity to initiate the process. | The target was not initiated due to human resource constraints. |

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose:

The programme is responsible for the facilitation and industry development of the priority sectors in the province.

Strategic Objectives:

The Programme consists of the following strategic objectives:

- ensure growth in exports and direct investment into the province;
- ensure implementation/development and packaging of high-impact initiatives in the province;
- ensure the development of competitive growth sectors; and
- create an enabling environment for sustainable tourism growth in the province.

Performance indicators and targets

- Forty-six (46) SMME's in craft and furniture manufacturing were assisted through training and exhibitions.
- A provincial investment strategy was developed.
- The Department coordinated an outbound trade and investment mission to Indonesia.

| Sub-Programme: Trade And Investment Promotion | | | | |
|---|--|--|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of feasibility studies conducted | None | Conduct a feasibility study on packaging of Dried Fruit project at Pixley ka Isaka Seme | Feasibility study on packaging of Dried Fruit project at Pixley ka Isaka Seme was conducted | None |
| | None | Conduct a feasibility study on vegetables packaging project at Pixley ka Isaka Seme and Albert Luthuli | Feasibility study on vegetables packaging project at Pixley ka Isaka Seme conducted. | None |
| | | | The feasibility study was not conducted at Albert Luthuli However; we drafted Terms of Reference for the development of a feasibility study for Albert Luthuli Municipality and established a task team to conduct the study internally. | Budgetary constraints to appoint a service provider to conduct the feasibility study. |



Sub-Programme: Trade And Investment Promotion

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|---|---|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of feasibility studies completed | None | Feasibility study for expansion of stainless steel production facility (Cookware and Electrical enclosures) | Consulted with MSI members on the feasibility study for expansion of stainless steel product facility (Cookware and Electrical Enclosures). | MSI pulled out hence the feasibility study was not conducted. |
| Number of furniture manufacturers assisted | 133 SMME were assisted in the implementation of the export related programmes through training and exhibitions. | 10 Furniture Manufacturers assisted. | Facilitated access to markets for 10 SMME furniture manufacturers through the Southern African International Trade Exhibition (SAITEX) at Gallagher Estate, Midrand | Target achieved |
| Investment strategy developed | Provincial Investment Strategy is in the process of being finalised. | Investment Strategy developed | Provincial investment strategy developed | None |

Sub-Programme: Strategic Initiatives

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|---|--|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of IPAP Sector initiatives identified for implementation/ Number of infrastructure projects supported | Revised infrastructure plan has been developed which favors the renovation of an existing building in the Lowveld Agricultural College. | FTC commissioned. | The Food Technology Centre has not yet been commissioned. However, DARDLA was engaged to finalise the approval of the identified site for the establishment of the FTC. Application for funding has been finalised and submitted to DBSA | Budgetary constraints and delay in the approval of the identified site. |
| | Middelburg Industrial Park has not been established yet and is still being facilitated. | Funding secured for the development of the identified site.(Middelburg Industrial Park) | Funding has not yet been secured for the development of identified site. | Budgetary constraints and lack of human resources. |
| | None | Feasibility study for Supplier Park in Mashishing and Ogies conducted | Feasibility study for Supplier Park in Mashishing and Ogies not conducted | Budgetary constraints |
| | The proposed site for the establishment of the Water Bottling plant has been surveyed and demarcated. Application for water use licence was done and approval was received. Department of Public Works has been engaged to discuss the construction of Water Bottling plant at Mkhondo Municipality. | Establish Water Bottling Plant in Gert Sibande Region (Mkhondo). 23 jobs created | Not achieved, however a contractor was appointed for the construction of the Water Bottling Plant, training of 23 beneficiaries conducted and a Marketing Strategy developed. | Budgetary constraints |



| Sub-Programme: Strategic Initiatives | | | | |
|--------------------------------------|--|---|--|-----------------------|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | |
| | | Target (2011/12) | Actual (2011/12) | Reasons for Variance |
| | | Commission feasibility study for the establishment of a sugar milling plant in Nkomazi. | Not achieved, however stakeholders were engaged and buy-in received for the commissioning of the feasibility study | Budgetary constraints |
| | None | A study on Nkomazi Agricultural Industrial park commissioned | Not achieved. | Budgetary constraints |
| | None | Establishment of the pallets manufacturing plant | Not achieved, however Beneficiaries in the form of co operatives for the pallets manufacturing plants have been identified in Mkhondo and Chief Albert Luthuli Municipalities. | Budgetary constraints |
| | None | Establishment of the juice bottling plant | Not achieved however the existing vacant building earmarked for the Agro processing hub has been identified | Budgetary constraints |
| | None | Establishment of a food processing plant | Not achieved | Budgetary constraints |

| Sub-Programme: Strategic Initiatives | | | | |
|--------------------------------------|--|--|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | |
| | | Target (2011/12) | Actual (2011/12) | Reasons for Variance |
| | None | Establishment of the paint making plant | Not achieved, however <ul style="list-style-type: none"> Machinery procured for: Nkomazi, and Chief Albert Luthuli Municipalities. Beneficiaries have been identified and registered as co ops and training completed in Dr JS Moroka, Thembisile Hani, Mkhondo and Bushbuckridge municipalities Training of registered co ops beneficiaries in Pixley Ka Isaka Seme is still in progress. | Budgetary constraints |
| | Pre feasibility engagement with the Technology Innovation Agency has been conducted. | Establishment of the chemical and detergent production plant | Not achieved, however beneficiaries have been identified and registered as co ops in Pixley Ka Isaka Seme, Chief Albert Luthuli, Thembisile Hani, Mkhondo and Bushbuckridge municipalities | Budgetary constraints |
| | None | Establishment of the school shoes manufacturing plant | Not achieved | Budgetary and lack of human constraints |
| | None | Establishment of plastic, paper and bottle recycling plant | Not achieved | Budgetary constraints and lack of Human resources |
| | None | Establishment of a coffin and casket production plant | Not achieved | Budgetary constraints and lack of human resources |



| Sub-Programme: Strategic Initiatives | | | | |
|--------------------------------------|--|---|--|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | |
| | | Target (2011/12) | Actual (2011/12) | Reasons for Variance |
| | None | Establishment of a special type charcoal production plant | Not achieved, however, <ul style="list-style-type: none"> Beneficiaries have been identified and registered in Chief Albert Luthuli and Bushbuckridge. Applications for registration of identified co ops in Thembisile Hani and Mkhondo have been submitted to CIPC | Budgetary constraints |
| | None | Establishment of a frozen vegetables production plant | Not achieved | Budgetary constraints and lack of human resource |
| | None | Establishment of a filter bags plant | Not achieve, however <ul style="list-style-type: none"> Beneficiaries have been identified and registered in Bushbuckridge. Applications for registration of identified co ops in Thembisile Hani have been submitted to CIPC | Budgetary constraints and human resources |

| Sub-Programme: Strategic Initiatives | | | | |
|---|--|--|------------------|-----------------------|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | |
| | | Target (2011/12) | Actual (2011/12) | Reasons for Variance |
| Green- and energy saving and forestry industries implemented. | Investors for a green and energy saving project (Hydro- electric power plant) are being solicited. | Establishment of 1 green- and energy saving project Hydro-electric plant in (Nkomazi) | Not achieved | Budgetary constraints |
| | Further engagement with the service provider (MBB Consulting) for the implementation of the Mbombela Hydro electric plant are in progress | | | |
| | None | Facilitate the implementation of one forestry value addition project identified by the feasibility study report. | Not achieved | Budgetary constraints |

| Sub-Programme: Sector Development | | | | |
|---|--|---|--|-----------------------|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of identified sectors assisted to create jobs as identified in the Growth Path: Agriculture (Agro-processing) | The Bushbuckridge Agro-processing Centre was refurbished and plans are underway for the official opening | Operationalisation of the Bushbuckridge Agro-processing Hub (poultry/veg. and fruit) | The Bushbuckridge Agro-processing hub was operationalised (Poultry) and feasibility study commenced on Vegetables and Fruits | None |
| | A business plan was developed for the Pixley Isaka Seme Agro-processing Centre | Layout, design and construction plans for the Perdekraal Agro Processing (Food) in Pixley ka Isaka Seme finalised | Not achieved | Budgetary constraints |
| Agro-processing (wood) capacity building implemented | Skills development programme on wood and access to market for SMME campaign conducted | Build capacity for 20 youth and increased market access for 10 SMME in furniture manufacturing | Not achieved | Budgetary constraints |

| Sub-Programme: Sector Development | | | | |
|---|--|--|---|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Creative industry | A Mpumalanga Film and Video Office has been accessed and preparation to open the office are at advanced stages | Operationalisation of the Mpumalanga Film and Video Office | Not achieved | Budgetary constraints |
| | A business plan for the Arts, Craft and cultural hub was developed | Initial phase of the creative industry hub completed | Not achieved | The project was transferred to the Department of Culture Sports and Recreation |
| Mining ventures established | Acquisition of investors for the establishment of a Theme Park in Pilgrims Rest was successfully completed | An investment package developed for the mining beneficiation project for the Pilgrims Rest | Not achieved | Budgetary constraints |
| Chemicals, Plastics And Pharmaceuticals | None | Beneficiate coal ash to support the Bushbuckridge Agro-processing hub | Proposal on coal ash beneficiation developed and funders sourced. | Budgetary constraints |
| | None | Beneficiate polyethernol for small scale plastic water bottling, and industrial carry bags | Not achieved | Budgetary constraints |
| Manufacturing projects implemented | None | Facilitate projects on stainless steel for cutlery and solar geysers. | Not achieved | Budgetary constraints |
| | 1 Industrial Hub (Mpumalanga Tooling Initiative) Centre was established | 20 artisans trained and 20 jobs created on tooling | 20 artisans were trained and 20 jobs created on tooling | None |

| Sub-Programme: Sector Development | | | | |
|---|----------------------------------|---|------------------|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Automotives Industry Development projects Facilitated | None | Facilitate Investment in one two automotive industry project in the following areas. 1. Komati Industrial Park - Car Manufacturer /Importer Component Centre- Joint Initiative with AIDC (Auto Industry development Centre 2. Diesel Training Mechanic Training Centre – In Marapyane- Joint Initiative with Barlow | Not achieved | Budgetary constraints and human resources |

| Sub-Programme: Tourism Development | | | | |
|--|----------------------------------|---|---|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Tourist Guides supported to improve and maintain standards in the tourist guiding sector in the province | None | 500 tourist guides supported to align with the national norms and standards | Not achieved | The planned target was not achieved due to non finalization of the MoU with the project funder (CATHSSETA) |
| Number of Tourism Programmes aimed at promoting competitiveness of Mpumalanga Destination facilitated | None | Facilitated and hosted 1 Annual Tourism Service Excellence Awards in the Province | Not achieved, however Tourism Product owners were recruited to participate in the awards. | The Tourism excellence Awards was put on hold due to few application received |
| | None | Facilitated the training of tourism staff at 40 Visitor Service Centres | Not achieved | The planned target was not achieved due to non finalization of the MoU with the project funder (CATHSSETA) |



| Sub-Programme: Tourism Development | | | | |
|---|---|--|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Programmes aimed at promoting representativity and inclusiveness in the tourism sector conducted in the province | Tourism Safety Awareness Campaigns were conducted in partnership with the Department of Safety and Security Tourism Safety Awareness Campaigns were conducted in partnership with the Department of Safety and Security | Provided 4 Tourism BBBEE advice, facilitation and information dissemination using the tourism score card and aligning with the Economic Empowerment Unit of the Department | 3 Tourism BBBEE advice, facilitation and information dissemination using the tourism score card and aligning with the Economic Empowerment Unit of the Department provided. | 25 % of the planned target was not achieved due to budgetary constraints. |
| | None | Provided 4 Tourism Enterprise Development Outreach Programmes to potential entrepreneurs | 1 Tourism Enterprise Development outreach programme to potential entrepreneurs conducted in Nkangala District | 75 % of the planned target was not achieved due to budgetary constraints. |
| Mpumalanga Tourism Quality Assurance Programme (MTQAP) developed in partnership with the MTPA to specify minimum requirements for the following categories of tourism products: | <ul style="list-style-type: none"> 22 Tourism Infrastructure needs identified. 15 Hawkers Stalls were constructed in Pilgrims Rest. | Facilitated the development of a provincial preparatory grading process of tourism products that leads into the grading process of TGCSA | Not achieved. | The planned target was not achieved due to budgetary constraints. |
| Institutionalization of the Mpumalanga tourism Growth Strategy (MTGS) to ensure the optimal alignment of stakeholders within the province | None | Strengthened the tourism capacities of Municipalities, RTOs and LTOs in the province | Capacities for municipalities, RTO's and LTOs were strengthened and framework developed. | None |
| | None | Facilitated in partnership with the MTPA the establishment of the Mpumalanga Tourism Committee/Forum that will meet quarterly to unblock challenges in the sector | Mpumalanga Tourism Committee/Forum established to unblock challenges in the sector | None |

| Sub-Programme: Tourism Development | | | | |
|---|----------------------------------|--|------------------|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of CRDP tourism skills development programmes facilitated in partnerships with CATHSSETA | None | Facilitated the Tourism Learnerships, Internships and skills development programme for 720 beneficiaries as part of the CRDP project | Not achieved | The planned target was not achieved due to non finalization of the MoU with the project funder (CATHSSETA) |



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose:

The programme is responsible for facilitating a transparent, predictable and a stable business environment and fair trade.

Strategic Objectives:

- Implement consumer protection and awareness programmes that create an environment conducive to fair trade.
- Develop and implement business regulatory policies and legislation.

Performance indicators and targets

The Department is part of the task team that deals with the alignment of the provincial consumer legislation to the National Consumer Protection Act. The task team is composed of the 9 provincial representatives as well as the various consumer regulators. The purpose of this alignment is to strengthen provincial legislation and uniformity in all the provinces.

The Department investigated and resolved consumer cases; we also empowered consumers through education and awareness programs.

In terms of Business regulation liquor Inspections were conducted and applications received went through all due processes and some were approved by the Liquor Board; whilst fifteen (15) Municipalities were capacitated on business regulatory legislation. All these were done in order to create an environment conducive to fair trade and also for compliance and enforcement of business regulatory policies and legislation.

| Sub-Programme: Consumer Protection Services | | | | |
|---|---|--|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of cases received, investigated and resolved | 2103 cases investigated and 1696 resolved | 2400 cases received, investigated and 2200 resolved. | 2085 cases investigated and 1974 resolved | 88% achieved, consumer cases are demand driven. |
| | None | Conduct research into the alignment of the provincial consumer legislation and the Consumer Protection Act | Consultation with stakeholders done on Consumer Protection Act. | Budgetary constraints |
| Number of consumer education programmes conducted | 101 workshops, 147 radio slots and 49 road shows conducted | 90 workshops, 150 radio slots and 30 road shows conducted. | 69 workshops, 96 radio slots and 39 road shows conducted. | 76% achieved, due to financial constraints |
| | Consumer month celebrated with outreach programmes to the 3 districts of the province | Celebrate International Consumer Rights Day in March | Not achieved | Budgetary constraints |

Sub-Programme: Consumer Protection Services

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|---|--|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Consumer Court hearings adjudicated. | 22 Consumer court hearings processed and finalised | 20 court hearings adjudicated by the Consumer Court | 15 consumer court hearings adjudicated | 75% achieved, due to financial constraints |
| Number liquor inspections conducted | 407 inspections conducted | 800 inspections conducted | 332 liquor inspections conducted | 42% achieved, due to financial constraints |

Sub-Programme: Business Regulations

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|--|--|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of monitoring and evaluation reports compiled to assess performance of Implementing Authorities | <ul style="list-style-type: none"> Section 33 of the Act not operationalised. The Liquor Act not yet implemented | Mpumalanga Liquor Authority established and reports produced | Not achieved | Budgetary constraints |
| Number of applications received and approved | 863 new applications received and 538 were approved | 1000 liquor applications received and 500 approved | 781 new applications received and 341 approved | 75% achieved, Liquor licence are demand driven |
| Number of awareness and education programmes conducted on applicable legislation | None | Implement 40 awareness and education programme on applicable legislation | 31 awareness and education programmes conducted | 78% achieved, due to financial constraints |
| Number of municipalities capacitated to implement business regulatory legislation | <ul style="list-style-type: none"> 4 Municipalities submitted street trading by laws. (Nkomazi, Msukaligwa, Emakhazeni and Pixley Ka Seme) 17 local municipalities were capacitated. | 6 municipalities capacitated to implement applicable business regulatory legislation | 15 municipalities capacitated on business regulatory legislation | Target exceeded by 9 municipalities demanded the service. |



PROGRAMME 5: ECONOMIC PLANNING

Purpose:

The programme is responsible for the provision of policy direction and strategies, conducting research to inform strategy, providing information services and analysis on the economy, monitoring and the evaluating the impact of provincial programmes and projects. These objectives are all aimed at achieving sustainable economic growth and development, with a view to creating jobs and reducing poverty and inequality.

Strategic Objectives:

- Provide economic policy direction and strategies.
- Conduct or commission research on the provincial economy to inform economic policy analysis process and strategy development.
- Provide data, information and intelligence on the economy for effective decision-making.
- Determine the effectiveness and impact of provincial policy, programmes, objectives and strategies.

Performance indicators and targets

The Department followed national and international economic trends and policy developments and provided analysis which informed some of the provincial policy frameworks produced, especially the MEGDP. The analysis of 4 reports produced are priorities of the province based on the Mpumalanga Economic Growth and Development Path (*MEGDP*), national Medium Term Budget Policy Statement, policy priorities of the province based on SONA, SOPA and national and provincial budget speeches.

The department delivered the *MEGDP* framework, which was adopted by Cabinet during the period under review. Consultations were undertaken with all stakeholders across the board, including government and its agencies, business, labour and civil society. This extensive and critical exercise was undertaken to reach consensus on the broad MEGDP framework document, agree on the proposed 10-year targets for job creation, agree on the identified job drivers for the province, and agree on joint interventions to create jobs as well as to find common ground on the institutional arrangements to drive implementation of the framework. That the work was produced internally is a major achievement. The department also produced a draft of the MEGDP Programme of Action (*POA*) which was presented to Cabinet during the period under review.

| Sub-Programme: Policy and Planning | | | | |
|---|--|---|--|----------------------------|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of analysis reports developed | 4 reports produced. | 4 analysis reports developed | 4 analysis reports developed | None |
| Number of sector strategies and plans developed | <ul style="list-style-type: none"> Provincial Economic Development Strategy reviewed and the Draft MEGDP developed. 2 provincial integrated sector plans developed Draft Mineral Development Plan developed. Draft Forestry Plan developed | 2 sector strategies and plans developed | 1 sector strategy developed and 1 draft sector plan developed. | Human resource constraints |

| Sub-Programme: Research and Development | | | | |
|---|--|---|------------------|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Research report produced | 1 Research Study reports produced: <ul style="list-style-type: none"> Report produced on Labour and Skillsdemand | 1 Research report on Mpumalanga export route map for investment | Not achieved | Budgetary and human resource constraints |
| | | 1 Research report on Environmental rehabilitation in Mpumalanga | Not achieved | Budgetary and human resource constraints |
| | | 1 Research report on Economic scoping of Lekwa, Mkhondo & Pixley Ka Isaka Seme municipalities | Not achieved | Budgetary and human resource constraints |



| Sub-Programme: Knowledge Management | | | | |
|---|---|--|--|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| A shared GIS on economic information and indicators produced | GIS data of MEGA integrated with DEDET GIS data on MDC, Environment and MTPA, partially integrated with DEDET | Create access to GIS data to and from provincial departments | Access to GIS data was created to and from Office of the Premier; Dept. of Public Works, Roads & Transport; Dept. of Agriculture, Rural Development and Land Admin | The departments of Health and Education were not in a state of readiness to have shared access to GIS data |
| A shared database on economic information and indicators produced | Database updated with information on MDC and ICT companies Information on construction and economic activities in rural areas collected | Integrate information databases of DEDET and SOE's | Data from SOE's integrated into DEDET database | Achieved |
| Number of economic information services to stakeholders | None | Upgrade resource centre website | Website upgraded and available with data on intranet | Achieved |
| Number of information requests processed | 90 requests were received and processed at 100% rate. | 500 information requests processed | 65 request processed 367 visits to resource center website were recorded | Lack of human resources |
| Number of provincial reports produced on the economy | 1 economic profile | 6 provincial reports produced on the economy | Not achieved, 1 draft sector profile on agriculture was produced. | Lack of human resources |

| Sub-Programme: Monitoring & Evaluation | | | | |
|--|----------------------------------|-----------------------------------|-------------------------------|----------------------|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of monitoring reports | 2 monitoring reports produced | 3 monitoring reports produced | 3 monitoring reports produced | None |
| Number of evaluation reports | Final evaluation report produced | 2 evaluation reports produced | 3 Evaluation report produced | None |

PROGRAMME 6: ENVIRONMENTAL SERVICES

Purpose:

The purpose of the Environmental Services Programme is to facilitate sustainable development through environmental planning and co-ordination; greener governance; environmental awareness and capacity building; integrated pollution and waste management; enforcing compliance with environmental legislation; and promoting biodiversity management.

Strategic Objectives:

- Prevent negative impacts on the environment.
- Promote environmental sustainability.
- Provide environmental information and capacity building.
- Provide strategic environmental management services.
- Promote biodiversity and conservation management services.

Performance Indicators and Targets

During the past year, most of the activities were around ensuring regulatory compliance. In particular, the Department had to: process applications for EIA applications; process applications for atmospheric emission licences and waste management activity licences; provide strategic environmental support; and ensure compliance with all environmental legislation, cross-cutting within pollution and impact management. Other major service delivery areas included (i) commenting on mine applications under the Mineral Petroleum Resources Development Act, water use applications under the Water Act, and changes in land use under land use planning legislation; (ii) developing a climate change response; (iii) monitoring air quality; (iv) undertaking waste management planning; (v) coordinating numerous cooperative governance and strategic planning initiatives, including coordinating cooperative environmental governance reporting in terms of the provincial Environmental Implementation Plan (*EIP*); (vi) facilitating strategic planning in terms of Environmental Management Frameworks (*EMFs*); (vii) providing strategic environmental support to municipalities in terms of their Integrated Development Plans (*IDPs*); (viii) defending all environmental decisions of record (*RoD's*) against the appeals instituted by the third parties/interested and affected parties during the process of the *EIA/AEL*; (ix) investigated cases of non-compliance and taking criminal/civil and or administrative actions against transgressors; (x) attending all environmental complaints; (xi) issuing section 24G authorisations; and (xii) drafting a guideline protocol for designating local authority officials as environmental management inspectors.

