

# Vote 4

## Economic Development, Tourism and Environmental Affairs

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	2 782 501	2 794 551		12 050
MEC remuneration <sup>1</sup>	1 902	1 902		
<b>Total amount to be appropriated</b>	<b>2 784 403</b>	<b>2 796 453</b>		<b>12 050</b>
<i>of which:</i>				
Current payments	934 905	734 982	(199 923)	
Transfers and subsidies	1 846 654	2 051 842		205 188
Payments for capital assets	2 844	9 629		6 785
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: *Leading the attainment of inclusive and sustainable economic growth for job creation.*

#### Mission statement

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 objectives

**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.

The department has identified the following strategic goals and objectives:

#### **Lead and co-ordinate integrated economic planning and development.**

- Co-ordinate social partners and other stakeholders in the province.
- Collect, process, maintain and report on economic and other social data.
- Track the implementation of economic interventions.

<sup>1</sup> At the time of going to print, the proclamation determining the 2017 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2017/18 EPRE.

- Provide research on priority and strategic sectors.
- Develop and maintain an efficient regulatory and governance framework.
- Influence policy direction for economic and infrastructure development.

***Facilitate sustainable and inclusive economic growth to ensure job creation.***

- Facilitate the implementation of economic transformation strategies and policies.
- Implement existing productive and service sector strategies and plans.
- Promote SMMEs and co-operatives.
- Facilitate trade and investment.

***Provide preferred tourism destination in the country.***

- Provide guidance, support and direction in terms of tourism policies, legislation and strategies.
- Implement the KZN Tourism Master Plan.

***Implement sustainable environmental management.***

- Implement environmental management strategies and plans.
- Streamline the process of Environmental Impact Assessments (EIAs).
- Promote and facilitate integrated environmental management through capacity building and awareness raising programmes and projects.

### **3. Summary of adjusted estimates for the 2017/18 financial year**

The main appropriation of EDTEA was R2.784 billion as per the *EPRE*. During the year, the department received an additional allocation totalling R12.050 million, resulting in an adjusted appropriation of R2.796 billion. The main reasons for this increase, as well as other adjustments, are summarised below, and explained in detail in Section 4:

- *Virement between programmes*: The department undertook various virements across programmes. This also affected various economic classifications and sub-programmes, as detailed later:
  - Programme 1: Administration was increased by R17.361 million as a result of savings moved from Programme 7: Environmental Affairs from *Compensation of employees* (R1.254 million) due to lengthy recruitment processes, and *Goods and services* (R16.107 million) relating to the implementation of cost-cutting on travel and subsistence and the pronouncement by the MEC to minimise the use of consultants in the department. These savings were moved to this programme under *Goods and services* to defray spending pressures brought about by previous year outstanding payments for operating leases and property payments due to the late submission of invoices by the service providers responsible for cleaning and security services. In addition, costs for computer services, in particular datalines, were high because the department acquired more office space in Mtubatuba, Ixopo and Ladysmith to accommodate the Environmental Affairs staff.
  - Programme 2: Integrated Economic Development services shows a net reduction of R16.214 million as a result of the following virements:
    - Savings of R21.714 million were identified from this programme under *Compensation of employees* (R4.568 million) due to lengthy internal recruitment processes and *Goods and services* (R17.146 million) largely caused by the non-appointment of consultants initially budgeted to co-ordinate and implement projects, such as the co-operative train-a-trainer, co-operative funding, SMME Masterplan and the SMME Academy. This is in line with a pronouncement by the MEC to minimise the use of consultants in the department. Of this amount, R13.700 million savings were moved to Programme 3: Trade and Sector Development to various transfers and subsidies categories, such as *Transfers and subsidies to: Departmental agencies and accounts* (R5.200 million) to provide for an increased transfer to Trade and Investment KwaZulu-Natal (TIK) for Youth in Manufacturing and the Africa Business Dialogue that took place in May 2017 in London. An amount of R1.500 million

was moved to *Transfers and subsidies to: Public corporations and private enterprises* under the KZN Fashion Council for the Youth in Clothing and Textile project. In addition, R7 million was moved to *Transfers and subsidies to: Non-profit institutions* under the KwaZulu-Natal Film Commission (KZNFC) to fund the Youth Film Production project. The balance of R8.014 million was moved to Programme 7 against *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to Ezemvelo KwaZulu-Natal Wildlife (EKZNW) for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

- Mitigating this reduction to some extent was the increase of R5.500 million savings moved from Programme 6: Tourism under *Compensation of employees* due to lengthy internal recruitment processes, to Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala Development Corporation (Ithala) for the Thokazi Royal Lodge upgrade and expansion of rooms, as well as the construction of a conference venue. This lodge is situated in Nongoma.
- o Programme 3: Trade and Sector Development was increased by R1.189 million, as follows:
  - Savings of R13.700 million were moved from Programme 2 under *Goods and services* due to the non-appointment of consultants initially budgeted for to co-ordinate and implement projects, such as the co-operative train-a-trainer. These savings were moved to this programme under *Transfers and subsidies*, as explained above.
  - Mitigating this increase was a reduction of R12.511 million from Programme 3 against *Transfers and subsidies to: Departmental agencies and accounts* from the transfer to Dube TradePort Corporation (DTPC) allocation due to delays in the implementation of the Trade Zone 2 project because of an appeal that was lodged by one of the bidders. The savings were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.
- o Programme 4: Business Regulation and Governance was reduced by R7.351 million. Savings were identified from *Compensation of employees* (R3.565 million) due to lengthy internal recruitment processes, and *Goods and services* (R3.786 million) ascribed to consumer awareness campaign events which were cancelled as a result of unforeseen circumstances, as well as cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. These savings were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW to cater for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.
- o Programme 5: Economic Planning reflects a reduction of R6.454 million. Savings were identified from Programme 5 under *Compensation of employees* (R2.362 million) due to lengthy internal recruitment processes, and *Goods and services* (R4.092 million) ascribed to the decision made to cancel projects such as the fog-water harvesting and statistical database, in line with a pronouncement made by the MEC to minimise the use of consultants. Also contributing were savings relating to cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. Savings were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW to cater for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.
- o Programme 6: Tourism shows a net decrease of R6.087 million, as a result of savings identified where R5.589 million was moved from *Compensation of employees* attributed to lengthy internal recruitment processes and R498 000 from *Goods and services* relating to events such as the Africa Business Summit and Registration System which will no longer take place in 2017/18, as well as cost-cutting implemented on items such as catering, advertising, transport provided for departmental activity, travel and subsistence, as well as rental and hiring. These savings were moved to Programmes 2 and 7. Savings of R5.500 million were moved to Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala for the Thokazi Royal Lodge upgrade and expansion of rooms and the construction

of a conference venue. The remainder of R587 000 was moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

- o Programme 7: Environmental Affairs shows a net increase of R17.556 million. Savings were identified in this programme largely due to delays in filling posts caused by lengthy internal recruitment processes, to cost-cutting on travel and subsistence, as well as the pronouncement by the MEC to minimise the use consultants in the department. These savings were moved to Programme 1, as follows:
  - R17.361 million was moved to Programme 1 under *Goods and services* to offset spending pressures emanating largely from previous year outstanding payments in respect of operating leases and property payments due to the late submission of invoices by the service providers responsible for cleaning and security services. In addition, costs for computer services, in particular datalines, were high because the department acquired more office space in Mtubatuba, Ixopo and Ladysmith to accommodate the Environmental Affairs staff.
  - Mitigating this reduction was R34.917 million added to Programme 7, from savings identified in Programmes 2, 3, 4, 5 and 6, as explained above. These savings were moved to *Transfers and subsidies to: Departmental agencies and accounts* under EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, the required Treasury approval was obtained, such as the increase in transfers to various entities, as well as the introduction of several new transfers, as explained in detailed in the next section.

Legislature approval is required for the virement from Programme 5 which exceeds the 8 per cent limit permitted in terms of the PFMA. Also, the reductions in the transfers to DTPC, KZN Exporter Awards, Mangosuthu University of Technology and Tourism SCORE require Legislature approval. However, these reductions are only evident in Table 4.26 under Section 9.

- *Shifts:* The department undertook extensive shifting of funds between programmes, where the original purpose of the funds remains unchanged. Besides this, the department undertook extensive shifts within programmes between economic classifications, and these are detailed in Section 4. The department undertook the following shifts between programmes:
  - o R20 million for the Radical Economic Transformation programme was shifted from Programme 3 against *Goods and services* to Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala which is appointed to implement the programme on behalf of the department. These funds were erroneously placed against Programme 3, hence the shifting of funds. The purpose of the funds remains unchanged.
  - o R400 000 relating to a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, with the aim of establishing of a new maritime enterprises across various subsectors, with target beneficiaries being youth, as well as people with disabilities. These funds were moved from Programme 3 under *Goods and services* to Programme 6 under *Transfers and subsidies to: Departmental agencies and accounts*. This project is targeting youth, people with disabilities and previously disadvantaged individuals, and is assigned to the KwaZulu-Natal Sharks Board (KZNSB). The purpose of the funds remains unchanged.
- *Other adjustments:* The department's budget allocation was increased by R12.050 million, in respect of the Radical Economic Transformation programme, in line with the commitment made by the MEC for Finance when tabling the 2017/18 MTEF budget in the Provincial Legislature, and this was allocated to Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises*. As mentioned, this fund will be managed by Ithala on behalf of the department.

Table 4.1 and 4.2 reflect a summary of the 2017/18 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	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	243 655	-	-	17 361	-	-	17 361	261 016
2. Integrated Economic Development Services	358 053	-	-	(16 214)	20 000	12 050	15 836	373 889
3. Trade and Sector Development	842 563	-	-	1 189	(20 400)	-	(19 211)	823 352
4. Business Regulation and Governance	112 662	-	-	(7 351)	-	-	(7 351)	105 311
5. Economic Planning	39 507	-	-	(6 454)	-	-	(6 454)	33 053
6. Tourism	231 549	-	-	(6 087)	400	-	(5 687)	225 862
7. Environmental Affairs	956 414	-	-	17 556	-	-	17 556	973 970
<b>Total</b>	<b>2 784 403</b>	-	-	-	-	<b>12 050</b>	<b>12 050</b>	<b>2 796 453</b>
<b>Amount to be voted</b>								<b>12 050</b>

Table 4.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>934 905</b>	-	-	<b>(149 928)</b>	<b>(49 995)</b>	-	<b>(199 923)</b>	<b>734 982</b>
Compensation of employees	363 365	-	-	(48 045)	-	-	(48 045)	315 320
Goods and services	571 540	-	-	(101 883)	(49 995)	-	(151 878)	419 662
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1 846 654</b>	-	-	<b>143 143</b>	<b>49 995</b>	<b>12 050</b>	<b>205 188</b>	<b>2 051 842</b>
Provinces and municipalities	562	-	-	29 885	6 350	-	36 235	36 797
Departmental agencies and accounts	1 467 700	-	-	25 740	12 795	-	38 535	1 506 235
Higher education institutions	10 980	-	-	-	2 000	-	2 000	12 980
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	184 079	-	-	79 250	28 340	12 050	119 640	303 719
Non-profit institutions	180 673	-	-	7 140	510	-	7 650	188 323
Households	2 660	-	-	1 128	-	-	1 128	3 788
<b>Payments for capital assets</b>	<b>2 844</b>	-	-	<b>6 785</b>	-	-	<b>6 785</b>	<b>9 629</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	2 844	-	-	6 629	-	-	6 629	9 473
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	156	-	-	156	156
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 784 403</b>	-	-	-	-	<b>12 050</b>	<b>12 050</b>	<b>2 796 453</b>
<b>Amount to be voted</b>								<b>12 050</b>

## 4. Changes to programme purposes and service delivery measures

The department did not change the purpose of any of its programmes. However, there have been some changes to service delivery measures to align the targets originally published in the 2017/18 EPRE with the department's APP, which was published after the EPRE.

### 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 2017/18 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 R17.361 million, are given in the paragraphs following the tables.

