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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



the dedet

Department:
Economic Development, Environment and Tourism
MPUMALANGA PROVINCIAL GOVERNMENT

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



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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.

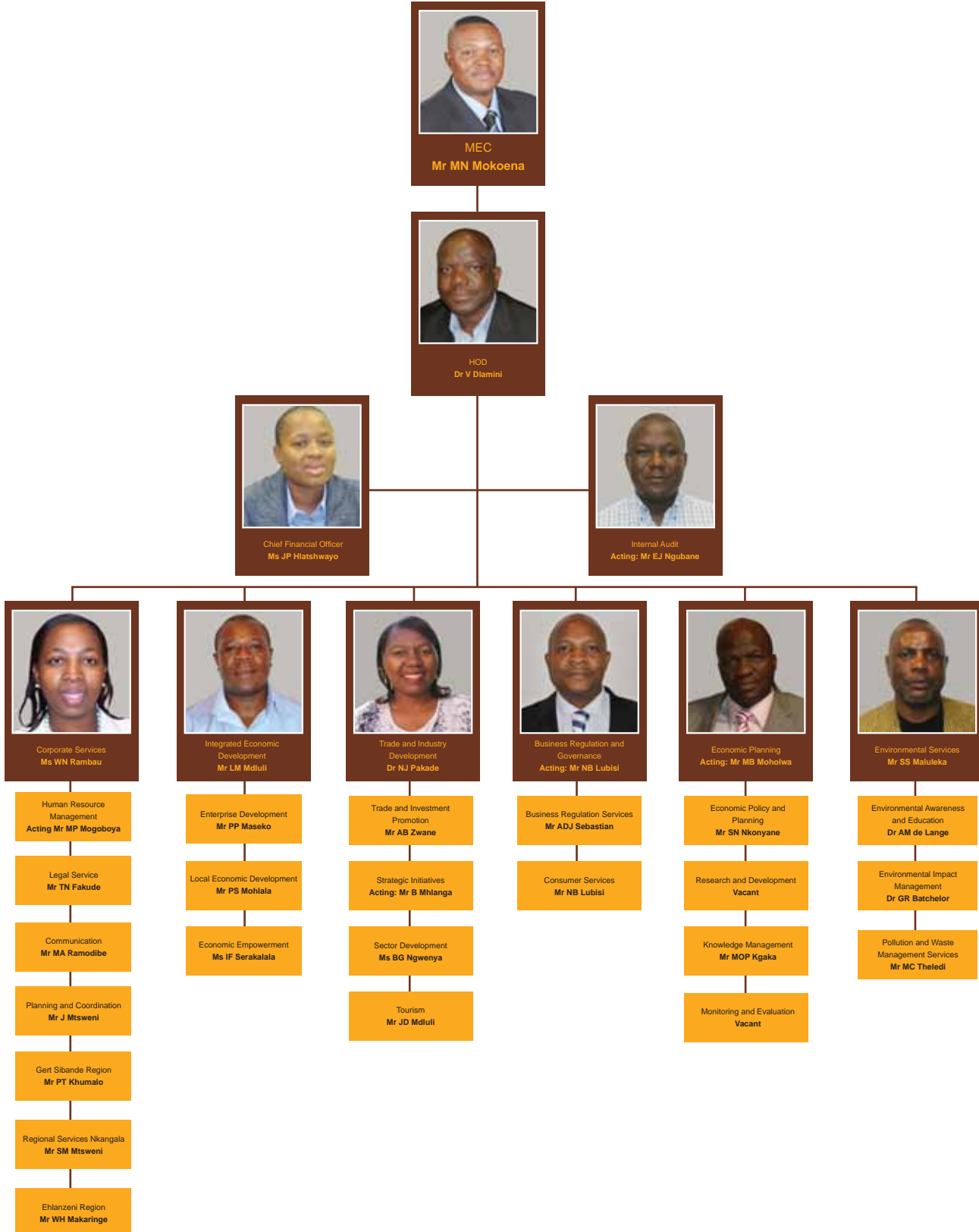
Transparency: Officials will recognise the right of access to information excluding information that is specifically protected by law.