The Environmental Impact management unit processed two hundred and fifty two (252) development applications during the year. Of these one hundred and fifty three (153) were authorized. The target set was two hundred and fifty (250) processed and two hundred (200) authorized. In addition to the above seven hundred and seventy seven (777) EIA applications were captured on the National Environmental Administration System (*NEAS*).

The number of mine applications received from the Department of Mineral resources for comments has reduced considerably. Thirteen (13) mine application documents were commented on during the year under review. Listed activities on mine areas since 2006 have been required to submit application for environmental authorization under the National Environmental Management Act and are accordingly reviewed and authorized by this Department.



Applications for changes in water and land use licence were commented on and submitted to the Department of Water Affairs and to the Department of Agriculture, Rural Development and Land Administration. During the year under review ninety nine (99) applications were received and commented on against the planned target of one hundred (100).

Concern was raised that the cumulative impacts of mining on the environment was not being considered in decision making. A report on the cumulative impacts was prepared. The report considered impacts on land, water, and biodiversity and proposed strategies for taking this process further was drafted.

A perception exists that the public is not aware of the Environmental Impact Assessment Regulations. Six hundred and sixty six (666) engagements were made during the year under review with various stakeholders including municipalities and developers on the requirements of the regulations against the planned target of six hundred (600).

A draft Climate Change Response Strategy discussion document was compiled. The draft discussion document could not be circulated for public engagement due to financial constraints. A report on the proceedings and outcomes of the 17th Conference of Parties to the United Nations Framework Convention on Climate Change was compiled. The report provides insight into the implications of Climate Change for the province and identifies potential areas of intervention, including the mainstreaming of the green economy (as a transition path towards a low carbon economy).

The Air Quality Management Plan (AQMP) for the Highveld Air Pollution Priority Area was finalised and adopted after all public participation processes were concluded. There was no significant progress on the development of the Provincial Air Quality Management Plan (AQMP), largely due to budgetary constraints. However, the chief directorate processed fourteen (14) Atmospheric Emission License (AEL) applications and reviewed fifteen (15) permits issued in terms of the repealed Atmospheric Pollution Prevention Act, 45 of 1965.

During the period under review, the Department managed to process Six (6) waste management activity license applications and two licenses issued. A draft Intergrated Waste Management (IWM) Strategic Framework has been compiled for stakeholder engagement. A chapter has been included on the Mpumalanga Renewable Energy Potential focusing on waste-to-energy investigations in the Province. Eleven (11) Municipal Integrated Waste Management Plans (IWMPs) were evaluated.

The Department managed to plant 9311 Trees, developed 129 Environmental Education Resources, registered 180 Schools for Climate Change Programme and Revenue generated revenue amounting R 1,267 million.

The Provincial World Environment Week Celebration hosted on the 24 June 2011 at Kriel, Emalahleni municipality. This event was attended by the Deputy Minister for Environmental Affairs Ms. R. Mabudhafasi. It included the launch of the Climate Change Literacy Manual developed by the Department, Mpumalanga as well as the Sicela Ukuthula mini park in Emalahleni. We launched the Kwa- Mhlanga Buyisa - e - Bag Buy Back Centre on 29 June 2011 in co-operation with Buyisa - e - Bag, the local community and the Ndebele Traditional Authority at Thembisile Hani Local Municipality.

Workshops in all districts on Women and Environment completed Provincial Women and Environment function was successfully hosted at Louieville (Ehlanzeni). A community garden was launched and trees were also planted. The total number of attendees exceeded 338. More than 46 activities took place, reaching approximately 4, 824 clients. This was achieved through Events, Workshops, Information sessions and Exhibitions.



The Department successfully facilitated the Provincial Climate Change Summit and built up activities to the COP 17 took place at the Nelspruit Bus Rank and the Riverside Government Complex.

The Steve Tshwete municipality (representing Mpumalanga in the National Greenest Municipal Competition (GMC) obtained position 2 nationally. This is the first in the history of the Department. Sixty two (62) Clean up Campaigns were facilitated.

The 2010/11 EIP Annual report was developed and approved by the Subcommittee for *EIPs* and *EMPs*.

The Environmental Management Framework (EMF) for Pixley ka Seme Local Municipality was completed and published in the government gazette. This EMF will assist in guiding development in this area to ensure that development is undertaken in a sustainable manner. The EMF proposed for the Umjindi Local Municipality was cancelled due to budget cuts and insufficient budget prevented the appointment of the preferred service providers to undertake this project in this financial year.

Twenty one (21) Municipal IDPs and SDFs were reviewed for compliance to relevant environmental legislation. This was undertaken as part of the annual provincial IDP Analysis Week, co-ordinated by the Department of Cooperative Governance and Traditional Affairs.

The Department received a total of 14 appeals against the environmental authorisation issued in terms of section 42 of the national Environmental management Act 107, of 1998 and 10 were finalized due to compliance with the legislation and no further review were initiated.

The Department conducted 23 investigations for non compliance with the environmental legislation for instance the illegal commencement of listed activities.

One Litigation matter received and not finalized due to court process.

Sixty four (64) environmental complaints were attended to, to ensure compliance with environmental legislation and Regulations. Sixty three (63) authorizations were monitored for compliance with their respective stipulated conditions.

Section 24G authorizations: 36 rectification applications were received and 11 were finalized,

Section 30 emergency incidents are sudden occurrence enforceable and the Department's role is to ensure that the polluter take full responsibility to rehabilitate the environment. The Department received 5 reported incidents and 3 of them were finalized which related to rehabilitation.

Three (3) Guideline Protocol for training of the Local authority officials and designation of local authority officials as Environmental Management Inspectors(Municipal EMI's) were drafted and are now waiting for the Mayors signature.

Sub-Programme: Environmental Impact Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|---|---|--|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of EIA applications evaluated and authorised | 236 EIA applications received, finalised & Authorised 216 authorisations Monitored | 250 EIA applications evaluated and 200 authorised | 252 EIA applications evaluated and 153 authorised | None, demand driven |
| Number of mine applications evaluated and commented on | 178 mine applications commented on | 200 mine applications evaluated and 180 commented on | 57 Mine applications evaluated and 13 commented on | Fewer applications received than planned (demand driven) Financial and capacity constraints did not permit all applications to be commented on |
| Number of change of land and water use applications commented on | None | 100 change of land and water use applications evaluated and 90 commented on | 99 changes of land and water use applications evaluated and 99 commented on. | None, demand driven |
| Evaluate cumulative impact of mining on ecosystems functions | None | Report on cumulative impact of mining on ecosystems functions developed | Report on cumulative impact of mining on ecosystems functions developed | None |
| Stakeholder engagements | None | 600 Stakeholder engagements | 666 Stakeholder engagements and informed on Regulatory requirements under NEMA | None |
| Number of Environmental Management Agreements, templates, guidelines developed | 50 Environmental Authorisation Applications evaluated | 5 Environmental Management Agreements, templates, guidelines developed | 7 Environmental Management Agreements, templates, guidelines developed | None |

| Sub-Programme: Pollution & Waste Management | | | | |
|---|---|---|---|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of integrated waste Management Plans (IWMP's) compiled and implemented | None | 1 provincial IWMP compiled | Draft IWM Strategic Framework compiled | There were no funds available to process the Strategic Framework, especially to engage the public and stakeholders. |
| Number of municipal IWMP's evaluated and approved | 13 municipal IWMP's evaluated | 5 municipal IWMP's evaluated and approved | 11 Municipal IWMP evaluated | Municipal IWMP's were evaluated but could not be approved due to legislative constraints in the IWMP approval process. The matter has been referred to MINTECH (Environment) for a decision on the approval authority between the MEC for Environment and the MEC for Local Government. |
| Extent of progress in development of technical designs for centralised waste sites | Conceptual designs finalised | Nkangala and Gert Sibande regional waste site Feasibility study | Not achieved | There was no budget allocation for this project due to budget reductions in 2011/12 and it was deferred to 2012/13. |
| Number of Environmental Authorisations (EA) issued for Atmospheric Emission Licensing | 5 EIA applications processed on AEL Activities | 15 EIA applications processed on AEL Activities | 14 AEL applications processed on AEL Activities | Application targets are tentative and the actual delivery depends on applications received. |
| Number of Atmospheric Pollution Prevention Act Permits reviewed | 14 APPA Registration Certificates are being processed | 20 APPA Permits reviewed | 15 APPA Permits reviewed | The Directorate has acute personnel shortages to review the APPA permits for conversion to AELs. |
| Number of Waste Licenses issued | 34 waste licenses applications processed and 8 licenses issued. | 36 Waste Licenses Applications processed | 6 Waste License Applications processed | Application targets are tentative and the actual delivery depends on applications received. |
| Number of Air Quality Management Plans developed, implemented and maintained | Draft AQMP for Highveld Priority Area developed | 1 (Priority Area) AQMP's implemented | 1 Highveld Priority Area AQMP implemented | None |
| Number of Municipal Air Quality Management Plans evaluated and approved | None | 7 (municipal) AQMP evaluated | Not achieved | Municipalities have not yet compiled AQMPs for evaluation. The matter will be addressed through the Highveld Air Pollution Priority Area AQMP implementation programme to minimize costs. |



Sub-Programme: Pollution & Waste Management

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|--|--|---|
| | | Target (2011/12) | Actual (2011/12) | |
| Discussion document on Climate Change Response Strategy compiled | None | Discussion document on Climate Change Response Strategy compiled | Draft Climate Change Response Strategy discussion document compiled and Project Management Group identified. | There were no funds available to process the discussion document further, especially to engage the public and stakeholders. |

Sub-Programme: Environmental Awareness and Education

| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
|--|--|---|--|--|
| | | Target (2011/12) | Actual (2011/12) | |
| Number of DESD programme reports compiled | Sub programme implementation: <ul style="list-style-type: none"> 13 780 trees planted, 117 exhibitions facilitated and 178 workshops conducted DESD Indaba and DESD exhibition completed on 24 Feb. 2011 | 3 provincial DESD sub programmes reports (Water, Waste and Greening) 1 DESD Annual report | 3 provincial DESD Sub programme reports compiled (water, waste and greening) and 1 DESD Annual report compiled. | 100 % achieved |
| Number of Community based awareness programmes implemented | 8 Awareness programmes implemented | 9 awareness programmes implemented (5 commemorative days, Adopt a Spot, Waste Cleanup, Greenest Municipality Competition and Climate Change Literacy Programme) | 8 awareness Programmes completed: (4 commemorative days, Adopt a Spot, Waste Cleanup, Greenest Municipality Competition and Climate Change Literacy Programme) | Wetlands programme not done in fourth quarter due to travelling cost curtailment |
| Number of Youth based awareness programmes | 3 Awareness programmes implemented | 3 awareness programmes implemented (Adopt-a-schoolyard, Climate Change Literacy & Water) | 3 awareness programmes implemented. (Adopt-a-schoolyard, Climate Change Literacy & Water) | 100 % achieved |
| Tree planting and Greening programme | 13 780 trees planted | 5 000 trees planted | 9 311 trees planted | Target exceeded due to generous sponsorships |
| Number of Environmental Education resources developed | 169 resources developed | 40 resources developed | 129 resources developed | Target exceeded due to generous sponsorships |

| Sub-Programme: Environmental Awareness and Education | | | | |
|--|--|---|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of Media outreach programme (radio slots, newspaper articles, exhibitions) | 108 radio slots 83 newspaper articles | 72 radio slots 72 news-paper articles 5 exhibitions | 58 radio slots facilitated 46 newspaper articles developed 30 exhibitions facilitated | Higher demand for exhibitions |
| Number of Outreach visits | 2 634 outreach visits to schools 1 534 outreach visits to communities 241 outreach visits to municipalities | 120 school visits 60 community visits 108 municipality visits | 1 292 school visits conducted 690 community visits conducted 310 municipality visits conducted | Increase in demand due to increase in environmental awareness |
| Number of EE centre programs participation conducted (residential centre based awareness programmes) | 24 360 residential person days | 6 500 residential person days | 8 965 residential person days (visitors to environmental centres for environmental programmes including overnight stay and catering) | Increase in demand due to increase in environmental awareness, marketing and upgrade of environmental centres |
| Number of Upgrade and development of Environmental Centres made | Completion still in progress at Pilgrim's rest, Delmas and Elukwatini. Kwa Mhlanga completed Barberton completed, Graskop completed and Tonga completed. | 10 environmental education centres upgraded (Amsterdam, Barberton, Bushbuckridge, Delmas, Elukwatini, Graskop, Kwa-Mhlanga, Mdala, Pilgrim's Rest, Tonga) | 5 environmental education centres upgrade completed (Barberton, Delmas, Elukwatini, Kwa-Mhlanga and Tonga) and 3 in progress. (Amsterdam, Graskop, Pilgrim's Rest) | Tender processes delayed the completion of other centres. |
| Number of roadshows | None | 3 road shows: environmental impact management (1), pollution and waste management (1), climate change (1) | 3 road shows: environmental impact management (1), pollution and waste management (1), climate change (1) conducted. | 100 % achieved |
| Climate Change Summit | None | Annual Climate Change Summit held | Annual Climate Change Summit held | 100 % achieved |



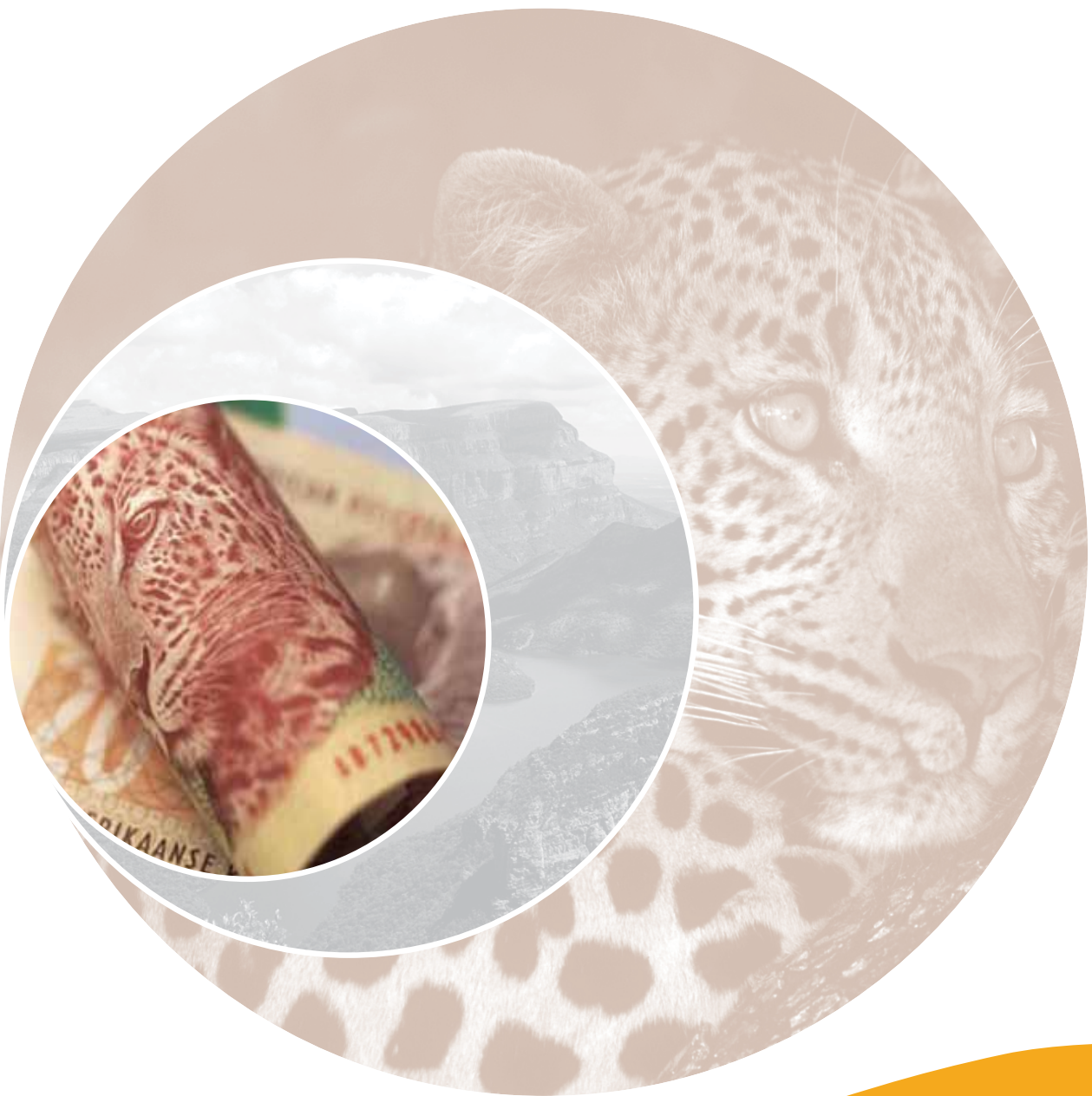
| Sub-Programme: Strategic Environmental Management | | | | |
|---|--|---|---|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of EIP Annual Report Developed | <ul style="list-style-type: none"> 2009/09 EIP annual report adopted by Subcommittee for EIPs/EMPs; Draft 9 Months report developed; Received information for the EIP report from two Departments | EIP Annual Report Developed | 2010/11 EIP Annual report developed | Difficulty in obtaining information from affected sector departments |
| Number of EMFs developed | Draft EMF for Mkhondo, Govan Mbeki, Dipaliseng and Lekwa Reviewed; Facilitating Gazette, awaiting municipal council approval | 2 EMFs developed | 1 EMF developed | 50% achieved. 1 EMF not undertaken due to budget cuts |
| Environmental Indicators developed | Draft Mpumalanga State of Environment and internet version developed | Develop Environmental Indicators | Not achieved | Service provider contract terminated due to poor performance |
| Number of IDPs/ SDFs reviewed for Environmental Legislation | Draft Inception report developed and reviewed; Municipal Assessment in process. Draft IDP toolkit developed | 21 IDPs/SDFs reviewed for Environmental Legislation | 21 IDPs/SDFs reviewed for Environmental Legislation | 100% Achieved |

| Sub-Programme: Environmental Compliance Monitoring and Enforcement | | | | |
|--|--|---------------------------------------|--|---|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of appeals received and finalised | 12 Appeals reviewed | 20 appeals received and finalised | 14 received and 10 Appeal cases finalised | Demand driven |
| Number of cases investigated | 65 cases investigated | 10 cases investigated and 8 finalised | 23 criminal Investigation conducted and 7 finalised. | Investigations depend on cases reported or identified, therefore targets are tentative. |

| Sub-Programme: Environmental Compliance Monitoring and Enforcement | | | | |
|---|--|--|---|--|
| Measures/Indicators | Baseline (Actual Output) 2010/11 | Actual performance against target | | Reasons for Variance |
| | | Target (2011/12) | Actual (2011/12) | |
| Number of directives and notices issued | 85 Notices | 40 Directives and Notices issued | 37 Directives and Notices issued | Directives and Notices follow from investigations, and as such are dependent on cases reported or non-compliance areas identified. |
| Number of Litigation matters attended: Criminal and Civil proceedings | 5 cases for Litigation handled | 4 Litigation matters attended: Criminal and Civil proceedings | 1 Litigation matter attended to | Prolonged court procedures and processes |
| Number of environmental complaints attended to | 111 environmental complaints attended to | 100 Environmental complaints received and resolved | 64 Environmental complaints received and resolved | Resolution of environmental complaints depend on cases reported or identified, therefore targets are tentative. |
| Number of Authorisations/licences monitored | 216 authorisations/ Monitored | 120 Authorisations/licences monitored | 63 Authorisations/licenses monitored | Budget and capacity constraints |
| Number of S24G applications finalised | 12 section 24G applications authorised | 48 S24G applications evaluated and authorised | 36 S24G applications evaluated and 11 authorised | Demand driven |
| Number of Section 30 emergency incidents resolved | None | 5 received and 5 resolved | 5 received and 3 resolved | Emergency incident resolution depends on cases reported or identified, therefore targets are tentative. |
| Number of municipal EMIs trained and designated | None | Develop MOU between the Department and District Municipalities | Not achieved | MOU developed, signatures pending |



ANNUAL FINANCIAL STATEMENTS





ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

Table of Contents

| | |
|--|-----|
| Report of the Audit Committee | 72 |
| Report of the Accounting Officer | 75 |
| Report of the Auditor - General | 85 |
| Appropriation Statement | 90 |
| Notes to the Appropriation Statement | 98 |
| Statement of Financial Performance | 100 |
| Statement of Financial Position | 101 |
| Statement of Changes in Net Assets | 102 |
| Cash Flow Statement | 103 |
| Statement of Accounting Policies and Related Matters | 104 |
| Notes to the Annual Financial Statements (including Accounting policies) | 113 |
| Disclosures Notes to the Annual Financial Statements | 121 |
| Annexure 1 | 131 |
| Annexure 2 | 132 |
| Annexure 3 | 133 |
| Annexure 4 | 134 |
| Annexure 5 | 135 |
| Annexure 6 | 136 |
| Annexure 7 | 137 |
| Annexure 8 | 138 |
| Annexure 9 | 139 |

REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

We are pleased to present our report for the above-mentioned financial year.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereinunder and has met as reflected below:

| | | Audit Committee meetings 2011/2012 | |
|-------------|--------------------|------------------------------------|---------------------|
| Name | Position | Number of meetings attended | Date of appointment |
| MJR Mpai | Chairperson | 3 of 4 | 11 January 2011 |
| Z Mathenjwa | Deputy Chairperson | 4 of 4 | 11 January 2011 |
| MO Morata | Member | 3 of 4 | 11 January 2011 |
| D Lekoto | Member | 4 of 4 | 11 January 2011 |

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 38(1) (a) of the PFMA and Treasury Regulation 3.1. We further report that we have regulated our affairs in compliance with this charter and discharged all of the responsibilities contained therein.