Table 4.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	27 300	-	-	4 819	-	-	4 819	32 119
2. Office of the HOD	32 528	-	-	1 486	-	-	1 486	34 014
3. Financial Management	42 799	-	-	(4 962)	-	-	(4 962)	37 837
4. Corporate Services	141 028	-	-	16 018	-	-	16 018	157 046
<b>Total</b>	<b>243 655</b>	-	-	<b>17 361</b>	-	-	<b>17 361</b>	<b>261 016</b>
<b>Amount to be voted</b>								<b>17 361</b>

Table 4.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>241 954</b>	-	-	<b>13 596</b>	-	-	<b>13 596</b>	<b>255 550</b>
Compensation of employees	97 461			(16 830)			(16 830)	80 631
Goods and services	144 493			30 426			30 426	174 919
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>620</b>	-	-	<b>129</b>	-	-	<b>129</b>	<b>749</b>
Provinces and municipalities	62			(15)			(15)	47
Departmental agencies and accounts	9						-	9
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	549			144			144	693
<b>Payments for capital assets</b>	<b>1 081</b>	-	-	<b>3 636</b>	-	-	<b>3 636</b>	<b>4 717</b>
Buildings and other fixed structures							-	-
Machinery and equipment	1 081			3 528			3 528	4 609
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				108			108	108
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>243 655</b>	-	-	<b>17 361</b>	-	-	<b>17 361</b>	<b>261 016</b>
<b>Amount to be voted</b>								<b>17 361</b>

### Virement – Programme 1: Administration: R17.361 million

The main appropriation of Programme 1 was increased by R17.361 million. Although these funds were moved to all sub-programmes except the sub-programme Financial Management, the bulk was re-allocated to the sub-programme: Corporate Services, as follows:

- Savings of R17.361 million were identified under Programme 7 from *Compensation of employees* (R1.254 million) due to lengthy recruitment processes, and under *Goods and services* (R16.107 million) brought about by the pronouncement made by the MEC to minimise the use of consultants, as well as cost-cutting on travel and subsistence. These funds were moved to this programme against *Goods and services* to offset spending pressures emanating largely from previous year outstanding payments in respect of operating leases and property payments due to the late submission of invoices by the service providers responsible for cleaning and security services. In addition, costs for computer services, in particular datalines, were high because the department acquired more office space in Mtubatuba, Ixopo and Ladysmith to accommodate the Environmental Affairs staff, as explained previously.
- Within Programme 1, R16.830 million was identified as savings under *Compensation of employees* as a result of delays in filling budgeted vacant posts caused by lengthy internal recruitment processes. These posts include senior management posts such as the Chief Financial Officer, Deputy Director-General: Administration and Chief Director: Public Entities and savings were moved across the following economic categories:
  - R13.065 million was moved to *Goods and services* to defray spending pressures due to higher than anticipated costs in respect of resettlement costs, communications, fleet services, as well as the Rationalisation of public entities process. These funds are committed for services rendered in respect of Rationalisation of public entities and contractors.
  - R129 000 was moved to *Transfers and subsidies to: Households* to cater for unanticipated staff exit costs.
  - R3.528 million was moved to *Machinery and equipment* to cater for the procurement of vehicles and office furniture for the Office of the MEC, as well as to replace redundant computers.
  - R108 000 was moved to *Software and intangible assets* to cater for unanticipated cost of purchasing Microsoft software which was not budgeted for in the 2017/18 EPRE.

- R15 000 was moved from *Transfers and subsidies to: Provinces and municipalities* in respect of over budgeted motor vehicle licences to *Transfers and subsidies to: Households* to cater for unanticipated staff exit costs.

These virements are permissible in terms of the PFMA and Treasury Regulations. Note that approval is not required in terms of the PFMA and Treasury Regulations for the increase under *Transfers and subsidies to: Households*, since it relates to staff exit costs. Legislature approval is not required for the reduction against *Transfers and subsidies to: Provinces and municipalities*, in terms of Treasury Regulations 6.3.1(a), because it relates to motor vehicle licence fees.

## 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 2017/18 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 R15.836 million, are provided in the paragraphs following the tables.

**Table 4.5 : Programme 2: Integrated Economic Development Services**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Enterprise Development	269 894			(9 734)	20 000	12 050	22 316	292 210
2. Regional and Local Economic Development	45 195			(11 690)			(11 690)	33 505
3. Economic Empowerment	42 964			5 210			5 210	48 174
<b>Total</b>	<b>358 053</b>	<b>-</b>	<b>-</b>	<b>(16 214)</b>	<b>20 000</b>	<b>12 050</b>	<b>15 836</b>	<b>373 889</b>
<b>Amount to be voted</b>								<b>15 836</b>

**Table 4.6 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>250 518</b>	<b>-</b>	<b>-</b>	<b>(91 538)</b>	<b>(6 350)</b>	<b>-</b>	<b>(97 888)</b>	<b>152 630</b>
Compensation of employees	65 304			(4 568)			(4 568)	60 736
Goods and services	185 214			(86 970)	(6 350)		(93 320)	91 894
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>107 085</b>	<b>-</b>	<b>-</b>	<b>75 500</b>	<b>26 350</b>	<b>12 050</b>	<b>113 900</b>	<b>220 985</b>
Provinces and municipalities							-	-
Departmental agencies and accounts				2 000	3 060		5 060	5 060
Higher education institutions	6 000				2 000		2 000	8 000
Foreign governments and international organisations							-	-
Public corporations and private enterprises	45 074			73 500	21 290	12 050	106 840	151 914
Non-profit institutions	54 400						-	54 400
Households	1 611						-	1 611
<b>Payments for capital assets</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>(176)</b>	<b>-</b>	<b>-</b>	<b>(176)</b>	<b>274</b>
Buildings and other fixed structures							-	-
Machinery and equipment	450			(176)			(176)	274
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							<b>-</b>	<b>-</b>
<b>Total</b>	<b>358 053</b>	<b>-</b>	<b>-</b>	<b>(16 214)</b>	<b>20 000</b>	<b>12 050</b>	<b>15 836</b>	<b>373 889</b>
<b>Amount to be voted</b>								<b>15 836</b>

### Virement – Programme 2: Integrated Economic Development Services: (R16.214 million)

The main appropriation of Programme 2 was reduced by a net amount of R16.214 million, as follows:

- Savings of R21.714 million were identified under this programme from *Compensation of employees* (R4.568 million) due to lengthy internal recruitment processes, as well as *Goods and services* (R16.970 million) largely caused by the non-appointment of consultants to co-ordinate and implement projects, such as the co-operative train-a-trainer programme. Savings of R176 000 were identified from *Machinery and equipment* linked to delays in the filling of posts, resulting in additional furniture and equipment not being required. These funds were moved as follows:

- o R13.700 million savings were moved to Programme 3 as follows:
  - R5.200 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* under TIK. Of this amount, R3.500 million was for the Youth in Manufacturing project assigned to TIK. The remainder of R1.700 million was for the Africa Business Dialogue which took place in May 2017 in London.
  - R1.500 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* in respect of the Youth in Clothing and Textile project for transfer to the KZN Fashion Council which is responsible to implement this project on behalf of the entity.
  - R7 million was moved to *Transfers and subsidies to: Non-profit institutions* under the KZNFC to fund the Youth Film Production project.
- o The balance of R8.014 million was moved to Programme 7 against *Transfers and subsidies to: Departmental agencies and accounts* to increase the transfer to EKZMW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.
- Mitigating this to some extent was the virement of R5.500 million from *Compensation of employees* in Programme 6 due to lengthy internal recruitment processes. These savings were moved to this programme against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala for the Thokazi Royal Lodge upgrade and expansion of rooms, as well as the construction of a conference venue. This lodge is located in Nongoma.

In addition to the above virements, the following virements were undertaken within Programme 2:

- Savings of R70 million were identified under *Goods and services* ascribed to the decision taken to not utilise consultants to co-ordinate and implement projects, such as the co-operative train-a-trainer, co-operative funding, SMME Masterplan and the SMME Academy. These savings were utilised as follows:
  - o R2 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* for the National Youth Development Agency (NYDA) funding partnership. This funding provides young entrepreneurs an opportunity to access both financial and non-financial business development support to establish their businesses.
  - o R68 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* under Ithala. Of this amount, R60 million is to ensure that Ithala SOC Ltd addresses its minimum Capital Adequacy Ratio requirements, and the balance of R8 million was for the Radical Economic Transformation programme which is administered by Ithala.

These virements are permissible in terms of the PFMA and Treasury Regulations. In respect of the increase in *Transfers and subsidies*, Provincial Treasury approval was obtained. The reduction in *Payments for capital assets* does not require Legislature approval, as the capital budget for the Vote as a whole shows a net increase.

#### **Shifts – Programme 2: Integrated Economic Development Services: R20 million**

A shift of R20 million was undertaken between this programme and Programme 3. The funding for the Radical Economic Transformation programme was moved from Programme 3 under *Goods and services* to be correctly placed in Programme 2 under the sub-programme: Enterprise Development against *Transfers and subsidies to: Public corporations and private enterprises*. As mentioned, this programme will be managed by Ithala on behalf of the department and the original purpose of the funds remains unchanged.

In addition to the above, various shifts were undertaken within the sub-programmes but across economic classifications in Programme 2, and the original purpose of the funds remains unchanged:

- R3.060 million was shifted from *Goods and services* to *Transfers and subsidies to: Departmental agencies and accounts* to be transferred to the KZN Small Enterprise Development Agency (SEDA)



for SMME Soft Skills Training, as SEDA is assigned to conduct this training on behalf of the department. The purpose of the funds remains unchanged.

- R2 million was shifted from *Goods and services* to *Transfers and subsidies to: Higher education institutions* to be transferred to the Umfolozi Technical and Vocational Education and Training (TVET) College for SMME Technical Skills Training. The department appointed the college to conduct the training, and the purpose of the funds remains unchanged.
- R440 000 was moved from *Goods and services* to *Transfers and subsidies to: Public corporations and private enterprises*. These funds were transferred to Commerce Edge which is an entity that co-ordinated the KZN Enterprise and Supplier Development Expo. The purpose of the funds remains unchanged.
- R350 000 was moved from *Goods and services* to be correctly placed under *Transfers and subsidies to: Public corporations and private enterprises*. This relates to the transfer in respect of Lead by Example Block Manufacturing co-operative. The purpose of the funds remains unchanged.
- R500 000 was moved from *Goods and services* to be correctly placed under *Transfers and subsidies to: Public corporations and private enterprises*. This relates to a Local Economic Development (LED) programme under the Local Competitiveness Fund (LCF) in respect of the Clothing and Textile industry which will be transferred to a private enterprise, namely Junit Manufacturing, who was assigned to undertake this project. The purpose of the funds remains unchanged.

#### Other adjustments – Programme 2: Integrated Economic Development Services: R12.050 million

An amount of R12.050 million was added to Programme 2 for the Radical Economic Transformation programme, in line with the commitment made by the MEC for Finance when tabling the 2017/18 MTEF budget in the Provincial Legislature, and this was allocated to *Transfers and subsidies to: Public corporations and private enterprises* under the Enterprise Development sub-programme. As mentioned, the department is transferring these funds to Ithala who will manage the programme on behalf of the department.

#### Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.7 shows the service delivery information for Programme 2 as per the department's 2017/18 APP and the *EPRE*, as well as the actual achievements for the first six months of the year.

One target has been adjusted, as reflected in Table 4.7 (under the column 2017/18 Revised target), to align the target in the *EPRE* to the department's tabled 2017/18 APP.

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actuals	2017/18 Adjusted target
<b>1. Enterprise Development – SMMEs and Co-operatives</b>				
1.1 To promote small enterprises (SMMEs and Co-operatives)	<ul style="list-style-type: none"> <li>• No. of groups and individuals registered with CIPC as co-operative entities or business entities</li> <li>• No. of interventions implemented to support SMMEs/co-operatives</li> <li>• No. of SMMEs/co-operatives surviving as tracked in the KZN SMME and co-operatives data register and information management system</li> <li>• No. of monitoring reports on employment created by supported SMMEs and co-operatives</li> </ul>	2 330	909	
<b>2. Regional and Local Economic Development</b>				
2.1 To implement RLED initiatives that support employment opportunities and build the capacity of RLED stakeholders	<ul style="list-style-type: none"> <li>• No. of projects implemented that support employment opportunities</li> <li>• No. of training interventions implemented</li> </ul>	4	10	
		5	12	

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actuals	2017/18 Adjusted target
<b>3. Economic Empowerment</b>				
3.1 To facilitate the implementation of economic information strategies and policy Economic Empowerment	<ul style="list-style-type: none"> <li>• No. of women and youth trained</li> <li>• No. of partnerships awareness and stakeholder workshops</li> <li>• No. of monitoring reports on provincial departments/entities that are B-BBEE compliant</li> <li>• No. of women and youth enterprise interventions implemented</li> </ul>	3 5 5 5	1 2 - 1	5

### 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 2017/18 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R19.211 million, are given in the paragraphs below the tables.

