

Vote 4

Economic Development, Tourism and Environmental Affairs

	2020/21			
R thousand	Special adjustments appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	2 927 177	3 041 473		114 296
MEC remuneration ¹	1 978	1 978		
Total amount to be appropriated	2 929 155	3 043 451		114 296
<i>of which:</i>				
Current payments	790 310	759 975	(30 335)	
Transfers and subsidies	2 138 737	2 266 958		128 221
Payments for capital assets	108	16 518		16 410
Payments for financial assets	-	-		
Responsible MEC	MEC for Economic Development, Tourism and Environmental Affairs			
Administering department	Economic Development, Tourism and Environmental Affairs			
Accounting Officer	Head: Economic Development, Tourism and Environmental Affairs			

1. Vision and mission

Vision

The vision of the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) is: *Attainment of a radically transformed, inclusive and sustainable economic growth for KZN.*

Mission

The department's mission is to: *Provide leadership and facilitate integrated economic planning, be a catalyst for economic transformation and sustainable development, implement strategies that drive economic growth and promote sound environmental management, create a conducive environment for trade, investment and tourism and monitor and enforce sound business and consumer regulations.*

2. Strategic outcomes

Strategic policy direction: The strategic focus for EDTEA during the 5-year period is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities, as well as building a vibrant organisation. The key strategic goals and objectives of the department include integrated economic planning and development in the province, sustainable and inclusive economic growth for job creation, preferred tourism destination in the country, sustainable environmental management and achieve institutional excellence responsive to the needs of the country.

It should be noted that the strategic goals were revised in the tabled 2020/21 APP.

3. Summary of the second adjustments estimate for 2020/21

The main appropriation of EDTEA was R3.347 billion in 2020/21. During the year, the Covid-19 pandemic resulted in the department's budget being reduced by R417.658 million thus totalling R2.929 billion and this was formalised with the tabling of the Special Adjustments Estimate in July.

¹ At the time of going to print, the proclamation determining the 2020 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2020/21 EPRE.

Following the Special Adjustments Estimate, the department received an additional allocation totalling R137.795 million which was offset by a budget cut of R23.499 million. The amount to be appropriated in the 2020/21 Second Adjustments Estimate is thus R2.942 billion.

The main reasons for this increase, as well as other adjustments, are summarised below, and are explained in detail in Section 4:

- *Roll-overs*: An amount of R6.500 million was rolled over from 2019/20 and was allocated against *Goods and services* in Programme 3: Trade and Sector Development, in respect of the following:
 - R1.500 million in respect of the King Shaka International Airport (KSIA) Public Transport Link Solution.
 - R2 million for the Competitive Enhancement programme which aims to assist priority sectors of the provincial economy by strengthening the international competitiveness of these sectors and by positioning them as key contributors to economic growth and development.
 - R2 million in respect of the transfer to the KZN Economic Council because a roadshow and the Job Summit for Amajuba District were postponed to 2020/21.
 - R1 million in respect of the Aquaculture Development project relating to a fish processing facility planned for Port Shepstone and Mtubatuba. There were delays in issuing a licence for this facility by the Department of Environment, Forestry and Fisheries (DEFF), with permission only being received on 24 March 2020.
- *Virement between programmes*: The department undertook various virements across programmes. This also affected various economic classifications and sub-programmes, as detailed later in Section 4. The virements across programmes are summarised below:
 - Programme 1: Administration was increased by R8.161 million moved from *Goods and services* under Programme 5: Economic Planning and Programme 6: Tourism, with these savings realised due to the national lockdown restrictions on travelling and hosting of events and large gatherings, such as the Tourism Month Celebrations, Tourism Indaba, Tourism Entrepreneurs Careers Expo and Tourism Enhancement workshops. An amount of R3.139 million was moved to *Compensation of employees* to ensure that there are sufficient funds for various posts including management positions, such as the Head of Department, Chief Director: Communications and the Chief Financial Officer, which are due to be filled in November and December 2020. An amount of R5.022 million was moved to *Machinery and equipment* to cater for the purchase of video conferencing equipment for virtual meetings/events, as well as for computer equipment such as laptops, printers and office furniture, including the payment of invoices from 2019/20.
 - Programme 2: Integrated Economic Development Services shows an increase of R12.840 million as a result of the virements of savings of R2.969 million from Programme 6 under *Goods and services* due to the national lockdown restrictions on travelling and hosting of events and large gatherings, as explained. An amount of R9.871 million was identified from Programme 7: Environmental Affairs. Of this, R8 million was identified from *Transfers and subsidies to: Departmental agencies and accounts* under Ezemvelo KwaZulu-Natal Wildlife (EKZNW) with the transfer to the entity decreased as they were showing low spending against *Compensation of employees* due to delays in filling posts, and the balance of R1.871 million was moved from *Goods and services* because less travelling was undertaken by officials, and various environmental awareness campaigns, workshops training and community events did not take place in the initial stages of the lockdown. These savings were moved under *Goods and services* (R9.448 million) for the roll-out of the Operation Vula Fund programme. The balance of R3.392 million was moved under *Transfers and subsidies to: Public corporations and private enterprises* for transfer to the Ithala Development Finance Corporation (Ithala) for the procurement of refrigerated trucks and bakkies to expand the implementation of the RASET programme to the uMzinyathi, Ugu, King Cetshwayo and uMgungundlovu Districts (R1.500 million), as well as the upgrading of the Thokazi Royal Lodge (R1.892 million) as these projects will be implemented by the entity.

- o Programme 3 was increased by R6.352 million as a result of savings identified from Programme 6 under *Goods and services* due to the national lockdown restrictions on travelling and hosting of events and large gatherings, as explained. Savings of R4 million were moved to *Goods and services* to fund the implementation of the RASET programme to develop pack-houses in two local municipalities per district. A total of six sites were selected out of the three districts, namely uMkhanyakude District (Dukuduku and Sikhemelele areas), iLembe District (KwaDukuza and Ndwedwe Municipalities) and Harry Gwala District (Ubuhlebezwe and Dr. Nkosazana-Dlamini Municipalities). The balance of R2.352 million was moved under *Buildings and other fixed structures* for the fencing of the RASET Agro-processing facilities and the pack-houses in the King Cetshwayo, Zululand and iLembe Districts.
- o Programme 4: Business Regulation and Governance was increased by R115 000 as a result of savings identified from Programme 6 due to the national lockdown restrictions on travelling and hosting of events and large gatherings, as explained earlier. These funds were moved to *Machinery and equipment* to cater for the purchase of computer equipment such as laptops, printers and office furniture, and this relates to the payment of outstanding invoices from 2019/20.
- o Programme 5 reflects a reduction of R876 000 under *Goods and services* mainly due to the national lockdown restrictions on travelling and these savings were moved to Programme 1 under *Machinery and equipment* to cater for video conferencing equipment for virtual meetings/events.
- o Programme 6 was decreased by R16.721 million under *Goods and services*, with these funds moved to Programmes 1, 2, 3 and 4, as explained above.
- o Programme 7 was decreased by R9.871 million and these savings were moved to Programme 2 under *Goods and services* for the roll-out of the Operation Vula Fund programme, as previously explained.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, the required Provincial Treasury approval was obtained, such as the increase in transfers to various entities, as well as the introduction of several new transfers, as well as the increase in *Compensation of employees* for the Vote as a whole, as explained in detail in Section 4.

Legislature approval is required for the reductions in seven transfer payments, namely the transfer to the KwaMajomela Light Manufacturing Centre, EKZNW, Dube Tradeport Corporation (DTPC), Richards Bay Industrial Development Zone (RBIDZ), Moses Kotane Institute (MKI), KwaZulu-Natal Liquor Authority (KZNLA) and Tourism KwaZulu-Natal (TKZN). These reductions are evident in Table 4.26 under Section 9.

- *Shifts*: The department shifted R1 million from Programme 2 under *Goods and services* to Programme 3 under *Transfers and subsidies to: Non-profit institution* in respect of the Youth Creative Industry programme which encourages the development of innovative and commercially viable creative industry related products/manufacturing. The original purpose of the funds remains unchanged. The funds will be transferred to the KZN Film Commission (KZNFC) who has been appointed to implement this programme.

Besides this, the department undertook a number of shifts within programmes between economic classifications, and these are detailed in Section 4.

- *Other adjustments*: The department's budget allocation was increased by a net amount of R107.796 million, as explained below:
 - o Additional funding of R30 million was allocated to the department to assist in funding an intervention in respect of the Zimele Traders Fund to support rural and township spaza shops, to acquire refrigerated trucks in respect of the RASET programme assigned to Ithala, as well as to provide support for the Dalton Community project in the Langalibalele Municipality and the RASET pack-houses. The department indicated that these projects are catalytic in terms of the provincial economic recovery and job creation. These funds were allocated against *Transfers*

and subsidies to: *Public corporations and private enterprises* in Programme 2 and *Goods and services* in Programme 3.

- o Additional funding of R101.295 million was allocated to the department from the Provincial Economic Relief Fund, as follows:
 - R20 million was allocated for the Operation Vula programme in respect of toilet paper manufacturing, chemical and detergents, clothing and textile, as well as bakery projects. These funds were allocated against *Goods and services* in Programme 2.
 - R14.500 million was allocated for the Informal Economy Infrastructure Development initiative. This is aimed to create a conducive business environment for informal traders through the provision of suitable trading and storage infrastructure (mobile or fixed) including electricity, water and sanitation at Okhahlamba, uMvoti, Greater Kokstad and Msunduzi Municipalities. These funds were allocated against *Transfers and subsidies to: Provinces and municipalities* in Programme 2.
 - R60 million was allocated for the SMME Covid-19 Support Fund against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala in Programme 2. The financial support provided by this support fund will assist in creating or retaining jobs and sustaining economic activities for a number of SMMEs who have approached Ithala requesting financial assistance in order to avoid closure due to the impact of Covid-19.
 - R650 000 was allocated for the KwaXolo Caves Precinct project assigned to TKZN and this is specifically for the development of ablution facilities and four picnic spots at the site. These funds were allocated against *Transfers and subsidies to: Departmental agencies and accounts* in Programme 6.
 - R6.145 million was allocated for the road maintenance projects under EKZNW and these funds were allocated against *Transfers and subsidies to: Departmental agencies and accounts* in Programme 7. These funds are for EKZNW to rehabilitate the road infrastructure within the Midmar, Umlalazi and Ithala Nature Reserves.
- o Offsetting the additional allocation was a reduction of R23.499 million against *Compensation of employees*, with the cut effected against five programmes. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year and this budget cut was made by National Treasury.

Tables 4.1 and 4.2 reflect a summary of the 2020/21 adjusted appropriation of the department, summarised according to programme and economic classification.