The Effectiveness of Internal Control and Compliance with Laws and Regulations

The system of internal control was not entirely effective for the financial year under review. Several deficiencies and deviations from the supply chain management processes, budget and financial management processes were reported by internal audit.

We are concerned that management takes time to address deficiencies and deviations reported by internal audit and in certain instances the matters reported previously have not been fully and satisfactorily addressed.

Internal Audit

We are satisfied that the Internal Audit is operating effectively and that it has addressed the risks pertinent to the Department in its audits. We are however, concerned that the position of the head of internal audit and other vacancies within the unit were not filled during the financial year under review.

Risk Management

The Department has implemented a system of risk management. During the year under review, the risk management committee was effective. We are however, concerned that the Risk Management Unit operated with only one employee for the entire financial year under review. We are also concerned that management does not implement mitigating strategies on the risks identified in a timely manner.

Auditor-General South Africa

We have met with the Auditor – General South Africa to discuss issues pertaining to its audits.



Evaluation of Financial Statements

We have:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General's and the Accounting Officer;
- reviewed the Auditor-General's final management report and the responses thereto;
- reviewed significant adjustments resulting from the audit; and
- reviewed the Auditor-General's report.

REPORT ON THE FINANCIAL STATEMENTS

Basis for qualified opinion

Based on our review of the final management report and the audit report of the Auditor General as well as our engagement with the Auditor General, we have decided, to not concur with paragraphs 6, 7 and 8 of the audit report of the Auditor General based on the following:

- Only five (5) minor assets could not be verified for completeness purposes, and explanations provided by management were not considered;
- Only three (3) movable assets (computer equipment) totalling R34,922 could not be verified for existence purposes. We are unsatisfied with the explanation provided by the Auditor General on the method used for extrapolation to arrive at the figure of R5 671,291 due to the fact that no stratifications were done on the population of movable assets;
- Only nine (9) minor assets (printers) totalling R24 781 could not be verified for existence purposes. No stratifications were done on the population of minor assets. We are unsatisfied with the explanation provided by the Auditor General on the method used for extrapolation to arrive at the figure of R3 234,019.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Reliability of information

We do not concur with paragraph 14 and 15 of the Auditor General's report regarding the validity and completeness of performance information. Our discussion with Auditor General and management of the department provided evidence that the performance information requested was provided on time by management of the department to the Auditor General but it was not evaluated by the Auditor General.

Human resource management

We do not concur with the assertion made that all senior managers did not sign their performance contracts during the year under review. The final management report by Auditor General stated that only six (6) SMS out of thirty (30) SMS members did not sign their performance contracts.



Procurement and contract management

We do not concur with the assertion made that contracts were awarded to bidders based on preference points that had not been allocated and calculated in accordance with the requirement of the Preferential Procurement Policy Framework (PPPF) of South Africa. The bid evaluation committee of the Department had identified this error on the bid document prepared by the consultant and performed its evaluation based on the correct preference point per PPPF.

Leadership

We do not concur that oversight responsibility was not exercised on financial and performance reporting as well as internal controls. The Audit Committee, Accounting Officer, Management and Executive Authority had performed oversight responsibility on the referred matters.

Governance

We do not concur with the assertion made that a functioning internal audit was not established to identify and recommend corrective action. Reports of internal audits performed are available. Internal control deficiencies and recommended corrective actions are stated in the reports.

In-year management reporting

We have reviewed the content and the quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year. Progress is being made in the development and quality of these reports. There is still a concern on the management of performance information as well as ensuring that the set targets are met.

Appreciation

The Audit Committee wishes to express its appreciation to officials of the Department, the Auditor-General and internal audit for the information provided to compile this report.



MJR MPAI

CHAIRPERSON: AUDIT COMMITTEE

DEPARTMENT OF ECONOMIC DEVELOPMENT,

ENVIRONMENT AND TOURISM

31 July 2012



REPORT OF THE ACCOUNTING OFFICER TO THE EXECUTING AUTHORITY AND PROVINCIAL LEGISLATURE OF MPUMALANGA FOR THE YEAR ENDED 31 MARCH 2012

1. General review of the state of financial affairs

1.1 Economic review for 2011/12

During the financial year under review, the world economy continued to experience growth challenges as economic growth rate declined from 5.3% in 2010 to 3.9% in 2011, mainly due to sluggish US economy and persistence financial crisis in the euro-zone. The SA economy has demonstrated resilience in the year under review, although still growing below the potential. SA economy expanded by 3.1% in 2011 compared with 2.9% in 2010, but slowed down to 2.7% growth rate in the first quarter of 2012. The provincial economy, as per Global insight data, grew by 2.9% and 3.1% in 2010 and 2011, respectively.

Due to economic recession the provincial unemployment rate increased from 23% in 2008 to peak at 30.8% in quarter one of 2011, it has since improved to 27.7% in the fourth quarter of 2011. Unemployment rate, however, increased to 30.3% in the first quarter of 2012. The SA economy created a total of 365 000 jobs in 2011 of which 43 000 jobs were created in Mpumalanga Province. In the first quarter of 2012, SA economy created 304 000 jobs, year-on-year, of which 48 000 were created in Mpumalanga Province.

In 2011, jobs were created mainly in the following sectors: mining 19 000, private households 15 000, transport 5 000, construction 4 000, the balance is split amongst the other sectors. A closer inspection of the employment data reveals that within the last year, employment in all industries increased with the exception of the manufacturing and utilities. In the first quarter of 2012, jobs were created mainly in the following sectors: transport (14 000), agriculture (12 000), mining (12 000), trade (10 000), and the balance split amongst the other sectors. Sectors that declined in the first quarter of 2012, in terms of employment, are community and social services, construction, and finance.

The Consumer Price Index for March 2012 shows a national annual inflation of 6.0% and 6.6% for Mpumalanga. In case of Mpumalanga, the main drivers of the provincial inflation have been recorded as food, transport as well as housing and utilities.

1.2 Budget Performance

A total budget of R647,741 million was appropriated for Vote 6 in the 2011/12 financial year. During the adjustment budget the department received an additional allocation of R62,721 million which increased the baseline to R 710,462 million. This adjustment comprises of an additional R15 million to the department for contractual obligations and additional sum of R47,721 million to MTPA in order to alleviate budget pressures within the entity.

Total expenditure for the department amounted to R701,917 million representing a savings of 1%. During the year under review the department implemented prudent financial control measures to ensure that there's no over spending of budget and that limited resources are utilized effectively and efficiently. The department will ensure that for the 2012/13 financial year it does not acquire any new operational leases because of the current financial position.

The table below shows how the department has performed per programme.

| PER PROGRAMME | MAIN BUDGET | ADJUSTED BUDGET | EXPENDITURE | AVAILABLE | % SPEND |
|--------------------------------|----------------|-----------------|----------------|--------------|-----------|
| | R'000 | R'000 | R'000 | R'000 | % |
| Administration | 92,034 | 107,034 | 104,706 | 2,328 | 98 |
| Intergrated Econ. Development | 167,539 | 168,219 | 167,921 | 298 | 100 |
| Trade and Industry Development | 251,495 | 298,536 | 296,447 | 2,089 | 99 |
| Business Regulations | 60,224 | 58,694 | 57,899 | 795 | 99 |
| Economic Planning | 10,553 | 9,178 | 7,765 | 1,413 | 85 |
| Environmental Development | 65,896 | 68,801 | 67,179 | 1,622 | 98 |
| TOTAL | 647,741 | 710,462 | 701,917 | 8,545 | 99 |

The table below shows how the department has performed per economic classification

| PER ECONOMIC CLASSIFICATION | MAIN BUDGET | ADJUSTED BUDGET | EXPENDITURE | AVAILABLE | % SPEND |
|-----------------------------|----------------|-----------------|----------------|--------------|-----------|
| | R'000 | R'000 | R'000 | R'000 | % |
| Compensation of employees | 157,345 | 157,494 | 149,790 | 7,704 | 95 |
| Goods and services | 65,373 | 80,644 | 81,256 | (612) | 101 |
| Transfers | 414,285 | 461,586 | 461,860 | (274) | 100 |
| Capital Assets | 10,738 | 10,738 | 9,011 | 1,727 | 84 |
| TOTAL | 647,741 | 710,462 | 701,917 | 8,545 | 99 |

A total amount of R 460,306 million was transferred to all the entities as per the appropriation bill. The department under-spend on fixed structure because of the delays in appointing new service providers. Although the department has had a savings on compensation of employees it has not yet finished implementing OSD for the Environmental Services employees because of budget constraints.

The department was able to use the In-Year Monitoring (IYM) tool which is currently a financial tool being used by Provincial Treasury as it provides early warning signs on possible under or over expenditure. This tool (IYM) has proven to be an effective instrument which has improved the financial performance of the department. The department will continue to implement internal controls and improve on the monitoring of supply chain management systems in order to ensure effective utilisation of the budget allocation and value for money on procurement.

1.3 Policy Decisions

The Department of performance, monitoring and evaluation in the Office of the Presidency introduced the outcome based approach with Provincial Governments, that lead to the MEC signing a service level agreement for outcome 10 with the Minister on the 03/11/2010 (Environment assets and natural resources that are well protected and continually enhanced). The MEC is still to sign the service agreement pertaining to outcome 4 with the Minister of Economic development.



The Department appointed a General Manager for Zithabiseni Resort to manage the financial affairs of the resort. The department facilitated the development of strategies for economic development which guided the formation of the Mpumalanga Economic Growth and Development Path.

The Department has developed the Economic Growth Path which has been approved. The Department will ensure that all the strategies such as the ICT, Mineral, Economic Growth Strategy and others are adopted by Cabinet so that they yield the economic benefits as anticipated.

1.4 Significant major events

Tourism

As part of the Provincial Tourism Growth Strategy that aims to promote tourism in the province, the Department in collaboration with MTPA celebrated Tourism Month which led to the appointment of Provincial Tourism Ambassadors. During the Tourism Month of 2011, the department adopted a concept called township tourism which led to the celebration of tourism month in at least two townships as a way of giving market exposure to the historically disadvantaged communities.

The department has also found that big events like the Metro Awards are very strategic in supporting local tourism businesses. This event gave the province a massive exposure throughout the country with about 14 000 visitors having assembled in Mpumalanga over the Metro FM weekend. As part of its social responsibility the radio station was able to adopt the Good Hope center in Matsafeni as a project that benefits the community in the area.

The Tourism month was celebrated in partnership with MTPA. The department adopted a concept called Township Tourism which saw the department adopting ambassadors. The department together with MGB sponsored the Miss Mpumalanga 2011 beauty pageant.

Environmental awareness and Education

Provincial Biodiversity celebrations hosted on the 20 May 2011 at Mkhondo Local Municipality and the Provincial World Environment week celebrations hosted on the 24 June 2011 at Emalahleni Local Municipality. This event was attended by the Deputy Minister for Environmental Affairs Ms R. Mabudafasi. It included the launch of the Climate Change Literacy Manual developed by the department. In support of the Climate Change Literacy Programme, the department has developed a Climate Change Literacy Manual and Climate Change Literacy Board Game - the only one of its kind in South Africa, which exhibited at the Climate Change Conference last year. The department hosted the Provincial Climate Change Summit in October last year, as a build up to the 17th Congress of Parties (COP-17) of the United Nation held in Durban. The department facilitated the hosting of the Provincial Greenest Municipality Competition which saw the Steve Tshwete Municipality scooping the first position in the province, and second position nationally.

Projects

The department received donor funding from Dept. Of Trade and Industry (the dti) for the refurbishment of the Bushbuckridge Agro processing plant which is expected to create more jobs and serve as catalyst for the local economic development. A service provider was appointed to verify BBBEE compliance by companies which are doing business with the Provincial Administration. An amount of R 8,532 million was allocated for the renovations of Environmental centres. Upgrading of structures was made at Barberton, Delmas, Graskop, Elukwatini, Pilgrim's Rest and Tonga. A total of 9 311 trees were planted across the municipal space.

2. Service rendered by the department

2.1.1 Integrated Economic Development Services

The Department, in keeping up with the challenge and rising to the occasion, has developed SMME's and Cooperatives. A total of 639 SMME's and 62 Co-operatives were advised on general business matters ,CC's registration, annual returns submissions and training on hospitality industry.

2.1.2 Business Regulation and Governance

Consumer Court

For the 2011/12 financial year business regulation planned to resolve 2200 consumer cases and managed to resolve 1974 Consumer case out of the 2085 that were received and in the process recovered R6,3million on behalf of Consumers.This is attributed to the effectiveness and momentum of the Mpumalanga Consumer Affairs Court. The Consumer Court adjudicated over 56 complex cases which could not be resolved at the level of mediation and negotiations with the respondents.

Consumer Education 2011/12

Consumer awareness and education programmes conducted 69 workshops, 87 radio slots and 39 road shows.

Business Regulation

During the period under review 332 inspections were conducted on liquor premises, 781 application for liquor licences considered by the Liquor Board:341 approved, 353 deferred, 86 disapproved, 1 withdrawn at the request of the applicant. A total of 31 education and awareness workshops were conducted in partnership with National Liquor Authority, SAPS, SAB, Department of Safety and Department of Health and Social Development. Furthermore 15 capacity workshops were conducted to municipalities in terms of Mpumalanga Business Act,1996 to facilitate the drafting of street trading by laws.

2.1.3 Environmental Services

Environmental Impact Management

The department continued to review and authorise applications of listed activities in terms of regulations under the National Environmental Management Act 107 of 1998 as amended. Of the 252 applications received for EIA (Environmental Impact Assessment) evaluation only 153 environmental authorisations were issued.

In terms of mine prospecting and licensing 57 mine applications were received and 13 were commented on and 75 charges of land and water use applications evaluated and 70 commented on.

Pollution and Waste Management

During the period under review 6 waste license applications processed ,APPA (Atmospheric Pollution Prevention Act) permits reviewed and Draft climate change response strategy discussion document compiled and project management group identified.

The department will continue to ensure that Environmental issues are taken care of in developing the Province, in that 236 EIA (Environmental Impact Assessment) applications have been received and authorised and finalised. Fourteen atmospheric pollution prevention Act permits are being processed.

2.1 Tariff policy

The department has environmental centres across the Province where school's and various groups visit the centres. The centres have different programmes which they conduct on environmental issues. The tariffs increase is approved by Provincial Treasury.

2.2 Own revenue

The department's main source of revenue is tax revenue collected through the Mpumalanga Gambling Board and is regulated by applicable legislation.

The table below indicates a breakdown of sources of revenue as well as actual against target in revenue collection for the current and previous financial year.

| Revenue | 2011/12 Budget R'000 | 2011/12 Actual R'000 | 2010/11 Budget R'000 | 2010/11 Actual R'000 |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Casino Taxes | 50,782 | 55,030 | 36,138 | 43,961 |
| Horse Racing Taxes | 4,914 | 4,572 | 4,914 | 4,261 |
| Liquor Licences | 2,957 | 541 | 2,839 | 2,361 |
| Fines and penalties | 1,191 | 1,978 | 745 | 882 |
| Interest: PMG Account | 885 | 1,053 | 745 | 882 |
| Other Revenue | 2,282 | 2,363 | 2,364 | 3,419 |
| Total | 63,011 | 65,537 | 47,000 | 54,884 |

Total revenue collected for the department amounted to R65,536 million against a budget of R63,011million which represents an over collection of 4% over target. Revenue generated from Environmental Centers during the year under review amounted to R1,267 million and is accounted for under Other Revenue from the table above.

2.3 Free Services

None

3. Capacity constraints

There has been a huge exodus of staff in programme six and programme five and the department is not able to fill the vacant critical positions. The OSD for programme six has not been fully implemented by the department because of budget constraints.



4. Utilisation of donor funds

An amount of R 22,659 million was received as Donor funding from the Department of Trade and Industry for Agro-processing project in Bushbuckridge which commenced in the third quarter of the financial year. An amount of R21, 362 million has already been spend on the project with the final balance already paid in April 2012.

5. Trading entities and public entities

The department had oversight functions over three Public Entities during the year under review.

5.1 Mpumalanga Tourism and Parks Agency

The purpose of MTPA is:

- To provide for the sustainable management and promotion of Tourism and Nature Conservation in the Province and to ensure the sustainable utilization of natural resources.
- Broaden the participation of historically disadvantage individuals (HDI) in the tourism industry.

The entity received an unqualified audit opinion in the 2010/11 financial year.

5.2 Mpumalanga Economic Growth Agency

The purpose of MEGA is:

- Promote trade and investment in Mpumalanga.
- To provide funding in respect of approved enterprise and agricultural development focusing primarily on the previously disadvantaged individuals in Mpumalanga.
- To develop property including the granting of housing loans in Mpumalanga
- To deliver massive infrastructure in Mpumalanga

The entity received an adverse audit opinion in the 2010/11 financial year.

5.3 Mpumalanga Gambling Board

The purpose of MGB is:

- To perform functions in terms of Mpumalanga Gambling Act, including:
- Ensuring the sustainability of all persons wishing to participate in the gaming industry within Mpumalanga and
- Ensuring that gaming activities regulate by the MGB are conducted fairly.
- To ensure that the regulation of gaming is effective and efficient
- To render support and advice to the responsible member on gaming issues and ensure that Government's policy on gaming is implemented.

The entity received a clean audit report in the 2010/11 financial year.

Organisations to whom transfer payments have been made

| Name of Public Entity | 2011/12 R'000 | 2010/11 R'000 |
|--|------------------|------------------|
| Mpumalanga Economic Growth Agency (MEGA) | 143,728 | 143,265 |
| Mpumalanga Tourism and Parks Agency (MTPA) | 260,670 | 240,861 |
| Mpumalanga Gambling Board (MGB) | 39,908 | 38,960 |
| Zithabiseni Holiday Resort | 16,000 | 18,700 |
| Total | 460,306 | 441,786 |

The reasons for the transfers to the entities have been explained above in section 5 where more details are provided on the purpose for these public entities. The transfers to Zithabiseni are for payment of salaries.

Accountability arrangements

The public entities report to the MEC. The accounting officer has signed condition of transfer with public entities and the MEC signs a shareholders compact with the chairpersons of the boards. The conditions are extracted from the PFMA and Treasury Regulations. The following are amongst the conditions, which must be complied with before funds are transferred.

1. Strategic plan must be submitted at least six months before the start of the financial year.
2. Corporate plan must cover a period of three years.
3. Shareholder compact must be annually signed with the Member of Executive Council (MEC).
4. Monthly reports including cash flow projections for expenditure, revenue and written certification from the CEO assuring that funds were used for the intended purpose.

6. Public private partnerships (PPP)

The Pilgrim's Rest Theme Park was registered on 21 July 2009 as a PPP project in terms of the National Treasury Regulations to the Public Finance Management Act, 1999 (PFMA). The PPP will follow National Treasury's PPP Toolkit for Tourism. To date the Department has secured funding valued R1.5 million through the Project Development Funding Grant from National Treasury and the department has committed R500 thousand towards the project.

The department has appointed a Transaction Advisor to undertake a comprehensive feasibility study of the Pilgrims' Rest Theme Park project and benchmark these operations with South Africa's tourism and leisure industry and if required afterwards provide advisory services for the project.

7. Corporate governance arrangements

7.1 Risk Management Approach

The management of risk within the department is done in terms of Section 38 (a) (i) of the PFMA and Treasury Regulations. A risk assessment was performed for the financial year under review. The Risk Assessment informed the development of the Risk Management Strategy and a risk register which was communicated to all employees of the department.

The Department recognizes that all aspect of business risk must be managed. A risk management committee has been appointed and was functioning during the year under review. The Internal Audit plan is based on the risk management strategy, by performing the above the department is striving to maintain effective, efficient and transparent system of financial and risk management and internal control as described in section 38(a)(i) of the PFMA.

7.2 Fraud Prevention Plan

The Fraud prevention plan has since been developed and approved in 2008 and it has been reviewed from the Fraud Risk Assessment process. The plan has since been communicated to all employees during the awareness workshops. This plan is aimed at deterring preventing, detecting, reacting to and reducing the impact of fraud where such dishonest activities subsist. This plan also sets out the department position towards fraud as well as reinforcing existing system, policies, procedures, rules and regulations. Furthermore it confirms that the department supports and fosters a culture of zero tolerance to fraud.

7.3 Internal Audit and Audit committee

The Internal Audit Function (IAF) of the department was established in 2002 in terms of the Public Finance Management Act (1 of 1999), as an integral part of the department's system of governance. The IAF provides objective and independent assurance to management and the Audit Committee on the adequacy and effectiveness of internal control, risk management and governance processes within the department. In pursuing this activity the IAF is guided by a fully functional Audit Committee which operates in terms of an approved Audit Committee Charter.

7.4 Responsibilities of the Accounting Officer

During the year under review the accounting officer was able to oversee the financial transactions of the department by ensuring that proper monitoring systems are put in place, the budget was prepared in terms of Treasury guidelines. The supply chain unit was functional cause the three bid committee system was operational in terms of procurement.

Revenue collection exceeded target by 4% against a budget of R63 million. The accounting officer was able to analyze all fiscal activities, transactions and financial records of the department through the IYM financial tool which has been provided to the entire department from Provincial Treasury as a monitoring tool on expenditure patterns. The KING III report places a greater emphasis on issues of governance which have already being discussed above.

7.5 Environmental issues

The draft Public discussion document on Provincial climate change response has been initiated.

8. Discontinued activities/activities to be discontinued

None

9. New/proposed activities

The Merger of MEGA, MADC and MHFCo

The merger of this entities has been finalised ,a proclamation in terms of section 33 of the Mega Act was published on 02 /05/2012 Gazetted number 2041.In terms of which personnel, assets and liabilities rights and obligations of the dis-established entities are transferred to the new Mega with effect from 30/03/2012.

10. Asset management

The department is severely under staffed in the asset management unit, there is only two permanent employees which puts much pressure to do assets management and quarterly verification especially in the environmental centers and regions.

11. Inventories

All inventory opening and closing balances, together with movements for the year is reflected in Annexure 9.

12. Events after the reporting date

None

13. Information on predetermined objectives

The department has approved a monitoring and evaluation framework which articulates what the department has put in place, which assists the department to monitor performance information The department produces monthly and quarterly reports which are signed off by programme managers to authenticate or validate the information.