**Table 4.8 : Programme 3: Trade and Sector Development**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Trade and Investment Promotion	513 615			(19 619)	(800)	(20 419)	493 196
2. Sector Development	201 343			17 008	(20 800)	(3 792)	197 551
3. Strategic Initiatives	127 605			3 800	1 200	5 000	132 605
<b>Total</b>	<b>842 563</b>	-	-	<b>1 189</b>	<b>(20 400)</b>	<b>(19 211)</b>	<b>823 352</b>
Amount to be voted							<b>(19 211)</b>

**Table 4.9 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>Current payments</b>	<b>89 043</b>	-	-	<b>(23 571)</b>	<b>(26 595)</b>	<b>(50 166)</b>	<b>38 877</b>
Compensation of employees	17 969			(3 522)		(3 522)	14 447
Goods and services	71 074			(20 049)	(26 595)	(46 644)	24 430
Interest and rent on land						-	-
<b>Transfers and subsidies to:</b>	<b>753 520</b>	-	-	<b>24 597</b>	<b>6 195</b>	<b>30 792</b>	<b>784 312</b>
Provinces and municipalities				29 400	2 300	31 700	31 700
Departmental agencies and accounts	495 922			(18 260)	3 335	(14 925)	480 997
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises	137 705			6 250	50	6 300	144 005
Non-profit institutions	119 393			7 140	510	7 650	127 043
Households	500			67		67	567
<b>Payments for capital assets</b>	<b>-</b>	-	-	<b>163</b>	<b>-</b>	<b>163</b>	<b>163</b>
Buildings and other fixed structures						-	-
Machinery and equipment				163		163	163
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
<b>Payments for financial assets</b>	<b>-</b>					<b>-</b>	<b>-</b>
<b>Total</b>	<b>842 563</b>	-	-	<b>1 189</b>	<b>(20 400)</b>	<b>(19 211)</b>	<b>823 352</b>
Amount to be voted							<b>(19 211)</b>

#### Virement – Programme 3: Trade and Sector Development: R1.189 million

The department undertook virements from Programmes 2, 3 and 7. The funds were added to the sub-programme: Trade and Investment Promotion and the sub-programme: Sector Development, as summarised below:

- Savings of R13.700 million were moved from Programme 2 under *Goods and services* due to a decision taken to not utilise consultants who were going to be appointed to co-ordinate and implement projects, such as the co-operative train-a-trainer, co-operative funding, SMME Masterplan and the SMME Academy. Savings of R5.200 million were moved to this programme under *Transfers and subsidies to: Departmental agencies and accounts* for transfer to TIK for the Youth in Manufacturing project and the Africa Business Dialogue that took place in London. Savings of R7 million were moved to *Transfers and subsidies to: Non-profit institutions* under the KZNFC to fund the Youth Film Production project. The balance of R1.500 million was moved to the KZN Fashion Council against *Transfers and subsidies to: Public corporations and private enterprises* for the Youth in Clothing and Textile project.
- Mitigating this increase was a reduction of R12.511 million under *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfer to DTPC due to delays in the implementation of the Trade Zone 2 project because an appeal was lodged by one of the bidders. The savings were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to assist EKZNW with the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

In addition to the above, the following virements were undertaken within this programme across sub-programmes and economic classifications:

- Savings of R35.070 million were identified under *Compensation of employees* (R3.522 million) attributed to lengthy internal recruitment processes, and *Goods and services* (R20.049 million) largely due to the non-appointment of consultants with specialised skills to undertake projects including the Industrial Economic Hubs, One Village One Product craft enterprise, Leather processing hub and KZN integrated maritime strategy. This non-appointment of consultants is in line with a pronouncement made by the MEC to minimise the use of consultants. Savings of R11.449 million were identified from *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfer to DTPC as a result of delays in the implementation of the Trade Zone 2 project because an appeal was lodged by one of the bidders, as mentioned previously. Savings of R50 000 were identified from the hosting of the KZN Exporter Awards under *Transfers and subsidies to: Public corporations and private enterprises*, and were moved as follows:
  - R29.400 million was moved to *Transfers and subsidies to: Provinces and municipalities*. The department entered into a partnership with municipalities and municipal agencies that will be implementing the following projects:
    - R27.100 million to the Umhlosinga Development Agency towards the Mkuze Airport to assist with the development of a terminal building and rehabilitation of the existing runway.
    - R800 000 for the Richards Bay Airport feasibility study will be transferred to the uMhlatuze Municipality.
    - R1.500 million for the Amakha Essential Oil project will be transferred to the King Cetshwayo Municipality.
  - R500 000 was moved to *Transfers and subsidies to: Departmental agencies and accounts* under the Council for Scientific and Industrial Research (CSIR) for the rolling out of Wifi Hotspots across the province. The department has assigned CSIR to roll-out the project on behalf of the department.
  - R4.800 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* as follows:
    - R3.800 million to the Richards Bay Industrial Development Zone (RBIDZ) toward the gas and oil study project.
    - R1 million for the Music Cluster, which will transferred to a private enterprise namely the KwaZulu-Natal Music Industry Association (KUMISA) appointed by the department to implement music related programmes.
  - R140 000 was moved to *Transfers and subsidies to: Non-profit institutions* towards the

eThekweni Maritime cluster for a business plan required to inform the establishment of a multi-million Rand boatbuilding park at Durban Port's Bayhead. Boat builders and suppliers will be located in the park with the boats earmarked mostly for export purposes and will accommodate emerging and black-owned boatbuilding companies.

- o R67 000 was moved to *Transfers and subsidies to: Households* to defray spending pressures caused by higher than anticipated staff exit costs.
- o R163 000 was moved to *Machinery and equipment* to offset pressures brought about by the unanticipated cost of replacing computers.

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 entities, as well as the introduction of several new transfers.

The reductions in transfer payments in respect of the DTPC against *Transfers and subsidies to: Departmental agencies and accounts*, as well as KZN Exporter Awards under *Transfers and subsidies to: Public corporations and private enterprises* require Legislature approval.

### Shifts – Programme 3: Trade and Sector Development: (R20.400 million)

The department undertook shifts within Programme 3 and to other programmes and across economic categories which resulted in a net reduction of R20.400 million against this programme under the sub-programme Sector Development. The purpose of the funds remains unchanged:

- R20 million for the Radical Economic Transformation programme was moved from Programme 3 under *Goods and services* to be correctly placed in Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises*. This programme will be managed by Ithala on behalf of the department and the original purpose of the funds remains unchanged.
- R400 000 relating to a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, with the aim of establishing new maritime enterprises across various subsectors, with target beneficiaries being youth, as well as people with disabilities. These funds were moved from Programme 3 under *Goods and services* to Programme 6 under *Transfers and subsidies to: Departmental agencies and accounts*. This project aims to provide training to youth, people with disabilities and previously disadvantaged individuals, is assigned to the KZNSB. The purpose of the funds remains unchanged.

Furthermore, shifts were undertaken across sub-programmes within the programme as follows:

- R2.300 million was moved to *Transfers and subsidies to: Provinces and municipalities* within Programme 3. The department entered into partnerships with the municipalities that will be implementing various projects. These funds will be transferred to various municipalities, as follows:
  - o R1 million for the Umhlosinga Development Agency under the uMkhanyakude Municipality was moved from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Provinces and municipalities*.
  - o R1.300 million towards the Amakha Essential Oils project to be transferred to the King Cetshwayo Municipality. Funds were moved from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*.
- R3.335 million was moved from *Goods and services* to be correctly classified against *Transfers and subsidies to: Departmental agencies and accounts* as follows:
  - o R1.535 million for Productivity SA which is an Exporter Competitiveness programme which is aimed at the provision of a competitive advantage in relation to speed and accuracy for businesses.
  - o R800 000 for transfer to the DTPC in respect of the Automotive Supplier Park (ASP) project.
  - o R1 million to CSIR for the roll-out of the Wifi Hotspots project.

- R1.200 million was moved to increase the transfer to the RBIDZ in respect of a oil and gas study. These funds were shifted from *Goods and services* to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 3.
- R1 million for the Africa Fashion Exchange was incorrectly budgeted as the KZN Tooling initiative. These funds were moved within *Transfers and subsidies to: Public corporations and private enterprises* in Programme 3 to correct this error. The Africa Fashion Exchange is a market intelligence, thought-leadership, business exchange and market access platform programme driven by the KwaZulu-Natal Fashion Council.
- R750 000 was incorrectly classified as the Integrated Craft Hub and the KZN Exporter Awards against *Transfers and subsidies to: Public corporations and private enterprises*. A correction was made by shifting these funds as follows:
  - R600 000 in respect of Maskandi Festival against *Transfers and subsidies to: Public corporations and private enterprises* in Programme 3.
  - R150 000 for the KZN Exporter Awards was moved to *Transfers and subsidies to: Non-profit institutions* as the Durban Chamber of Commerce and Industry is co-ordinating the event.
- R360 000 for a business plan required to inform the establishment of a multi-million rand boatbuilding park at Durban Port's Bayhead. Boat builders and suppliers will be located in the park with the boats earmarked mostly for export purposes and will accommodate emerging and black-owned boatbuilding companies. These funds were moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* under the eThekweni Maritime Cluster within Programme 3. The shifting of funds was undertaken to correct this mistake.

### Service delivery measures – Programme 3: Trade and Sector Development

Table 4.10 shows the service delivery information for Programme 3 as per the department's 2017/18 APP and the *EPRE*, as well as the actual achievements for the first six months of the year. The department did not make any changes to service delivery measures and targets, as the 2017/18 *EPRE* is fully aligned to the department's 2017/18 APP.

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
<b>1. Trade and Investment Promotion</b>				
1.1	To stimulate inclusive growth through trade and investment promotion	<ul style="list-style-type: none"> <li>• Rand value of exports and investment facilitated</li> <li>• Companies supported through strategic interventions</li> </ul>	R1.5bn 6	- -
<b>2. Sector Development</b>				
2.1	To implement existing productive and service sector strategies and plans	<ul style="list-style-type: none"> <li>• No. of employment opportunities created</li> <li>• No. of business plans completed</li> <li>• No. of strategic interventions implemented</li> <li>• No. of people trained</li> <li>• No. of clusters supported (KZN Music Cluster, KZN Clothing and Textile Cluster &amp; KZN Fashion Council)</li> </ul>	75 5 11 165 3	- - 3 81 1
<b>3. Strategic Initiatives</b>				
3.1	To facilitate the development of strategic industrial interventions	<ul style="list-style-type: none"> <li>• No. of Infrastructure projects facilitated to support Aerotropolis, SEZ and Industrial Economic Hubs</li> <li>• No. of job opportunities facilitated through the Aerotropolis, Maritime, and Industrial Economic Hubs Initiative</li> <li>• No. of people trained within Aerotropolis, Maritime, Industrial Economic Hubs and Special Economic Zones</li> <li>• No. of incubators established within the Aerotropolis and Industrial Economic Hubs</li> <li>• No. of business plans or master plans completed</li> </ul>	2 150 104 1 4	- - - - -

#### 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 2017/18 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R7.351 million, are given in the paragraphs following the tables.

**Table 4.11 : Programme 4: Business Regulation and Governance**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Regulation Services	6 303			(566)			(566)	5 737
2. Consumer Protection	30 369			(6 785)	(2 000)		(8 785)	21 584
3. Liquor Regulation	75 990				2 000		2 000	77 990
<b>Total</b>	<b>112 662</b>	-	-	<b>(7 351)</b>	-	-	<b>(7 351)</b>	<b>105 311</b>
<b>Amount to be voted</b>								<b>(7 351)</b>

**Table 4.12 : Summary by economic classification**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>36 672</b>	-	-	<b>(7 490)</b>	<b>(2 000)</b>	-	<b>(9 490)</b>	<b>27 182</b>
Compensation of employees	22 646			(3 565)			(3 565)	19 081
Goods and services	14 026			(3 925)	(2 000)		(5 925)	8 101
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>75 990</b>	-	-	-	<b>2 000</b>	-	<b>2 000</b>	<b>77 990</b>
Provinces and municipalities							-	-
Departmental agencies and accounts	75 990				2 000		2 000	77 990
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
<b>Payments for capital assets</b>	<b>-</b>	-	-	<b>139</b>	-	-	<b>139</b>	<b>139</b>
Buildings and other fixed structures							-	-
Machinery and equipment				139			139	139
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>	<b>-</b>						<b>-</b>	<b>-</b>
<b>Total</b>	<b>112 662</b>	-	-	<b>(7 351)</b>	-	-	<b>(7 351)</b>	<b>105 311</b>
<b>Amount to be voted</b>								<b>(7 351)</b>

#### Virement – Programme 4: Business Regulation and Governance: (R7.351 million)

The main appropriation of Programme 4 was decreased by R7.351 million which was moved from the sub-programme: Regulation Services (R566 000) and Consumer Protection (R6.785 million), as follows:

- Savings of R7.351 million were identified from *Compensation of employees* (R3.565 million) due to lengthy internal recruitment processes, and *Goods and services* (R3.786 million) ascribed to consumer awareness campaign events which were cancelled as a result of unforeseen circumstances, as well as cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. These savings were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW to cater for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

The department undertook a virement within Programme 4, as follows:

- Savings of R139 000 were moved from *Goods and services* due to cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. These savings were moved to defray spending pressures against *Machinery and equipment* which were brought about by the unanticipated replacement of computer equipment.

These virements are permissible in terms of the PFMA and Treasury Regulations.