Details of the economic classification are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.1 : Summary by programmes

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	244 046	-	-	8 161	-	(4 468)	3 693	247 739
2. Integrated Economic Development Services	237 978	-	-	12 840	(1 000)	116 324	128 164	366 142
3. Trade and Sector Development	784 578	6 500	-	6 352	1 000	1 464	15 316	799 894
4. Business Regulation and Governance	176 924	-	-	115	-	-	115	177 039
5. Economic Planning	22 195	-	-	(876)	-	-	(876)	21 319
6. Tourism	241 815	-	-	(16 721)	-	(1 877)	(18 598)	223 217
7. Environmental Affairs	1 221 619	-	-	(9 871)	-	(3 647)	(13 518)	1 208 101
Total	2 929 155	6 500	-	-	-	107 796	114 296	3 043 451
Amount to be voted								114 296

Table 4.2 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	790 310	6 500	-	(29 894)	(8 515)	1 574	(30 335)	759 975
Compensation of employees	365 542	-	-	11 074	-	(23 499)	(12 425)	353 117
Goods and services	424 768	6 500	-	(40 968)	(8 515)	25 073	(17 910)	406 858
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 138 737	-	-	13 484	8 515	106 222	128 221	2 266 958
Provinces and municipalities	19 723	-	-	5 887	5 000	14 500	25 387	45 110
Departmental agencies and accounts	1 787 794	-	-	(838)	150	6 795	6 107	1 793 901
Higher education institutions	1 000	-	-	-	-	-	-	1 000
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	152 250	-	-	4 000	800	84 927	89 727	241 977
Non-profit institutions	177 970	-	-	3 690	2 565	-	6 255	184 225
Households	-	-	-	745	-	-	745	745
Payments for capital assets	108	-	-	16 410	-	-	16 410	16 518
Buildings and other fixed structures	-	-	-	4 385	-	-	4 385	4 385
Machinery and equipment	38	-	-	11 848	-	-	11 848	11 886
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	70	-	-	177	-	-	177	247
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 929 155	6 500	-	-	-	107 796	114 296	3 043 451
Amount to be voted								114 296

4. Changes to programme purposes and service delivery measures

The department has not changed the purpose of any of its programmes, and is aligned to the sectorally approved structure.

The department tabled a revised 2020/21 APP, to take into account changes to its budget resulting from the Covid-19 pandemic. As such, the non financial data differs from the tabled *EPRE* in some instances, and these changes are reflected in the “Revised target” column in the non financial tables.

4.1 Programme 1: Administration

The main purpose of Programme 1 is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions.

Tables 4.3 and 4.4 reflect a summary of the 2020/21 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which led to an overall increase of R3.693 million, are given in the paragraphs following the tables.

Table 4.3 : Programme 1: Administration

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	17 479			591			591	18 070
2. Office of the HOD	17 900			2 071			2 071	19 971
3. Financial Management	30 729			(932)			(932)	29 797
4. Corporate Services	177 938			6 431		(4 468)	1 963	179 901
Total	244 046	-	-	8 161	-	(4 468)	3 693	247 739
Amount to be voted								3 693

Table 4.4 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	243 828	-	-	1 564	-	(4 468)	(2 904)	240 924
Compensation of employees	98 046			3 139		(4 468)	(1 329)	96 717
Goods and services	145 782			(1 575)			(1 575)	144 207
Interest and rent on land							-	-
Transfers and subsidies to:	110	-	-	351	-	-	351	461
Provinces and municipalities	110						-	110
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				351			351	351
Payments for capital assets	108	-	-	6 246	-	-	6 246	6 354
Buildings and other fixed structures				304			304	304
Machinery and equipment	38			5 795			5 795	5 833
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	70			147			147	217
Payments for financial assets	-						-	-
Total	244 046	-	-	8 161	-	(4 468)	3 693	247 739
Amount to be voted								3 693

Virement – Programme 1: Administration: R8.161 million

The department undertook virements from Programme 5 (R876 000) and Programme 6 (R7.285 million), as well as several virements across sub-programmes and across economic categories, resulting in an increase of R8.161 million in respect of this programme, as explained below:

- R8.161 million was moved from *Goods and services* under Programme 5 and Programme 6. These savings were realised due to the national lockdown restrictions on travelling and hosting of events and large gatherings such as the Tourism Month Celebrations, Tourism Indaba, Tourism Entrepreneurs Careers Expo and Tourism Enhancement workshops. These savings were moved as follows:
 - R3.139 million was moved to *Compensation of employees* to ensure that there are sufficient funds for various vacant posts including management positions, such as the Head of Department, Chief Director: Communications and the Chief Financial Officer which are anticipated to be filled in November and December 2020. There was also a need to increase the *Compensation of employees* budget after significant budget cuts were effected in the Special Adjustments, and taking into account the further budget cuts effected by National Treasury in this process.
 - R5.022 million was moved to *Machinery and equipment* to cater for the purchase of video conferencing equipment for virtual meetings/events, as well as computer equipment such as laptops, printers and office furniture, and includes provision made for invoices from 2019/20 that were paid in the current year.

In addition, the department undertook further virements within Programme 1, across sub-programmes and economic classification as follows:

- Savings of R1.575 million were identified from *Goods and services* as a result of minimal spending on communication and advertising costs during the initial stages of the national lockdown. In addition, there were savings against travel and subsistence due to the Covid-19 pandemic and lockdown regulations and the restrictions that were initially imposed on travelling. These savings were moved as follows:
 - R351 000 was moved to *Transfers and subsidies to: Households* for unanticipated staff exit costs.
 - R304 000 was moved to *Buildings and other fixed structures* to cater for the installation of protective screens in the main reception area at the head office and district offices to protect officials who deal directly with the public, and these were required to be installed in line with Covid-19 regulations and restrictions.

- o R773 000 was moved to *Machinery and equipment* to cater for the purchase of computer equipment such as laptops, printers and office furniture, and provision was also made for invoices from 2019/20 paid in the current year.
- o R147 000 was moved to *Software and other intangible assets* to cater for the higher than anticipated cost of procurement of the Caseware system (software) which is used to assist in the compilation of management reports including the Annual Financial Statements.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where applicable, Provincial Treasury approval was obtained in respect of the increase in *Compensation of employees*.

Other adjustments – Programme 1: Administration: (R4.468 million)

The department effected the budget cut of R4.468 million against Programme 1 under *Compensation of employees*, with the full amount reduced from the sub-programme: Corporate Services. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year.

4.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in KZN.

Tables 4.5 and 4.6 reflect a summary of the 2020/21 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R128.164 million, are given in the paragraphs after the tables.

Table 4.5 : Programme 2: Integrated Economic Development Services

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Enterprise Development	168 967			12 601	800	104 927	118 328	287 295
2. Regional and Local Economic Development	40 845			(11 961)		14 500	2 539	43 384
3. Economic Empowerment	28 166			12 200	(1 800)	(3 103)	7 297	35 463
Total	237 978	-	-	12 840	(1 000)	116 324	128 164	366 142
Amount to be voted								128 164

Table 4.6 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	124 269	-	-	7 944	(3 365)	16 897	21 476	145 745
Compensation of employees	63 390			2 023	(3 103)	(3 103)	(1 080)	62 310
Goods and services	60 879			5 921	(3 365)	20 000	22 556	83 435
Interest and rent on land							-	-
Transfers and subsidies to:	113 709	-	-	3 487	2 365	99 427	105 279	218 988
Provinces and municipalities	6 613			(3 113)		14 500	11 387	18 000
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	59 000			6 500	800	84 927	92 227	151 227
Non-profit institutions	48 096				1 565		1 565	49 661
Households				100			100	100
Payments for capital assets	-	-	-	1 409	-	-	1 409	1 409
Buildings and other fixed structures				700			700	700
Machinery and equipment				679			679	679
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				30			30	30
Payments for financial assets	-	-	-	-	-	-	-	-
Total	237 978	-	-	12 840	(1 000)	116 324	128 164	366 142
Amount to be voted								128 164

Virement – Programme 2: Integrated Economic Development Services: R12.840 million

The main appropriation of Programme 2 increased by R12.840 million as a result of the movement of savings from Programme 6 (R2.969 million) and Programme 7 (R9.871 million) as follows:

- R9.448 million was moved to *Goods and services* for the Operation Vula Fund programme, as previously explained.
- The balance of R3.392 million was moved under *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala to cater for the refrigerated trucks as part of the RASET programme (R1.500 million) and for the upgrade of the Thokazi Royal Lodge (R1.892 million), as both these projects will be administered by the entity, as mentioned.

In addition, R6.640 million was identified under *Goods and services* (R3.527 million) due to savings caused by the lockdown which limited travelling undertaken by employees during the initial stages of the national lockdown. Furthermore, there were savings in respect of BEE, SMMEs and Co-operatives as training, workshops and events were not held in the first three months of the year due to the lockdown regulations and restrictions. In addition, savings of R3.113 million were identified under *Transfers and subsidies to: Provinces and municipalities* in respect of the KwaMajomela Light Manufacturing Centre project due to the impact of the national lockdown as the implementation of the project was delayed. These savings were moved within the programme across economic categories as follows:

- R2.023 million was moved to *Compensation of employees* to cater for the posts of Deputy Director: Youth Economic Empowerment, as well as Deputy Director: B-BBEE Compliance, which are expected to be filled before the end of 2020/21 and to ensure that the programme has sufficient funds. There was also a need to increase the *Compensation of employees* budget after significant budget cuts were effected in the Special Adjustments, and taking into account the further budget cuts effected by National Treasury in this process.
- R3.108 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala to cater for the upgrade of the Thokazi Royal Lodge. In total, R5 million was thus allocated to this project in 2020/21.
- R100 000 was moved to *Transfers and subsidies to: Households* for unanticipated staff exit costs.
- R700 000 was moved to *Buildings and other fixed structures* to cater for the installation of wendy-houses that will be used as storage facilities and for building nursery tunnels for co-operatives in the Amajuba District.
- R679 000 was moved to *Machinery and equipment* for the purchase of computer equipment such as laptops, printers and office furniture which was under-budgeted for.
- R30 000 was moved to *Software and other intangible assets* to cater for unanticipated Microsoft software costs.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where applicable, Provincial Treasury approval was obtained in respect of the increase in *Compensation of employees* and *Transfers and subsidies*.

The reduction in *Transfers and subsidies to: Provinces and municipalities* in respect of the KwaMajomela Manufacturing Centre needs Legislature approval.

Shifts – Programme 2: Integrated Economic Development Services: (R1 million)

The appropriation of Programme 2 decreased by R1 million as a result of a shift from *Goods and services* under the sub-programme: BEE Operations to *Transfers and subsidies to: Non-profit institutions* in Programme 3 for transfer to the KZNFC for the Youth Creative Industry project, as explained. The entity was appointed by the department to be the implementing agent of this project, hence, the purpose of these funds remains unchanged.

In addition to the shift undertaken to Programme 2, a shift of R2.365 million was undertaken from *Goods and services* within the programme, as follows:

- R800 000 for the Imbokodo Iyazenzela Women in Business Mentorship programme was shifted to *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala. The department assigned Ithala to conduct this mentorship programme for a period of 12 months to 20 women under the Imbokodo Iyazenzela Women in Business mentorship programme. The purpose of the funds remains unchanged.
- R1.565 million was shifted with regard to supporting women in the engineering, steel fabrication, casting and aluminium business. This was erroneously budgeted for under *Goods and services*, and these funds were correctly classified against *Transfers and subsidies to: Non-profit institutions* for transfer to the Downstream Aluminium Centre of Technology. The purpose of the funds remains unchanged.