14. SCOPA resolutions

| Reference to previous audit report and SCOPA resolutions | Subject | Findings on progress |
|--|---|---|
| 7 th report and paragraph 3.1.1 | Irregular Expenditure The Committee recommended that; (a) The irregular expenditure remains not condoned and should be charged against the department (over-spending on programme 1 and 5) amounting to R10.393million | The department awaits response from the Office of the Speaker concerning the condonement for the over-spending of R10,393 million |

15. Prior modifications to audit reports

None



1. Exemptions and deviations received from the National Treasury

None

2. Other

For the 2011/12 financial year the department has implemented unauthorised and irregular expenditure register.

3. Approval

The Annual Financial Statements set out on pages 90 to 139 have been approved by the Accounting Officer.



Dr V DLAMINI

HEAD OF DEPARTMENT

31 May 2012



REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Economic Development, Environment and Tourism set out on pages 90 to 139 which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



Basis for qualified opinion

Property, plant and equipment

6. Proper control systems to safeguard and maintain assets had not been implemented, as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.1.1(a). As the department failed to maintain an adequate fixed asset register, I was unable to physically verify movable tangible capital assets to confirm the completeness of these assets. Due to the limitations placed on the scope of my work by the department, I was unable to obtain sufficient appropriate audit evidence to confirm the completeness of the closing balance of movable tangible capital assets amounting to R30 650 000 (2011: R29 218 000), as disclosed in note 28 to the financial statements.
7. I was unable to verify the existence of movable tangible capital assets amounting to R5 671 291. The department's records did not permit the application of alternative procedures. Accordingly, I could not obtain sufficient appropriate audit evidence to confirm the existence of the closing balance of movable tangible capital assets amounting to R30 650 000 (2011: R29 218 000), as disclosed in note 28 to the financial statements.
8. I was unable to verify the existence of minor assets amounting to R3 234 019. The department's records did not permit the application of alternative procedures. Accordingly, I could not obtain sufficient appropriate audit evidence to confirm the existence of the closing balance of minor assets amounting to R9 382 000 (2011: R9 175 000), as disclosed in note 28.4 to the financial statements.

Qualified opinion

9. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development, Environment and Tourism as at 31 March 2012 and its financial performance and cash flows for the year then ended, in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Additional matter

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

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 19 to 67 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
15. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. There were no material findings on the annual performance report concerning the usefulness of the information. The material findings on the reliability of the information are as follows:

Reliability of information

Validity

17. The FMPPI requires that processes and systems that produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 26% of the environmental services programme. This was due to limitations placed on the scope of my work due to the absence of information systems.

Completeness

18. The FMPPI requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information should be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 50% of the business regulation programme, 20% of the integrated economic development programme and 37% of the environmental services programme. This was due to limitations placed on the scope of my work by the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Achievement of planned targets

19. Of the total number of 154 planned targets, 49 were not achieved during the year under review. This means that 32% of the total planned targets were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably aligned to the department's budget.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Expenditure management

21. The accounting officer did not take effective steps to prevent irregular as well as fruitless and wasteful expenditure, as required by section 38(1)(c) (ii) of the PFMA and Treasury Regulation 9.1.1.

Human resource management

22. Funded vacant posts were not filled within 12 months, as required by Public Service Regulation 1/VII/C.1A.2.
23. Employees acted in higher vacant posts for more than 12 months, in contravention of Public Service Regulation 1/VII/B.5.3.
24. All senior managers did not have signed performance agreements for the year under review, as required by Public Service Regulation 4/III/B.1.

Procurement and contract management

25. Goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1.
26. Construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the Construction Industry Development Board (CIDB) Act, 2000 (Act No. 38 of 2000) and CIDB Regulations 17 and 25(7A).
27. Contracts were awarded to bidders based on preference points that had not been allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) and its regulations.

Internal control

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.



Leadership

- 29. Oversight responsibility was not exercised regarding financial and performance reporting and compliance as well as related internal controls.
- 30. Effective human resource management was not implemented to ensure that adequate and sufficiently skilled resources were in place and that performance was monitored.
- 31. An information technology governance framework was not established to support and enable the business, deliver value and improve performance.

Financial and performance management

- 32. Proper record keeping was not implemented in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting.
- 33. Controls were not implemented over daily and monthly processing and reconciling of transactions.
- 34. Regular, accurate and complete financial and performance reports were not prepared that were supported and evidenced by reliable information.
- 35. Compliance with applicable laws and regulations was not reviewed and monitored.

Governance

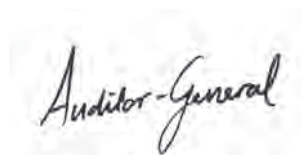
- 36. An adequately resourced and functioning internal audit unit was not established to identify internal control deficiencies and recommend corrective action effectively.

OTHER REPORTS

INVESTIGATIONS

Investigations in progress

- 37. An investigation is being conducted into allegations of financial misconduct committed by an official. The investigation was still ongoing at the reporting date.



Nelspruit

31 July 2012



Auditing to build public confidence

APPROPRIATION STATEMENT

for the year ended 31 March 2012

| Appropriation per programme | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2011/12 | | | | | | | | 2010/11 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1. Administration | | | | | | | | | |
| Current payment | 101,832 | - | - | 101,832 | 100,210 | 1,622 | 98.4% | 99,175 | 95,802 |
| Transfers and subsidies | 1,280 | - | - | 1,280 | 961 | 319 | 75.5% | 1,090 | 756 |
| Payment for capital assets | 2,206 | - | - | 2,206 | 1,969 | 237 | 89.3% | 5,028 | 3,980 |
| Payment for financial assets | - | - | - | - | - | - | - | - | 41 |
| 2. Integrated Economic Development | | | | | | | | | |
| Current payment | 24,491 | - | - | 24,491 | 24,161 | 330 | 98.7% | 25,548 | 23,833 |
| Transfers and subsidies | 143,728 | - | - | 143,728 | 143,760 | (32) | 100% | 143,265 | 143,265 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 3 |
| 3. Trade and Sector Development | | | | | | | | | |
| Current payment | 21,866 | - | - | 21,866 | 19,777 | 2,089 | 90.4% | 38,834 | 50,743 |
| Transfers and subsidies | 276,670 | - | - | 276,670 | 276,670 | - | 100% | 259,561 | 259,646 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 108 |
| 4. Business Regulation | | | | | | | | | |
| Current payment | 18,786 | - | - | 18,786 | 17,858 | 928 | 95.1% | 19,762 | 19,455 |
| Transfers and subsidies | 39,908 | - | - | 39,908 | 40,041 | (133) | 100.3% | 38,960 | 38,964 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 2 |
| 5. Economic Planning | | | | | | | | | |
| Current payment | 9,178 | - | - | 9,178 | 7,765 | 1,413 | 84.6% | 11,674 | 9,851 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 6. Environment Development | | | | | | | | | |
| Current payment | 60,269 | - | - | 60,269 | 59,710 | 559 | 99.1% | 59,064 | 61,360 |
| Transfers and subsidies | - | - | - | - | 427 | (427) | - | - | 32 |
| Payment for capital assets | 8,532 | - | - | 8,532 | 7,042 | 1,490 | 85.2% | 8,092 | 7,293 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Subtotal | 708,746 | | | 708,746 | 700,351 | 8,395 | 98.8% | 710,053 | 715,134 |
| Statutory Appropriation | | | | | | | | | |
| Current payment | 1,716 | - | - | 1,716 | 1,566 | 150 | 91.3% | 1,660 | 1,412 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 710,462 | | | 710,462 | 701,917 | 8,545 | 98.8% | 711,713 | 716,546 |

Reconciliation with statement of financial performance

ADD

Departmental receipts

65,537

54,884

Direct Exchequer receipts

Aid assistance

Actual amounts per statement of financial performance (total revenue)

775,999

766,597

ADD

Aid assistance

Direct Exchequer payments

Prior year unauthorised expenditure approved without funding

Actual amounts per statement of financial performance (total expenditure)

701,917

716,546

APPROPRIATION STATEMENT

for the year ended 31 March 2012

| Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2011/12 | | | | | | | | 2010/11 | |
| | 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 | | | | | | | | | |
| Compensation of employees | 155,778 | - | - | 155,778 | 148,224 | 7,554 | 95.2% | 141,098 | 143,260 |
| Goods and services | 80,644 | - | - | 80,644 | 81,256 | (612) | 100.8% | 112,959 | 117,784 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | 5 | (5) | - | - | - |
| Departmental agencies and accounts | 460,306 | - | - | 460,306 | 460,306 | - | 100% | 441,786 | 441,871 |
| Universities and technikons | 1,170 | - | - | 1,170 | 956 | 214 | 81.7% | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 10 | - | - | 10 | - | 10 | - | - | - |
| Households | 100 | - | - | 100 | 593 | (493) | 593.1% | 1,090 | 792 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 8,532 | - | - | 8,532 | 7,042 | 1,490 | 82.5% | 8,092 | 7,293 |
| Machinery and equipment | 2,206 | - | - | 2,206 | 1,969 | 237 | 89.3% | 5,028 | 3,980 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | |
| | - | - | - | - | - | - | - | - | 154 |
| Total | 708,746 | | | 708,746 | 700,351 | 8,395 | 98.8% | 710,053 | 715,134 |

| Statutory Appropriation | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| 2011/12 | | | | | | | | 2010/11 | |
| Direct changes against the National/Provincial Revenue Fund | 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 |
| Member of Executive Council | 1,716 | - | - | 1,716 | 1,566 | 150 | 91.3% | 1,660 | 1,412 |
| Total | 1,716 | | | 1,716 | 1,566 | 150 | 91.3% | 1,660 | 1,412 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 1 - Administration

| 2011/12 | | | | | | | | 2010/11 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| Programme 1 Detail per sub-programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.1 Office of the MEC | | | | | | | | | |
| Current payment | 4,763 | - | - | 4,763 | 4,804 | (41) | 100.9% | 3,683 | 3,551 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 1.2 Management Services | | | | | | | | | |
| Current payment | 6,451 | - | - | 6,451 | 6,020 | 431 | 93.3% | 7,140 | 6,274 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 4 |
| 1.3 Financial Management | | | | | | | | | |
| Current payment | 63,458 | - | - | 63,458 | 63,476 | (18) | 100% | 53,936 | 54,903 |
| Transfers and subsidies | - | - | - | - | 5 | (5) | - | - | 42 |
| Payment for capital assets | 2,206 | - | - | 2,206 | 1,969 | 237 | 89.3% | 5,028 | 3,960 |
| Payment for financial assets | - | - | - | - | - | - | - | - | 37 |
| 1.4 Corporate Services | | | | | | | | | |
| Current payment | 27,160 | - | - | 27,160 | 25,910 | 1,250 | 95.4% | 34,416 | 31,074 |
| Transfers and subsidies | 1,280 | - | - | 1,280 | 956 | 324 | 74.7% | 1,090 | 714 |
| Payment for capital assets | - | - | - | - | - | - | - | - | 20 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 105,318 | | | 105,318 | 103,140 | 2,178 | 97.9% | 105,293 | 100,579 |

| 2011/12 | | | | | | | | 2010/11 | |
|--------------------------------------|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Compensation of employees | 43,214 | - | - | 43,214 | 41,084 | 2,130 | 95.1% | 41,834 | 40,861 |
| Goods and services | 58,618 | - | - | 58,618 | 59,126 | (508) | 100.9% | 57,341 | 54,941 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | 5 | (5) | - | - | - |
| Universities & Technikons | 1,170 | - | - | 1,170 | 956 | 214 | 81.7% | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 110 | - | - | 110 | - | 110 | 75.3% | 1,090 | 756 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2,206 | - | - | 2,206 | 1,969 | 237 | 89.3% | 5,028 | 3,980 |
| Payments for financial assets | | | | | | | | | |
| | - | - | - | - | - | - | - | - | 41 |
| Total | 105,318 | | | 105,318 | 103,140 | 2,178 | 97.9% | 105,293 | 100,579 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 2 - Integrated Economic Development

| Programme 2 Detail per sub-programme | 2011/12 | | | | | | | 2010/11 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|------------|---|------------------------|-----------------------|
| | 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 |
| 2.1 CD: Office Support | | | | | | | | | |
| Current payment | 2,792 | - | - | 2,792 | 3,530 | (738) | 126.4% | 1,249 | 1,017 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 2.2 Enterprise Development | | | | | | | | | |
| Current payment | 12,116 | - | - | 12,116 | 11,364 | 752 | 93.8% | 13,499 | 12,981 |
| Transfers and subsidies | 143,728 | - | - | 143,728 | 143,735 | (7) | 100% | 143,265 | 143,265 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 3 |
| 2.3 Local Econ. Development | | | | | | | | | |
| Current payment | 4,582 | - | - | 4,582 | 4,474 | 108 | 97.6% | 5,450 | 5,003 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 2.4 Economic Empowerment | | | | | | | | | |
| Current payment | 5,001 | - | - | 5,001 | 4,793 | 208 | 95.8% | 5,350 | 4,832 |
| Transfers and subsidies | - | - | - | - | 25 | (25) | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 168,219 | | | 168,219 | 167,921 | 298 | 99.8% | 168,813 | 167,101 |

| Economic classification | 2011/2012 | | | | | | | 2010/11 | |
|--------------------------------------|---------------------------|----------------------|----------|------------------------|-----------------------|------------|---|------------------------|-----------------------|
| | 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 | | | | | | | | | |
| Compensation of employees | 19,567 | - | - | 19,567 | 18,118 | 1,449 | 92.6% | 16,109 | 15,907 |
| Goods and services | 4,924 | - | - | 4,924 | 6,042 | (1,118) | 122.7% | 9,439 | 7,926 |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and account | 143,728 | - | - | 143,728 | 143,728 | - | 100% | 143,265 | 143,265 |
| Households | - | - | - | - | 33 | (33) | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | |
| | - | - | - | - | - | - | - | - | 3 |
| Total | 168,219 | | | 168,219 | 167,921 | 298 | 99.8% | 168,813 | 167,101 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 3 - Trade and Sector Development

| Programme 3 Detail per sub programme | 2011/12 | | | | | | | 2010/11 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 |
| 3.1 CD: Office Support | | | | | | | | | |
| Current payment | 4,642 | - | - | 4,642 | 4,368 | 274 | 94.1% | 3,929 | 3,197 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| 3.2 Trade & Sector development | | | | | | | | | |
| Current payment | 3,668 | - | - | 3,668 | 3,296 | 372 | 89.9% | 4,900 | 4,106 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | 85 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| 3.3 Sector Development | | | | | | | | | |
| Current payment | 7,200 | - | - | 7,200 | 7,054 | 146 | 98% | 7,060 | 7,473 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 3.4 Strategic Initiatives | | | | | | | | | |
| Current payment | 2,800 | - | - | 2,800 | 1,833 | 967 | 65.5% | 3,890 | 3,477 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 3.5 Tourism | | | | | | | | | |
| Current payment | 3,556 | - | - | 3,556 | 3,226 | 330 | 90.7% | 19,055 | 32,490 |
| Transfers and subsidies | 276,670 | - | - | 276,670 | 276,670 | - | 100% | 259,561 | 259,561 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | 108 |
| Total | 298,536 | | | 298,536 | 296,447 | 2,089 | 99.3% | 298,395 | 310,497 |

| Economic classification | 2011/12 | | | | | | | 2010/11 | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | | | | | | | | | |
| Compensation of employees | 15,023 | - | - | 15,023 | 13,896 | 1,127 | 92.5% | 12,879 | 11,994 |
| Goods and services | 6,843 | - | - | 6,843 | 5,881 | 962 | 85.9% | 25,955 | 38,749 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 276,670 | - | - | 276,670 | 276,670 | - | 100% | 259,561 | 259,646 |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | 108 |
| Total | 298,536 | | | 298,536 | 296,447 | 2,089 | 99.3% | 298,395 | 310,497 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 4 - Business Regulation

| 2011/12 | | | | | | | | 2010/11 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|------------|---|------------------------|-----------------------|
| Programme 4 Detail per sub programme | 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 |
| 4.1 CD: Office Support | | | | | | | | | |
| Current payment | 979 | - | - | 979 | 553 | 426 | 56.5% | 1,330 | 1,297 |
| Transfers and subsidies | - | - | - | - | 31 | (31) | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 4.2 Consumer Protection | | | | | | | | | |
| Current payment | 11,910 | - | - | 11,910 | 9,670 | 2,240 | 81.2% | 13,700 | 11,881 |
| Transfers and subsidies | - | - | - | - | 102 | (102) | - | - | 4 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 4.3 Regulation Services | | | | | | | | | |
| Current payment | 5,897 | - | - | 5,897 | 7,635 | (1,738) | 129.5% | 4,732 | 6,277 |
| Transfers and subsidies | 39,908 | - | - | 39,908 | 39,908 | - | - | 38,960 | 38,960 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial | - | - | - | - | - | - | - | - | 2 |
| Total | 58,694 | | - | 58,694 | 57,899 | 795 | 98.6% | 58,722 | 58,421 |

| 2011/12 | | | | | | | | 2010/11 | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | | | | | | | | | |
| Compensation of employees | 15,467 | - | - | 15,467 | 14,866 | 601 | 96.1% | 15,371 | 15,069 |
| Goods and services | 3,319 | - | - | 3,319 | 2,992 | 327 | 90.1% | 4,391 | 4,386 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Financial transactions in assets and liabilities | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and Municipalities | - | - | - | - | - | - | - | - | - |
| Departmental Agencies and Accounts | 39,908 | | | 39,908 | 39,908 | | 100% | 38,960 | 38,960 |
| Universities and Technikons | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | 133 | (133) | - | - | 4 |
| Payments for Financial Assets | - | - | - | - | - | - | - | - | 2 |
| Total | 58,694 | - | - | 58,694 | 57,899 | 795 | 98.6% | 58,722 | 58,421 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 5 - Economic Planning

| Programme 5 Detail per sub-programme | 2011/12 | | | | | | | 2010/11 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| 5.1 CD: Office Support | | | | | | | | | |
| Current payment | 58 | - | - | 58 | 18 | 40 | 31% | 572 | 269 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 5.2 Economic Policy and Planning | | | | | | | | | |
| Current payment | 2,701 | - | - | 2,701 | 2,388 | 313 | 88.4% | 2,213 | 2,266 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 5.3 Research and Development | | | | | | | | | |
| Current payment | 2,545 | - | - | 2,545 | 1,895 | 650 | 74.5% | 3,550 | 3,035 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 5.4 Knowledge Management | | | | | | | | | |
| Current payment | 2,274 | - | - | 2,274 | 2,269 | 5 | 99.8% | 3,060 | 2,620 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 5.5 Monitoring and Evaluation | | | | | | | | | |
| Current payment | 1,600 | - | - | 1,600 | 1,195 | 405 | 74.7% | 2,279 | 1,661 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 9,178 | | | 9,178 | 7,765 | 1,413 | 84.6% | 11,674 | 9,851 |

| Economic classification | 2011/12 | | | | | | | 2010/11 | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | | | | | | | | | |
| Compensation of employees | 7,729 | - | - | 7,729 | 6,629 | 1,100 | 85.8% | 8,894 | 8,292 |
| Goods and services | 1,449 | - | - | 1,449 | 1,136 | 313 | 78.4% | 2,780 | 1,559 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - |
| Total | 9,178 | | | 9,178 | 7,765 | 1,413 | 84.6% | 11,674 | 9,851 |

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Programme 6 - Environmental Development

| 2011/12 | | | | | | | | 2010/11 | |
|--|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| Programme 6 Detail per sub-programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| 6.1 CD: Office Support | | | | | | | | | |
| Current payment | - | - | - | - | - | - | - | 960 | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 6.2 Environmental Impact Management | | | | | | | | | |
| Current payment | 10,503 | - | - | 10,503 | 10,142 | 361 | 96.6% | 9,503 | 9,431 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 6.3 Pollution and Waste | | | | | | | | | |
| Current payment | 8,533 | - | - | 8,533 | 6,537 | 1,996 | 76.6% | 9,093 | 9,711 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 6.4 Environmental Awareness and Education | | | | | | | | | |
| Current payment | 41,233 | - | - | 41,233 | 43,031 | (1,798) | 104.4% | 39,508 | 42,218 |
| Transfers and subsidies | - | - | - | - | 427 | (427) | - | - | 32 |
| Payment for capital assets | 8,532 | - | - | 8,532 | 7,042 | 1,490 | 82.5% | 8,092 | 7,293 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 68,801 | - | - | 68,801 | 67,179 | 1,622 | 97.6% | 67,156 | 68,685 |

| 2011/12 | | | | | | | | 2010/11 | |
|--------------------------------------|---------------------------|----------------------|----------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | | | | | | | | | |
| Compensation of employees | 54,778 | - | - | 54,778 | 53,631 | 1,147 | 97.9% | 46,011 | 51,137 |
| Goods and services | 5,491 | - | - | 5,491 | 6,079 | (588) | 110.7% | 13,053 | 10,223 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | 427 | (427) | - | - | 32 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 8,532 | - | - | 8,532 | 7,042 | 1,490 | 82.5% | 8,092 | 7,293 |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| TOTAL | 68,801 | - | - | 68,801 | 67,179 | 1,622 | 97.6% | 67,156 | 68,685 |

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1-4 to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme

| | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|---------------------------------|------------------------|-----------------------|----------------|--|
| Administration | 105,318 | 103,140 | 2,178 | 2.1% |
| Integrated Economic Development | 168,219 | 167,921 | 298 | 0.2% |
| Trade and Sector Development | 298,536 | 296,447 | 2,089 | 0.7% |
| Business Regulation | 58,694 | 57,899 | 795 | 1.4% |
| Economic Planning | 9,178 | 7,765 | 1,413 | 15.4% |
| Environmental Development | 68,801 | 67,179 | 1,622 | 2.4% |

4.2 Per Economic classification

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|--------------------------------------|------------------------|-----------------------|----------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 155,778 | 148,224 | 7,554 | 4.8% |
| Goods and services | 80,644 | 81,256 | (612) | (0.7%) |
| Unauthorised expenditure approved | | | | |
| Transfers and subsidies | | | | |
| Provinces and municipalities | | | | |
| Departmental agencies and accounts | 460,306 | 460,306 | - | - |
| Universities & technikons | 1,170 | 956 | 214 | 18.2% |
| Households | 110 | 593 | (483) | (439%) |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 8,532 | 7,042 | 1,490 | 17.5% |
| Machinery and equipment | 2,206 | 1,969 | 237 | 10.7% |
| Payments for financial assets | | | | |

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

Compensation of employees:

The Department's personnel expenditure is at 95% of the personnel adjusted budget, or R149,786 million of the R157,494 million of the adjusted budget allocated for the 2011/12 financial year. The Department under-spent its personnel budget by 5% and it is because of the following reasons:

- Resignations, death and better employment opportunities where the department could not counter offer.