## Shifts – Programme 4: Business Regulation and Governance

The department undertook shifts within the programme, and the purpose of the funds remains unchanged. An amount of R2 million was moved from *Goods and services* under the Consumer Protection sub-programme to *Transfers and subsidies to: Departmental agencies and account* under the Liquor Regulation sub-programme for transfer to the KZNLA for the Liquor Case Hearing project conducted by the entity. These funds will be utilised to conduct research on the liquor industry and issues of corporate governance on liquor related issues. The purpose of the funds remains unchanged.

## Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.13 shows the service delivery information for Programme 4 as per the department's 2017/18 APP and the *EPRE*, as well as the actual achievements for the first six months of the year. One target has been adjusted, as reflected in Table 4.13 (under the column 2017/18 Revised target), to align the target in the *EPRE* to the department's tabled 2017/18 APP.

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
<b>1. Regulation Services</b>				
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"> <li>No. of municipalities monitored with the implementation of regulations</li> <li>No. of informal economy policy alignment facilitated</li> <li>No of barriers identified and addressed</li> </ul>	31 20 4	17 12 2	21
<b>2. Consumer Protection</b>				
2.1 To promote, protect and further the rights of consumers in the province	<ul style="list-style-type: none"> <li>No. of consumer education programmes conducted</li> <li>No. of inspections conducted</li> <li>% complaints resolved</li> <li>No. of consumer surveys conducted</li> </ul>	1 200 400 80% 2	643 228 87% 1	
<b>3. Liquor Regulation</b>				
3.1 To promote and maintain an effective and efficient regulatory system for the Liquor Industry; Consumer and Regulation services	<ul style="list-style-type: none"> <li>No. of Liquor Authority monitoring reports</li> <li>No. of reports reviewed</li> </ul>	4 4	2 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 2017/18 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R6.454 million, are given in the paragraphs following the tables.

**Table 4.14 : Programme 5: Economic Planning**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Policy and Planning	7 967			(855)			(855)	7 112
2. Research and Development	15 841			(1 232)			(1 232)	14 609
3. Knowledge Management	7 613			(4 542)			(4 542)	3 071
4. Monitoring and Evaluation	8 086			175			175	8 261
<b>Total</b>	<b>39 507</b>	<b>-</b>	<b>-</b>	<b>(6 454)</b>	<b>-</b>	<b>-</b>	<b>(6 454)</b>	<b>33 053</b>
Amount to be voted								(6 454)

Table 4.15 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>28 727</b>	-	-	(6 737)	(2 550)	-	(9 287)	19 440
Compensation of employees	16 877			(2 362)			(2 362)	14 515
Goods and services	11 850			(4 375)	(2 550)		(6 925)	4 925
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>10 780</b>	-	-	-	2 550	-	2 550	13 330
Provinces and municipalities					3 050		3 050	3 050
Departmental agencies and accounts	5 000						-	5 000
Higher education institutions	4 980						-	4 980
Foreign governments and international organisations							-	-
Public corporations and private enterprises	800				(500)		(500)	300
Non-profit institutions							-	-
Households							-	-
<b>Payments for capital assets</b>	<b>-</b>	-	-	283	-	-	283	283
Buildings and other fixed structures							-	-
Machinery and equipment				235			235	235
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				48			48	48
<b>Payments for financial assets</b>	<b>-</b>						-	-
<b>Total</b>	<b>39 507</b>	-	-	(6 454)	-	-	(6 454)	33 053
<b>Amount to be voted</b>								<b>(6 454)</b>

### Virement – Programme 5: Economic Planning: (R6.454 million)

The main appropriation of Programme 5 was reduced by R6.454 million which was moved from the sub-programme: Policy and Planning (R855 000), the sub-programme: Research and Development (R1.232 million) and the sub-programme: Knowledge Management (R4.367 million), as follows:

- Savings of R6.454 million were identified from *Compensation of employees* (R2.362 million) due to lengthy internal recruitment processes, and *Goods and services* (R4.092 million) ascribed to the decision made to cancel projects such as the fog-water harvesting and statistical database, in line with the pronouncement made by the MEC to minimise the use of consultants. Also contributing were savings relating to cost-cutting on items such as advertising, travel and subsistence, minor assets and catering. Of this amount, R6.454 million was moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW to cater for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

The following virements were undertaken within Programme 5:

- A further amount of R283 000 was reduced from *Goods and services* and remained within the programme, as follows:
  - R235 000 was moved to *Machinery and equipment* to fund the procurement of computer equipment which was unanticipated.
  - R48 000 was moved to *Software and other intangible assets* to fund the procurement of Zoom Text Version 10 Software to assist a partially blind employee.

These virements are permissible in terms of the PFMA and Treasury Regulations.

The virements from Programme 5 exceed the 8 per cent limit permitted in terms of the PFMA, and therefore Legislature approval is required.

### Shifts – Programme 5: Economic Planning

The following shifts were undertaken across economic categories within the programme. The original purpose of the funds remains unchanged, and these shifts are described as follows:

- R2.550 million was incorrectly allocated under *Goods and services*, and these funds were moved to be correctly placed as follows:



- o R1.250 million relating to the Kosi Bay Border Development project was moved to *Transfers and subsidies to: Provinces and municipalities*, for transfer to the uMhlabuyalingana Municipality which is responsible for the implementation of this project. The original purpose of the funds remains unchanged.
- o R1.300 million was shifted to *Transfers and subsidies to: Provinces and municipalities*. These funds are for the Cecil Mark Border Development project that will be implemented by the Jozini Municipality. The original purpose of the funds remains unchanged.
- R500 000 relating to the Innovation Forums initiative was moved from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Provinces and municipalities* within Programme 5, because the department appointed Innovate Durban (an entity of the eThekweni Metro) to co-ordinate these forums. These funds will be utilised to support and stimulate and instil a culture of innovation in the communities around the innovation parks or hubs, also known as Techno-Hubs. The original purpose of the funds remains unchanged.

### Service delivery measures – Programme 5: Economic Planning

Table 4.16 shows the service delivery information for Programme 5: Economic Planning as per the department's 2017/18 APP and the *EPRE*, as well as the actual achievements for the first six months of the year. The department did not make any changes to service delivery measures and targets, as the 2017/18 *EPRE* is fully aligned to the department's 2017/18 APP.

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid -year actual	2017/18 Revised target
<b>1. Policy and Planning</b>				
1.1	To enhanced economic policy environment in KZN	<ul style="list-style-type: none"> <li>• No. of policies/strategies formulated/reviewed</li> <li>• No. of implementation of strategies tracking</li> <li>• No. of economic publications</li> <li>• No. of policy analysis/advocacy reports</li> </ul>	1 1 6 2	1 - 2 1
<b>2. Research and Development</b>				
2.1	To conduct economic research	<ul style="list-style-type: none"> <li>• No. of research reports</li> <li>• No. of strategic research partnerships established or maintained</li> </ul>	5 3	1 1
<b>3. Knowledge Management</b>				
3.1	To develop and maintain an effective knowledge management system to support management decisions	<ul style="list-style-type: none"> <li>• No. of operational integrated statistical databases</li> <li>• No. of reports tracking provincial knowledge base</li> <li>• No. of learning platforms conducted</li> </ul>	1 4 4	1 2 1
<b>4. Monitoring and Evaluation</b>				
4.1	To determine effectiveness of EDTEA policies and strategies	<ul style="list-style-type: none"> <li>• No. of monitoring and evaluation plans/tools developed or reviewed</li> <li>• No. of monitoring reports</li> <li>• No. of evaluation reports</li> <li>• No. of performance verification reports</li> </ul>	1 4 5 4	- 2 - 2

### 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 2017/18 adjusted appropriation of Programme 6, according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R5.687 million, are given in the paragraphs following the tables.

Table 4.17 : Programme 6: Tourism

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Tourism Planning	13 107			(5 641)		(5 641)	7 466
2. Tourism Growth and Development	206 229			4 109	400	4 509	210 738
3. Tourism Sector Transformation	12 213			(4 555)		(4 555)	7 658
<b>Total</b>	<b>231 549</b>	<b>-</b>	<b>-</b>	<b>(6 087)</b>	<b>400</b>	<b>(5 687)</b>	<b>225 862</b>
<b>Amount to be voted</b>							<b>(5 687)</b>

Table 4.18 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>Current payments</b>	<b>47 420</b>	<b>-</b>	<b>-</b>	<b>(6 472)</b>	<b>(12 500)</b>	<b>-</b>	<b>28 448</b>
Compensation of employees	19 382			(5 589)		(5 589)	13 793
Goods and services	28 038			(883)	(12 500)	(13 383)	14 655
Interest and rent on land						-	-
<b>Transfers and subsidies to:</b>	<b>184 059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 900</b>	<b>-</b>	<b>196 959</b>
Provinces and municipalities	500			500	1 000	1 500	2 000
Departmental agencies and accounts	183 059			-	4 400	4 400	187 459
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises	500			(500)	7 500	7 000	7 500
Non-profit institutions						-	-
Households						-	-
<b>Payments for capital assets</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>455</b>
Buildings and other fixed structures						-	-
Machinery and equipment	70			385		385	455
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
<b>Payments for financial assets</b>						<b>-</b>	<b>-</b>
<b>Total</b>	<b>231 549</b>	<b>-</b>	<b>-</b>	<b>(6 087)</b>	<b>400</b>	<b>(5 687)</b>	<b>225 862</b>
<b>Amount to be voted</b>							<b>(5 687)</b>

### Virement – Programme 6: Tourism: (R6.087 million)

The department undertook virements within and to other programmes and economic categories, resulting in a decrease of R6.087 million as explained below:

- Savings of R5.589 million were moved from *Compensation of employees* attributed to lengthy internal recruitment processes and R498 000 from *Goods and services* relating to events such as the Africa Business Summit and Registration System which will no longer take place in 2017/18, as the funds for these events are earmarked to offset spending pressures in other areas. There were also savings resulting from cost-cutting implemented on items such as catering, advertising, transport provided for departmental activity, travel and subsistence, as well as rental and hiring. These savings were moved to Programmes 2 and 7 as follows:
  - o R5.500 million was moved to Programme 2 against *Transfers and subsidies to: Public corporations and private enterprises* under Ithala for the Thokazi Royal Lodge upgrade and expansion of rooms and the construction of a conference venue.
  - o Savings of R587 000 were moved to Programme 7 under *Transfers and subsidies to: Departmental agencies and accounts* to EKZNW to cater for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

The following virements were undertaken within Programme 6:

- Savings R385 000 were identified from *Goods and services* relating to events such as the Africa Business Summit and Registration system which will no longer take place in 2017/18, as the funds for these events are earmarked to offset spending pressures in other areas. There were also savings as a result of cost-cutting on items such as catering, advertising, transport provided for departmental activity, travel and subsistence, as well as rental and hiring. These savings were utilised to offset spending pressure against *Machinery and equipment* caused by the higher than anticipated cost of replacing computers.

- The transfer of R500 000 for Tourism SCORE under *Transfers and subsidies to: Public corporations and private enterprises* was reduced due to delays in the signing of the SLA. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* within Programme 6 to defray spending pressures against the Ingodini Border Caves study under the uMkhanyakude Municipality.

These virements are permissible in terms of the PFMA and Treasury Regulations. Where necessary, the required Treasury approval was obtained, such as the increase in transfer to the uMkhanyakude Municipality for the Ingodini Border Caves study.

The reduction in the transfer payment under *Transfers and subsidies to: Public corporations and private enterprises* in respect of the Tourism SCORE requires Legislature approval.

### Shifts – Programme 6: Tourism: R400 000

The department undertook the following shifts between Programme 3 and Programme 6 and within the programme:

- An amount of R400 000 relating to a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, with the aim of establishing new maritime enterprises across various subsectors, with target beneficiaries being youth, as well as people with disabilities. These funds were moved from Programme 3 under *Goods and services* to Programme 6 against *Transfers and subsidies to: Departmental agencies and accounts*, since this project is assigned to the KZNSB. The purpose of the funds remains unchanged.
- R12.500 million was re-classified within Programme 6 from *Goods and services* to *Transfers and subsidies* within the programme. The funds will be transferred, as follows:
  - R1 million relating to the Woze Durban New Years Picnic was inadvertently budgeted for under *Goods and services* rather than *Transfers and subsidies to: Provinces and municipalities* within Programme 6. Funds will be transferred to the eThekweni Metro who is assigned to co-ordinate this event which is taking place on 01 January 2018. This shift was undertaken to correctly place the budget. The purpose of the funds remains unchanged.
  - R5 million for the Metro FM Awards was erroneously budgeted for under *Goods and services*. Of this, R4 million was moved to be correctly placed under *Transfers and subsidies to: Departmental agencies and accounts* and R1 million to *Transfers and subsidies to: Public corporations and private enterprises* within Programme 6. These funds will be transferred to the South African Broadcasting Corporation (SABC) and a private enterprise which is responsible for co-ordinating this event. The purpose of the funds remains unchanged:
  - R6.500 million for various events which were incorrectly budgeted for under *Goods and services* instead of *Transfers and subsidies to: Public corporations and private enterprises* within Programme 6, as the department appointed private enterprises to organise the following events on behalf of the department. The purpose of the funds remains unchanged:
    - R1 million for the Music Explosion 2017 that will take place on 27 December 2017.
    - R1 million for the KwaDukuza Music Festival that will be held on 16 December 2017.
    - R1 million for the Durban Summer Beach Festival which is planned for 26 December 2017.
    - R1 million for Fact Durban Rocks taking place on 31 December 2017.
    - R1 million for the Last Dance Music Festival to be held from 30 December 2017 to 01 January 2018.
    - R1 million for the Midmar Dam Jazz Festival that will be held on 31 December 2017.
    - R500 000 for the Indlamu Sakhisizwe Cultural Tourism that will take place on 10 December 2017.