Other adjustments – Programme 2: Integrated Economic Development Services: R116.324 million

The budget allocation of Programme 2 was increased by a net amount of R116.324 million, as follows:

- Additional funding of R24.927 million was allocated against *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala to assist in funding an intervention, namely the Zimele Traders Fund to support rural and township spaza shops and to acquire refrigerated trucks in respect of the RASET programme.
- R20 million was allocated for the Operation Vula programme against *Goods and services* and these funds will be used to fund toilet paper manufacturing, chemical and detergents, clothing and textile, as well as bakery projects.
- R14.500 million was allocated for the Informal Economy Infrastructure Development initiative for transfer to the Okhahlamba, uMvoti, Greater Kokstad and Msunduzi Municipalities and these funds were allocated against *Transfers and subsidies to: Provinces and municipalities* in Programme 2.
- R60 million was allocated for the SMME Covid-19 Support Fund against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala. This financial support aims to assist a number of SMMEs to avoid closure due to the impact of Covid-19.
- Offsetting the above-mentioned additional allocation was a decrease of R3.103 million against *Compensation of employees*, with this reduction effected against the sub-programme: Economic Empowerment. This relates to provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year, as mentioned.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.7 shows the service delivery information for Programme 2. The department revised eight measures to align them with the targets in the revised 2020/21 APP. The department removed five measures, and this is indicated by a strike-through. Four measures were amended and this is indicated by a strike-through and the new wording is indicated in bold italics.

Table 4.7 : Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Enterprise Development – SMMEs and Co-operatives				
1.1 To promote small enterprises (SMMEs and co-operatives)	<ul style="list-style-type: none"> No. of small enterprises empowered through training, mentorship, incubation, entity registration and business advisory services No. of employment opportunities <i>created</i> 	2 644	614	1 325
		2 200	-	695

Table 4.7 : Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
2. Regional and Local Economic Development (RLED)				
2.1 To implement RLED initiatives that support employment opportunities and build the capacity of RLED stakeholders	<ul style="list-style-type: none"> No. of RLED projects implemented that support employment opportunities No. of training interventions implemented No. of red tape reduction interventions to support municipalities 	6 3 4		4 2 4
3. Economic Empowerment				
3.1 To facilitate the implementation of economic transformation strategies and policies	<ul style="list-style-type: none"> No. of youth trained No. of women trained No. of youth enterprises supported No. of women enterprises supported No. of priority target individuals empowered No. of target group entrepreneurs developed No. of B-BBEE compliance interventions implemented No. of Operation Vula interventions implemented No. of Black Industrialists interventions implemented 	60 50 5 6 New New 5 5 5		 184 29 6 2 6
				480 70

4.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion. Tables 4.8 and 4.9 reflect a summary of the 2020/21 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R15.316 million, are given in the paragraphs below the tables.

Table 4.8 : Programme 3: Trade and Sector Development

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Trade and Investment Promotion	489 081	5 000		4 137			9 137	498 218
2. Sector Development	205 922	1 500		4 715	1 000	1 464	8 679	214 601
3. Strategic Initiatives	89 575			(2 500)			(2 500)	87 075
Total	784 578	6 500	-	6 352	1 000	1 464	15 316	799 894
Amount to be voted								15 316

Table 4.9 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	79 437	6 500	-	(8 850)	-	1 464	(886)	78 551
Compensation of employees	18 290			492		(3 609)	(3 117)	15 173
Goods and services	61 147	6 500		(9 342)		5 073	2 231	63 378
Interest and rent on land							-	-
Transfers and subsidies to:	705 141	-	-	11 506	1 000	-	12 506	717 647
Provinces and municipalities	6 500			1 750			1 750	8 250
Departmental agencies and accounts	474 517			8 550			8 550	483 067
Higher education institutions	1 000						-	1 000
Foreign governments and international organisations							-	-
Public corporations and private enterprises	93 250			(2 500)			(2 500)	90 750
Non-profit institutions	129 874			3 690	1 000		4 690	134 564
Households				16			16	16
Payments for capital assets	-	-	-	3 696	-	-	3 696	3 696
Buildings and other fixed structures				3 381			3 381	3 381
Machinery and equipment				315			315	315
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	784 578	6 500	-	6 352	1 000	1 464	15 316	799 894
Amount to be voted								15 316

Roll-overs – Programme 3: Trade and Sector Development: R6.500 million

The department received a roll-over of R6.500 million in respect of the equitable share from 2019/20 to 2020/21. These funds were allocated against *Goods and services* in the sub-programmes Trade and Investment Promotion and Sector Development, as follows:

- R1.500 million in respect of the KSIA Public Transport Link Solution.
- R2 million for the Competitive Enhancement programme which aims to assist priority sectors of the provincial economy by strengthening the international competitiveness of these sectors and by positioning them as key contributors to economic growth and development.
- R2 million in respect of the transfer to the KZN Economic Council because a roadshow and the Job Summit for Amajuba District were postponed to 2020/21.
- R1 million in respect of the Aquaculture Development project relating to a fish processing facility planned for Port Shepstone and Mtubatuba. There were delays in issuing a licence for this facility by DEFF, with permission only being received on 24 March 2020.

Virement – Programme 3: Trade and Sector Development: R6.352 million

The appropriation of Programme 3 was increased by R6.352 million as a result of movement of savings from Programmes 6 as summarised below:

- Savings of R6.352 million were moved from Programme 6 under *Goods and services* to this programme as follows:
 - R4 million was moved to *Goods and services* to fund the implementation of the RASET pack-houses, as explained earlier.
 - R2.352 million was moved to *Buildings and other fixed structures* for the fencing of the RASET Agro-processing facilities and the pack-houses in the King Cetshwayo, Zululand and iLembe Districts.

In addition to the above, various virements were undertaken within the programme as follows:

- Savings of R22.792 million were identified from *Goods and services* (R13.342 million) in respect of the Edendale Automotive Hub since this project was affected by the national lockdown. Savings of R6.450 million were identified from *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfers to the DTPC, R2.500 million from *Transfers and subsidies to: Public corporations and private enterprises* in respect of the transfer to RBIDZ and R500 000 from *Transfers and subsidies to: Non-profit institutions* being a reduction in the transfer to MKI due to delays in filling of posts by these entities. These savings were moved to offset spending pressure brought about by unfunded programmes, as follows:
 - R492 000 was moved to *Compensation of employees* to ensure that this programme has sufficient funds to cater for existing employees. There was also a need to increase the *Compensation of employees* budget after significant budget cuts were effected in the Special Adjustments, and taking into account the further budget cuts effected by National Treasury in this process.
 - R1.750 million was moved under *Transfers and subsidies to: Provinces and municipalities* for transfer to the Mtubatuba Municipality for an Agro-processing facility.
 - R10 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to DTPC for continuation with the development of the Automotive Supplier Park (ASP), which the entity has been assigned to implement on behalf of the department.
 - R5 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to Trade and Investment KwaZulu-Natal (TIK) for the Technical Assistance Fund (R4.500 million) and the SMME and Co-operatives Technical Support programme (R500 000).

- o R4.190 million was moved to *Transfers and subsidies to: Non-profit institutions* to increase the transfer to the KZNFC for a newly established Covid-19 support fund for local and youth filmmakers.
- o R16 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
- o R1.029 million was moved to *Buildings and other fixed structures* for the fencing of the RASET Agro-processing facilities and pack-houses, as well as the connection of electricity and fencing in respect of the Amakha Essential Oils project.
- o R315 000 was moved to *Machinery and equipment* for the purchase of computer equipment such as laptops, printers and office furniture.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, Provincial Treasury approval was obtained for the increase in *Compensation of employees* and *Transfers and subsidies*.

The reduction in respect of transfers to DTPC, RBIDZ and MKI requires Legislature approval.

Shifts – Programme 3: Trade and Sector Development: R1 million

An amount of R1 million was moved from *Goods and services* in Programme 2 to this programme under the sub-programme: Sector Development to *Transfers and subsidies to: Non-profit institutions* for transfer to the KZNFC for the Youth Creative Industry project. The entity is appointed by the department to be the implementing agent, hence, the purpose of these funds remains unchanged.

Other adjustments – Programme 3: Trade and Sector Development: R1.464 million

The budget allocation of Programme 3 was increased by a net amount of R1.464 million, as follows:

- Additional funding of R5.073 million was moved to *Goods and services* and, of this, R5 million was allocated for the provision of support to the Dalton Bridge Community project through the Inkosi Langalibalele Municipality. The funding will be used for the procurement of assets, equipment, vehicles, the construction of packaging and storage warehouses/ facilities. The balance of R73 000 was allocated for RASET Agro-processing facilities and pack-houses.
- Offsetting the above-mentioned additional allocation was a decrease of R3.609 million against *Compensation of employees*, with this reduction being effected against the Sector Development sub-programme. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year, as mentioned.

Service delivery measures – Programme 3: Trade and Sector Development

Table 4.10 shows the revised service delivery for Programme 3. The department revised most targets to align them with the targets in the revised 2020/21 APP. The department removed four measures, and this is indicated by a strike-through. Five measures were amended and this is indicated by a strike-through and bold italics.

Table 4.10 : Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Performance Targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Trade and Investment Promotion				
1.1 To stimulate inclusive growth through trade and investment promotion	• Value of investment facilitated through trade initiatives by EDTEA entities	R8.8m		
	• Value of exports facilitated by EDTEA entities through trade initiatives	R14.5m		
	• No. of business retention and expansion platforms supported	40		
	• No. of companies supported for exports, investment and job retention	20		
	• No. of platforms supported (KZN Growth Coalition)	New		

Table 4.10 : Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Performance Targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
2. Sector Development				
2.1 Increased economic growth that supports decent jobs, HDIs, SMMEs and social enterprises	<ul style="list-style-type: none"> No. of sustainable projects implemented <i>that support employment opportunities</i> No. of <i>sector strategic interventions implemented</i> No. of people trained <i>on specific expertise</i> No. of Industry clusters <i>projects implemented</i> 	4	1	5
		10		250
		450		250
		2		1
3. Strategic Initiatives				
3.1 To facilitate the development of strategic industrial interventions	<ul style="list-style-type: none"> No. of jobs created No. of people trained <i>No. of jobs retained</i> <i>No. of jobs created through the oceans economy</i> 	197		134
		103	37	67
		New		500
		725		

4.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. Tables 4.11 and 4.12 summarise the 2020/21 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R115 000, are given in the paragraphs following the tables.