Fixed Structure

| DETAILS | BUDGET | EXPENDITURE | AVAILABLE |
|---------------|--------------|--------------|--------------|
| | R'000 | R'000 | R'000 |
| Head Office | 1,136 | 825 | 311 |
| Amsterdam | 2,500 | 1,674 | 826 |
| Delmas | 1,700 | 903 | 797 |
| Elukwatini | 563 | 1,580 | (1,017) |
| Graskop | 200 | 552 | (352) |
| Pilgrims Rest | 150 | 139 | 11 |
| Tonga | 200 | 193 | 7 |
| Mdala | 533 | 297 | 236 |
| Kwamhlanga | 50 | - | 50 |
| Barberton | 1,000 | 879 | 121 |
| Bushbuckridge | 500 | - | 500 |
| TOTAL | 8,532 | 7,042 | 1,490 |

The Department's expenditure on fixed structures under-spend due to the following

Reasons;

- Supply chain process(Delay in appointing consultants)
- Services providers not submitting invoices on time.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2012

| PERFORMANCE | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|---|-------------|--------------------------|--------------------------|
| REVENUE | | | |
| Annual appropriation | <u>1</u> | 708,746 | 710,053 |
| Statutory appropriation | <u>2</u> | 1,716 | 1,660 |
| Departmental revenue | <u>3</u> | 65,537 | 54,884 |
| TOTAL REVENUE | | 775,999 | 766,597 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | <u>4</u> | 149,790 | 144,672 |
| Goods and services | <u>5</u> | 81,256 | 117,784 |
| Total current expenditure | | 231,046 | 262,456 |
| Transfers and subsidies | | | |
| Transfers and subsidies | <u>7</u> | 461,860 | 442,663 |
| Total transfers and subsidies | | 461,860 | 442,663 |
| Expenditure for capital assets | | | |
| Tangible capital assets | <u>8</u> | 9,011 | 11,273 |
| Software and other intangible assets | | - | - |
| Total expenditure for capital assets | | 9,011 | 11,273 |
| Payments for financial assets | <u>6</u> | - | 154 |
| TOTAL EXPENDITURE | | 701,917 | 716,546 |
| SURPLUS FOR THE YEAR | | 74,082 | 50,051 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 8,545 | (4,833) |
| Annual appropriation | | 8,545 | (4,833) |
| Departmental revenue and NRF Receipts | <u>14</u> | 65,537 | 54,884 |
| SURPLUS FOR THE YEAR | | 74,082 | 50,051 |

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2012

| POSITION | Note | 2011/12 R'000 | 2010/11 R'000 |
|---|-------------|--------------------------|--------------------------|
| ASSETS | | | |
| Current assets | | 24,157 | 26,233 |
| Unauthorised expenditure | <u>9</u> | 15,226 | 15,226 |
| Fruitless and wasteful expenditure | <u>10</u> | - | - |
| Cash and cash equivalents | <u>11</u> | 8,687 | 10,785 |
| Receivables | <u>12</u> | 244 | 222 |
| TOTAL ASSETS | | 24,157 | 26,233 |
| LIABILITIES | | | |
| Current liabilities | | 24,131 | 26,201 |
| Voted funds to be surrendered to the Revenue Fund | <u>13</u> | 17,778 | 9,234 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | <u>14</u> | 4,892 | 95 |
| Payables | <u>15</u> | 1,461 | 16,872 |
| TOTAL LIABILITIES | | 24,131 | 26,201 |
| NET ASSETS | | 26 | 32 |
| Represented by: | | | |
| Recoverable revenue | | 26 | 32 |
| TOTAL | | 26 | 32 |

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2012

| NET ASSETS | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|--------------------------|--------------------------|
| Recoverable revenue | | | |
| Opening balance | | 32 | 175 |
| Transfers: | | (6) | (143) |
| Debt recovered (included in departmental receipts) | | (6) | (143) |
| Closing balance | | 26 | 32 |
| | | | |
| | | | |
| TOTAL | | 26 | 32 |

CASH FLOW STATEMENT

for the year ended 31 March 2012

| CASH FLOW | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 775,753 | 766,539 |
| Annual appropriated funds received | <u>1.1</u> | 708,746 | 710,053 |
| Statutory appropriated funds received | <u>2</u> | 1,716 | 1,660 |
| Departmental revenue received | <u>3</u> | 65,291 | 54,826 |
| Net (increase)/decrease in working capital | | (15,433) | 16,948 |
| Surrendered to Revenue Fund | | (60,741) | (54,844) |
| Current payments | | (231,046) | (262,456) |
| Payments for financial assets | | - | (154) |
| Transfers and subsidies paid | | (461,860) | (442,663) |
| Net cash flow available from operating activities | <u>16</u> | 6,673 | 23,370 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | <u>8</u> | (9,011) | (11,273) |
| Proceeds from sale of capital assets | <u>3.4</u> | 246 | 58 |
| Net cash flows from investing activities | | (8,765) | (11,215) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | (6) | (143) |
| Net cash flows from financing activities | | (6) | (143) |
| Net increase/(decrease) in cash and cash equivalents | | (2,098) | 12,012 |
| Cash and cash equivalents at beginning of period | | 10,785 | (1,227) |
| Cash and cash equivalents at end of period | <u>17</u> | 8,687 | 10,785 |



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

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

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



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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.

7.2 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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.



STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

for the year ended 31 March 2012

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

Specific information with regards to related party transactions is included in the disclosure notes.

10. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

11. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

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

| | Final Appropriation R'000 | 2011/12 Actual Funds Received R'000 | Funds not requested/ not received R'000 | 2010/11 Appropriation received R'000 |
|-----------------------------------|---------------------------------|--|--|---|
| Administration | 105,318 | 105,318 | - | 105,293 |
| Integrated Econ. Development | 168,219 | 168,219 | - | 168,813 |
| Trade and Industry Development | 298,536 | 298,536 | - | 298,395 |
| Business Regulation | 58,694 | 58,694 | - | 58,722 |
| Economic Planning | 9,178 | 9,178 | - | 11,674 |
| Environmental Development | 68,801 | 68,801 | - | 67,156 |
| Total | 708,746 | 708,746 | - | 710,053 |

2. Statutory Appropriation

| | 2011/12 R'000 | 2010/11 R'000 |
|---|------------------|------------------|
| Member of Executive Council | 1,716 | 1,660 |
| Total | 1,716 | 1,660 |
| Actual Statutory Appropriation received | 1,716 | 1,660 |

3. Departmental revenue

| | Note | 2011/12 R'000 | 2010/11 R'000 |
|---|------|------------------|------------------|
| Tax revenue | | 60,143 | 50,584 |
| Sales of goods and services other than capital assets | 3.1 | 1,563 | 2,037 |
| Fines, penalties and forfeits | 3.2 | 1,978 | 1,182 |
| Interest, dividends and rent on land | 3.3 | 1,053 | 882 |
| Sales of capital assets | 3.4 | 246 | 58 |
| Transactions in financial assets and liabilities | 3.5 | 554 | 141 |
| Total revenue collected | | 65,537 | 54,884 |
| Departmental revenue collected | | 65,537 | 54,884 |

* The total revenue collected less the proceeds from sale of capital assets is recognised as departmental revenue received in the cash flow statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

3.1 Sales of goods and services other than capital assets

| | <i>Note</i> 3 | 2011/12 R'000 | 2010/11 R'000 |
|--|------------------|------------------|------------------|
| Sales of goods and services produced by the department | | | |
| Sales by market establishment | | 182 | 128 |
| Administrative fees | | 1,370 | 1,886 |
| Other sales | | 11 | 23 |
| Sales of scrap, waste and other used current goods | | | |
| Total | | 1,563 | 2,037 |

3.2 Fines, penalties and forfeits

| | <i>Note</i> 3 | 2011/12 R'000 | 2010/11 R'000 |
|--------------|------------------|------------------|------------------|
| Fines | | 1,978 | 1,179 |
| Penalties | | | 3 |
| Total | | 1,978 | 1,182 |

3.3 Interest, dividends and rent on land

| | <i>Note</i> 3 | 2011/12 R'000 | 2010/11 R'000 |
|--------------|------------------|------------------|------------------|
| Interest | | 1,053 | 882 |
| Total | | 1,053 | 882 |

3.4 Sale of capital assets

| | <i>Note</i> 3 | 2011/12 R'000 | 2010/11 R'000 |
|-------------------------|------------------|------------------|------------------|
| Tangible assets | | 246 | 58 |
| Machinery and equipment | 28 | 246 | 58 |
| Total | | 246 | 58 |

3.5 Transactions in financial assets and liabilities

| | <i>Note</i> 3 | 2011/12 R'000 | 2010/11 R'000 |
|--|------------------|------------------|------------------|
| Other Receipts including Recoverable Revenue | | 554 | 141 |
| Total | | 554 | 141 |

4. Compensation of employees

4.1 Salaries and Wages

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|----------------------------------|-------------|------------------|------------------|
| Basic salary | | 100,671 | 96,100 |
| Performance award | | 2,556 | 10,223 |
| Service Based | | 8,117 | 66 |
| Compensative/circumstantial | | 8,685 | 10,095 |
| Other non-pensionable allowances | | 9,676 | 9,027 |
| Total | | 129,705 | 125,511 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

4.2 Social contributions

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|--------------------|--------------------|
| Employer contributions | | | |
| Pension | | 12,996 | 12,490 |
| Medical | | 7,064 | 6,645 |
| Bargaining council | | 25 | 26 |
| Total | | 20,085 | 19,161 |
| Total compensation of employees | | 149,790 | 144,672 |
| Average number of employees | | 459 | 492 |

5. Goods and services

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|---|-------------|------------------|------------------|
| Administrative fees | | 22 | 27 |
| Advertising | | 1,271 | 2,147 |
| Assets less than R5,000 | <u>5.1</u> | 512 | 909 |
| Bursaries (employees) | | 208 | 245 |
| Catering | | 1,136 | 1,999 |
| Communication | | 4,601 | 6,057 |
| Computer services | <u>5.2</u> | 466 | 611 |
| Consultants, contractors and agency/outsourced services | <u>5.3</u> | 13,511 | 50,935 |
| Audit cost – external | <u>5.4</u> | 2,696 | 1,674 |
| Fleet services | | 1,668 | 758 |
| Inventory | <u>5.5</u> | 2,852 | 2,897 |
| Operating leases | | 21,493 | 21,164 |
| Owned and leasehold property expenditure | <u>5.6</u> | 12,419 | 7,717 |
| Travel and subsistence | <u>5.7</u> | 15,432 | 17,666 |
| Venues and facilities | | 973 | 836 |
| Training and staff development | | 1,073 | 1,156 |
| Other operating expenditure | <u>5.8</u> | 923 | 986 |
| Total | | 81,256 | 117,784 |

5.1 Assets less than R5,000

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--------------------------|-------------|------------------|------------------|
| Tangible assets | <u>5</u> | 512 | 909 |
| Biological assets | | - | 11 |
| Machinery and equipment | | 512 | 898 |
| Intangible assets | | | |
| Total | | 512 | 909 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

5.2 Computer services

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|-------------------------------------|------------------|------------------|------------------|
| SITA computer services | | 214 | 225 |
| External computer service providers | | 252 | 386 |
| Total | | 466 | 611 |

5.3 Consultants, contractors and agency/outsourced services

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|--|------------------|------------------|------------------|
| Business and advisory services | | 592 | 615 |
| Infrastructure and planning | | 1,023 | 1,857 |
| Legal costs | | 98 | - |
| Contractors | | 252 | 817 |
| Agency and support/outsourced services | | 11,546 | 47,646 |
| Total | | 13,511 | 50,935 |

5.4 Audit cost – External

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|-------------------|------------------|------------------|------------------|
| Regularity audits | | 2,696 | 1,674 |
| Total | | 2,696 | 1,674 |

5.5 Inventory

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|----------------------------|------------------|------------------|------------------|
| Food and food supplies | | 285 | 378 |
| Fuel, oil and gas | | 4 | 24 |
| Other consumable materials | | 237 | 331 |
| Maintenance material | | 2 | 24 |
| Stationery and printing | | 2,324 | 2,140 |
| Total | | 2,852 | 2,897 |

5.6 Property payments

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|----------------------------------|------------------|------------------|------------------|
| Municipal services | | 2,025 | 1,006 |
| Property management fees | | 9,576 | 5,614 |
| Property maintenance and repairs | | 818 | 1,097 |
| Total | | 12,419 | 7,717 |

5.7 Travel and subsistence

| | <u>Note</u> 5 | 2011/12 R'000 | 2010/11 R'000 |
|-----------------------|------------------|------------------|------------------|
| Employee costs | | 15,432 | 17,666 |
| Domestic travel costs | | 15,432 | 17,666 |
| Total | | 15,432 | 17,666 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

5.8 Other operating expenditure

| | <i>Note</i> | 2011/12 | 2010/11 |
|---|-------------|------------|------------|
| | <i>5</i> | R'000 | R'000 |
| Professional bodies, membership & subscription fees | | 32 | 47 |
| Resettlement costs | | 61 | 939 |
| Other | | 830 | - |
| Total | | 923 | 986 |

6. Payments for financial assets

| | <i>Note</i> | 2011/12 | 2010/11 |
|-------------------|-------------|----------|------------|
| | | R'000 | R'000 |
| Debts written off | <i>6.1</i> | - | 154 |
| Total | | - | 154 |

6.1 Debts written off

| | <i>Note</i> | 2011/12 | 2010/11 |
|------------------------------------|-------------|----------|------------|
| | <i>10</i> | R'000 | R'000 |
| Nature of debts written off | | | |
| Transfer to debts written off | | | |
| Supplier | | - | 120 |
| Ex-Employees | | - | 34 |
| Total | | - | 154 |

7. Transfers and subsidies

| | | 2011/12 | 2010/11 |
|------------------------------------|----------------|----------------|----------------|
| | | R'000 | R'000 |
| | <i>Note</i> | | |
| Departmental agencies and accounts | <i>Annex 1</i> | 460,306 | 441,786 |
| Province and municipalities | <i>Annex 2</i> | 5 | - |
| Universities and technikons | <i>Annex 3</i> | 956 | - |
| Households | <i>Annex 4</i> | 593 | 877 |
| Total | | 461,860 | 442,663 |

Unspent funds transferred to the above beneficiaries

8. Expenditure for capital assets

| | <i>Note</i> | 2011/12 | 2010/11 |
|--------------------------------------|-------------|--------------|---------------|
| | | R'000 | R'000 |
| Tangible assets | | 9,011 | 11,273 |
| Buildings and other fixed structures | <i>30</i> | 7,042 | 7,293 |
| Machinery and equipment | <i>28</i> | 1,969 | 3,980 |
| Total | | 9,011 | 11,273 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

8.1 Analysis of funds utilised to acquire capital assets – 2011/12

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 9,011 | - | 9,011 |
| Buildings and other fixed structures | 7,042 | - | 7,042 |
| Machinery and equipment | 1,969 | - | 1,969 |
| Total | 9,011 | - | 9,011 |

8.2 Analysis of funds utilised to acquire capital assets – 2010/11

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 11,273 | - | 11,273 |
| Buildings and other fixed structures | 7,293 | - | 7,293 |
| Machinery and equipment | 3,980 | - | 3,980 |
| Total | 11,273 | - | 11,273 |

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Opening balance | | 15,226 | 10,393 |
| Unauthorised expenditure – discovered in current year | 13 | - | 4,833 |
| Less: Amounts transferred to receivables for recovery | | - | - |
| Unauthorised expenditure awaiting authorisation / written off | | 15,226 | 15,226 |

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

| | 2011/12 R'000 | 2010/11 R'000 |
|--------------|------------------|------------------|
| Current | 15,226 | 15,226 |
| Total | 15,226 | 15,226 |

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

| | 2011/12 R'000 | 2010/11 R'000 |
|--|------------------|------------------|
| Unauthorised expenditure relating to overspending of the vote or a main division within a vote | 15,226 | 15,226 |
| Total | 15,226 | 15,226 |



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

10. Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Opening balance | | - | 51 |
| Less: Amounts condoned | | | |
| Transfers and subsidies | | | |
| Less: Amounts transferred to receivables for recovery | | - | (51) |
| Fruitless and wasteful expenditure awaiting condonement | | - | - |
| Total | | - | - |

11. Cash and cash equivalents

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Consolidated Paymaster General Account | | 8,687 | 10,785 |
| Total | | 8,687 | 10,785 |

12. Receivables

| | | 2011/12 | | | | 2010/11 |
|--------------|------|-----------------------|-----------------------|---------------------------|------------|------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| <i>Note</i> | | Less than one year | One to three years | Older than three years | Total | Total |
| Staff debt | 12.1 | 47 | 171 | 26 | 244 | 222 |
| Total | | 47 | 171 | 26 | 244 | 222 |

12.1 Staff debt

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--------------------|-------------|------------------|------------------|
| Sal: Tax debt | 12 | 28 | 22 |
| Salary overpayment | | 164 | 148 |
| Other | | 52 | 52 |
| Total | | 244 | 222 |

13. Voted funds to be surrendered to the Revenue Fund

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Opening balance | | 9,234 | 9,234 |
| Transfer from statement of financial performance | | 8,545 | (4,833) |
| Add: Unauthorised expenditure for current year | 13 | - | 4,833 |
| Paid during the year | | (1) | - |
| Closing balance | | 17,778 | 9,234 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

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

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Opening balance | | 95 | 55 |
| Transfer from Statement of Financial Performance | | 65,537 | 54,884 |
| Paid during the year | | (60,740) | (54,844) |
| Closing balance | | 4,892 | 95 |

15. Payables – current

| | <i>Note</i> | 2011/12 Total | 2010/11 Total |
|----------------|-------------|------------------|------------------|
| Other payables | <i>15.1</i> | 1,461 | 16,872 |
| Total | | 1,461 | 16,872 |

15.1 Other payables

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|---------------------------------|-------------|------------------|------------------|
| Sal: Income tax | <i>15</i> | 59 | 114 |
| Disallowance Miscellaneous:Ca | | 100 | 5,294 |
| Sal: Pension Fund | | 5 | 33 |
| Bushbuckridge (Agro Processing) | | 1,297 | 11,431 |
| Total | | 1,461 | 16,872 |

16. Net cash flow available from operating activities

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | | 74,082 | 50,051 |
| Add back non cash/cash movements not deemed operating activities | | (67,409) | (26,681) |
| (Increase)/decrease in receivables – current | | (22) | 51 |
| (Increase)/decrease in other current assets | | - | 51 |
| Increase/(decrease) in payables – current | | (15,411) | 16,846 |
| Proceeds from sale of capital assets | | (246) | (58) |
| Expenditure on capital assets | | 9,011 | 11,273 |
| Surrenders to Revenue Fund | | (60,741) | (54,844) |
| Net cash flow generated by operating activities | | 6,673 | 23,370 |

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

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Consolidated Paymaster General account | | 8,687 | 10,785 |
| Total | | 8,687 | 10,785 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|----------------|------------------|------------------|
| Liable to Nature | | | |
| Housing loan guarantees Employees | <i>Annex 6</i> | - | 307 |
| Claims against the department | <i>Annex 7</i> | 20,447 | 13,330 |
| Other departments (interdepartmental unconfirmed balances) | <i>Annex 8</i> | 100 | - |
| Total | | 20,547 | 13,637 |

19. Commitments

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|----------------------------|-------------|------------------|------------------|
| Current expenditure | | | |
| Approved and contracted | | 4,470 | 1,284 |
| Total Commitments | | 4,470 | 1,284 |

20. Accruals

| | | 2011/12 R'000 | 2010/11 R'000 |
|--|----------------|------------------|------------------|
| Listed by economic classification | | | |
| | 30 Days | 30+ Days | Total |
| Goods and services | | 6,103 | 6,103 |
| Total | | 6,103 | 6,103 |

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|---|-------------|------------------|------------------|
| Listed by programme level | | | |
| Programme 1: Administration | | 6,103 | 385 |
| Programme 2: Integrated Econ. Dev. Services | | - | 113 |
| Programme 3: Trade and Industry Development | | - | 8 |
| Programme 4: Business Regulation | | - | 319 |
| Programme 5: Economic Planning | | - | 42 |
| Total | | 6,103 | 867 |

21. Employee benefits

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|-----------------------------------|-------------|------------------|------------------|
| Leave entitlement | | 6,253 | 6,318 |
| Service bonus (Thirteenth cheque) | | 4,292 | 617 |
| Performance awards | | 2,355 | 2,141 |
| Capped leave commitments | | 11,672 | 11,433 |
| Total | | 24,572 | 20,509 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

22. Lease commitment

22.1 Operating leases expenditure

| 2011/12 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|---|-------------------------------------|----------------|
| Not later than 1 year | 9,684 | 9,047 | 18,731 |
| Later than 1 year and not later than 5 years | 4,811 | 7,799 | 12,610 |
| Later than five years | 142 | - | 142 |
| Total lease commitments | 14,637 | 16,846 | 31,483 |

| 2010/11 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|---|-------------------------------------|----------------|
| Not later than 1 year | 5,759 | 5,995 | 11,754 |
| Later than 1 year and not later than 5 years | 6,930 | 10,593 | 17,523 |
| Later than five years | 669 | - | 669 |
| Total lease commitments | 13,358 | 16,588 | 29,946 |

* There were no additional operating lease commitments entered into during the year under review.

The difference between operating lease commitments for 2010/2011 and 2011/2012 constitutes VAT amount of R1,5 million which was not disclosed as part of operating lease commitments in the previous financial year.