**Service delivery measures – Programme 6: Tourism**

Table 4.19 shows the service delivery information for Programme 6 as per the department's 2017/18 APP and the EPRE, as well as the actual achievements for the first six months of the year.

The department did not make any changes to service delivery measures and targets, as the 2017/18 EPRE is fully aligned to the department's 2017/18 APP.

**Table 4.19 : Service delivery measures – Programme: Tourism**

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target
<b>1. Tourism Planning</b>				
1.1	To ensure co-ordinated tourism planning and policy making	<ul style="list-style-type: none"> <li>% of resolutions adopted and implemented by social partners</li> <li>No. of tourism research, policies, strategies and frameworks identified and developed</li> </ul>	100% 9	- -
<b>2. Tourism Growth and Development</b>				
2.1	To drive tourism growth and development in the province	<ul style="list-style-type: none"> <li>No. of tourism interventions implemented towards growth and employment creation</li> <li>No. of tourist guides/tourism businesses registered</li> <li>No. of reports on jobs facilitated</li> </ul>	6 500 4	- 132 -
<b>3. Tourism Sector Transformation</b>				
3.1	To drive tourism growth and development in the province	<ul style="list-style-type: none"> <li>No. of tourism specific interventions implemented</li> </ul>	15	8

**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 2017/18 adjusted appropriation of Programme 7, according to sub-programme, sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R17.556 million, are given in the paragraphs following the tables.

**Table 4.20 : Programme 7: Environmental Affairs**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>1. Environmental Policy Planning and Co-ordination</b>								
	9 423	-	-	(133)	-	-	(133)	9 290
	8 397			503			503	8 900
	1 026			(636)			(636)	390
<b>2. Compliance and Enforcement</b>								
	39 831	-	-	(4 692)	-	-	(4 692)	35 139
	39 831			(4 692)				39 831
<b>3. Environmental Quality Management</b>								
	52 912	-	-	(10 511)	-	-	(10 511)	42 401
	26 634			(4 605)			(4 605)	22 029
	6 904			(2 035)			(2 035)	4 869
	19 374			(3 871)			(3 871)	15 503
<b>4. Biodiversity Management</b>								
	811 587	-	-	39 186	-	-	39 186	850 773
	92 764			(777)			(777)	91 987
	707 720			42 000			42 000	749 720
	11 103			(2 037)			(2 037)	9 066
<b>5. Environmental Empowerment Services</b>								
	36 656	-	-	(6 462)	-	-	(6 462)	30 194
	36 656			(6 462)			(6 462)	30 194
<b>6. Environmental Services Support</b>								
	6 005	-	-	168	-	-	168	6 173
	6 005			168			168	6 173
<b>Total</b>	<b>956 414</b>	<b>-</b>	<b>-</b>	<b>17 556</b>	<b>-</b>	<b>-</b>	<b>17 556</b>	<b>973 970</b>
<b>Amount to be voted</b>								<b>17 556</b>

Table 4.21 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
<b>Current payments</b>	<b>240 571</b>	-	-	<b>(27 716)</b>	-	<b>(27 716)</b>	<b>212 855</b>
Compensation of employees	123 726			(11 609)		(11 609)	112 117
Goods and services	116 845			(16 107)		(16 107)	100 738
Interest and rent on land						-	-
<b>Transfers and subsidies to:</b>	<b>714 600</b>	-	-	<b>42 917</b>	-	<b>42 917</b>	<b>757 517</b>
Provinces and municipalities						-	-
Departmental agencies and accounts	707 720			42 000		42 000	749 720
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions	6 880					-	6 880
Households				917		917	917
<b>Payments for capital assets</b>	<b>1 243</b>	-	-	<b>2 355</b>	-	<b>2 355</b>	<b>3 598</b>
Buildings and other fixed structures						-	-
Machinery and equipment	1 243			2 355		2 355	3 598
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets						-	-
<b>Payments for financial assets</b>						-	-
<b>Total</b>	<b>956 414</b>	-	-	<b>17 556</b>	-	<b>17 556</b>	<b>973 970</b>
<b>Amount to be voted</b>							<b>17 556</b>

### Virement – Programme 7: Environmental Affairs: R17.556 million

Virements were undertaken within and to other programmes and economic categories, as follows:

- Savings of R34.917 million were moved from Programmes 2, 3, 4, 5 and 6 and were allocated to this programme. Offsetting this were savings identified within Programme 7 against *Compensation of employees* (R11.609 million) due to delays in filling posts caused by lengthy internal recruitment processes, as well as *Goods and services* (R16.107 million) relating to the implementation of cost-cutting on travel and subsistence and the pronouncement by the MEC to minimise the use of consultants in the department. Some savings were moved to address pressures in Programme 1. These virements were as follows:
  - R17.361 million was moved to Programme 1 under *Goods and services* to offset spending pressures emanating largely from previous year outstanding payments in respect of operating leases and property payments due to the late submission of invoices by the service providers responsible for cleaning and security services. In addition, costs for computer services, in particular datalines, were high because the department has acquired more office space in Mtubatuba, Ixopo and Ladysmith to accommodate the Environmental Affairs staff.
  - Savings of R34.917 million were identified from Programmes 2, 3, 4, 5 and 6. These savings were moved to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg (R23 million), as well as staff accommodation in various reserves (R11.917 million). The savings are explained below:
    - R8.014 million was identified from Programme 2 against *Compensation of employees* due to lengthy internal recruitment processes and *Goods and services* ascribed to the non-appointment of consultants to co-ordinate and implement projects, such as the co-operative train-a-trainer, co-operative funding, SMME Masterplan and the SMME Academy.
    - R12.511 million was moved from Programme 3 against *Transfers and subsidies to: Departmental agencies and accounts* in respect of the transfer to DTPC due to delays in implementing the Trade Zone 2 project because an appeal was lodged by one of the bidders.
    - R7.351 million was identified from Programme 4 against *Compensation of employees* mainly due to lengthy internal recruitment processes and *Goods and services* ascribed to consumer awareness campaign events which were cancelled as a result of unforeseen circumstances, as well as cost-cutting on items such as advertising, travel and subsistence and catering.

- R6.454 million was identified from Programme 5 against *Compensation of employees* due to lengthy internal recruitment processes and *Goods and services* ascribed to a decision made to cancel projects such as the fog-water harvesting and statistical database, in line with pronouncement made by the MEC to minimise the use of consultants. Also contributing was cost-cutting on items such as advertising, travel and subsistence, minor assets and catering.
- R587 000 was identified from Programme 6 against *Compensation of employees* mainly due to lengthy internal recruitment processes.

In addition to the above-mentioned virements across programmes, the following were undertaken within Programme 7 against *Compensation of employees* and *Goods and services*, as mentioned:

- o R7.083 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to EKZNW for the maintenance of staff accommodation in various reserves.
- o R917 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.
- o R2.355 million was moved to *Machinery and equipment* for the purchase of the ambient air analyser machines (which are used to analyse air pollution in all districts), and higher than anticipated costs of replacing computers and office equipment.

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

### Service delivery measures – Programme 7: Environmental Affairs

Table 4.22 shows the service delivery information for Programme 7: Environmental Affairs as per the department’s 2017/18 APP, as well as the actual achievements for the first six months of the year. One of performance measures is no longer valid and this is indicated by “n/a” in the Mid-year actual and Revised target columns.

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year Actual	2017/18 Revised target
<b>1. Environmental Policy Planning and Co-ordination</b>				
1.1 To develop instruments, mechanisms and institutions to ensure sound environmental governance	• No. of intergovernmental sector tools reviewed	54	-	
	• No. of environmental legislative tools developed	2	-	
	• No. of environmental research projects completed	2	-	
	• No. of functional environmental information management systems	12	-	
	• No. of climate change response tools developed	1	-	
<b>2. Compliance and Enforcement</b>				
2.1 To achieve effective, integrated and co-ordinated compliance monitoring and enforcement of environmental legislation in the province	• No. of enforcement actions finalised for non-compliance with environmental legislation	200	171	
	• No. of compliance inspections conducted	800	358	
	• No. of S24G applications finalised	25	7	
	• No. of S24G fines paid	30	8	
<b>3. Environmental Quality Management</b>				
3.1 To promote and regulate the application of appropriate environmental management instruments and facilitate the management and mitigation of impacts associated with air emissions, climate change, pollution	• % of complete EIA applications finalised within legislated timeframes	98%	98%	
	• No. of designated organs of state with approved AQMPs	1	-	
	• % Atmospheric Emission Licences with complete applications issued within legislated timeframes	100%	-	
	• % of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS)	100%	-	
	• % of waste licence applications finalised within legislated timeframes	100%	80%	
<b>4. Biodiversity Management</b>				
4.1 To control and manage the spread of invasive alien species	• No. of coastal management programmes adopted	2	-	
	• No. of job opportunities created through environmental programmes	8 000	2 873	
	• No. of hectares cleared of invasive alien species	200 000	21 291	
	• No. of hectares that are actively managed for parthenium control	25 000	-	
	• No. of kilometres cleared	2 500 kms	n/a	n/a

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

Outputs	Performance indicators	Performance targets		
		2017/18 Original target	2017/18 Mid-year Actual	2017/18 Revised target
<b>5. Environmental Empowerment Services</b>				
5.1 To improved community empowerment through environmental educational and awareness	• No. of environmental capacity building activities conducted	50	26	
	• No. of environmental awareness activities conducted	1 000	446	

## 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.

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.

Details of the main adjustments, which resulted in an overall increase of R500 000 in respect of the department's specifically and exclusively appropriated funding, are provided after the table.

Table 4.23 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/ Roll-overs	unavoidable	Virement	Shifts	Other adjustments		
1. Prog. 2: KZN Growth Fund Trust	54 400						-	54 400
3. Prog. 3: Moses Kotane Institute	47 550						-	47 550
4. Prog. 6: Ingodini Border Caves study	500			500			500	1 000
5. Prog. 7: Invasive Alien Species Programme	52 530						-	52 530
<b>Total</b>	<b>154 980</b>	-	-	500	-	-	<b>500</b>	<b>155 480</b>
Amount to be voted								<b>500</b>

- *Virements*: Savings of R500 000 were identified in respect of Tourism SCORE due to delays in the signing of the SLA which resulted in the cancellation of this project. These funds were moved from *Transfers and subsidies to: Public corporations and private enterprises to Transfers and subsidies to: Provinces and municipalities* to cater for increased costs for the Ingodini Border Caves study conducted by the uMkhanyakude Municipality.

The required Provincial Treasury approval was obtained for the increase in *Transfers and subsidies to: Provinces and municipalities* in respect of the Ingodini Border Caves study.

## 6. Gifts, donations and sponsorships

Treasury Regulations 21.1 states that donations and sponsorships exceeding R100 000 per case require approval of the relevant legislature.

The public entity, TIK made sponsorships in line with its mandate and strategy. The sponsorships provided TIK with platforms to promote trade and investment and to reach a vast number of its targeted audience. Sponsorships in excess of R100 000 were made as follows:

- R450 000 being a sponsorship in respect of the Essence Festival which was held in September 2017.
- R220 000 being a sponsorship toward the New Orleans Investment Conference, and the exhibition which took place in October 2017.

These sponsorships exceed the R100 000 threshold as stipulated by Treasury Regulation 21.1.1, thus Legislature approval is required. It should be noted that these sponsorship were supported in principle by Provincial Treasury.

## 7. Infrastructure

Table 4.24 shows the summary of infrastructure payments per main category.

Details of the main adjustments, which resulted in an overall reduction of R23.960 million in respect of the department's infrastructure payments, are provided in the paragraphs following the table.