Table 4.11 : Programme 4: Business Regulation and Governance

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Regulation Services	7 869			(500)			(500)	7 369
2. Consumer Protection	24 584			1 451			1 451	26 035
3. Liquor Regulation	84 186			(600)			(600)	83 586
4. Gaming and Betting	60 285			(236)			(236)	60 049
Total	176 924	-	-	115	-	-	115	177 039
Amount to be voted								115

Table 4.12 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	36 950	-	-	480	-	-	480	37 430
Compensation of employees	29 316			702			702	30 018
Goods and services	7 634			(222)			(222)	7 412
Interest and rent on land							-	-
Transfers and subsidies to:	139 974	-	-	(580)	-	-	(580)	139 394
Provinces and municipalities							-	-
Departmental agencies and accounts	139 974			(600)			(600)	139 374
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				20			20	20
Payments for capital assets	-	-	-	215	-	-	215	215
Buildings and other fixed structures							-	-
Machinery and equipment				215			215	215
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-						-	-
Total	176 924	-	-	115	-	-	115	177 039
Amount to be voted								115

Virement – Programme 4: Business Regulation and Governance: R115 000

The appropriation of Programme 4 was increased by a net amount of R115 000 which was moved from Programme 6, as follows:

- Savings of R115 000 were identified under Programme 6 from *Goods and services* as a result of less travelling by officials due to the national lockdown, and these funds were moved to *Machinery and equipment* to cater for the purchase of computer equipment such as laptops, printers and office furniture, and this relates to the payment of outstanding invoices for 2019/20.

In addition, the following virements were undertaken within the programme and economic categories:

- Savings of R822 000 were identified against *Goods and services* (R222 000) in respect of travel and subsistence costs due to the lockdown regulations and the restrictions that were initially imposed on travelling. There were also savings of R600 000 identified from the transfer to the KZNLA under *Transfers and subsidies to: Departmental agencies and accounts* because of delays in filling of posts in the entity. These savings were moved as follows:
 - R702 000 was moved to *Compensation of employees* to ensure that this programme has sufficient funds to cater for existing employees.
 - R20 000 was moved to *Transfers and subsidies to: Households* for unanticipated staff exit costs.
 - R100 000 was moved to *Machinery and equipment* for computer equipment such as laptops, printers and office furniture, and this relates to invoices from 2019/20 paid in 2020/21.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, Provincial Treasury approval was obtained for the increase in *Compensation of employees* and *Transfers and subsidies*.

The reduction in respect of transfer to the KZNLA requires Legislature approval.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.13 shows the service delivery information for Programme 4.

The department revised one target to align it with the targets in the revised 2020/21 APP. The department removed two measures, and this is indicated by a strike-through. One measure was amended and this is indicated by a strike-through and bold italics.

Table 4.13 : Service delivery measures – Programme 4: Business Regulation and Governance

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Regulation Services				
1.1 To create a conducive regulatory environment for sustained development and support to the formal and informal business sectors	<ul style="list-style-type: none"> • No. of local municipalities effectively performing the business licensing function • No. of municipalities monitored on implementing interventions to support the informal economy • <i>No. of local municipalities implementing the KZN automated business licensing and information management system and license registration for formal businesses</i> • <i>No. of local municipalities implementing the KZN automated business licensing and information management system and license registration for informal businesses</i> • No. of municipalities supported for business licensing function • No. of programmes implemented to support informal economy • No. of businesses inspected to ensure compliance with business legislation 	43 43 <i>New</i> <i>New</i> <i>New</i> <i>New</i> 100	 10 10 3 1 35	 <i>40</i> <i>40</i> <i>8</i> <i>3</i> 75
2. Consumer Protection				
2.1 To promote, protect and further the rights of consumers in the province	<ul style="list-style-type: none"> • No. of consumer educational workshops conducted • No. of businesses inspected • % of complaints resolved 	1 300 400 80%	1 320 168 73%	1 252

Table 4.13 : Service delivery measures – Programme 4: Business Regulation and Governance

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
3. Policy and Legislation				
3.1 Enhance the Gaming and Betting regulatory environment in KZN	<ul style="list-style-type: none"> Tracking the effectiveness of the KZNLA in regulating its respective industry 	4		
	<ul style="list-style-type: none"> Tracking the effectiveness of the KZNGBB in regulating the Gaming and Betting Industry 	4		
	<ul style="list-style-type: none"> No. of Liquor Authority monitoring reports produced 	New	1	4
	<ul style="list-style-type: none"> No. of KZN Gaming and Betting Board monitoring reports produced 	New	1	4
	<ul style="list-style-type: none"> No. of catalytic initiatives undertaken to encourage an effective regulatory system for Liquor licensing, Gaming and Betting, Consumer Act and Business Act which contributes towards creating a conducive business regulatory environment which indirectly contributes to jobs and an improved economy 	7	2	

4.5 Programme 5: Economic Planning

The main purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development. The purpose is also to conduct research proposals relating to changing global trends, and to provide a wide range of information and knowledge that serve as key drivers and to regularly assess the performance of the economy.

Tables 4.14 and 4.15 summarise the 2020/21 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall net decrease of R876 000, are given in the paragraphs following the tables.

Table 4.14 : Programme 5: Economic Planning

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Policy and Planning	4 469			1 066			1 066	5 535
2. Research and Development	10 960			(1 515)			(1 515)	9 445
3. Knowledge Management	3 121			(125)			(125)	2 996
4. Monitoring and Evaluation	3 645			(302)			(302)	3 343
Total	22 195	-	-	(876)	-	-	(876)	21 319
Amount to be voted								(876)

Table 4.15 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	22 195	-	-	(2 259)	-	-	(2 259)	19 936
Compensation of employees	11 624			271			271	11 895
Goods and services	10 571			(2 530)			(2 530)	8 041
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	1 014	-	-	1 014	1 014
Provinces and municipalities				1 000			1 000	1 000
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				14			14	14
Payments for capital assets	-	-	-	369	-	-	369	369
Buildings and other fixed structures							-	-
Machinery and equipment				369			369	369
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	22 195	-	-	(876)	-	-	(876)	21 319
Amount to be voted								(876)

Virement – Programme 5: Economic Planning: (R876 000)

The appropriation of Programme 5 was reduced by an amount of R876 000, as explained:

- Savings of R2.530 million were identified from *Goods and services* ascribed to the lockdown regulations which meant that travel expenses were significantly reduced in the first six months.
- Of these savings, R876 000 was moved to *Machinery and equipment* under Programme 1 for the purchase of video conferencing equipment for virtual meetings/events.
- The balance of R1.654 million was moved within Programme 5 to offset spending pressure as follows:
 - o R271 000 was moved to *Compensation of employees* to ensure that this programme has sufficient funds to cater for existing employees.
 - o R1 million was moved to *Transfers and subsidies to: Provinces and municipalities* for Integrated Economic Development plans to be undertaken at the uPhongolo and the Greater Kokstad Municipalities.
 - o R14 000 was moved to *Transfers and subsidies to: Households* for unanticipated staff exit costs.
 - o R369 000 was moved to *Machinery and equipment* due to the payment of invoices from 2019/20 in respect of the purchase of computer equipment and furniture.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, Provincial Treasury approval was obtained for the increase in *Compensation of employees* and *Transfers and subsidies*.

Service delivery measures – Programme 5: Economic Planning

Table 4.16 shows the service delivery information for Programme 5. The department revised three targets to align them with the targets in the revised 2020/21 APP. The department removed one measure, and this is indicated by a strike-through. Four measures were amended and this is indicated bold italics.

Table 4.16 : Service delivery measures – Programme 5: Economic Planning

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Policy and Planning				
1.1 To enhance the economic policy environment in KZN	<ul style="list-style-type: none"> • No. of economic strategies formulated • No. of quarterly economic publications produced • No. of policy briefs 	2 6 8	 2 2	
Research and Development				
2.1 To conduct economic research for development of economic interventions	<ul style="list-style-type: none"> • No. of sector studies conducted • No. of research briefs/factsheets conducted • No. of AWG reports submitted to KZN PPC • No. of innovative projects funded 	1 4 4 3	 1 1	
3. Knowledge Management				
3.1 To develop and maintain an effective knowledge management system to support management decisions	<ul style="list-style-type: none"> • No. of knowledge sharing platforms created • No. of project status reports • No. of resource centre statistical reports learning platforms conducted 	4 4 4	1 1 1	
4. Monitoring and Evaluation				
4.1 To determine effectiveness of EDTEA policies and strategies	<ul style="list-style-type: none"> • No. of monitoring and evaluation frameworks reviewed • No. of monitoring and evaluation plans developed • No. of monitoring reports produced • No. of evaluation reports produced • No. of workshops conducted to EDTEA staff • No. of performance reports produced 	1 1 5 1 New 5	- 1 1 - 16 1	 14 3

4.6 Programme 6: Tourism

The main purpose of this programme is to stimulate economic growth through tourism development. The objectives are to create an enabling tourism environment through legislation, policy and strategy development, to create demand and supply tourism, as well as to ensure sustainability and tourism sector transformation.

Tables 4.17 and 4.18 reflect a summary of the 2020/21 adjusted appropriation of Programme 6, according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R18.598 million, are given in the paragraphs following the tables.

Table 4.17 : Programme 6: Tourism

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Tourism Planning	10 746			(1 360)		(2 527)	(3 887)	6 859
2. Tourism Growth and Development	226 221			(16 438)		650	(15 788)	210 433
3. Tourism Sector Transformation	4 848			1 077			1 077	5 925
Total	241 815	-	-	(16 721)	-	(1 877)	(18 598)	223 217
Amount to be voted								(18 598)

Table 4.18 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	50 859	-	-	(22 897)	(5 150)	(2 527)	(30 574)	20 285
Compensation of employees	17 619			506		(2 527)	(2 021)	15 598
Goods and services	33 240			(23 403)	(5 150)		(28 553)	4 687
Interest and rent on land							-	-
Transfers and subsidies to:	190 956	-	-	5 605	5 150	650	11 405	202 361
Provinces and municipalities	6 500			6 250	5 000		11 250	17 750
Departmental agencies and accounts	184 456			(788)	150	650	12	184 468
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				143			143	143
Payments for capital assets	-	-	-	571	-	-	571	571
Buildings and other fixed structures							-	-
Machinery and equipment				571			571	571
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	241 815	-	-	(16 721)	-	(1 877)	(18 598)	223 217
Amount to be voted								(18 598)

Virement – Programme 6: Tourism: (R16.721 million)

The main appropriation of Programme 6 was reduced by R16.721 million. Savings totalling R24.491 million were identified across the sub-programme: Tourism Planning and the sub-programme: Tourism Growth and Development as explained below:

- Savings of R24.491 million were identified against *Goods and services* (R23.403 million) in respect of travelling expenses as a result of the lockdown. In addition, a number of tourism events did not take place as anticipated in the first six months, mainly due to the lockdown restrictions on hosting of events and large gatherings, such as the Tourism Month Celebrations, Tourism Indaba, Tourism Entrepreneurs Careers Expo and Tourism Enhancement workshops. The balance of R1.088 million was identified from *Transfers and subsidies to: Departmental agencies and accounts* under the transfer to TKZN as the entity had savings in *Compensation of employees* due to delays in filling posts by the entity. Of this amount, savings of R16.721 million were moved to Programmes 1, 2, 3 and 4, as follows:
 - R7.285 million was moved to Programme 1 under *Compensation of employees* to ensure that there are sufficient funds for various vacant posts, including management positions such as the

Head of Department, Chief Director: Communications and the Chief Financial Officer, as these posts are due to be filled in November and December 2020, *Machinery and equipment* to cater for the purchase of video conferencing equipment for virtual meetings/events, as well as for computer equipment such as laptops, printers and office furniture. This virement also provides for invoices from 2019/20 paid in 2020/21.