23. Receivables for departmental revenue

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--------------|-------------|------------------|------------------|
| Tax revenue | | 2,278 | |
| Total | | 2,278 | - |

23.1 Analysis of receivables for departmental revenue

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|------------------------|-------------|------------------|------------------|
| Opening balance | | 2,278 | |
| Closing balance | | 2,278 | - |

* This amount relates to liquor licence fees collected by SARS on behalf of the department. The amount was transferred to the department after reporting date (31 March 2012) hence it was not been recognized under departmental revenue in note 3.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|---|-------------|------------------|------------------|
| Opening balance | | 12,636 | - |
| Add: Irregular expenditure – relating to prior year | | - | - |
| Add: Irregular expenditure – adjustment to prior year | | - | 11,530 |
| Add: Irregular expenditure – relating to current year | | 14,305 | 1,106 |
| Irregular expenditure awaiting condonation | | 26,941 | 12,636 |

Analysis of awaiting condonation per age classification

| | | |
|--------------|---------------|---------------|
| Current year | 14,305 | 12,636 |
| Prior years | 12,636 | - |
| Total | 26,941 | 12,636 |

* The irregular expenditure amounting to R302 thousand relates to under statement of previous year disclosure.

24.2 Reconciliation of irregular expenditure - current year

| Incident | Disciplinary steps taken/criminal proceedings | 2011/12 R'000 |
|--|--|------------------|
| Appointment of a service provider for the establishment of Agro-Processing Hub in Bushbuckridge | None | 11,228 |
| Splitting of bids for procurement of gazebos | None | 85 |
| Required written price quotations not obtained – approved deviations declared unjust. | None | 342 |
| Re-appointment of acting SMS member in terms of SMS handbook Chapter 3 (10.6) declared unjust | None | 97 |
| Declaration of employees acting in SMS positions as SMS members contrary to Chapter 4.1(B) of Public Service Regulations | None | 321 |
| Non-SMS officials acting longer than 12 months | None | 84 |
| Appointment of joint venture lead partner with a lower grading than specified in the CIBD regulation. | None | 872 |
| Evaluation of bids without minimum threshold set on functionality. | None | 956 |
| Payment for renovations not completed at Mdala Environmental Centre | Disciplinary action taken against official suspected to have made wrongdoing and the process is still ongoing. | 320 |
| Total | | 14,305 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

| | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|-------------|------------------|------------------|
| Opening balance | | - | 51 |
| Fruitless and wasteful expenditure – relating to prior year | | | |
| Fruitless and wasteful expenditure – relating to current year | | 2,883 | - |
| Less: Amounts condoned | | | |
| Less: Amounts transferred to receivables for recovery | | | (51) |
| Fruitless and wasteful expenditure awaiting condonement | | 2,883 | - |

25.2 Analysis of awaiting condonation per economic classification

| | 2011/12 R'000 | 2010/11 R'000 |
|--------------|------------------|------------------|
| Current | 2,883 | - |
| Total | 2,883 | - |

25.3 Analysis of Current year's fruitless and wasteful expenditure

| Incident | Disciplinary steps taken/criminal proceedings | 2011/12 R'000 |
|--|---|------------------|
| • Rental for vacant office buildings and security services in Lieliweg Office Park, Ermelo | Investigations to be conducted | 1,538 |
| • Rental for vacant office buildings and security services in Venter street, Nelspruit | Investigations to be conducted | 1,345 |
| Total | | 2,883 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

26. Related party transactions

26.1 Small Enterprise Development Agency

The Department has a Memorandum of Agreement signed with the DTI to fund part of SEDA programme in the Province in terms of SEDA Act. The Department funds SEDA annually based on a service level agreement. SEDA operates five branches and 12 enterprises information centres to provide Business Development Support. The Department has funded SEDA by an amount of R2 million during the year under review.

26.2 Zithabiseni Holiday Resort

The Department had budgeted R16 million for Zithabiseni for the payment of salaries for staff at the Resort. The resort continues to face challenges in generating income in order to become self sustainable over period of time. This state of affairs make it difficult for the resort to operate normally as its operational budget is not funded by the department. The total amount transferred to Zithabiseni is R16 million during the period under review.

26.3 Bushbuckridge Agro Processing Hub

The Department in partnership and funding from Dept. Of Trade and Industry (the dti) has commenced with project for the refurbishment of the Bushbuckridge Agro processing plant which is expected to create more jobs and serve as catalyst for the local economic development.

The under development of rural communities in Mpumalanga province has prompted the department to identify initiatives and develop programmes that will contribute towards the creation of vibrant rural communities. The key strategy is to create sustainable economic opportunists and employment for people within rural communities, using comparative advantages that exist.

The agricultural sector and its related industries offer a unique opportunity to aggressively respond to developmental challenges that exist in rural areas and communities. The lack of processing infrastructures of agricultural produce and limited market access for small holding has limited the impact of the agricultural sector on poverty alleviation, through creation of sustainable employment opportunities.

The envisaged agro-processing hub will seek to address the challenges that currently exist within the agricultural value chain to expand the impact of agriculture and agro-processing on poverty reduction and local economic development.

The hub will moreover act as a catalyst to develop emerging farmers in the poultry, fruit and vegetable – sub sectors by procuring goods directly from them. This will create a guaranteed market for them. Upon procurement, the Hub will process and package the agricultural produce to be ready for distribution to the retail sector in and around Mpumalanga, it's neighbouring provinces, cross boarder destinations such as Mozambique, Swaziland and Zimbabwe and ultimately in a medium to long term, to the international export market. The Department of Trade and Industry has made available an amount of R23,751 million of which R22,454 million has already been spent on this project to date. The balance amounting to R1,297 million will be disbursed in the next financial year as a final payment for this project.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

26.4 Department of Public Works, Roads and Transport

During the year the Department received service from the Department of Public Works, Road and Transport that are related to the Department. The Department of Economic Development, Environmental and Tourism occupies Government Building in the Province provided by the Department of Public Works, Roads and Transport free of charge.

| Payments made | <i>Note</i> | 2011/12 R'000 | 2010/11 R'000 |
|--------------------|-------------|------------------|------------------|
| Goods and services | | 13,227 | 13,227 |
| Transfers | | 16,000 | 18,700 |
| Total | | 29,227 | 31,927 |

| | <i>Note</i> <i>16.1</i> | 2011/12 R'000 | 2010/11 R'000 |
|--|----------------------------|------------------|------------------|
| Year end balances arising from payments | | | |
| Payables to related parties | | 1,297 | 11,432 |
| Total | | 1,297 | 11,432 |

27. Key management personnel

| | No. of Individuals | 2011/12 R'000 | 2010/11 R'000 |
|---|-----------------------|------------------|------------------|
| Member of the Executive Council | 1 | 1,566 | 1,444 |
| Officials: | | | |
| Deputy Director-General (HOD) | 1 | 1,071 | 1,065 |
| Deputy Director-General (Sector Specialist) | 3 | 3,110 | 1,977 |
| Chief Financial Officer | 1 | 693 | 693 |
| Chief Directors | 4 | 4,199 | 4,004 |
| Total | | 10,639 | 9,183 |

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

| | Opening balance R'000 | Curr Year Adjust-ments to prior period balances R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|---|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 29,218 | (756) | 2,543 | (355) | 30,650 |
| Transport assets | 6,138 | | 752 | (335) | 6,555 |
| Computer equipment | 16,920 | (104) | 660 | (13) | 17,463 |
| Furniture and office equipment | 4,350 | (591) | 514 | (7) | 4,266 |
| Other machinery and equipment | 1,810 | (61) | 617 | - | 2,366 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 29,218 | (756) | 2,543 | (355) | 30,650 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

28.1 Additions

| | Cash R'000 | Non-cash R'000 | Total R'000 |
|---|---------------|-------------------|----------------|
| MACHINERY AND EQUIPMENT | 2,222 | 321 | 2,543 |
| Transport assets | 752 | - | 752 |
| Computer equipment | 639 | 21 | 660 |
| Furniture and office equipment | 509 | 5 | 514 |
| Other machinery and equipment | 322 | 295 | 617 |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 2,222 | 321 | 2,543 |

28.2 Disposals

| | Sold for cash R'000 | Total disposals R'000 | Cash Received Actual R'000 |
|--|------------------------|--------------------------|----------------------------------|
| MACHINERY AND EQUIPMENT | 355 | 355 | 246 |
| Transport assets | 335 | 335 | 246 |
| Computer equipment | 13 | 13 | - |
| Furniture and office equipment | 7 | 7 | - |
| Other machinery and equipment | - | - | - |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 355 | 355 | 246 |

28.3 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--------------------------------------|-----------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 11,554 | 18,247 | 583 | 29,218 |
| Transport assets | 3,946 | 2,192 | - | 6,138 |
| Computer equipment | 3,734 | 13,574 | 388 | 16,920 |
| Furniture and office equipment | 3,592 | 918 | 160 | 4,350 |
| Other machinery and equipment | 282 | 1,563 | 35 | 1,810 |
| TOTAL MOVABLE TANGIBLE ASSETS | 11,554 | 18,247 | 583 | 29,218 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

28.4 Minor assets

MOVEMENT IN MINOR ASSETS AS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

| | Machinery and equipment R'000 | Total R'000 |
|--|----------------------------------|----------------|
| Opening balance | 9,175 | 9,175 |
| Current Year Adjustments to Prior yr Balances | - | (17) |
| | (17) | - |
| Additions | 273 | 273 |
| Disposal | (49) | (49) |
| TOTAL MINOR ASSETS | 9,382 | 9,382 |

| | Machinery and equipment | Total |
|-------------------------------------|-------------------------|--------------|
| Number of R1 minor assets | 101 | 101 |
| Number of minor assets at cost | 9,853 | 9,853 |
| TOTAL NUMBER OF MINOR ASSETS | 9,954 | 9,954 |

Minor Asset

MOVEMENT IN MINOR ASSETS AS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

| | Machinery and equipment R'000 | Total R'000 |
|--|----------------------------------|----------------|
| Opening balance | 4,322 | 4,322 |
| Current Year Adjustments to Prior yr Balances | 270 | 270 |
| Additions | 5,420 | 5,420 |
| Disposal | (837) | (837) |
| TOTAL MINOR ASSETS | 9,175 | 9,175 |

| | Machinery and equipment | Total |
|-------------------------------------|-------------------------|--------------|
| Number of R1 minor assets | 101 | 101 |
| Number of minor assets at cost | 9,853 | 9,853 |
| TOTAL NUMBER OF MINOR ASSETS | 9,954 | 9,954 |

Minor Asset

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

| | Machinery and Equipment R'000 | Total R'000 |
|---|--|----------------|
| Assets written off | 49 | 49 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | 49 | 49 |

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

| | Opening balance R'000 | Closing Balance R'000 |
|--|--------------------------|--------------------------|
| COMPUTER SOFTWARE | 115 | 115 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 115 | 115 |

29.1 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| COMPUTER SOFTWARE | 190 | - | (75) | 115 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 190 | - | (75) | 115 |

30. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| BUILDINGS AND OTHER FIXED STRUCTURES | 7,293 | 7,042 | - | 14,335 |
| Dwellings | | | | |
| Non-residential buildings | | | | |
| Other fixed structures | 7,293 | 7,042 | - | 14,335 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 7,293 | 7,042 | - | 14,335 |

Additions

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

30.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

| | Cash | Non-cash | (Capital work-in progress current costs and finance lease payments) | Total |
|---|-------|----------|---|-------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | - | - | 7,042 | 7,042 |
| Other fixed structures | - | - | 7,042 | 7,042 |
| TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS | - | - | 7,042 | 7,042 |

Movement for 2010/11

30.2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

| | Opening balance | (Capital work-in progress) | Disposals | Closing balance |
|--|-----------------|----------------------------|-----------|-----------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | - | 7,293 | - | 7,293 |
| Other fixed structures | - | 7,293 | - | 7,293 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | - | 7,293 | - | 7,293 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2010/11 Appropriation Act |
|--|---------------------------|---------------|--------------|--------------------|--------------------|--|---------------------------------|
| | Adjusted Appropriation | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Mpumalanga Gambling Board | 39,908 | | | 39,908 | 39,908 | 100% | 38,960 |
| Mpumalanga Tourism & Parks Agency | 260,670 | | | 260,670 | 260,670 | 100% | 240,861 |
| Mpumalanga Economic Growth Agency | 143,728 | | | 143,728 | 143,728 | 100% | 143,265 |
| Zithabiseni Resort & Conference Centre | 16,000 | | | 16,000 | 16,000 | 100% | 18,700 |
| | 460,306 | | | 460,306 | 460,306 | 100% | 441,786 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 2

STATEMENT OF TRANSFERS TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | SPENT | | | 2011/12 |
|-----------------------------|------------------|------------|--------------|-----------------|-----------------|----------------------------------|---------------------------------|------------------------------|--|-----------------|
| | Amount | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds Transferred | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | |
| | | | | | | | | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | Total Available |
| Mbombela Local Municipality | | | | - | 5 | | 5 | | | |
| Total | - | - | - | - | 5 | - | 5 | - | - | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 3

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

| UNIVERSITY/TECHNIKON | TRANSFER ALLOCATION | | | | EXPENDITURE | | | 2010/11 |
|-------------------------|----------------------------|------------|--------------|-----------------|-----------------|------------------------|----------------------------------|------------|
| | Adjusted Appropriation Act | Roll Overs | Adjust-ments | Total Available | Actual Transfer | Amount not transferred | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Bursaries-Non employees | 1,170 | | | 1,170 | 956 | 214 | 22% | 704 |
| Total | 1,170 | | | 1,170 | 956 | 214 | | 704 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 4

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2010/11 |
|------------------|----------------------------|------------|--------------|-----------------|-----------------|----------------------------------|------------|
| | Adjusted Appropriation Act | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| Transfers | | | | | | | |
| Leave Gratuity | 100 | | | 100 | 593 | 593% | 173 |
| Total | 100 | | | 100 | 593 | 593% | 173 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 5

STATEMENT OF AID ASSISTANCE RECEIVED

| NAME OF DONOR | PURPOSE | OPENING BALANCE | REVENUE | EXPENDITURE | CLOSING BALANCE |
|----------------------------------|--|--------------------|---------|-------------|--------------------|
| | | R'000 | R'000 | R'000 | R'000 |
| Received in cash | | | | | |
| Department of Trade and Industry | Establishment of Agro-Processing Hub in Bushbuckridge area | 11,432 | 1,092 | 11,227 | 1,297 |
| Subtotal | | 11,432 | 1,092 | 11,227 | 1,297 |
| TOTAL | | 11,432 | 1,092 | 11,227 | 1,297 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 6

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

| GUARANTOR INSTITUTION | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2011 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2012 | Guaranteed interest for year ended 31 March 2012 | Realised losses not recoverable i.e. claims paid out |
|--------------------------|----------------------------|---|------------------------------------|--|---|--------------|--|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Housing | | | | | | | | |
| | | | | | | | | | |
| Standard Bank | | | 30 | | 30 | | - | | |
| Nedbank | | | 66 | | 66 | | - | | |
| First Rand Bank | | | 45 | | 45 | | - | | |
| ABSA | | | 49 | | 49 | | - | | |
| Peoples Bank | | | 58 | | 58 | | - | | |
| MPU:Housing Finance | | | 8 | | 8 | | - | | |
| Old Mutual | | | 51 | | 51 | | - | | |
| Subtotal | | | 307 | | 307 | | - | | |
| Other | | | | | | | | | |
| Subtotal | | | 307 | | 307 | | - | | |
| TOTAL | | | 307 | | 307 | | - | | |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 7

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

| NATURE OF LIABILITY | Opening Balance 1 April 2011 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2012 |
|--|------------------------------------|--|---|--|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| MW Nkosi & 3 Others | 9,330 | - | | | 9,330 |
| Mathebula v/s dedet | - | 2,000 | | | 2,000 |
| Mukhaha Consulting Engineers cc & others | 4,000 | - | | | 4,000 |
| Izimfanelo Trading cc vs dedet | - | 3,900 | | | 3,900 |
| Makgamatha v/s dedet | - | 1,217 | | | 1,217 |
| Subtotal | 13,330 | 7,117 | | | 20,447 |
| TOTAL | 13,330 | 7,117 | | | 20,447 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 8

INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|---|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 31/03/2012 R'000 | 31/03/2011 R'000 | 31/03/2012 R'000 | 31/03/2011 R'000 | 31/03/2012 R'000 | 31/03/2011 R'000 |
| OTHER GOVERNMENT ENTITY | | | | | | |
| Current | | | | | | |
| Limpopo: Econ. Dev. Environmental & Tourism | - | - | 100 | - | 100 | - |
| Department of Public Works, Roads and Transport | 652 | 1,116 | - | - | 652 | 1,116 |
| Subtotal | 652 | 1,116 | 100 | - | 752 | 1,116 |
| Total | 652 | 1,116 | 100 | - | 752 | 1,116 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 9 INVENTORY

| INVENTORY | Note | Quantity | 2011/12 R'000 | Quantity | 2010/11 R'000 |
|---|------|----------|------------------|----------|------------------|
| | 5.5 | | | | |
| Opening balance | | 16,411 | 700 | 16,346 | 811 |
| Add/(Less): Adjustments to prior year balance | | | | | 6 |
| Add: Additions/Purchases – Cash | | 81,613 | 2,852 | 19,989 | 1,181 |
| Add: Additions - Non-cash | | 110 | 16 | 208 | 21 |
| (Less): Disposals | | | | | |
| (Less): Issues | | (73,373) | (2,368) | (20,048) | (1,300) |
| Add/(Less): Adjustments | | (212) | 5 | (84) | (19) |

| | | | | |
|------------------------|---------------|--------------|---------------|------------|
| Closing balance | 24,549 | 1,205 | 16,411 | 700 |
|------------------------|---------------|--------------|---------------|------------|



HUMAN RESOURCE MANAGEMENT





SERVICE DELIVERY

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

| Main Services | Actual Customers | Potential Customers | Standard of Service | Actual Achievement against Standards |
|--|----------------------------------|----------------------------------|--|---|
| Provision of Enterprise Development Services | Small Enterprises & Cooperatives | Small Enterprises & Cooperatives | 100 SMMEs and 20 Cooperatives supported on business development services | Assisted 639 SMMEs and 62 Cooperatives with restoration, lodging of annual returns and registration of (PTY) LTD. |
| Promotion of trade and investment | Entrepreneurs | Entrepreneurs | 10 entrepreneurs assisted to access markets | Facilitated access to markets for 10 SMME furniture manufacturers through the Southern African International Trade Exhibition (SAITEX) at Gallagher Estate, Midrand |

TABLE 1.2 - Consultation Arrangements for Customers

| Type of Arrangement | Actual Customer | Potential Customer | Actual Achievements |
|---|---|---|---|
| Walk-ins, Telephonic, and Written consultations | Small Enterprises, Cooperatives, and Entrepreneurs. | Small Enterprises, Cooperatives, and Entrepreneurs. | Conducted 3 information and awareness workshops on the Gazetted Tourism Sector BBBEE Code; conducted 69 workshops, 96 radio slots and 39 road shows for consumer education; and held 3 community meetings economic development support in municipalities. |

SERVICE DELIVERY (continued)

for the year ended 31 March 2012

TABLE 1.3 - Service Delivery Access Strategy

| Access Strategy | Actual Achievements |
|---|--|
| The Department, as well as the Province, does not have an approved Access Strategy. We are however guided by National Prescripts in ensuring access to services | Departmental services decentralised to Regional Offices for ease of access |

TABLE 1.4 - Service Information Tool

| Type of Information Tool | Actual Achievements |
|---|---|
| Producing and distributing information materials; uploading services information into GIS, website and intranet; conducting awareness workshops and community meetings. | Prepared and distributed 67 media statements/advisories and 5 opinion pieces, 10 monthly staff bulletins; 3 information and awareness workshops on the Gazzetted Tourism Sector BBBEE Code; created access to GIS economic data and website upgraded and available with data on intranet; conducted 69 workshops, 96 radio slots and 39 road shows for consumer education; nominated participants of the 2011/12 Mpumalanga SMME Business Launch Pad attended a Business Plan Development workshop; and held 3 community meetings economic development support in municipalities. |

TABLE 1.5 - Complaint Mechanism

| Complaint Mechanism | Actual Achievements |
|--|--|
| Acknowledge receipt of complaints, in a professional manner, within 5 working days, and a full written response provided within 10 working days of receiving the complaint | 64 environmental complaints received and resolved timely |

EXPENDITURE

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 2.1 - Personnel costs by Programme

| Programme | Total Voted Expenditure (R'000) | Compensation of Employees Expenditure (R'000) | Training Expenditure (R'000) | Professional and Special Services (R'000) | Compensation of Employees as percent of Total Expenditure | Average Compensation of Employees Cost per Employee (R'000) | Employment |
|--|---------------------------------|---|------------------------------|---|---|---|------------|
| Mee:Administration | 104,706 | 42,650 | 516,383 | - | 40.7 | 93 | 137 |
| Mee:Integrated Economic Development Services | 167,921 | 18,118 | 25,829 | 387,600 | 10.8 | 40 | 42 |
| Mee:Trade & Industry Development | 296,447 | 13,896 | 64,047 | 1,289,634 | 4.7 | 30 | 31 |
| Mee:Business Regulation & Governance | 57,899 | 14,866 | 21,615 | - | 25.7 | 32 | 46 |
| Mee:Economic Planning | 7,765 | 6,629 | 39,222 | - | 85.4 | 14 | 15 |
| Mee:Environmental Services | 67,179 | 53,631 | 110,675 | - | 79.8 | 117 | 188 |
| Z=Total as on Financial Systems (BAS) | 701,917 | 149,790 | 777,771 | 1,677,234 | 21.3 | 326 | 459 |

TABLE 2.2 - Personnel costs by Salary band

| Salary Bands | Compensation of Employees Cost (R'000) | Percentage of Total Personnel Cost for Department | Average Compensation Cost per Employee (R) | Total Personnel Cost for Department including Goods and Transfers (R'000) | Number of Employees |
|--|--|---|--|---|---------------------|
| Lower skilled (Levels 1-2) | 4,861 | 3.23 | 105,674 | 159,842 | 46 |
| Skilled (Levels 3-5) | 8,577 | 5.69 | 140,607 | 159,842 | 61 |
| Highly skilled production (Levels 6-8) | 34,524 | 22.90 | 210,512 | 159,842 | 164 |
| Highly skilled supervision (Levels 9-12) | 76,501 | 50.78 | 516,899 | 159,842 | 148 |
| Senior management (Levels 13-16) | 20,757 | 13.77 | 768,778 | 159,842 | 27 |
| Contract (Levels 3-5) | 722 | 0.47 | 80,222 | 159,842 | 9 |
| Contract (Levels 13-16) | 4,147 | 2.75 | 1,036,750 | 159,842 | 4 |
| Periodical Remuneration | 546 | 0.36 | 36,400 | 159,842 | 15 |
| TOTAL | 150,635 | 100 | 317,795 | 159,842 | 474 |