**Table 4.24 : Summary of infrastructure payments by category**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Existing infrastructure assets</b>	-	-	-	-	-	-	-	-
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
<b>New infrastructure assets: Capital</b>							-	-
<b>Infrastructure transfers</b>	493 524	-	-	(23 960)	-	-	(23 960)	469 564
Infrastructure transfers: Capital	493 524			(23 960)			(23 960)	469 564
Infrastructure transfers: Current							-	-
<b>Infrastructure: Payments for financial assets</b>							-	-
<b>Infrastructure: Leases</b>							-	-
<b>Non infrastructure</b>							-	-
Capital infrastructure	493 524	-	-	(23 960)	-	-	(23 960)	469 564
Current infrastructure	-	-	-	-	-	-	-	-
<b>Total</b>	<b>493 524</b>	<b>-</b>	<b>-</b>	<b>(23 960)</b>	<b>-</b>	<b>-</b>	<b>(23 960)</b>	<b>469 564</b>
<b>Amount to be voted</b>								<b>(23 960)</b>

- *Virements*: R23.960 million was moved from the transfer to DTPC in respect of *Infrastructure transfers: Capital* due to delays in the implementation of the Trade Zone 2 project because an appeal was lodged by one of the bidders. These funds were moved to defray spending pressures as follows:
  - o R11.449 million was utilised for the Mkuze Airport to assist with the development of a terminal building and the rehabilitation of an existing runway. This programme will be implemented by the Umhlosinga Development Agency, an entity under the uMkhanyakude Municipality.
  - o R12.511 million was moved to EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.

The reduction in *Infrastructure transfers: Capital* to DTPC requires Legislature approval, because it is a reduction in a transfer.

## 8. Conditional grants

Table 4.25 provides a summary of conditional grants. There were no adjustments made to the conditional grant allocation of the department.

**Table 4.25 : Summary of changes to conditional grants**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>7. Environmental Affairs</b>	6 149	-	-	-	-	-	-	6 149
EPWP Integrated Grant for Provinces	6 149						-	6 149
<b>Total</b>	<b>6 149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 149</b>
<b>Amount to be voted</b>								<b>-</b>

## 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 entity, including Ithala, TIK, DTPC, RBIDZ, KZNFC KZNLA, KZNSB, EKZNW and TKZN, 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 R205.188 million, are provided in the paragraphs after the table.

Legislature approval is required for the reductions in the transfers to DTPC, KZN Exporter Awards, Mangosuthu University of Technology and Tourism SCORE as highlighted in the table.

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

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>1. Administration</b>	<b>620</b>	-	-	<b>129</b>	-	-	<b>129</b>	<b>749</b>
Provinces and municipalities	62	-	-	(15)	-	-	(15)	47
Motor vehicle licences	62	-	-	(15)	-	-	(15)	47
Departmental agencies and accounts	9	-	-	-	-	-	-	9
SABC TV licences	9	-	-	-	-	-	-	9
Households	549	-	-	144	-	-	144	693
Social benefit - Bursaries	549	-	-	-	-	-	-	549
Staff exit costs				144			144	144
<b>2. Integrated Economic Development Services</b>	<b>107 085</b>	-	-	<b>75 500</b>	<b>26 350</b>	<b>12 050</b>	<b>113 900</b>	<b>220 985</b>
Departmental agencies and accounts	-	-	-	2 000	3 060	-	5 060	5 060
NYDA funding partnership				2 000			2 000	2 000
KZN SEDA					3 060		3 060	3 060
Higher education institutions	6 000	-	-	-	2 000	-	2 000	8 000
UKZN RLED Initiative	6 000	-	-	-	-	-	-	6 000
Umfolzi TVET College					2 000		2 000	2 000
Public corporations and private enterprises	45 074	-	-	73 500	21 290	12 050	106 840	151 914
Commerce Edge					440		440	440
Youth In Maritime (Durban stars)								
Co-operative funding & LED Clothing and Textile					850		850	850
Ithala	45 074	-	-	73 500	20 000	12 050	105 550	150 624
Of which:								
Enterprise Development Fund	40 022	-	-	-	-	-	-	40 022
KZN Property Development Holdings SOC Ltd	2 000	-	-	-	-	-	-	2 000
SBGE	3 052	-	-	-	-	-	-	3 052
Ithala Limited				60 000			60 000	60 000
Radical Economic Transformation Funding				8 000	20 000	12 050	40 050	40 050
Thokazi Royal Lodge				5 500			5 500	5 500
Non-profit institutions	54 400	-	-	-	-	-	-	54 400
KZNGFT	54 400	-	-	-	-	-	-	54 400
Households	1 611	-	-	-	-	-	-	1 611
Social benefits - Bursaries	1 611	-	-	-	-	-	-	1 611
<b>3. Trade and Sector Development</b>	<b>753 520</b>	-	-	<b>24 597</b>	<b>6 195</b>	-	<b>30 792</b>	<b>784 312</b>
Provinces and municipalities	-	-	-	29 400	2 300	-	31 700	31 700
Richards Bay Airport				800			800	800
Umkhuze Airport				27 100	1 000		28 100	28 100
Amakha Essential Oils				1 500	1 300		2 800	2 800
Departmental agencies and accounts	495 922	-	-	(18 260)	3 335	-	(14 925)	480 997
TIK	80 105	-	-	5 200			5 200	85 305
Productivity SA					1 535		1 535	1 535
DTPC	415 817	-	-	(23 960)	800		(23 160)	392 657
CSIR (Wifi Hotspots)				500	1 000		1 500	1 500
Public corporations and private enterprises	137 705	-	-	6 250	50	-	6 300	144 005
RBIDZ	127 605	-	-	3 800	1 200		5 000	132 605
KZN Fashion Council	2 000	-	-	1 500			1 500	3 500
Africa Fashion Exchange					1 000		1 000	1 000
City Broad band	1 500	-	-	-			-	1 500
Music Cluster	3 000	-	-	1 000			1 000	4 000
Mkuze Airport	1 000	-	-		(1 000)		(1 000)	-
Teledialogue/Tele-Festival and Aerotropolis	800	-	-				-	800
KZN Tooling initiative	1 000	-	-		(1 000)		(1 000)	-
KZN Integrated Hub and KZN Exporter Awards	800	-	-	(50)	(750)		(800)	-
Maskandi Festival					600		600	600
Non-profit institutions	119 393	-	-	7 140	510	-	7 650	127 043
KZN Film Commission	71 843	-	-	7 000			7 000	78 843
Durban Chamber of Commerce: KZN Exporter Awards					150		150	150
eThekweni Maritime Cluster				140	360		500	500
MKI	47 550	-	-	-	-	-	-	47 550
Households	500	-	-	67	-	-	67	567
Staff exit costs				67			67	67
Durban Aerotropolis Learnerships	500	-	-	-	-	-	-	500
<b>4. Business Regulation and Governance</b>	<b>75 990</b>	-	-	-	<b>2 000</b>	-	<b>2 000</b>	<b>77 990</b>
Departmental agencies and accounts	75 990	-	-	-	2 000	-	2 000	77 990
KZNLA	75 990	-	-	-	2 000	-	2 000	77 990

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

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>5. Economic Planning</b>	<b>10 780</b>	-	-	-	<b>2 550</b>	-	<b>2 550</b>	<b>13 330</b>
Provinces and municipalities	-	-	-	-	3 050	-	3 050	3 050
eThekwi: Innovation Forums initiative					500		500	500
uMhlabyalingana :Kosi bay Border Dev					1 250		1 250	1 250
Jozini: Cecil Mark Border Dev					1 300		1 300	1 300
Departmental agencies and accounts	5 000	-	-	-	-	-	-	5 000
CSIR - Industrial Symbiosis	2 500						-	2 500
CSIR - Biogas pilot/ bio-energy research	2 500						-	2 500
Higher education institutions	4 980	-	-	-	-	-	-	4 980
UNIZULU - Univer. Tech Transfer prog					1 303		1 303	1 303
Solar PV Rooftop: DUT					291		291	291
Solar PV Rooftop:MUT	2 250			(1 116)	(291)		(1 407)	843
MUT - Univer. Tech Transfer prog	2 730				(2 730)		(2 730)	-
UKZN - Univer. Tech Transfer prog					485		485	485
DUT - Univer. Tech Transfer prog				1 116	942		2 058	2 058
Public corporations and private enterprises	800	-	-	-	(500)	-	(500)	300
Provincial Innovation forum	800				(500)		(500)	300
<b>6. Tourism</b>	<b>184 059</b>	-	-	-	<b>12 900</b>	-	<b>12 900</b>	<b>196 959</b>
Provinces and municipalities	500	-	-	500	1 000	-	1 500	2 000
Ingodini Border study	500			500			500	1 000
Woze Durban New Year's Picnic					1 000		1 000	1 000
Departmental agencies and accounts	183 059	-	-	-	4 400	-	4 400	187 459
KZNSB	66 079				400		400	66 479
SABC: Metro FM Awards					4 000		4 000	4 000
TKZN	116 980						-	116 980
Public corporations and private enterprises	500	-	-	(500)	7 500	-	7 000	7 500
Tourism SCORE	500			(500)			(500)	-
Spring Day Music Explosion 2017					1 000		1 000	1 000
KwaDukuza Music Festival 2016					1 000		1 000	1 000
Durban Summer Beach Festival					1 000		1 000	1 000
Fact Durban Rocks					1 000		1 000	1 000
Midmar Dam Jazz Festival					1 000		1 000	1 000
Last Dance Music Festival					1 000		1 000	1 000
Indlamu Sakhisizwe Cultural Tourism					500		500	500
Metro FM Awards					1 000		1 000	1 000
<b>7. Environmental Affairs</b>	<b>714 600</b>	-	-	<b>42 917</b>	-	-	<b>42 917</b>	<b>757 517</b>
Departmental agencies and accounts	707 720	-	-	42 000	-	-	42 000	749 720
EKZNNW	707 720	-	-	42 000	-	-	42 000	749 720
Of which:								
Subsidy from Vote 4	660 480				(7 100)		(7 100)	653 380
Invasive Alien Species programme	38 000				(3 000)		(3 000)	35 000
Rhino anti-poaching	9 240						-	9 240
Bhambatha lodge, Ingodini Border Caves					4 100		4 100	4 100
Parthenium eradication					5 000		5 000	5 000
Ndumo Lodge upgrade					1 000		1 000	1 000
Cathedral Peak Road maintenance				23 000			23 000	23 000
Staff accommodation				19 000			19 000	19 000
Non-profit institutions	6 880	-	-	-	-	-	-	6 880
WESSA	473						-	473
SAAMBR	6 407						-	6 407
Households	-	-	-	917	-	-	917	917
Staff exit costs				917			917	917
<b>Total</b>	<b>1 846 654</b>	-	-	<b>143 143</b>	<b>49 995</b>	<b>12 050</b>	<b>205 188</b>	<b>2 051 842</b>
<b>Amount to be voted</b>								<b>205 188</b>

- *Virement*: The department undertook the following virements affecting transfers and subsidies, which resulted in a net increase of R143.143 million, as follows:
  - Savings of R144 000 were identified from *Compensation of employees* (R129 000) and *Provinces and municipalities* (R15 000) within Programme 1, and were moved to *Households* to cater for unanticipated staff exit costs.
  - Programme 2 shows an increase of R75.500 million as a result of the following virements:
    - Savings of R70 million were moved from *Compensation of employees* and *Goods and services* in Programme 2 as follows:
      - R2 million was moved to *Departmental agencies and accounts* for the NYDA funding partnership.

- R68 million was moved to *Public corporations and private enterprises* under Ithala. Of this amount, R60 million is to ensure that Ithala SOC Ltd achieves its minimum Capital Adequacy Ratio, and the balance of R8 million is for the Radical Economic Transformation programme. This fund will be held by Ithala on behalf of the department.
- R5.500 million was moved from Programme 6 under *Compensation of employees* due to lengthy internal recruitment processes. These savings were moved to this programme against *Public corporations and private enterprises* for the transfer to Ithala for the Thokazi Royal Lodge upgrade, as explained previously.
- o A net amount of R24.597 million was added to Programme 3, as follows:
  - R13.700 million savings were moved from Programme 2 under *Compensation of employees* and *Goods and services* to Programme 3 as follows:
    - R5.200 million was moved to *Departmental agencies and accounts* under TIK. Of this amount, R3.500 million is for the Youth in Manufacturing project assigned to TIK. The remainder of R1.700 million is for the Africa Business Dialogue which took place in London.
    - R1.500 million was moved to *Public corporations and private enterprises* for the Youth in Clothing and Textile project. These funds will be transferred to the KZN Fashion Council which is responsible for implementing this project on behalf of the entity.
    - R7 million was moved to *Non-profit institutions* under KZNFC to fund the Youth Film Production project.
  - R23.960 million was moved within Programme 3 and to Programme 7. These funds were reduced from DTPC under *Departmental agencies and accounts* due to delays in the implementation of the Trade Zone 2 project because an appeal was lodged by one of the bidders. These savings were moved to cater for pressures under the following entities:
    - R11.449 million was moved to *Provinces and municipalities* for transfer to the Umhlosinga Development Agency, an entity under the uMkhanyakude Municipality, towards assisting with the development of a terminal building and the rehabilitation of an existing runway at the Mkuze Airport.
    - R12.511 million was moved to *Departmental agencies and accounts* in Programme 7 under EKZNW for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves.
  - Savings of R23.408 million from *Compensation of employees* and *Goods and services*, as well as savings of R50 000 under *Public corporations and private enterprises* from the hosting of the KZN Exporter Awards were moved within Programme 3 as follows:
    - R17.951 million was moved to *Provinces and municipalities* within Programme 3. An amount of R15.651 million was allocated to the Umhlosinga Development Agency toward the development of a terminal building and the rehabilitation of an existing runway at the Mkuze Airport, R800 000 was allocated for the Richards Bay Airport feasibility study and R1.500 million was allocated for the Amakha Essential Oils project to be transferred to the King Cetshwayo Municipality.
    - R500 000 was moved to *Departmental agencies and accounts* under the CSIR for the Wifi Hotspots project. The department has assigned CSIR to roll out the project on behalf of the department.
    - R4.800 million was moved to *Public corporations and private enterprises*, where R3.800 million will be transferred to RBIDZ toward implementing a gas and oil project. The balance of R1 million relates to the Music Cluster, which will be transferred to a private enterprise appointed by the department to implement the music related programmes.
    - R140 000 was moved to *Non-profit institutions* towards the eThekweni Maritime Cluster.
    - R67 000 was moved to *Households* to defray higher than anticipated staff exit costs.