- o R2.969 million was moved to Programme 2 under *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala for the procurement of refrigerated trucks in respect of the RASET programme and for the upgrading of the Thokazi Royal Lodge.
- o R6.352 million was moved to Programme 3 under *Goods and services* in respect of the RASET pack-houses project and to *Buildings and other fixed structures* for the fencing of the RASET Agro-processing facilities and the pack-houses in the King Cetshwayo, Zululand and iLembe Districts.
- o R115 000 was moved to Programme 4 to *Machinery and equipment* for the purchase of computer equipment such as laptops, printers and office furniture, and this relates to invoices from 2019/20 paid in 2020/21.
- The balance of R7.770 million was moved within the programme and economic categories as follows:
 - o R506 000 was moved to *Compensation of employees* to ensure that this programme has sufficient funds to cater for existing employees.
 - o R6.250 million was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for various projects such as the Mkhuze Falls (R3 million), the Mtubatuba Tourist Centre (R1.750 million) and the Jozini Information Centre (R1.500 million).
 - o R300 000 was moved to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to TKZN in respect of the Durban Eye Ferris Wheel development project which involves the construction of a giant/observation wheel along the Durban Beachfront.
 - o R143 000 was moved to *Transfers and subsidies to: Households* for unanticipated staff exit costs.
 - o R571 000 was moved to *Machinery and equipment* for computer equipment such as laptops, printers and office furniture, and this relates to invoices from 2019/20 paid in 2020/21.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, Provincial Treasury approval was obtained, in respect of the increase in *Compensation and employees* and *Transfers and subsidies*.

The reduction in respect of the transfer to TKZN against *Transfers and subsidies to: Departmental agencies and accounts* requires Legislature approval.

Shifts – Programme 6: Tourism

An amount of R5.150 million was shifted from *Goods and services* to *Transfers and subsidies* within the programme, and the original purpose of the funds remains unchanged, as explained:

- R5 million was shifted from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* within Programme 6, in respect of funds budgeted for the upgrading and development of the Howick Falls Precinct. The funds will be transferred to the uMgungundlovu Economic District Agency who has been appointed as the implementing agent for the above-mentioned projects, and the original purpose of the funds remains unchanged.
- R150 000 was shifted from *Goods and services* to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to TKZN within Programme 6. These funds are for the Tourism Grading Council of South Africa for the implementation and roll-out of the programme to develop tourism products and services that are quality assured. TKZN is assigned to administer this project, and the original purpose of the funds remains unchanged.

Other adjustments – Programme 6: Tourism: (R1.877 million)

The budget allocation of Programme 6 was decreased by a net amount of R1.877 million, as follows:

- The department's budget allocation was decreased due to the budget cut made with respect to the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year, as mentioned. In this regard, this programme was cut by R2.527 million under *Compensation of employees*, with the full amount reduced from the sub-programme: Tourism Planning.
- Mitigating this was additional funding of R650 000 allocated against *Transfers and subsidies to: Departmental agencies and accounts* for the KwaXolo Caves Precinct project assigned to TKZN. These funds are specifically for the development of ablution facilities and four picnic spots at the site.

Service delivery measures – Programme 6: Tourism

Table 4.19 shows the service delivery information for Programme 6. The department revised three targets to align them with the targets in the revised 2020/21 APP. Two measures were amended and this is indicated by a strike-through.

Table 4.19 : Service delivery measures – Programme: Tourism

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. Tourism Planning				
1.1 To provide guidance, support and direction in terms of tourism knowledge management, policies and strategies	<ul style="list-style-type: none"> • No. of strategic engagements sustained • No. of tourism strategic frameworks developed • No. of tourism awareness programmes on policy and knowledge management conducted 	12 3 3	3 1 1	
2. Tourism Growth and Development				
2.1 To ensure effective and efficient support for the promotion and integrated development of diverse tourism offerings	<ul style="list-style-type: none"> • No. of niche tourism products supported • No. of tourism products and experiences implemented • No. of tourist guides professionalised • No. of compliant tourist guides • No. of tourist guide inspections conducted 	2 4 240 New 8		
3. Tourism Sector Transformation				
3.1 To identify and drive implementation of targeted interventions aimed at transforming the sector	<ul style="list-style-type: none"> • No. of audits conducted on compliance with tourism sector codes • No. of service excellence initiatives designed and implemented • No. of people trained within the tourism sector • No. of people assisted with employment opportunities within the tourism sector 	30 4 2 500 100	10 1 187	600

4.7 Programme 7: Environmental Affairs

This programme aims to ensure effective compliance and governance in respect of environmental management.

Tables 4.20 and 4.21 reflect a summary of the 2020/21 adjusted appropriation of Programme 7, according to sub-programme, sub-sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R13.518 million, are given in the paragraphs following the tables.

Table 4.20 : Programme 7: Environmental Affairs

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Environmental Policy Planning and Co-ordination	23 717	-	-	(394)	-	-	(394)	23 323
Intergovt. Co-ordination, Spatial and Dev Planning	14 705			(1 217)			(1 217)	13 488
Climate Change Management	9 012			823			823	9 835
2. Compliance and Enforcement	28 531	-	-	(2 977)	-	-	(2 977)	25 554
Enviro. Quality Managemt Compliance and Enforcemt	28 531			(2 977)			(2 977)	25 554
3. Environmental Quality Management	47 531	-	-	4 040	-	(9 792)	(5 752)	41 779
Impact Management	20 138			15 159		(9 792)	5 367	25 505
Air Quality Management	5 313			(5 120)			(5 120)	193
Pollution and Waste Management	22 080			(5 999)			(5 999)	16 081
4. Biodiversity Management	1 086 072	-	-	(7 804)	-	6 145	(1 659)	1 084 413
Biodiversity and Protected Area Plan. and Managemt	81 746			4 801			4 801	86 547
Conservation Agencies and Services	988 847			(8 000)		6 145	(1 855)	986 992
Coastal Management	15 479			(4 605)			(4 605)	10 874
5. Environmental Empowerment Services	33 766	-	-	(3 215)	-	-	(3 215)	30 551
Environmental Capacity Development and Support	33 766			(3 215)			(3 215)	30 551
6. Environmental Services Administrative Support	2 002	-	-	479	-	-	479	2 481
Environmental Services Administrative Support	2 002			479			479	2 481
Total	1 221 619	-	-	(9 871)	-	(3 647)	(13 518)	1 208 101
Amount to be voted								(13 518)

Table 4.21 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	232 772	-	-	(5 876)	-	(9 792)	(15 668)	217 104
Compensation of employees	127 257			3 941		(9 792)	(5 851)	121 406
Goods and services	105 515			(9 817)			(9 817)	95 698
Interest and rent on land							-	-
Transfers and subsidies to:	988 847	-	-	(7 899)	-	6 145	(1 754)	987 093
Provinces and municipalities							-	-
Departmental agencies and accounts	988 847			(8 000)		6 145	(1 855)	986 992
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				101			101	101
Payments for capital assets	-	-	-	3 904	-	-	3 904	3 904
Buildings and other fixed structures							-	-
Machinery and equipment				3 904			3 904	3 904
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-		-		-	-
Total	1 221 619	-	-	(9 871)	-	(3 647)	(13 518)	1 208 101
Amount to be voted								(13 518)

Virement – Programme 7: Environmental Affairs: (R9.871 million)

Extensive virements were made across sub-programmes within the programme, from other programmes and between economic categories, resulting in a net decrease of R9.871 million, as follows:

- Savings of R9.871 million were moved to Programme 2. Of this, R8 million was identified from *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfer to EKZNW as the entity's *Compensation of employees* spending was lower than anticipated due to delays in the filling of posts by the entity. The balance of R1.871 million was moved from *Goods and services* because less travelling was undertaken by officials, and there were savings as a result of the non-hosting of environmental awareness campaigns, workshops, training and community events in the initial stages of the lockdown. These funds were moved to Programme 2 under *Goods and services* (R9.448 million) for the roll-out of the Operation Vula Fund programme. The balance of R392 000 was moved to *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Ithala for the upgrading of the Thokazi Royal Lodge under Programme 2.

The department further undertook virements within the programme, as follows:

- Savings of R7.946 million were identified from *Goods and services* due to less travelling undertaken by officials, and the non-hosting of environmental awareness campaigns, workshops, training and community events in the initial stages of the lockdown, moved as follows:
 - R3.941 million was moved to *Compensation of employees* to cater for the filling of a number of Environmental Officer positions, in areas such as Capacity Development and Support, Biodiversity and Protected Area, Pollution and Waste Management, Air Quality Management, Impact Management, as well as Quality Management Compliance and Enforcement. There was also a need to increase the *Compensation of employees* budget after significant budget cuts were effected in the Special Adjustments, and taking into account the further budget cuts effected by National Treasury in this process.
 - R101 000 was moved to *Transfers and subsidies to: Households* in respect of staff exit costs.
 - R3.904 million was moved to *Machinery and equipment* for the purchase of computer equipment such as laptops, printers and office furniture, and this relates to invoices from 2019/20 that were paid in 2020/21.

These virements are permissible in terms of the PFMA and Treasury Regulations. In respect of the increase in *Compensation of employees*, Provincial Treasury approval was obtained.

The reduction in respect of *Transfers and subsidies to: Departmental agencies and accounts* against the transfer to EKZNW requires Legislature approval.

Other adjustments – Programme 7: Environmental Affairs (R3.647 million)

The budget allocation of Programme 3 was decreased by a net amount of R3.647 million, as follows:

- The department's budget allocation was decreased due to the budget cut made with respect to the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year, as mentioned. In this regard, this programme was cut by R9.792 million under *Compensation of employees*, with the full amount reduced from the sub-programme: Environmental Quality Management.
- This was reduced to some extent by R6.145 million allocated against *Transfers and subsidies to: Departmental agencies and accounts* for the road maintenance projects under EKZNW.

Service delivery measures – Programme 7: Environmental Affairs

Table 4.22 shows the service delivery information for Programme 7. The department revised most targets to align them with the targets in the revised 2020/21 APP. The department removed seven measures, and this is indicated by a strike-through. One measure was amended and this is indicated by bold italics.