EXPENDITURE (continued)

for the year ended 31 March 2012

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

| Programme | Salaries (R'000) | Salaries as % of Personnel Cost | Overtime (R'000) | Overtime as % of Personnel Cost | HOA (R'000) | HOA as % of Personnel Cost | Medical Ass. (R'000) | Medical Ass. as % of Personnel Cost | Total Personnel Cost per Programme (R'000) |
|---|------------------|---------------------------------|------------------|---------------------------------|--------------|----------------------------|----------------------|-------------------------------------|--|
| Pr1: Administration* | 38669 | 90.7 | 435 | 1 | 1250 | 2.9 | 2296 | 5.4 | 42650 |
| Pr2: Integrated Economic Development Services | 17110 | 94.4 | 0 | 0 | 278 | 1.5 | 730 | 4 | 18118 |
| Pr3: Trade and Industry Development | 13183 | 94.9 | 5 | 0 | 299 | 2.2 | 409 | 2.9 | 13896 |
| Pr4: Business Regulation and Governance | 13549 | 91.1 | 52 | 0.3 | 446 | 3 | 819 | 5.5 | 14866 |
| Pr5: Economic Planning | 6284 | 94.8 | 0 | 0 | 95 | 1.4 | 250 | 3.8 | 6629 |
| Pr6: Environmental Services | 49499 | 92.3 | 0 | 0 | 1578 | 2.9 | 2554 | 4.8 | 53631 |
| TOTAL | 138,294 | 92.3 | 492 | 0.3 | 3,946 | 2.6 | 7,058 | 4.7 | 149,790 |

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

| Salary bands | Salaries (R'000) | Salaries as % of Personnel Cost | Overtime (R'000) | Overtime as % of Personnel Cost | HOA (R'000) | HOA as % of Personnel Cost | Medical Ass. (R'000) | Medical Ass. as % of Personnel Cost | Total Personnel Cost per Salary Band (R'000) |
|--|------------------|---------------------------------|------------------|---------------------------------|--------------|----------------------------|----------------------|-------------------------------------|--|
| Lower skilled (Levels 1-2) | 3182 | 65.5 | 0 | 0 | 411 | 8.5 | 448 | 9.2 | 4861 |
| Skilled (Levels 3-5) | 5604 | 65.3 | 20 | 0.2 | 601 | 7 | 884 | 10.3 | 8577 |
| Highly skilled production (Levels 6-8) | 23565 | 68.3 | 248 | 0.7 | 1290 | 3.7 | 2499 | 7.2 | 34524 |
| Highly skilled supervision (Levels 9-12) | 56135 | 73.4 | 192 | 0.3 | 1284 | 1.7 | 2909 | 3.8 | 76501 |
| Senior management (Levels 13-16) | 17042 | 82.1 | 0 | 0 | 264 | 1.3 | 307 | 1.5 | 20757 |
| Contract (Levels 3-5) | 709 | 98.2 | 13 | 1.8 | 0 | 0 | 0 | 0 | 722 |
| Contract (Levels 13-16) | 3685 | 88.9 | 0 | 0 | 96 | 2.3 | 9 | 0.2 | 4147 |
| Periodical Remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 546 |
| TOTAL | 109,922 | 73 | 473 | 0.3 | 3,946 | 2.6 | 7056 | 4.7 | 150,635 |

EMPLOYMENT

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 3.1 - Employment and Vacancies by Programme at end of period

| Programme | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------|--|
| Pr1: Administration | 144 | 137 | 4.9 | 0 |
| Pr2: Intergrated Economic Development Services, Permanent | 43 | 42 | 2.3 | 0 |
| Pr3: Trade and Industry Development | 28 | 31 | -10.7 | 3 |
| Pr4: Business Regulations and Governance | 47 | 46 | 2.1 | 0 |
| Pr5: Economic Planning | 18 | 15 | 16.7 | 0 |
| Programme 6: Environmental Services | 195 | 188 | 3.6 | 0 |
| TOTAL | 475 | 459 | 3.4 | 3 |

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

| Salary Band | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------|--|
| Lower skilled (Levels 1-2), Permanent | 46 | 46 | 0.0 | 0 |
| Skilled (Levels 3-5), Permanent | 68 | 61 | 10.3 | 0 |
| Highly skilled production (Levels 6-8), Permanent | 165 | 164 | 0.6 | 0 |
| Highly skilled supervision (Levels 9-12), Permanent | 154 | 148 | 3.9 | 0 |
| Senior management (Levels 13-16), Permanent | 33 | 27 | 18.2 | 0 |
| Contract (Levels 3-5), Permanent | 9 | 9 | 0.0 | 0 |
| Contract (Levels 13-16), Permanent | 0 | 4 | 0.0 | 3 |
| TOTAL | 475 | 459 | 3.4 | 3 |

EMPLOYMENT (continued)

for the year ended 31 March 2012

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period

| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------|--|
| Administrative related, Permanent | 42 | 38 | 9.5 | 0 |
| Agricul animal oceanography forestry & other scien, Permanent | 32 | 32 | 0 | 0 |
| Agriculture related, Permanent | 66 | 65 | 1.5 | 0 |
| Auxiliary and related workers, Permanent | 3 | 3 | 0 | 0 |
| Cleaners in offices workshops hospitals etc., Permanent | 26 | 26 | 0 | 0 |
| Communication and information related, Permanent | 15 | 12 | 20 | 0 |
| Conservation labourers, Permanent | 3 | 3 | 0 | 0 |
| Economists, Permanent | 71 | 67 | 5.6 | 0 |
| Farm hands and labourers, Permanent | 28 | 28 | 0 | 0 |
| Finance and economics related, Permanent | 13 | 10 | 23.1 | 0 |
| Financial and related professionals, Permanent | 4 | 4 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 16 | 16 | 0 | 0 |
| Food services aids and waiters, Permanent | 6 | 6 | 0 | 0 |
| Forestry labourers, Permanent | 1 | 1 | 0 | 0 |
| General legal administration & rel. professionals, Permanent | 3 | 3 | 0 | 0 |
| Health sciences related, Permanent | 4 | 4 | 0 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 2 | 2 | 0 | 0 |
| Human resources clerks, Permanent | 6 | 6 | 0 | 0 |
| Human resources related, Permanent | 17 | 17 | 0 | 0 |
| Information technology related, Permanent | 1 | 1 | 0 | 0 |
| Legal related, Permanent | 3 | 3 | 0 | 0 |
| Library mail and related clerks, Permanent | 3 | 3 | 0 | 0 |
| Life sciences related, Permanent | 1 | 1 | 0 | 0 |
| Light vehicle drivers, Permanent | 4 | 4 | 0 | 0 |
| Material-recording and transport clerks, Permanent | 1 | 1 | 0 | 0 |
| Messengers porters and deliverers, Permanent | 3 | 3 | 0 | 0 |
| Motor vehicle drivers, Permanent | 1 | 1 | 0 | 0 |
| Natural sciences related, Permanent | 1 | 1 | 0 | 0 |
| Other administrat & related clerks and organisers, Permanent | 9 | 9 | 0 | 0 |
| Other administrative policy and related officers, Permanent | 2 | 2 | 0 | 0 |
| Other occupations, Permanent | 9 | 9 | 0 | 0 |
| Regulatory inspectors, Permanent | 13 | 13 | 0 | 0 |
| Risk management and security services, Permanent | 1 | 1 | 0 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 35 | 35 | 0 | 0 |
| Senior managers, Permanent | 18 | 17 | 5.6 | 3 |
| Statisticians and related professionals, Permanent | 1 | 1 | 0 | 0 |
| Trade/industry advisers & other related profession, Permanent | 11 | 11 | 0 | 0 |
| TOTAL | 475 | 459 | 3.4 | 3 |

EVALUATION

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 4.1 - Job Evaluation

| Salary Band | Number of Posts | Number of Jobs Evaluated | % of Posts Evaluated | Number of Posts Upgraded | % of Upgraded Posts Evaluated | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|--|-----------------|--------------------------|----------------------|--------------------------|-------------------------------|----------------------------|---------------------------------|
| Lower skilled (Levels 1-2) | 46 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 3-5) | 9 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Band C) | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 68 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 165 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 154 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 26 | 1 | 3.8 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 479 | 1 | 0.2 | 0 | 0 | 0 | 0 |

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

| Beneficiaries | 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 |

EVALUATION (continued)

for the year ended 31 March 2012

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

| Occupation | Number of Employees | Job Evaluation Level | Remuneration Level | Reason for Deviation | No of Employees in Dept |
|--------------------------------|---------------------|----------------------|--------------------|----------------------|-------------------------|
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Percentage of Total Employment | 0 | 0 | 0 | 0 | 0 |

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

| Beneficiaries | 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 |

EMPLOYMENT CHANGES

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 5.1 - Annual Turnover Rates by Salary Band

| Salary Band | Employment at Beginning of Period (April 2011) | Appointments | Terminations | Turnover Rate |
|---|--|--------------|--------------|---------------|
| Lower skilled (Levels 1-2), Permanent | 51 | 0 | 5 | 9.8 |
| Skilled (Levels 3-5), Permanent | 66 | 0 | 3 | 4.5 |
| Highly skilled production (Levels 6-8), Permanent | 154 | 0 | 8 | 5.2 |
| Highly skilled supervision (Levels 9-12), Permanent | 177 | 0 | 10 | 5.6 |
| Senior Management Service Band A, Permanent | 23 | 0 | 1 | 4.3 |
| Senior Management Service Band B, Permanent | 5 | 0 | 1 | 20 |
| Senior Management Service Band C, Permanent | 1 | 0 | 0 | 0 |
| Senior Management Service Band D, Permanent | 1 | 0 | 0 | 0 |
| Contract (Levels 3-5), Permanent | 2 | 8 | 4 | 200 |
| Contract (Levels 6-8), Permanent | 2 | 0 | 2 | 100 |
| Contract (Band C), Permanent | 3 | 2 | 2 | 66.7 |
| TOTAL | 485 | 10 | 36 | 7.4 |

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2011) | Appointments | Terminations | Turnover Rate |
|---|--|--------------|--------------|---------------|
| Administrative related, Permanent | 40 | 0 | 2 | 5 |
| Agricul animal oceanography forestry & other scien, Permanent | 33 | 0 | 1 | 3 |
| Agriculture related, Permanent | 71 | 0 | 3 | 4.2 |
| Auxiliary and related workers, Permanent | 3 | 0 | 0 | 0 |
| Cleaners in offices workshops hospitals etc., Permanent | 28 | 0 | 2 | 7.1 |
| Communication and information related, Permanent | 13 | 0 | 1 | 7.7 |
| Conservation labourers, Permanent | 3 | 0 | 0 | 0 |
| Economists, Permanent | 73 | 0 | 1 | 1.4 |
| Farm hands and labourers, Permanent | 32 | 0 | 4 | 12.5 |

| Occupation | Employment at Beginning of Period (April 2011) | Appointments | Terminations | Turnover Rate |
|---|--|--------------|--------------|---------------|
| Finance and economics related, Permanent | 11 | 0 | 1 | 9.1 |
| Financial and related professionals, Permanent | 5 | 0 | 1 | 20 |
| Financial clerks and credit controllers, Permanent | 16 | 0 | 3 | 18.8 |
| Food services aids and waiters, Permanent | 6 | 0 | 0 | 0 |
| Forestry labourers, Permanent | 1 | 0 | 0 | 0 |
| General legal administration & rel. professionals, Permanent | 3 | 0 | 0 | 0 |
| Head of department/chief executive officer, Permanent | 1 | 1 | 1 | 100 |
| Health sciences related, Permanent | 4 | 0 | 0 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 2 | 0 | 0 | 0 |
| Human resources clerks, Permanent | 7 | 0 | 0 | 0 |
| Human resources related, Permanent | 17 | 0 | 1 | 5.9 |
| Information technology related, Permanent | 1 | 0 | 0 | 0 |
| Legal related, Permanent | 3 | 0 | 0 | 0 |
| Library mail and related clerks, Permanent | 3 | 0 | 0 | 0 |
| Life sciences related, Permanent | 1 | 0 | 0 | 0 |
| Light vehicle drivers, Permanent | 4 | 0 | 0 | 0 |
| Material-recording and transport clerks, Permanent | 2 | 0 | 1 | 50 |
| Messengers porters and deliverers, Permanent | 3 | 0 | 0 | 0 |
| Motor vehicle drivers, Permanent | 1 | 0 | 1 | 100 |
| Natural sciences related, Permanent | 1 | 0 | 0 | 0 |
| Other administrat & related clerks and organisers, Permanent | 19 | 0 | 1 | 5.3 |
| Other administrative policy and related officers, Permanent | 2 | 0 | 0 | 0 |
| Other occupations, Permanent | 0 | 0 | 0 | 0 |
| Regulatory inspectors, Permanent | 14 | 0 | 1 | 7.1 |
| Risk management and security services, Permanent | 1 | 0 | 0 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 30 | 7 | 8 | 26.7 |
| Senior managers, Permanent | 17 | 2 | 2 | 11.8 |
| Trade/industry advisers & other related profession, Permanent | 14 | 0 | 1 | 7.1 |
| TOTAL | 485 | 10 | 36 | 7.4 |

EMPLOYMENT CHANGES (continued)

for the year ended 31 March 2012

TABLE 5.3 - Reasons why staff are leaving the department

| Termination Type | Number | Percentage of Total Terminations | Percentage of Total Employment | Total | Total Employment |
|---|-----------|----------------------------------|--------------------------------|-----------|------------------|
| Death, Permanent | 5 | 13.89 | 1.1 | 5 | 459 |
| Resignation, Permanent | 9 | 25.00 | 2.0 | 9 | 459 |
| Expiry of contract, Permanent | 16 | 44.44 | 3.5 | 16 | 459 |
| Discharged due to ill health, Permanent | 1 | 2.78 | 0.2 | 1 | 459 |
| Retirement, Permanent | 5 | 13.89 | 1.1 | 5 | 459 |
| TOTAL | 36 | 100 | 7.8 | 36 | 459 |
| Resignations as % of Employment | | | | | |
| 1.96 | | | | | |

TABLE 5.4 - Granting of Employee Initiated Severance Packages

| Category | No of applications received | No of applications referred to the MPSA | No of applications supported by MPSA | No of Packages approved by department |
|--|-----------------------------|---|--------------------------------------|---------------------------------------|
| Lower Skilled (Salary Level 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Salary Level 3-5) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 6-8) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 9-12) | 0 | 0 | 0 | 0 |
| Senior Management (Salary Level 13 and higher) | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

EMPLOYMENT CHANGES (continued)

for the year ended 31 March 2012

TABLE 5.5 - Promotions by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2011) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|--|--|------------------------------------|--|---|---|
| Administrative related | 40 | 0 | 0 | 33 | 82.5 |
| Agricul animal oceanography forestry & other science | 33 | 0 | 0 | 31 | 93.9 |
| Agriculture related | 71 | 0 | 0 | 58 | 81.7 |
| Auxiliary and related workers | 3 | 0 | 0 | 3 | 100 |
| Cleaners in offices workshops hospitals etc. | 28 | 0 | 0 | 18 | 64.3 |
| Communication and information related | 13 | 0 | 0 | 9 | 69.2 |
| Conservation labourers | 3 | 0 | 0 | 2 | 66.7 |
| Economists | 73 | 0 | 0 | 53 | 72.6 |
| Farm hands and labourers | 32 | 0 | 0 | 17 | 53.1 |
| Finance and economics related | 11 | 0 | 0 | 9 | 81.8 |
| Financial and related professionals | 5 | 0 | 0 | 2 | 40 |
| Financial clerks and credit controllers | 16 | 0 | 0 | 14 | 87.5 |
| Food services aids and waiters | 6 | 0 | 0 | 3 | 50 |
| Forestry labourers | 1 | 0 | 0 | 1 | 100 |
| General legal administration & rel. professionals | 3 | 0 | 0 | 3 | 100 |
| Head of department/chief executive officer | 1 | 0 | 0 | 0 | 0 |
| Health sciences related | 4 | 0 | 0 | 4 | 100 |
| Human resources & organisat developm & relate prof | 2 | 0 | 0 | 0 | 0 |
| Human resources clerks | 7 | 0 | 0 | 7 | 100 |
| Human resources related | 17 | 0 | 0 | 16 | 94.1 |
| Information technology related | 1 | 0 | 0 | 0 | 0 |
| Legal related | 3 | 0 | 0 | 2 | 66.7 |
| Library mail and related clerks | 3 | 0 | 0 | 3 | 100 |
| Life sciences related | 1 | 0 | 0 | 1 | 100 |
| Light vehicle drivers | 4 | 0 | 0 | 3 | 75 |

| Occupation | Employment at Beginning of Period (April 2011) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|--|--|------------------------------------|--|---|---|
| Material-recording and transport clerks | 2 | 0 | 0 | 2 | 100 |
| Messengers porters and deliverers | 3 | 0 | 0 | 2 | 66.7 |
| Motor vehicle drivers | 1 | 0 | 0 | 1 | 100 |
| Natural sciences related | 1 | 0 | 0 | 1 | 100 |
| Other administrat & related clerks and organisers | 19 | 0 | 0 | 10 | 52.6 |
| Other administrative policy and related officers | 2 | 0 | 0 | 2 | 100 |
| Other occupations | 0 | 0 | 0 | 0 | 0 |
| Regulatory inspectors | 14 | 0 | 0 | 11 | 78.6 |
| Risk management and security services | 1 | 0 | 0 | 1 | 100 |
| Secretaries & other keyboard operating clerks | 30 | 0 | 0 | 26 | 86.7 |
| Senior managers | 17 | 0 | 0 | 2 | 11.8 |
| Trade/industry advisers & other related profession | 14 | 0 | 0 | 9 | 64.3 |
| TOTAL | 485 | 0 | 0 | 359 | 74 |

TABLE 5.6 - Promotions by Salary Band

| Salary Band | Employment at Beginning of Period (April 2011) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|---|--|------------------------------------|--|---|---|
| Lower skilled (Levels 1-2), Permanent | 51 | 0 | 0 | 14 | 27.5 |
| Skilled (Levels 3-5), Permanent | 66 | 0 | 0 | 64 | 97 |
| Highly skilled production (Levels 6-8), Permanent | 154 | 0 | 0 | 119 | 77.3 |
| Highly skilled supervision (Levels 9-12), Permanent | 177 | 0 | 0 | 160 | 90.4 |
| Senior management (Levels 13-16), Permanent | 30 | 0 | 0 | 1 | 3.3 |
| Contract (Levels 3-5), Permanent | 2 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 2 | 0 | 0 | 0 | 0 |
| Contract (Levels 13-16), Permanent | 3 | 0 | 0 | 1 | 33.3 |
| TOTAL | 485 | 0 | 0 | 359 | 74 |

EMPLOYMENT EQUITY

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

| Occupational Categories | Male, African | Male, Coloured | Male, Indian | Male, Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Blacks | Female, White | Total |
|--|----------------------|-----------------------|---------------------|---------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------|----------------------|--------------|
| Legislators, senior officials and managers | 21 | 0 | 1 | 22 | 1 | 7 | 0 | 0 | 7 | 1 | 31 |
| Professionals | 90 | 1 | 0 | 91 | 10 | 123 | 0 | 1 | 123 | 10 | 235 |
| Technicians and associate professionals | 18 | 1 | 0 | 19 | 0 | 25 | 0 | 0 | 26 | 0 | 44 |
| Clerks | 16 | 0 | 0 | 16 | 0 | 51 | 1 | 0 | 52 | 2 | 70 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Elementary occupations | 32 | 0 | 0 | 32 | 0 | 40 | 0 | 0 | 40 | 2 | 74 |
| TOTAL | 182 | 2 | 1 | 185 | 11 | 246 | 1 | 1 | 248 | 15 | 459 |
| Employees with Disabilities | Male, African | Male, Coloured | Male, Indian | Male, Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Blacks | Female, White | Total |
| | 7 | 0 | 0 | 7 | 0 | 1 | 0 | 0 | 1 | 0 | 8 |

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Blacks | Female, White | Total |
|--|---------------|----------------|--------------|--------------|-------------|-----------------|------------------|----------------|----------------|---------------|------------|
| Top Management, Permanent | 4 | 0 | 0 | 4 | 0 | 4 | 0 | 0 | 4 | 0 | 8 |
| Senior Management, Permanent | 17 | 0 | 1 | 18 | 1 | 3 | 0 | 0 | 3 | 1 | 23 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 77 | 1 | 0 | 78 | 10 | 85 | 0 | 1 | 86 | 6 | 180 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 47 | 1 | 0 | 48 | 0 | 82 | 0 | 0 | 82 | 4 | 134 |
| Semi-skilled and discretionary decision making, Permanent | 19 | 0 | 0 | 19 | 0 | 45 | 1 | 0 | 46 | 4 | 69 |
| Unskilled and defined decision making, Permanent | 18 | 0 | 0 | 18 | 0 | 27 | 0 | 0 | 27 | 0 | 45 |
| TOTAL | 182 | 2 | 1 | 185 | 11 | 246 | 1 | 1 | 248 | 15 | 459 |

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2012

TABLE 6.3 - Recruitment

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--------------------------------------|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Contract (Top Management), Permanent | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 3 |
| Contract (Semi-skilled), Permanent | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 7 | 0 | 7 |
| TOTAL | 2 | 0 | 0 | 2 | 0 | 8 | 0 | 0 | 8 | 0 | 10 |
| Employees with Disabilities | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TABLE 6.4 - Promotions