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.



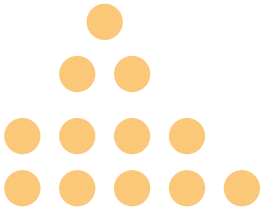
Dr V. DLAMINI
Accounting Officer

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 R63,011 million 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
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)	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 reports Mid-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: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 constrains.

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. 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 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 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 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

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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	<p>Irregular Expenditure</p> <p>The Committee recommended that;</p> <p>(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</p>	<p>The department awaits response from the Office of the Speaker concerning the condonement for the over-spending of R10,393 million</p>

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.

Auditor-General

Nelspruit

31 July 2012



AUDITOR-GENERAL
SOUTH AFRICA

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

Programme 1 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
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

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	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

Programme 4 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
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

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	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

Programme 6 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
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

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	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									
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

<i>POSITION</i>	<i>Note</i>	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

<i>NET ASSETS</i>	<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	<i>1.1</i>	708,746	710,053
Statutory appropriated funds received	<i>2</i>	1,716	1,660
Departmental revenue received	<i>3</i>	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	<i>16</i>	6,673	23,370
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<i>8</i>	(9,011)	(11,273)
Proceeds from sale of capital assets	<i>3.4</i>	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	<i>17</i>	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	<i>5.1</i>	512	909
Bursaries (employees)		208	245
Catering		1,136	1,999
Communication		4,601	6,057
Computer services	<i>5.2</i>	466	611
Consultants, contractors and agency/outsourced services	<i>5.3</i>	13,511	50,935
Audit cost – external	<i>5.4</i>	2,696	1,674
Fleet services		1,668	758
Inventory	<i>5.5</i>	2,852	2,897
Operating leases		21,493	21,164
Owned and leasehold property expenditure	<i>5.6</i>	12,419	7,717
Travel and subsistence	<i>5.7</i>	15,432	17,666
Venues and facilities		973	836
Training and staff development		1,073	1,156
Other operating expenditure	<i>5.8</i>	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	<i>5</i>	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

	<i>Note</i> <u>5</u>	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

	<i>Note</i> <u>5</u>	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

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

5.5 Inventory

	<i>Note</i> <u>5</u>	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

	<i>Note</i> <u>5</u>	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

	<i>Note</i> <u>5</u>	2011/12	2010/11
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
		R'000	R'000
Professional bodies, membership & subscription fees	5	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	6.1	-	154
Total		-	154

6.1 Debts written off

	<i>Note</i>	2011/12	2010/11
		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

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
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	30	7,042	7,293
Machinery and equipment	28	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

	Note	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

	<i>Note</i>	2011/12			R'000 Total	2010/11 R'000 Total
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years		
Staff debt	<i>12.1</i>	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		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	<i>13</i>	-	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

Listed by economic classification	2011/12 R'000			2010/11 R'000
	30 Days	30+ Days	Total	Total
Goods and services		6,103	6,103	867
Total		6,103	6,103	867

	<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 5years	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 5years	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

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

23.1 Analysis of receivables for departmental revenue

	Note	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

Year end balances arising from payments	<i>Note</i> <i>16.1</i>	2011/12 R'000	2010/11 R'000
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 Appro-riation Act
	Adjusted Appro-riation R'000	Roll Overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %		
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 Total Available	
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Mbombela Local Municipality	-	-	-	-	5	5	5	5	-	R'000
Total	-	-	-	-	5	-	5	5	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 3

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

	TRANSFER ALLOCATION				EXPENDITURE			2010/11
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	
UNIVERSITY/TECHNIKON	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 Appropriation Act R'000
	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	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	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	Quantity	2010/11
	5.5		R '000		R '000
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 MPESA	No of applications supported by MPESA	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, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total 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, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total 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, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total 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
MTPA	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 Emmission Licencing
SSA	State Security Agency
SRP	Social Responsibility Projects



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PR 181/2012
ISBN: 978-0-621-41066-6