Table 4.22 : Service delivery measures – Programme 7: Environmental Affairs

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target,
1. Environmental Policy Planning and Co-ordination				
1.1 To ensure the implementation of Environmental Management tools to support economic development through enhanced governance systems and capacity	<ul style="list-style-type: none"> • No. of intergovernmental sector tools reviewed • No. of environmental legislative tools developed • No. of environmental research projects completed • No. of functional environmental information management systems • Climate change response tools developed • No. of district climate change adaptation interventions supported • No. of severe weather watch notifications released • No. of provincial green economy reports developed • No. of climate change response tools developed 	54 1 1 12 4 5 24 1 1	 3 9 -	 4 10

Table 4.22 : Service delivery measures – Programme 7: Environmental Affairs

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target,
2. Compliance and Enforcement				
2.1 To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province	<ul style="list-style-type: none"> No. of administrative enforcement notices issued for non-compliance with environmental legislation No. of completed criminal investigations handed to NPA for prosecution No. of compliance inspections conducted No. of S24G applications finalised No. of permitted landfill sites monitored for compliance 	175 4 700 6 10	60 - 2	125 2 335 8
3. Environmental Quality Management				
3.1 To improve integrated environmental management through regulation and Impact mitigation management to promote and regulate environmental quality management through environmental impact mitigation management	<ul style="list-style-type: none"> % of waste licence applications finalised within legislated timeframes No. of recycling projects supported No. of work opportunities created in the circular economy No. of waste licences reviewed No. of waste facilities audited on compliance with environmental legislation No. of provincial waste dialogues convened % EIA applications finalised within legislated timeframes No. of designated organs of state with approved AQMPs % Atmospheric Emission Licences with complete applications issued within legislated timeframes No. of ambient air quality monitoring reports produced 	100% 11 200 50% 40% 1 100% 4 100% 4	 8 8 18 100% 	 24 5 40 3
4. Biodiversity Management				
4.1 To control and manage the spread of invasive alien species	<ul style="list-style-type: none"> No. of coastal management programmes developed No. of estuarine management plans developed No. of source to coast clean up intervention implemented No. of coastal monitoring and enforcement campaigns conducted No. of coastal vulnerability reports produced No. of job opportunities created through environmental programmes No. of hectares cleared of invasive alien species No. of fulltime equivalents /created FTEs No. of oversight reports on biodiversity mandate implementation by EKZNW produced No. of beneficiaries trained on IASP eradication 	1 2 3 3 1 7 500 120 000 2 119 1 100	 1 1 	 2 100 000 1 766
5. Environmental Empowerment Services				
5.1 To improve community empowerment through environmental awareness and educational programmes	<ul style="list-style-type: none"> No. of environmental capacity building activities conducted No. of environmental awareness activities conducted No. of clean up campaigns hosted No. of provincial environmental events to commemorate environmental days hosted No. of green good deeds provincial conceptual framework reviewed 	60 1 000 300 3 New	37 1 110 55 	63 1 110 120 3 120

5. Specifically and exclusively appropriated allocations

Table 4.23 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2020. Note that conditional grants, as well as transfers to public entities and local government (which are also specifically and exclusively appropriated funds) are not included here, as these are discussed in Sections 8, 9 and 10 below. Note also that the amount in respect of the Invasive Alien Species Programme (IASP) relates to departmental funding for this programme, and excludes the funding transferred to EKZNW in this regard, which is specified in Table 4.26 below.

Details of the main adjustments, which resulted in an overall net increase of R24.573 million in respect of the department's specifically and exclusively appropriated funding, are provided in the paragraphs following the tables.

Table 4.23 : Summary of specifically and exclusively appropriated funding

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Prog. 2: KZN Growth Fund Trust	48 096						-	48 096
2. Prog. 2: Operation Vula programme						20 000	20 000	20 000
3. Prog. 3: Dalton Bridge Community project						5 000	5 000	5 000
4. Prog. 3: RASET pack-houses						73	73	73
5. Prog. 3: Moses Kotane Institute	48 366			(500)			(500)	47 866
6. Prog. 7: Invasive Alien Species prog.	61 450						-	61 450
Total	157 912	-	-	(500)	-	25 073	24 573	182 485
Amount to be voted								24 573

- *Virement*: Savings of R500 000 were realised in respect of the transfer to MKI as the entity was showing low spending against *Compensation of employees* due to delays in filling of posts and these funds were moved to offset spending pressure brought about by unfunded programmes of the department and were moved to *Transfers and subsidies to: Departmental agencies and accounts* in Programme 3.

The reduction in specifically and exclusively appropriated amounts requires Legislature approval.

- *Other adjustments*: The department received an additional amount of R25.073 million, as follows:
 - o R20 million for the Operation Vula programme in respect of projects, such as toilet paper manufacturing, chemical and detergents, clothing and textile, as well as bakery projects. These funds were allocated against *Goods and services* in Programme 2.
 - o R5 million to provide support for the Dalton Community project in the Langalibalele Municipality, and these funds were allocated against *Goods and services* in Programme 3.
 - o R73 000 for the RASET pack-houses, and these funds were allocated against *Goods and services* in Programme 3.

6. Gifts, donations and sponsorships

The department is not envisaging making any donations exceeding R100 000.

7. Infrastructure

Table 4.24 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R1.885 million, are provided in the paragraphs following the tables.

Table 4.24 : Summary of infrastructure payments by category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	-	-	-	-	-	-	-	-
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
New infrastructure assets: Capital				4 385			4 385	4 385
Infrastructure transfers	432 389	-	-	(2 500)	-	-	(2 500)	429 889
Infrastructure transfers: Capital	432 389			(2 500)			(2 500)	429 889
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets							-	-
Infrastructure: Leases	34 128						-	34 128
Non infrastructure							-	-
Capital infrastructure	432 389	-	-	1 885	-	-	1 885	434 274
Current infrastructure	34 128	-	-	-	-	-	-	34 128
Total	466 517	-	-	1 885	-	-	1 885	468 402
Amount to be voted								1 885

- *Virement*: The department undertook the following virements affecting the infrastructure allocation:
 - o *New infrastructure assets: Capital* reflects a virement of R4.385 million to cater for the installation of protective screens for the main reception area at the head office and district

offices, the fencing of the RASET Agro-processing facilities and pack-houses, installation of wendy-houses that will be used as storage facilities and building of nursery tunnels for co-operatives, as well as the connection of electricity and fencing in respect of the Amakha Essential Oils project.

- o *Infrastructure transfers: Capital* relates to transfers in respect of capital projects undertaken by DTPC and RBIDZ, in line with their master plans. An amount of R2.500 million was moved from the RBIDZ budget under *Compensation of employees* due to delays in filling posts and these funds were moved to offset spending pressure brought about by unfunded programmes for the department and were moved to *Transfers and subsidies to: Departmental agencies and accounts* in Programme 3.

8. Conditional grants

Table 4.25 provides a summary of the conditional grant budget of the department, which relates to the EPWP Integrated Grant for Provinces. The conditional grant budget remains unchanged. The budget for this grant is allocated under *Goods and services* against Programme 7.

Table 4.25 : Summary of changes to conditional grants

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
7. Environmental Affairs	4 988	-	-	-	-	-	-	4 988
EPWP Integrated Grant for Provinces	4 988						-	4 988
Total	4 988	-	-	-	-	-	-	4 988
Amount to be voted								-

9. Transfers and subsidies

Table 4.26 shows the summary of transfers and subsidies by programme and main category. The table includes transfers made to the department's public entities, namely Ithala, KwaZulu-Natal Growth Fund Trust (KZNGFT), DTPC, TIK, KZNFC, MKI, RBIDZ, KZNLA, KwaZulu-Natal Gaming and Betting Board, KwaZulu-Natal Sharks Board, TKZN, and EKZNW which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act. Details of the main adjustments, which resulted in an overall increase of R128.221 million in the transfers and subsidies allocation, are provided in the paragraphs following the tables.

Table 4.26 : Summary of transfers and subsidies by programme and main category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	110	-	-	351	-	-	351	461
Provinces and municipalities	110	-	-	-	-	-	-	110
Motor vehicle licences	110						-	110
Households	-	-	-	351	-	-	351	351
Staff exit costs				351			351	351
2. Integrated Economic Development Services	113 709	-	-	3 487	2 365	99 427	105 279	218 988
Provinces and municipalities	6 613	-	-	(3 113)	-	14 500	11 387	18 000
KwaMajomela Light Manufacturing Centre	6 613			(3 113)			(3 113)	
Okhahlamba Municipality: Informal Econo Infr. Dev.						3 000	3 000	3 000
Umvoti Municipality: Informal Econo Infr. Dev.						3 000	3 000	3 000
Greater Kokstad Mun. : Informal Econ. Infr. Dev.						4 500	4 500	4 500
Msunduzi Municipality: Informal Econo Infr. Dev.						4 000	4 000	4 000
Public corporations and private enterprises	59 000	-	-	6 500	800	84 927	92 227	151 227
Ithala	59 000			6 500	800	84 927	92 227	151 227
Of which								
Ithala SOC Ltd	59 000						-	59 000
Zimlele Traders Fund - Spaza Shops						16 927	16 927	16 927
RASET - Refrigerated Trucks				1 500		8 000	9 500	9 500
SMME Covid-19 Support Fund						60 000	60 000	60 000
Imbokodo Iyazenzela Women Mentorship prog.					800		800	800
Thokazi Royal Lodge				5 000			5 000	5 000
Non-profit institutions	48 096	-	-	-	1 565	-	1 565	49 661
KZN Growth Fund Trust	48 096				1 565		-	48 096
Downstream Aluminium Centre of Tech.							1 565	1 565
Households	-	-	-	100	-	-	100	100
Staff exit costs				100			100	100

Table 4.26 : Summary of transfers and subsidies by programme and main category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
3. Trade and Sector Development	705 141	-	-	11 506	1 000	-	12 506	717 647
Provinces and municipalities	6 500	-	-	1 750	-	-	1 750	8 250
Margate airport	4 000						-	4 000
Pietermaritzburg airport	2 500						-	2 500
Mtubatuba: Agro-processing facility				1 750			1 750	1 750
Departmental agencies and accounts	474 517	-	-	8 550	-	-	8 550	483 067
Dube TradePort Corporation	396 102			3 550			3 550	399 652
Trade and Investment KwaZulu-Natal	76 915			5 000			5 000	81 915
KZN Competitiveness enterprise	1 000						-	1 000
KZN Growth Coalition	500						-	500
Higher education institutions	1 000	-	-	-	-	-	-	1 000
Aerotropolis Institute	1 000						-	1 000
Public corporations and private enterprises	93 250	-	-	(2 500)	-	-	(2 500)	90 750
KZN Music Cluster (KUMISA)	3 675						-	3 675
Richards Bay Industrial Development Zone	89 575			(2 500)			(2 500)	87 075
Non-profit institutions	129 874	-	-	3 690	1 000	-	4 690	134 564
KZN Film Commission	78 358			4 190	1 000		5 190	83 548
KZN Clothing & Textile Cluster	3 150						-	3 150
Moses Kotane Institute	48 366			(500)			(500)	47 866
Households	-	-	-	16	-	-	16	16
Staff exit costs				16			16	16
4. Business Regulation and Governance	139 974	-	-	(580)	-	-	(580)	139 394
Departmental agencies and accounts	139 974	-	-	(600)	-	-	(600)	139 374
KwaZulu-Natal Gaming and Betting Board	55 788						-	55 788
KwaZulu-Natal Liquor Authority	84 186			(600)			(600)	83 586
Households	-	-	-	20	-	-	20	20
Staff exit costs				20			20	20
5. Economic Planning	-	-	-	1 014	-	-	1 014	1 014
Provinces and municipalities	-	-	-	1 000	-	-	1 000	1 000
uPhongolo Municipality - Integrated Econ. Dev. Plan				500			500	500
Greater Kokstad Municipality - Integr. Econ. Dev. Plan				500			500	500
Households	-	-	-	14	-	-	14	14
Staff exit costs				14			14	14
6. Tourism	190 956	-	-	5 605	5 150	650	11 405	202 361
Provinces and municipalities	6 500	-	-	6 250	5 000	-	11 250	17 750
Drakensberg Extravaganza	6 500						-	6 500
uPhongolo Municipality - Mkuze Falls				3 000			3 000	3 000
Mtubatuba Municipality - Tourist Centre				1 750			1 750	1 750
Jozini Municipality - Information Centre				1 500			1 500	1 500
UEDA - Howick Falls Precinct					5 000		5 000	5 000
Departmental agencies and accounts	184 456	-	-	(788)	150	650	12	184 468
KwaZulu-Natal Tourism Authority	111 079			(788)	150	650	12	111 091
KwaZulu-Natal Sharks Board	73 377						-	73 377
Households	-	-	-	143	-	-	143	143
Staff exit costs				143			143	143
7. Environmental Affairs	988 847	-	-	(7 899)	-	6 145	(1 754)	987 093
Departmental agencies and accounts	988 847	-	-	(8 000)	-	6 145	(1 855)	986 992
Ezemvelo KwaZulu-Natal Wildlife	988 847			(8 000)		6 145	(1 855)	986 992
Of which							-	-
Subsidy from Vote 4	753 812			(8 000)			(8 000)	745 812
Road maintenance projects						6 145	6 145	6 145
Invasive Alien Species Programme	44 875						-	44 875
Households	-	-	-	101	-	-	101	101
Staff exit costs				101			101	101
Total	2 138 737	-	-	13 484	8 515	106 222	128 221	2 266 958
Amount to be voted								128 221