- o In Programme 5, a virement was undertaken within *Higher education institutions* where R1.166 million for the Solar PV Rooftop to MUT was reduced and funds were moved to provide for the KZN University Technology Transfer programme to be conducted by DUT.
- o In Programme 6, a virement of R500 000 was undertaken from *Public corporations and private enterprises* to *Provinces and municipalities* within this programme. These savings were identified under the Tourism SCORE project and were moved to defray spending pressures against the Ingodini Border Caves study under the uMkhanyakude Municipality.
- o With regard to Programme 7, R42.917 million was moved to *Transfers and subsidies* as follows:
  - R42 million was moved to *Departmental agencies and accounts* to EKZWN for the maintenance of the Cathedral Peak Road in the Drakensberg, as well as staff accommodation in various reserves, as explained previously. These funds were moved from various programmes as follows:
    - R8.014 million was moved from *Compensation of employees* and *Goods and services* in Programme 2.
    - R12.511 million was moved from *Departmental agencies and accounts* from the transfer to DTPC in Programme 3.
    - R7.351 million savings were moved from *Compensation of employees* and *Goods and services* in Programme 4.
    - R6.454 million was moved from *Compensation of employees* and *Goods and services* in Programme 5.
    - R587 000 savings were moved from *Compensation of employees* in Programme 6.
    - R7.083 million was moved from *Compensation of employees* in Programme 7.
  - R917 000 was moved to *Households* for staff exit costs.
- *Shifts*: The following shifts were undertaken, which resulted in a net increase of R49.995 million, and the purpose of these funds remains unchanged:
  - o Programme 2 shows an increase of R26.350 million, after shifting of funds was undertaken in respect of *Transfers and subsidies* and these are explained below:
    - R20 million for the Radical Economic Transformation programme was moved from *Goods and services* in Programme 3 to be correctly placed against *Public corporations and private enterprises* in Programme 2, as explained. The original purpose of the funds remains unchanged.
    - R400 000 relating to a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, with the aim of establishing of a new maritime enterprises across various subsectors, with target beneficiaries being youth, as well as people with disabilities, as mentioned. These funds were moved from *Goods and services* in Programme 3 to *Departmental agencies and accounts* in Programme 6 since this project is assigned to KZNSB.
    - R3.060 million was shifted from *Goods and services* to *Departmental agencies and accounts* to be transferred to the KZN SEDA for SMME Soft Skills Training within Programme 2.
    - R2 million was shifted from *Goods and services* to *Higher education institutions* within Programme 2. These funds will be transferred to the Umfolozi TVET College for SMME Technical Skills Training.
    - R440 000 was moved from *Goods and services* to *Public corporations and private enterprises* within Programme 2. These funds were transferred to Commerce Edge which is an entity that was co-ordinating the KZN Enterprise and Supplier Development Expo.
    - R350 000 was moved from *Goods and services* to be correctly placed under *Public corporations and private enterprises* within Programme 2. This relates to transfer to Lead by Example Block Manufacturing co-operative.

- R500 000 was moved from *Goods and services* to be correctly placed under *Public corporations and private enterprises* within Programme 2. This relates to the LED LCF Clothing and Textile project which will be transferred to a private enterprise, known as Junit Manufacturing.
- o The department undertook shifts within Programme 3 and to other programmes and economic categories which resulted in a net increase of R6.195 million in *Transfers and subsidies*, as follows:
  - R2.300 million was moved to *Provinces and municipalities* within Programme 3 as follows:
    - R1 million for the Umhlosinga Development Agency under the uMkhanyakude Municipality was moved from *Public corporations and private enterprises*.
    - R1.300 million towards the Amakha Essential Oils project to be transferred to the uMhlathuze Municipality. Funds were moved from *Goods and services* to *Provinces and municipalities* within Programme 3.
  - R3.335 million was re-classified from *Goods and services* to *Departmental agencies and accounts* within Programme 3 as follows.
    - R1.535 million for Productivity SA for the Exporter Competitiveness programme.
    - R800 000 to increase the transfer to the DTPC for the ASP project.
    - R1 million to CSIR for the roll-out of the Wifi Hotspots project.
  - *Public corporations and private enterprises* increased by a net amount of R50 000, as follows:
    - R1.200 million to increase the transfer to the RBIDZ for a gas and oil study was moved from *Goods and services*.
    - R1 million for the Africa Fashion Exchange, which is a market intelligence, thought-leadership, business exchange and market access platform programme driven by the KwaZulu-Natal Fashion Council. These funds were incorrectly budgeted as the KZN Tooling initiative. These funds were moved within *Public corporations and private enterprises* in Programme 3 to correct this error.
    - R750 000 was incorrectly classified as the Integrated Craft Hub and KZN Exporter Awards in *Public corporations and private enterprises*. A correction was made, and R600 000 in respect of the Maskandi Festival within *Public corporations and private enterprises* in Programme 3. The balance of R150 000 for the KZN Exporter Awards was moved under *Non-profit institutions*, as the Durban Chamber of Commerce and Industry is responsible for co-ordinating the event.
  - R360 000 for a business plan required to inform the establishment of a multi-million Rand boatbuilding park at Durban Port's Bayhead. Boat builders and suppliers will be located in the park with the boats earmarked mostly for export purposes and will accommodate emerging and black-owned boatbuilding companies. These funds were moved from *Goods and services* to *Non-profit institutions* within Programme 3. The shifting of funds was undertaken to correct this error.
- o Programme 4 shows an increase of R2 million. Funds were moved from *Goods and services* to *Departmental agencies and account* for the transfer to the KZNLA for the Liquor Case Hearing project conducted by the entity, as explained earlier.
- o Programme 5's shifts include the following:
  - R2.550 million was incorrectly allocated under *Goods and services* in Programme 5, and these funds were moved to be correctly placed as follows:
    - R1.250 million relating to the Kosi Bay Border Development project was moved to *Provinces and municipalities*, for transfer to the uMhlabuyalingana Municipality.

- R1.300 million was shifted to *Provinces and municipalities* within Programme 5. These funds are for the Cecil Mark Border Development that will be implemented by the uMkhanyakude Municipality.
- R500 000 relating to the Innovation Forums initiative moved from *Public corporations and private enterprises* to *Provinces and municipalities* within Programme 5, because Innovate Durban (an entity of the eThekweni Metro) will co-ordinate these forums.
- A correction was also made within *Higher education institutions*, where R291 000 was erroneously allocated to MUT in Programme 5 in the *EPRE*. The purpose of the funds remains unchanged, and the funds are now allocated to DUT.
- Furthermore, a correction was also made within *Higher education institutions* where R2.730 million for the KZN University Technology Transfer programme was erroneously allocated to MUT in Programme 5 in the *EPRE*. The purpose of the funds remains unchanged, as follows:
  - R1.303 million to UniZulu.
  - R485 000 to UKZN.
  - R942 000 to DUT.
- o Programme 6 undertook various shifts which resulted in funds moving to other programmes and within the programme as follows:
  - R400 000 relating to a structured and intensive maritime business incubation programme incorporating business training, mentorship, guidance and business support, with the aim of establishing new maritime enterprises across various subsectors, with target beneficiaries being youth, as well as people with disabilities. These funds were moved from *Goods and services* in Programme 3 to *Departmental agencies and accounts* under KZNSB in this programme.
  - R1 million relating to the Woze Durban New Year's Picnic was inadvertently budgeted for under *Goods and services* rather than *Provinces and municipalities* within Programme 6. Funds were transferred to eThekweni Metro who is assigned to co-ordinate this event. This shift was undertaken to correctly place the budget.
  - R5 million for the Metro FM Awards was erroneously budgeted for under *Goods and services*. An amount of R4 million was moved to be correctly placed under *Departmental agencies and accounts* and R1 million to *Public corporations and private enterprises* within Programme 6.
  - R6.500 million for various events which were incorrectly budgeted for under *Goods and services* instead of *Public corporations and private enterprises* within Programme 6 as the department appointed various private enterprises to organise the following events on behalf of the department. The purpose of the funds remains unchanged:
    - R1 million for the Spring Day Music Explosion 2016 scheduled for 27 December 2017.
    - R1 million for the KwaDukuza Music Festival that will be held on 16 December 2017.
    - R1 million for the Durban Summer Beach Festival planned for 26 December 2017.
    - R1 million for Fact Durban Rocks taking place on 31 December 2017.
    - R1 million for the Last Dance Music Festival to be held from 30 December 2017 to 01 January 2018.
    - R1 million for the Midmar Dam Jazz Festival that will happen on 31 December 2017.
    - R500 000 for the Indlamu Sakhisizwe Cultural Tourism event taking place on 10 December 2017.

- o Programme 7 shifts include the following:
  - A correction was made within *Departmental agencies and accounts* against the transfer to EKZNW, where R7.100 million was erroneously allocated as a transfer to the entity in terms of its annual subsidy in the *EPRE*. However, these funds are for various projects where EKZNW is appointed as an implementing agent. The funds were corrected as follows:
    - R4.100 million for the Bambatha Lodge and Ingodini Border Caves.
    - R2 million for the parthenium eradication programme.
    - R1 million for the Ndumo Lodge upgrade.
  - In addition, R3 million for the parthenium eradication programme was incorrectly budgeted for under the Invasive Alien Species Programme, and was moved to the correct project.
- *Other adjustments: Transfers and subsidies* were increased by R12.050 million in respect of the Radical Economic Transformation programme, in line with the commitment made by the MEC for Finance when tabling the 2017/18 MTEF budget in the Provincial Legislature, and this was allocated to *Public corporations and private enterprises* in Programme 2. As mentioned, this fund will be managed by Ithala on behalf of the department.

## 10. Transfers to local government

Table 4.27 shows the details of transfers to local government. It is noted that the amount against *Provinces and municipalities* in Table 4.26 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality. It is further noted that allocations to specific municipalities will be gazetted following the tabling of the Adjustments Estimate, in line with DORA requirements.

Details of the main adjustments, which resulted in an overall increase of R36.250 million, are provided in the paragraphs following the table.

**Table 4.27 : Summary of transfers to local government**

	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
A	KZN2000 eThekweni	-	-	-	1 500	-	1 500
<b>Total: uMkhanyakude Municipalities</b>		<b>500</b>	<b>-</b>	<b>27 600</b>	<b>3 550</b>	<b>-</b>	<b>31 150</b>
B	KZN271 uMhlabuyalingana	-	-	-	1 250	-	1 250
B	KZN272 Jozini	-	-	-	1 300	-	1 300
C	DC27 uMkhanyakude District Municipality	500	-	27 600	1 000	-	28 600
<b>Total: King Cetshwayo Municipalities</b>		<b>-</b>	<b>-</b>	<b>2 300</b>	<b>1 300</b>	<b>-</b>	<b>3 600</b>
B	KZN281 uMfolozi	-	-	-	-	-	-
B	KZN282 uMhlathuze	-	-	800	-	-	800
C	DC28 King Cetshwayo District Municipality	-	-	1 500	1 300	-	2 800
		<b>500</b>	<b>-</b>	<b>29 900</b>	<b>6 350</b>	<b>-</b>	<b>36 250</b>
							<b>36 250</b>

- *Virement*: The department undertook the following virements affecting transfers to municipalities:
  - o R29.900 million was moved to *Transfers and subsidies to: Provinces and municipalities*. The department entered into a partnership with municipalities and municipal agencies that will be implementing the following projects:
    - R27.100 million to the Umhlosinga Development Agency under the uMkhanyakude Municipality towards the Mkuze Airport to assist with the development of a terminal building and the rehabilitation of the existing runway.
    - R800 000 for a feasibility study of the Richards Bay Airport for transfer to the uMhlathuze Municipality.
    - R1.500 million for the Amakha Essential Oils project for transfer to the King Cetshwayo Municipality.