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Senior Management, Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 71 | 0 | 0 | 71 | 10 | 74 | 0 | 0 | 74 | 5 | 160 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 42 | 1 | 0 | 43 | 0 | 75 | 0 | 0 | 75 | 1 | 119 |
| Semi-skilled and discretionary decision making, Permanent | 18 | 0 | 0 | 18 | 0 | 43 | 1 | 0 | 44 | 2 | 64 |
| Unskilled and defined decision making, Permanent | 6 | 0 | 0 | 6 | 0 | 8 | 0 | 0 | 8 | 0 | 14 |
| Contract (Top Management), Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 139 | 1 | 0 | 140 | 10 | 200 | 1 | 0 | 201 | 8 | 359 |
| Employees with Disabilities | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2012

TABLE 6.5 - Terminations

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Top Management, Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior Management, Permanent | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 2 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 3 | 1 | 6 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 2 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 2 | 0 | 4 |
| Semi-skilled and discretionary decision making, Permanent | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 3 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 1 | 0 | 4 | 0 | 0 | 4 | 0 | 5 |
| Contract (Top Management), Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Skilled technical), Permanent | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 |
| Contract (Semi-skilled), Permanent | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 0 | 12 |
| TOTAL | 12 | 0 | 0 | 12 | 0 | 23 | 0 | 0 | 23 | 1 | 36 |
| Employees with Disabilities | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TABLE 6.6 - Disciplinary Action

| Disciplinary action | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total | Not Available |
|---------------------|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|----------|---------------|
| TOTAL | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 | 0 |

EMPLOYMENT EQUITY (continued)

for the year ended 31 March 2012

TABLE 6.7 - Skills Development

| Occupational Categories | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|------------------|-------------------|-----------------|-----------------------|----------------|--------------------|---------------------|-------------------|-------------------------|------------------|------------|
| Legislators, Senior Officials and Managers | 6 | 0 | 0 | 6 | 0 | 4 | 0 | 0 | 4 | 0 | 10 |
| Professionals | 35 | 0 | 0 | 35 | 0 | 54 | 0 | 0 | 54 | 0 | 89 |
| Technicians and Associate Professionals | 16 | 0 | 0 | 16 | 0 | 24 | 0 | 0 | 0 | 0 | 40 |
| Clerks | 9 | 0 | 0 | 9 | 0 | 11 | 0 | 0 | 11 | 0 | 20 |
| Skilled Agriculture and Fishery Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and Machine Operators and Assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary Occupations | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 3 |
| TOTAL | 68 | 0 | 0 | 68 | 0 | 94 | 0 | 0 | 70 | 0 | 162 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

PERFORMANCE

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

| Demographics | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R '000) | Average Cost per Beneficiary (R) |
|----------------------|-------------------------|------------------|--------------------------------|---------------|----------------------------------|
| African, Female | 180 | 249 | 71.9 | 1,074 | 5.97 |
| African, Male | 132 | 179 | 73.7 | 1,005 | 7.61 |
| Asian, Female | 1 | 1 | 100 | 15 | 15.00 |
| Coloured, Female | 1 | 1 | 100 | 5 | 5.00 |
| Coloured, Male | 2 | 3 | 66.7 | 36 | 18.00 |
| Total Blacks, Female | 182 | 251 | 72.1 | 1,094 | 6.01 |
| Total Blacks, Male | 134 | 182 | 73.6 | 1,041 | 7.77 |
| White, Female | 10 | 14 | 71.4 | 71 | 7.10 |
| White, Male | 9 | 12 | 83.3 | 143 | 15.89 |
| TOTAL | 335 | 459 | 73 | 2,349 | 7.01 |

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

| Salary Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R '000) | Average Cost per Beneficiary (R) |
|--|-------------------------|------------------|--------------------------------|---------------|----------------------------------|
| Lower skilled (Levels 1-2) | 32 | 46 | 69.6 | 112 | 3,500 |
| Skilled (Levels 3-5) | 53 | 61 | 86.9 | 238 | 4,491 |
| Highly skilled production (Levels 6-8) | 134 | 164 | 81.7 | 595 | 4,440 |
| Highly skilled supervision (Levels 9-12) | 110 | 148 | 74.3 | 1,230 | 11,182 |
| Contract (Levels 3-5) | 0 | 9 | 0 | 0 | 0 |
| Periodical Remuneration | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 329 | 428 | 76.9 | 2175 | 6611 |

PERFORMANCE (continued)

for the year ended 31 March 2012

TABLE 7.3 - Performance Rewards by Critical Occupation

| Critical Occupations | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|--|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| Administrative related | 28 | 38 | 73.7 | 189 | 6.75 |
| Agricul animal oceanography forestry & other scien | 21 | 32 | 65.6 | 158 | 7.52 |
| Agriculture related | 50 | 65 | 76.9 | 469 | 9.38 |
| Auxiliary and related workers | 4 | 3 | 133.3 | 18 | 4.50 |
| Cleaners in offices workshops hospitals etc. | 21 | 26 | 80.8 | 77 | 3.67 |
| Communication and information related | 8 | 12 | 66.7 | 61 | 7.63 |
| Conservation labourers | 1 | 3 | 33.3 | 5 | 5.00 |
| Economists | 45 | 67 | 67.2 | 371 | 8.24 |
| Farm hands and labourers | 19 | 28 | 67.9 | 69 | 3.63 |
| Finance and economics related | 10 | 10 | 100 | 77 | 7.70 |
| Financial and related professionals | 4 | 4 | 100 | 25 | 6.25 |
| Financial clerks and credit controllers | 13 | 16 | 81.3 | 81 | 6.23 |
| Food services aids and waiters | 5 | 6 | 83.3 | 20 | 4.00 |
| Forestry labourers | 1 | 1 | 100 | 3 | 3.00 |
| General legal administration & rel. professionals | 3 | 3 | 100 | 22 | 7.33 |
| Health sciences related | 4 | 4 | 100 | 18 | 4.50 |
| Human resources & organisat developm & relate prof | 1 | 2 | 50 | 15 | 15.00 |
| Human resources clerks | 6 | 6 | 100 | 45 | 7.50 |
| Human resources related | 15 | 17 | 88.2 | 90 | 6.00 |
| Information technology related | 0 | 1 | 0 | 0 | - |
| Legal related | 3 | 3 | 100 | 51 | 17.00 |
| Library mail and related clerks | 1 | 3 | 33.3 | 5 | 5.00 |
| Life sciences related | 1 | 1 | 100 | 8 | 8.00 |
| Light vehicle drivers | 4 | 4 | 100 | 20 | 5.00 |
| Material-recording and transport clerks | 1 | 1 | 100 | 7 | 7.00 |
| Messengers porters and deliverers | 3 | 3 | 100 | 13 | 4.33 |
| Motor vehicle drivers | 1 | 1 | 100 | 4 | 4.00 |
| Natural sciences related | 1 | 1 | 100 | 4 | 4.00 |

| Critical Occupations | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|--|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| Other administrat & related clerks and organisers | 7 | 9 | 77.8 | 32 | 4.57 |
| Other administrative policy and related officers | 1 | 2 | 50 | 6 | 6.00 |
| Other occupations | 4 | 9 | 44.4 | 28 | 7.00 |
| Regulatory inspectors | 12 | 13 | 92.3 | 75 | 6.25 |
| Risk management and security services | 1 | 1 | 100 | 14 | 14.00 |
| Secretaries & other keyboard operating clerks | 23 | 35 | 65.7 | 118 | 5.13 |
| Senior managers | 2 | 17 | 11.8 | 66 | 33.00 |
| Statisticians and related professionals | 1 | 1 | 100 | 12 | 12.00 |
| Trade/industry advisers & other related profession | 10 | 11 | 90.9 | 73 | 7.30 |
| TOTAL | 335 | 459 | 73 | 2,349 | 7.01 |

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

| SMS Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) | % of SMS Wage Bill | Personnel Cost SMS (R'000) |
|--------------|-------------------------|------------------|--------------------------------|--------------|----------------------------------|--------------------|----------------------------|
| Band A | 5 | 22 | 22.7 | 191 | 38,200 | 1.1 | 17,307 |
| Band B | 0 | 4 | 0 | 0 | 0 | 0 | 0 |
| Band C | 1 | 4 | 25 | 17 | 17,000 | 0.4 | 4,491 |
| Band D | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 6 | 31 | 19.4 | 208 | 34666.7 | 1.5 | 21798 |

FOREIGN WORKERS

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 8.1 - Foreign Workers by Salary Band

| Salary Band | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at End of Period | Total Change in Employment |
|-------------------------|--------------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|---|-----------------------------------|----------------------------|
| Contract (Levels 13-16) | 1 | 100 | 1 | 100 | 0 | 0 | 1 | 1 | 0 |
| TOTAL | 1 | 100 | 1 | 100 | 0 | 0 | 1 | 1 | 0 |

TABLE 8.2 - Foreign Workers by Major Occupation

| Major Occupation | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at End of Period | Total Change in Employment |
|----------------------------|--------------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|---|-----------------------------------|----------------------------|
| Professionals and managers | 1 | 100 | 1 | 100 | 0 | 0 | 1 | 1 | 0 |
| TOTAL | 1 | 100 | 1 | 100 | 0 | 0 | 1 | 1 | 0 |

LEAVE

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 9.1 - Sick Leave for Jan 2011 to Dec 2011

| 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) | Total number of Employees using Sick Leave | Total number of days with medical certification |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|--|---|
| Lower skilled (Levels 1-2) | 171 | 88.3 | 27 | 9.6 | 6 | 42 | 280 | 151 |
| Skilled (Levels 3-5) | 296 | 93.9 | 40 | 14.3 | 7 | 101 | 280 | 278 |
| Highly skilled production (Levels 6-8) | 622 | 86.8 | 87 | 31.1 | 7 | 366 | 280 | 540 |
| Highly skilled supervision (Levels 9-12) | 694 | 84.4 | 107 | 38.2 | 6 | 839 | 280 | 586 |
| Senior management (Levels 13-16) | 74 | 87.8 | 15 | 5.4 | 5 | 199 | 280 | 65 |
| Contract (Levels 3-5) | 16 | 87.5 | 3 | 1.1 | 5 | 6 | 280 | 14 |
| Contract (Levels 6-8) | 1 | 100 | 1 | 0.4 | 1 | 1 | 280 | 1 |
| TOTAL | 1,874 | 87.2 | 280 | 100 | 7 | 1,554 | 280 | 1,635 |

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2011 to Dec 2011

| 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) | Total number of days with medical certification | Total number of Employees using Disability Leave |
|--|------------|-----------------------------------|--|---|---------------------------|------------------------|---|--|
| Skilled (Levels 3-5) | 27 | 100 | 2 | 28.6 | 14 | 9 | 27 | 7 |
| Highly skilled production (Levels 6-8) | 242 | 100 | 5 | 71.4 | 48 | 183 | 242 | 7 |
| TOTAL | 269 | 100 | 7 | 100 | 38 | 192 | 269 | 7 |

LEAVE (continued)

for the year ended 31 March 2012

TABLE 9.3 - Annual Leave for Jan 2011 to Dec 2011

| Salary Band | Total Days Taken | Average days per Employee | Number of Employees who took leave |
|--|------------------|---------------------------|------------------------------------|
| Lower skilled (Levels 1-2) | 973 | 21 | 46 |
| Skilled (Levels 3-5) | 1,381 | 21 | 65 |
| Highly skilled production (Levels 6-8) | 2,971 | 21 | 141 |
| Highly skilled supervision (Levels 9-12) | 3,786 | 20 | 194 |
| Senior management (Levels 13-16) | 578 | 20 | 29 |
| Contract (Levels 3-5) | 39 | 13 | 3 |
| Contract (Levels 6-8) | 40 | 20 | 2 |
| Contract (Levels 13-16) | 14 | 5 | 3 |
| TOTAL | 9,782 | 20 | 483 |

TABLE 9.4 - Capped Leave for Jan 2011 to Dec 2011

| Salary Band | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31 December 2011 | Number of Employees who took Capped leave | Total number of capped leave available at 31 December 2011 | Number of Employees as at 31 December 2011 |
|--|----------------------------------|---|--|---|--|--|
| Lower skilled (Levels 1-2) | 5 | 5 | 41 | 1 | 1,363 | 33 |
| Skilled (Levels 3-5) | 4 | 4 | 89 | 1 | 3,463 | 39 |
| Highly skilled production (Levels 6-8) | 24 | 8 | 60 | 3 | 3,144 | 52 |
| Highly skilled supervision (Levels 9-12) | 35 | 7 | 56 | 5 | 5,318 | 95 |
| Senior management (Levels 13-16) | 11 | 11 | 77 | 1 | 1,073 | 14 |
| TOTAL | 79 | 7 | 62 | 11 | 14,361 | 233 |

TABLE 9.5 - Leave Payouts

| Reason | Total Amount (R'000) | Number of Employees | Average Payment per Employee (R) |
|---|----------------------|---------------------|----------------------------------|
| Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle | 179 | 11 | 16,273 |
| Capped leave payouts on termination of service for 2011/12 | 572 | 36 | 15,889 |
| Current leave payout on termination of service for 2011/12 | 18 | 5 | 3,600 |
| TOTAL | 769 | 52 | 14,788 |

HIV AND AIDS

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 10.1 - 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 |
|--|------------------------------------|
| None | N/A |

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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. | x | | Ms WN Rambau - CD: Corporate Services |
| 2. Does the department have a dedicated unit or have you designated specific staff members to promote 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. | x | | Dedicated unit with 3 employees specifically dealing with health and wellness with a budget of R 200 000.00. |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme. | x | | Wellness MAnagement, Health & Productivity and Occupational Health and Safety. |
| 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. | | x | |
| 5. Has the department reviewed the employment policies and practices of your department 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. | | x | |
| 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. | x | | Education and awareness programmes addressing stigma and discrimination in the workplace |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | x | | Arranged 3 onsite HIV Counseling and Testing sessions |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators. | x | | Analysis reports that are used to plan for future interventions |

LABOUR RELATIONS

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 11.1 - Collective Agreements

| Subject Matter | Date |
|----------------|------|
| None | N/A |

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

| Outcomes of disciplinary hearings | Number | Percentage of Total | Total |
|-----------------------------------|----------|---------------------|----------|
| None | N/A | | |
| TOTAL | 0 | 0 | 0 |

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

| Type of misconduct | Number | Percentage of Total | Total |
|-------------------------------------|----------|---------------------|----------|
| Insolence | 1 | 100 | 1 |
| Potential misappropriation of funds | 1 | 100 | 1 |
| TOTAL | 2 | 100 | 2 |

TABLE 11.4 - Grievances Lodged

| Number of grievances addressed | Number | Percentage of Total | Total |
|--------------------------------|-----------|---------------------|-----------|
| Not resolved | 1 | 100 | 1 |
| Resolved | 9 | 100 | 9 |
| TOTAL | 10 | 100 | 10 |

TABLE 11.6 - Strike Actions

| Strike Actions | |
|--|---|
| Total number of person working days lost | 0 |
| Total cost(R'000) of working days lost | 0 |
| Amount (R'000) recovered as a result of no work no pay | 0 |

TABLE 11.7 - Precautionary Suspensions

| Precautionary Suspensions | |
|--|---------|
| Number of people suspended | 1 |
| Number of people whose suspension exceeded 30 days | 1 |
| Average number of days suspended | 107 |
| Cost (R'000) of suspensions | 110,099 |

SKILLS DEVELOPMENT

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 12.1 - Training Needs identified

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|--------|------------|--------------|---|-------------------------|------------|
| Legislators, senior officials and managers | Female | 8 | 0 | 4 | 0 | 4 |
| | Male | 23 | 0 | 7 | 7 | 14 |
| Professionals | Female | 133 | 1 | 50 | 2 | 53 |
| | Male | 101 | 0 | 40 | 4 | 44 |
| Technicians and associate professionals | Female | 26 | 2 | 9 | 0 | 11 |
| | Male | 19 | 0 | 5 | 3 | 8 |
| Clerks | Female | 54 | 0 | 3 | 2 | 5 |
| | Male | 16 | 0 | 6 | 0 | 6 |
| 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 | 5 | 0 | 0 | 3 | 3 |
| Elementary occupations | Female | 42 | 1 | 0 | 15 | 16 |
| | Male | 32 | 1 | 0 | 8 | 9 |
| Gender sub totals | Female | 263 | 4 | 66 | 19 | 89 |
| | Male | 196 | 1 | 58 | 25 | 84 |
| Total | | 459 | 5 | 124 | 44 | 173 |

SKILLS DEVELOPMENT (continued)

for the year ended 31 March 2012

TABLE 12.2 - Training Provided

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|--------|------------|--------------|---|-------------------------|------------|
| Legislators, senior officials and managers | Female | 8 | 0 | 2 | 2 | 4 |
| | Male | 23 | 0 | 4 | 2 | 6 |
| Professionals | Female | 133 | 1 | 53 | 0 | 54 |
| | Male | 101 | 0 | 34 | 1 | 35 |
| Technicians and associate professionals | Female | 26 | 2 | 22 | 0 | 24 |
| | Male | 19 | 1 | 15 | 0 | 16 |
| Clerks | Female | 54 | 1 | 11 | 0 | 12 |
| | Male | 16 | 0 | 9 | 0 | 9 |
| 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 | 5 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 42 | 1 | 0 | 0 | 1 |
| | Male | 32 | 1 | 0 | 1 | 2 |
| Gender sub totals | Female | 263 | 5 | 88 | 2 | 95 |
| | Male | 196 | 2 | 62 | 4 | 68 |
| Total | | 459 | 7 | 150 | 6 | 163 |



INJURY ON DUTY

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 13.1 - Injury on Duty

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

CONSULTANTS

for the year ended 31 March 2012

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mpumalanga - Economic Development, Environment and Tourism

TABLE 14.1 - Report on consultant appointments using appropriated funds

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Contract value in Rand |
|---|--|---------------------------|------------------------------|
| BEE Verification | 2 | 60 | 387,600 |
| Water Bottling | 4 | 105 | 1,289,634 |
| MEGDP | 3 | 60 | 147,583 |
| Business Launchpad | 1 | 190 | 586,000 |
| Renovation of Environmental Centres | 2 | 249 | 1,856,250 |
| Recruitment | 1 | 3 | 47,533 |
| Development of LED Strategy (Emalahleni) | 3 | 120 | 175,000 |
| Operation of Ambient Air Quality Monitoring Network | 5 | 249 | 776,116 |
| Total | 21 | 1036 | 5,265,716 |
| | | | |
| Total number of projects | Total individual consultants | Total duration: Work days | Total contract value in Rand |
| 8 | 21 | 1036 | 5,265,716 |

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|---|------------------------------------|-------------------------------------|--|
| BEE Verification | 100 | 100 | 2 |
| Water Bottling | 40 | 65 | 4 |
| MEGDP | 75 | 75 | 3 |
| Business Launchpad | 50 | 50 | 1 |
| Renovation of Environmental Centres | 75 | 75 | 2 |
| Recruitment | 100 | 100 | 1 |
| Development of LED Strategy (Emalahleni) | 100 | 100 | 1 |
| Operation of Ambient Air Quality Monitoring Network | 0 | 0 | 0 |

CONSULTANTS (continued)

for the year ended 31 March 2012

TABLE 14.3 - Report on consultant appointments using Donor funds

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Donor and Contract value in Rand |
|-----------------------------------|--|---------------------------|----------------------------------|
| Bushbuckridge Agro-Processing Hub | 4 | 132 | 12,524,466 |
| | | | |
| Total number of projects | Total individual consultants | Total duration: Work days | Total contract value in Rand |
| 1 | 4 | 132 | 12,524,466 |

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|-----------------------------------|------------------------------------|-------------------------------------|--|
| Bushbuckridge Agro-Processing Hub | 75 | 75 | 3 |

OTHER INFORMATION





ABBREVIATIONS AND ACRONYMS

| | |
|------------------|--|
| AMTS | Advanced Manufacturing Technology Strategy |
| APP | Annual Performance Plan |
| BBBEE | Broad Based Black Economic Empowerment |
| CCTV | Closed Circuit Television |
| CFO | Chief Financial Officer |
| COP | Congress of Parties |
| DEDET | Department of Economic Development, Environment and Tourism |
| EHWP | Employee Health and Wellness Programme |
| EIC | Enterprise Information Centre |
| EMC | Executive Management Committee |
| HOD | Head of Department |
| HDI | Historically Disadvantaged Individuals |
| GIS | Geographical Information System |
| ICC | International Convention Centre |
| IDP | Integrated Development Plan |
| KMIA | Kruger Mpumalanga International Airport |
| LED | Local Economic Development |
| MADC | Mpumalanga Agricultural Development Corporation |
| MEC | Member of the Executive Council |
| MGB | Mpumalanga Gambling Board |
| MEGA | Mpumalanga Economic Growth Agency |
| MHFCO | Mpumalanga Housing Finance |
| MTGS | Mpumalanga Tourism Growth Strategy |
| MPA | Mpumalanga Tourism and Parks Agency |
| NIPF | National Industrial Policy Framework |
| PFMA | Public Finance Management Act |
| PGDS | Mpumalanga Provincial Growth and Development Strategy |
| PRIME | Programme for Industrial Manufacturing Excellence |
| RTP | Responsible Tourism Planning |
| SAHC/OOAK | South African Handmade Collection / One of a Kind exhibition |
| SEDA | Small Enterprise Development Agency |
| SDIP | Service Delivery Improvement Plan |
| SONA | State of the Nation Address |
| SOPA | State of the Province Address |
| SMME | Small, Medium and Micro Enterprise |
| SMS | Senior Management Service |
| HDI | Historic Disadvantaged Individuals |
| IPAP | Industrial Policy Action Plan |
| MEGDP | Mpumalanga Economic Growth And Development Path |
| CRDP | Comprehensive Rural Development Programme |
| MADC | Mpumalanga Agricultural Development Corporation |
| MEGA | Mpumalanga Economic Growth Agency |
| MHFCO | Mpumalanga Housing Finance Company |
| T&I | Trade And Investment |
| DEA | Department Of Environmental Affairs |
| EPWP | Expanded Public Works Programme |
| SANBI | South African National Bio Informatics |
| TOPS | Threatened Or Protected Species |
| COMSEC | Communication Security |
| SONA | State Of The Nation Address |
| SOPA | State Of The Province Address |
| AEL | Atmosphere Emission Licencing |
| SSA | State Security Agency |
| SRP | Social Responsibility Projects |

175

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