- **Virement:** The department undertook the following virements affecting transfers and subsidies:
 - Programme 1 increased by R351 000 under *Households* for unanticipated staff exit costs.
 - Programme 2 reflects a net increase of R3.487 million moved within the programme, as follows:
 - R6.500 million was moved to *Public corporations and private enterprises* for transfer to Ithala in respect of the RASET Refrigerated Trucks (R1.500 million) and the Thokazi Royal Lodge (R5 million) projects which are being implemented by the entity.
 - R100 000 was moved to *Households* to cater for unanticipated staff exit costs.
 - Mitigating this was a reduction of R3.113 million in respect of the KwaMajomela Light Manufacturing Centre project. These funds were moved from *Provinces and municipalities* due to delays in the implementation of the project caused by the impact of Covid-19 and the national lockdown.
 - Programme 3 was increased by R11.506 million, explained as follows:

- R1 million was moved to *Provinces and municipalities* for the Agro-processing facility in the Mtubatuba Municipality.
- R8.550 million was moved to *Departmental agencies and accounts* and this was made up by an increase of R10 million in the transfer to DTPC for continuation with the development of the ASP, offset by a decrease of R6.450 million in relation to a reduction in the transfer to the entity as a result of low spending by the entity under *Compensation of employees* due to delays in filling posts, and these funds were moved to offset spending pressure brought about by unfunded programmes for the department. On the other hand, the transfer to TIK was increased by R5 million for the Technical Assistance Fund (R4.500 million) and for the SMME and Co-operatives Technical Support programme (R500 000).
- R2.500 million was moved from *Public corporations and private enterprises* in respect of the transfer to RBIDZ as a result of low spending by the entity under *Compensation of employees* due to delays in filling posts, and these funds were moved to offset spending pressure brought about by unfunded programmes of the department.
- R3.690 million was moved to *Non-profit institutions* and this caters for an increase of R4.190 million in the transfer to KZNFC to provide for a Covid-19 support fund for local and youth filmmakers. Mitigating this was a R500 000 reduction against the transfer to MKI due to low spending by the entity against its *Compensation of employees* budget because of delays in filling posts and these funds were moved to offset spending pressure brought about by unfunded programmes of the department.
- R16 000 was moved to *Households* to cater for unanticipated staff exit costs.
- o Programme 4 reflects a net reduction of R580 000 as follows:
 - R600 000 was moved from *Departmental agencies and accounts* in respect of the transfer to KZNLA as a result of low *Compensation of employees* spending by the entity due to delays in filling posts and these funds were moved to offset spending pressure brought about by unfunded programmes of the department.
 - Reducing this was an amount of R20 000 added to *Households* for unanticipated staff exit costs.
- o Programme 5 was increased by R1.014 million, explained as follows:
 - R1 million was moved to *Provinces and municipalities* for Integrated Economic Development plans to be undertaken at the uPhongolo and the Greater Kokstad Municipalities.
 - R14 000 was moved to *Households* to cater for unanticipated staff exit costs.
- o Programme 6 shows a net increase of R5.605 million explained as follows:
 - R6.250 million was added to *Provinces and municipalities* to cater for various projects such as Mkhuze Falls (R3 million), Mtubatuba Tourist Centre (R1.750 million) and Jozini Information Centre (R1.500 million).
 - R100 000 was moved to *Households* to cater for unanticipated staff exit costs.
 - Mitigating this was a net reduction of R788 000 against *Departmental agencies and accounts* in respect of the transfer to TKZN as the entity showed low spending in respect of *Compensation of employees* (R1.088 million) due to delays in filling posts and these funds were moved to offset spending pressure brought about by unfunded programmes of the department. Mitigating this was a R300 000 increase in the transfer to TKZN in respect of the Durban Eye Ferris Wheel development project which involves the construction of a giant/observation wheel along the Durban Beachfront.
- o Programme 7 shows a net reduction of R7.899 million as follows:
 - R8 million was reduced from *Departmental agencies and accounts* in respect of the transfer to EKZNW as a result of savings identified against *Compensation of employees* under the

entity due to delays in filling posts and these funds were moved to offset spending pressure brought about by the RASET refrigerated trucks (R1.500 million), the RASET pack-houses (R4 million) and the upgrade of the Thokazi Lodge (R4.371 million).

- Mitigating this to some extent was R101 000 moved to *Households* to cater for unanticipated staff exit costs.
- *Shifts:* The department undertook the following shifts:
 - o R800 000 for the Imbokodo Iyazenzela Women in Business Mentorship programme was shifted to *Public corporations and private enterprises* for transfer to Ithala within Programme 2. The department assigned Ithala to conduct this mentorship programme for a period of 12 months to 20 women under the Imbokodo Iyazenzela Women in Business mentorship programme. The purpose of the funds remains unchanged.
 - o R1.565 million, to support women in the engineering, steel fabrication, casting and aluminium business, was shifted to *Non-profit institutions* for transfer to the Downstream Aluminium Centre of Technology within Programme 2. The purpose of the funds remains unchanged.
 - o R1 million was shifted from Programme 2 to Programme 3 under *Non-profit institutions* for transfer to the KZNFC for the Youth Creative Industry programme. The entity was appointed by the department to be the implementing agent of this project, hence, the purpose of these funds remains unchanged.
 - o R5 million was shifted to *Provinces and municipalities* within Programme 6, and these funds are budgeted for the upgrading and development of the Howick Falls Precinct. The department appointed the uMgungundlovu Economic District Agency for the implementation of this project, and the purpose of funds remains unchanged.
 - o R150 000 shifted to *Departmental agencies and accounts* under transfers to TKZN within Programme 6. These funds are to be transferred for the Tourism Grading Council of South Africa for the implementation and roll-out of the programme to develop tourism products and services that are quality assured. This project is assigned to TKZN and the purpose of these funds remains unchanged.
- *Other adjustments:* The transfers and subsidies budget was increased by R106.222 million as follows:
 - o R14.500 million was allocated for the Informal Economy Infrastructure Development initiative for transfer to the Okhahlamba, uMvoti, Greater Kokstad and Msunduzi Municipalities. These funds were allocated against *Provinces and municipalities* in Programme 2.
 - o R60 million was allocated for the SMME Covid-19 Support Fund against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala in Programme 2.
 - o R24.927 million in additional funding was allocated for the Zimele Traders Fund to support rural and township spaza shops and RASET refrigerated trucks. These funds were allocated to Programme 2 under *Public corporations and private enterprises* for transfer to Ithala which is responsible for the roll-out of these programmes.
 - o R650 000 was allocated for the KwaXolo Caves Precinct project assigned to TKZN. These funds were allocated against *Departmental agencies and accounts* in Programme 6.
 - o R6.145 million was allocated for the road maintenance projects under EKZNW and these funds were allocated against *Departmental agencies and accounts* in Programme 7.

10. Transfers to local government

Table 4.27 shows the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act. It is noted that the amount against *Provinces and municipalities* in Table 4.26 includes provision for motor vehicle licences and a transfer of R5 million to the uMgungundlovu Economic District Agency for the upgrade and development of the

Howick Falls Precinct. These amounts are excluded from the transfers to local government table, as these funds will not be transferred to any municipality because funds will be transferred to the municipal agency not the municipality. It is further noted that allocations to specific municipalities will be gazetted following the tabling of the Second Adjustments Estimate, in line with DORA requirements. Details of the main adjustments, which resulted in an overall increase of R20.387 million, are provided in the paragraphs following the tables.

Table 4.27 : Summary of transfers to local government

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	4 000	-	-	-	-	-	-	4 000
B KZN216 Ray Nkonyeni	4 000	-	-	-	-	-	-	4 000
Total: uMgungundlovu Municipalities	2 500	-	-	-	-	4 000	4 000	6 500
B KZN225 Msunduzi	-	-	-	-	-	4 000	4 000	4 000
C DC22 uMgungundlovu District Municipality	2 500	-	-	-	-	-	-	2 500
Total: uThukela Municipalities	6 500	-	-	-	-	3 000	3 000	9 500
B KZN235 Okhahlamba	6 500	-	-	-	-	3 000	3 000	9 500
Total: uMzinyathi Municipalities	-	-	-	-	-	3 000	3 000	3 000
B KZN245 uMvoti	-	-	-	-	-	3 000	3 000	3 000
Total: Zululand Municipalities	6 613	-	-	387	-	-	387	7 000
B KZN262 uPhongolo	-	-	-	3 500	-	-	3 500	3 500
C DC26 Zululand District Municipality	6 613	-	-	(3 113)	-	-	(3 113)	3 500
Total: uMkhanyakude Municipalities	-	-	-	5 000	-	-	5 000	5 000
B KZN272 Jozini	-	-	-	1 500	-	-	1 500	1 500
B KZN275 Mtubatuba	-	-	-	3 500	-	-	3 500	3 500
Total: Harry Gwala Municipalities	-	-	-	500	-	4 500	5 000	5 000
B KZN433 Greater Kokstad	-	-	-	500	-	4 500	5 000	5 000
Total	19 613	-	-	5 887	-	14 500	20 387	40 000
Amount to be voted								20 387

Table 4.28 : Transfers to local government - KwaMajomela Light Manufacturing Centre

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: Zululand Municipalities	6 613	-	-	(3 113)	-	-	(3 113)	3 500
C DC26 Zululand District Municipality	6 613	-	-	(3 113)	-	-	(3 113)	3 500
Total	6 613	-	-	(3 113)	-	-	(3 113)	3 500
Amount to be voted								(3 113)

Table 4.29 : Transfers to local government - Mkhuze Falls

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: Zululand Municipalities	-	-	-	3 000	-	-	3 000	3 000
B KZN262 uPhongolo	-	-	-	3 000	-	-	3 000	3 000
Total	-	-	-	3 000	-	-	3 000	3 000
Amount to be voted								3 000

Table 4.30 : Transfers to local government - Mtubatuba Agro-processing Facility

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: uMkhanyakude Municipalities	-	-	-	1 750	-	-	1 750	1 750
B KZN275 Mtubatuba	-	-	-	1 750	-	-	1 750	1 750
Total	-	-	-	1 750	-	-	1 750	1 750
Amount to be voted								1 750

Table 4.31 : Transfers to local government - Mtubatuba Tourist Centre

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: uMkhanyakude Municipalities	-	-	-	1 750	-	-	1 750	1 750
B KZN275 Mtubatuba	-	-	-	1 750	-	-	1 750	1 750
Total	-	-	-	1 750	-	-	1 750	1 750
Amount to be voted								1 750

Table 4.32 : Transfers to local government - Integrated Economic Development Plan

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: Zululand Municipalities	-	-	-	500	-	-	500	500
B KZN262 uPhongolo				500			500	500
Total: Harry Gwala Municipalities	-	-	-	500	-	-	500	500
B KZN433 Greater Kokstad				500			500	500
Total	-	-	-	1 000	-	-	1 000	1 000
Amount to be voted								1 000

Table 4.33 : Transfers to local government - Jozini Information Centre

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: uMkhanyakude Municipalities	-	-	-	1 500	-	-	1 500	1 500
B KZN272 Jozini				1 500			1 500	1 500
Total	-	-	-	1 500	-	-	1 500	1 500
Amount to be voted								1 500

Table 4.34 : Transfers to local government - Informal Economy Infrastructure Development initiative

R thousand	Special adjustments appropriation	Adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: uMgungundlovu Municipalities	-	-	-	-	-	4 000	4 000	4 000
B KZN225 Msunduzi						4 000	4 000	4 000
Total: uThukela Municipalities	-	-	-	-	-	3 000	3 000	3 000
B KZN235 Okhahlamba						3 000	3 000	3 000
Total: uMzinyathi Municipalities	-	-	-	-	-	3 000	3 000	3 000
B KZN245 uMvoti						3 000	3 000	3 000
Total: Harry Gwala Municipalities	-	-	-	-	-	4 500	4 500	4 500
B KZN433 Greater Kokstad						4 500	4 500	4 500
Total	-	-	-	-	-	14 500	14 500	14 500
Amount to be voted								14 500

- *Virement*: The department undertook the following virements affecting transfers to municipalities which resulted in a net increase of R5.887 million:
 - o R3 million in respect of Mkuze Falls under the uPhongolo Municipality (Table 4.29).
 - o R1.750 million for the Mtubatuba Agro-processing facility in the Mtubatuba Municipality (Table 4.30).
 - o R1.750 million for the Mtubatuba Tourist Centre in the Mtubatuba Municipality (Table 4.31).
 - o R1 million for the Integrated Economic Development plans in the uPhongolo and Greater Kokstad Municipalities (Table 4.32).
 - o R700 000 in respect of the Jozini Information Centre under the Jozini Municipality (Table 4.33).

Mitigating this to some extent was a reduction of R3.113 million in respect of KwaMajomela Light Manufacturing Centre in the Zululand Municipality, which was reduced due to slow progress caused by the national lockdown regulations.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, the required Provincial Treasury approval was obtained, such as the increase in transfers to various municipalities.

The reduction in transfer to KwaMajomela Light Manufacturing Centre in the Zululand Municipality, highlighted in grey in the tables, requires Legislature approval.

- *Other adjustments* – Additional funding of R14.500 million was allocated in respect of the Informal Economy Infrastructure Development initiative for transfer to the Okhahlamba, uMvoti, Greater Kokstad and Msunduzi Municipalities (Table 4.34).

11. Actual payments and revised spending projections for the rest of 2020/21

Tables 4.35 and 4.36 reflect actual payments as at the end of September 2020 projected payments for the rest of the financial year and the total revised spending in rand value and as a percentage of the Adjusted Appropriation per programme and economic classification. The tables also show the 2019/20 Audited outcome.

The department spent 44.8 per cent of their adjusted appropriation in the first six months, which is below the 50 per cent straight-line benchmark. The department is projecting to spend 55.2 per cent of the adjusted appropriation in the second half of the year, due to additional funds received, as well as projects that will be undertaken.

Table 4.35 : Actual payments and revised spending projections by programme

	2019/20 Audited outcome	Adjusted appropriation	Actual payments April 2020 - September 2020		Projected payments October 2020 - March 2021		Projected actual
R thousand			% of budget		% of budget		
1. Administration	289 661	247 739	114 414	46.2	133 325	53.8	247 739
2. Integrated Economic Development Services	383 579	366 142	131 913	36.0	234 229	64.0	366 142
3. Trade and Sector Development	978 092	799 894	395 687	49.5	404 207	50.5	799 894
4. Business Regulation and Governance	175 867	177 039	85 507	48.3	91 532	51.7	177 039
5. Economic Planning	17 255	21 319	6 302	29.6	15 017	70.4	21 319
6. Tourism	349 721	223 217	115 599	51.8	107 618	48.2	223 217
7. Environmental Affairs	1 030 630	1 208 101	515 353	42.7	692 748	57.3	1 208 101
Total	3 224 805	3 043 451	1 364 775	44.8	1 678 676	55.2	3 043 451

Table 4.36 : Actual payments and revised spending projections by economic classification

	2019/20 Audited outcome	Adjusted appropriation	Actual payments April 2020 - September 2020		Projected payments October 2020 - March 2021		Projected actual
R thousand			% of budget		% of budget		
Current payments	749 399	759 975	261 981	34.5	497 994	65.5	759 975
Compensation of employees	357 625	353 117	172 507	48.9	180 610	51.1	353 117
Goods and services	391 774	406 858	89 474	22.0	317 384	78.0	406 858
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies to:	2 450 291	2 266 958	1 099 616	48.5	1 167 342	51.5	2 266 958
Provinces and municipalities	46 718	45 110	13 000	28.8	32 110	71.2	45 110
Departmental agencies and accounts	1 758 952	1 793 901	880 103	49.1	913 798	50.9	1 793 901
Higher education institutions	-	1 000	-	-	1 000	100.0	1 000
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	343 489	241 977	112 209	46.4	129 768	53.6	241 977
Non-profit institutions	297 835	184 225	93 560	50.8	90 665	49.2	184 225
Households	3 297	745	744	99.9	1	0.1	745
Payments for capital assets	23 408	16 518	3 178	19.2	13 340	80.8	16 518
Buildings and other fixed structures	2 914	4 385	1 134	25.9	3 251	74.1	4 385
Machinery and equipment	20 494	11 886	1 827	15.4	10 059	84.6	11 886
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	247	217	87.9	30	12.1	247
Payments for financial assets	1 707	-	-	-	-	-	-
Total	3 224 805	3 043 451	1 364 775	44.8	1 678 676	55.2	3 043 451

Table 4.A : Summary by economic classification : Economic Development, Tourism and Environmental Affairs

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	790 310	6 500	-	(29 894)	(8 515)	1 574	(30 335)	759 975
Compensation of employees	365 542	-	-	11 074	-	(23 499)	(12 425)	353 117
Salaries and wages	313 943	-	-	17 250	-	(23 499)	(6 249)	307 694
Social contributions	51 599	-	-	(6 176)	-	-	(6 176)	45 423
Goods and services	424 768	6 500	-	(40 968)	(8 515)	25 073	(17 910)	406 858
Administrative fees	206	-	-	130	-	-	130	336
Advertising	4 937	-	-	7 611	-	-	7 611	12 548
Minor assets	83	-	-	310	-	-	310	393
Audit cost: External	4 000	-	-	(1 243)	-	-	(1 243)	2 757
Bursaries: Employees	1 350	-	-	(1 213)	-	-	(1 213)	137
Catering: Departmental activities	1 998	-	-	(890)	-	-	(890)	1 108
Communication (G&S)	15 218	-	-	(77)	-	-	(77)	15 141
Computer services	40 762	-	-	(11 461)	-	-	(11 461)	29 301
Cons. & prof serv: Business and advisory services	154 125	6 500	-	(26 110)	(8 515)	25 073	(3 052)	151 073
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	130	-	-	(100)	-	-	(100)	30
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	3 020	-	-	384	-	-	384	3 404
Contractors	14 855	-	-	(8 006)	-	-	(8 006)	6 849
Agency and support / outsourced services	60 045	-	-	345	-	-	345	60 390
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl govt motor transport)	4 128	-	-	(197)	-	-	(197)	3 931
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	9 954	-	-	(10)	-	-	(10)	9 944
Inventory: Farming supplies	4 624	-	-	(325)	-	-	(325)	4 299
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	7 104	-	-	(2 921)	-	-	(2 921)	4 183
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	795	-	-	795	795
Consumable supplies	7 822	-	-	(4 109)	-	-	(4 109)	3 713
Consumable: Stationery, printing and office supplies	3 078	-	-	(882)	-	-	(882)	2 196
Operating leases	27 805	-	-	7 634	-	-	7 634	35 439
Property payments	25 177	-	-	3 295	-	-	3 295	28 472
Transport provided: Departmental activity	319	-	-	500	-	-	500	819
Travel and subsistence	17 406	-	-	(1 693)	-	-	(1 693)	15 713
Training and development	14 523	-	-	(2 715)	-	-	(2 715)	11 808
Operating payments	2 099	-	-	(248)	-	-	-	1 851
Venues and facilities	-	-	-	154	-	-	154	154
Rental and hiring	-	-	-	74	-	-	74	74
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 138 737	-	-	13 484	8 515	106 222	128 221	2 266 958
Provinces and municipalities	19 723	-	-	5 887	5 000	14 500	25 387	45 110
Provinces	110	-	-	-	-	-	-	110
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	110	-	-	-	-	-	-	110
Municipalities	19 613	-	-	5 887	5 000	14 500	25 387	45 000
Municipalities	19 613	-	-	5 887	5 000	14 500	25 387	45 000
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 787 794	-	-	(838)	150	6 795	6 107	1 793 901
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	1 787 794	-	-	(838)	150	6 795	6 107	1 793 901
Higher education institutions	1 000	-	-	-	-	-	-	1 000
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	152 250	-	-	4 000	2 365	84 927	91 292	243 542
Public corporations	148 575	-	-	4 000	800	84 927	89 727	238 302
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	148 575	-	-	4 000	800	84 927	89 727	238 302
Private enterprises	3 675	-	-	-	1 565	-	1 565	5 240
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	3 675	-	-	-	1 565	-	1 565	5 240
Non-profit institutions	177 970	-	-	3 690	1 000	-	4 690	182 660
Households	-	-	-	745	-	-	745	745
Social benefits	-	-	-	745	-	-	745	745
Other transfers to households	-	-	-	-	-	-	-	-
Payments for capital assets	108	-	-	16 410	-	-	16 410	16 518
Buildings and other fixed structures	-	-	-	4 385	-	-	4 385	4 385
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	4 385	-	-	4 385	4 385
Machinery and equipment	38	-	-	11 848	-	-	11 848	11 886
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	38	-	-	11 848	-	-	11 848	11 886
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	70	-	-	177	-	-	177	247
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 929 155	6 500	-	-	-	107 796	114 296	3 043 451
Amount to be voted								114 296