- R500 000 for Tourism SCORE under *Public corporations and private enterprises* was reduced due to delays in the signing of SLA. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* within Programme 6 to defray spending pressures against the Ingodini Border Caves study under the uMkhanyakude Municipality.
- *Shifts*: The department undertook the following shifts:
  - R1 million relating to the Woze Durban New Year’s Picnic was inadvertently budgeted for under *Goods and services* rather than *Transfers and subsidies to: Provinces and municipalities*. Funds were transferred to eThekweni Metro who is assigned to co-ordinate this event. This shift was undertaken to correctly place the budget, and the purpose of the funds remains unchanged.
  - R500 000 relating to the Innovation Forums initiative moved from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Provinces and municipalities* within Programme 5, because the department appointed Innovate Durban (an entity of the eThekweni Metro) to co-ordinate these forums. These funds will be utilised to support and stimulate and instil a culture of innovation in the communities around the innovation parks or hubs, also known as Techno-Hubs. The original purpose of the funds remains unchanged.
  - R1.250 million relating to the Kosi Bay Border Development project was incorrectly allocated to *Goods and services* in Programme 5. These funds were moved to *Transfers and subsidies to: Provinces and municipalities*, as a transfer will be made to the uMhlabuyalingana Municipality which is responsible for the implementation of this project. The original purpose of the funds remains unchanged.
  - R1.300 million was shifted from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* within Programme 5. These funds are for Cecil Mark Border Development project that will be implemented by the Jozini Municipality. The original purpose of the funds remains unchanged.
  - R1 million for the Umhlosinga Development Agency under the uMkhanyakude Municipality was moved from *Transfers and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Provinces and municipalities* within Programme 3.
  - R1.300 million towards the Amakha Essential Oils project for transfer to the King Cetshwayo Municipality. Funds were moved from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*.

## 11. Actual payments and revised spending projections for the rest of 2017/18

Tables 4.28 and 4.29 reflect actual payments as at the end of September 2017 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 2016/17 Audited outcome. Comments are given below the tables.

**Table 4.28 : Actual payments and revised spending projections by programme**

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017	% of budget	October 2017 - March 2018	% of budget	
1. Administration	281 845	261 016	107 642	41.2	153 374	58.8	261 016
2. Integrated Economic Development Services	311 759	373 889	102 109	27.3	271 780	72.7	373 889
3. Trade and Sector Development	800 724	823 352	317 438	38.6	505 914	61.4	823 352
4. Business Regulation and Governance	100 278	105 311	36 671	34.8	68 640	65.2	105 311
5. Economic Planning	35 799	33 053	9 391	28.4	23 662	71.6	33 053
6. Tourism	246 708	225 862	95 183	42.1	130 679	57.9	225 862
7. Environmental Affairs	819 784	973 970	422 779	43.4	551 191	56.6	973 970
<b>Total</b>	<b>2 596 897</b>	<b>2 796 453</b>	<b>1 091 213</b>	<b>39.0</b>	<b>1 705 240</b>	<b>61.0</b>	<b>2 796 453</b>



Table 4.29 : Actual payments and revised spending projections by economic classification

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017		October 2017 - March 2018		
			% of budget		% of budget		
<b>Current payments</b>	<b>693 242</b>	<b>734 982</b>	<b>258 917</b>	<b>35.2</b>	<b>476 065</b>	<b>64.8</b>	<b>734 982</b>
Compensation of employees	289 020	315 320	148 490	47.1	166 830	52.9	315 320
Goods and services	404 222	419 662	110 427	26.3	309 235	73.7	419 662
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1 896 651</b>	<b>2 051 842</b>	<b>829 317</b>	<b>40.4</b>	<b>1 222 525</b>	<b>59.6</b>	<b>2 051 842</b>
Provinces and municipalities	10 003	36 797	-	-	36 797	100.0	36 797
Departmental agencies and accounts	1 374 300	1 506 235	654 491	43.5	851 744	56.5	1 506 235
Higher education institutions	16 617	12 980	-	-	12 980	100.0	12 980
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	288 348	303 719	57 491	18.9	246 228	81.1	303 719
Non-profit institutions	200 098	188 323	116 207	61.7	72 116	38.3	188 323
Households	7 285	3 788	1 128	29.8	2 660	70.2	3 788
<b>Payments for capital assets</b>	<b>5 288</b>	<b>9 629</b>	<b>2 979</b>	<b>30.9</b>	<b>6 650</b>	<b>69.1</b>	<b>9 629</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	5 206	9 473	2 979	31.4	6 494	68.6	9 473
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	82	156	-	-	156	100.0	156
<b>Payments for financial assets</b>	<b>1 716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 596 897</b>	<b>2 796 453</b>	<b>1 091 213</b>	<b>39.0</b>	<b>1 705 240</b>	<b>61.0</b>	<b>2 796 453</b>

- Programme 1 reflects low spending of 41.2 per cent of budget, which is slightly low compared to the straight-line benchmark of 50 per cent. This is largely caused by delays in the filling of critical vacant posts as a result of lengthy internal recruitment processes.
- Programme 2 spending was extremely low at 27.3 per cent due to lengthy recruitment processes, and largely the fact that no transfer made to Ithala by September 2017, because the department was still negotiating the terms and conditions of the agreement with the entity.
- Spending against Programme 3 was significantly low at 38.6 per cent of the annual budget compared to the straight-line benchmark of 50 per cent. This was mainly due to monthly transfers to the department's public entities, such as DTPC, TIK, RBIDZ and KZNFC were reduced, due to the monthly cashflow limitations caused by the new equitable share transferring approach.
- Programme 4 spending was, at 34.8 per cent, low compared to the straight-line benchmark of 50 per cent. This largely relates to lengthy internal recruitment processes and the transfer to KZNLA was below the mid-year projections due to the monthly cashflow limitations.
- Programme 5 was extremely low at 28.4 per cent of the annual budget compared to the straight-line benchmark of 50 per cent. This low spending is mainly ascribed to delays in the filling of approved critical vacant posts caused by lengthy internal recruitment processes and the savings as a result of cost-cutting on items such as advertising, travel and subsistence, minor assets and catering.
- Spending against Programme 6 was low at 42.1 per cent compared to straight-line benchmark, as there were delays in filling of approved critical vacant posts caused by to lengthy internal recruitment processes and transfers to KZNSB and TKZN were below the mid-year projections due to the monthly cashflow limitations.
- Programme 7 spending was low at 43.4 per cent because EKZNW received a reduced transfer compared to projections due to the monthly cashflow limitations. Also contributing, were lengthy internal recruitment processes in the filling of posts, as well as low spending relating to the IASP and EPWP Integrated Grant for Provinces as a result of lower than anticipated invoices submitted by service providers.

With regard to economic classification categories:

- Spending against *Compensation of employees* was slightly low at 47.1 per cent due to delays in the filling of posts, as explained above.

- Spending against *Goods and services* was significantly low at 26.3 per cent compared to the 50 per cent benchmark. This mainly emanates from the non-appointment of consultants required to co-ordinate and implement projects and low spending relating to the IASP and EPWP Integrated Grant for Provinces as a result of lower than anticipated invoices submitted by service providers.

The spending against the *Transfer and subsidies* categories was low because most public entities received reduced transfers in the second quarter.

- With regard to expenditure against *Transfer and subsidies to: Departmental agencies and accounts*, 43.1 per cent of its annual budget was transferred in the first half of the financial year. This is largely attributed to the monthly cashflow limitations resulting in reduced monthly transfers to the department's public entities such as DTPC, TIK, KZNSB, EKZNW and TKZN.
- With regard to *Transfers and subsidies to: Public corporations and private enterprises*, spending was 18.9 per cent which is significantly lower than 50 per cent benchmark due to non-transfer to Ithala as a result of delays in finalising the SLA. In addition, RBIDZ, and various entities under this category received reduced amounts due to the monthly cashflow limitations.
- *Transfers and subsidies to: Non-profit institutions* spending was at 61.7 per cent, and this is significantly higher than the straight-line benchmark of 50 per cent due to the KZN Growth Fund Trust annual allocation which was transferred in full to the entity, but reduced transfers were received by KZNFC and MKI, due to the monthly cashflow limitations.

The department is projecting a balanced budget at year-end after the adjustments have been made.

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

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>934 905</b>	-	-	<b>(149 928)</b>	<b>(49 995)</b>	-	<b>(199 923)</b>	<b>734 982</b>
Compensation of employees	363 365	-	-	(48 045)	-	-	(48 045)	315 320
Salaries and wages	309 810	-	-	(32 342)	-	-	(32 342)	277 468
Social contributions	53 555	-	-	(15 703)	-	-	(15 703)	37 852
Goods and services	571 540	-	-	(101 883)	(49 995)	-	(151 878)	419 662
Administrative fees	1 890	-	-	(176)	-	-	(176)	1 714
Advertising	14 085	-	-	1 328	-	-	1 328	15 413
Minor assets	3 309	-	-	(1 573)	-	-	(1 573)	1 736
Audit cost: External	5 040	-	-	741	-	-	741	5 781
Bursaries: Employees	390	-	-	(138)	-	-	(138)	252
Catering: Departmental activities	7 066	-	-	(4 012)	-	-	(4 012)	3 054
Communication (G&S)	18 172	-	-	(253)	-	-	(253)	17 919
Computer services	15 244	-	-	5 433	-	-	5 433	20 677
Cons & prof serv: Business and advisory services	259 737	-	-	(88 955)	(47 995)	-	(136 950)	122 787
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	21	-	-	-	-	-	-	21
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	3 515	-	-	3 190	-	-	3 190	6 705
Contractors	22 268	-	-	(4 547)	(2 000)	-	(6 547)	15 721
Agency and support / outsourced services	61 681	-	-	(1 276)	(2 245)	-	(3 521)	58 160
Entertainment	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 712	-	-	1 907	-	-	1 907	4 619
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	5 402	-	-	866	-	-	866	6 268
Inventory: Farming supplies	9 980	-	-	(700)	2 245	-	1 545	11 525
Inventory: Food and food supplies	10	-	-	(5)	-	-	(5)	5
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-
Inventory: Medical supplies	500	-	-	(350)	-	-	(350)	150
Inventory: Medicine	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	57	-	-	712	-	-	712	769
Consumable supplies	1 708	-	-	343	-	-	343	2 051
Consumable: Stationery, printing and office supplies	5 172	-	-	(2 630)	-	-	(2 630)	2 542
Operating leases	40 830	-	-	(3 569)	-	-	(3 569)	37 261
Property payments	14 904	-	-	9 189	-	-	9 189	24 093
Transport provided: Departmental activity	2 835	-	-	(362)	-	-	(362)	2 473
Travel and subsistence	52 720	-	-	(17 831)	-	-	(17 831)	34 889
Training and development	3 474	-	-	(186)	-	-	(186)	3 288
Operating payments	7 788	-	-	4 794	-	-	4 794	12 582
Venues and facilities	8 450	-	-	(3 356)	-	-	(3 356)	5 094
Rental and hiring	2 580	-	-	(467)	-	-	(467)	2 113
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>1 846 654</b>	-	-	<b>143 143</b>	<b>49 995</b>	<b>12 050</b>	<b>205 188</b>	<b>2 051 842</b>
Provinces and municipalities	562	-	-	29 885	6 350	-	36 235	36 797
Provinces	62	-	-	(15)	-	-	(15)	47
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	62	-	-	(15)	-	-	(15)	47
Municipalities	500	-	-	29 900	6 350	-	36 250	36 750
Municipalities	-	-	-	-	-	-	-	-
Municipal agencies and funds	500	-	-	29 900	6 350	-	36 250	36 750
Departmental agencies and accounts	1 467 700	-	-	25 740	12 795	-	38 535	1 506 235
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	1 467 700	-	-	25 740	12 795	-	38 535	1 506 235
Higher education institutions	10 980	-	-	-	2 000	-	2 000	12 980
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	184 079	-	-	79 250	28 340	12 050	119 640	303 719
Public corporations	172 679	-	-	73 500	20 000	12 050	105 550	278 229
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	172 679	-	-	73 500	20 000	12 050	105 550	278 229
Private enterprises	11 400	-	-	5 750	8 340	-	14 090	25 490
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	11 400	-	-	5 750	8 340	-	14 090	25 490
Non-profit institutions	180 673	-	-	7 140	510	-	7 650	188 323
Households	2 660	-	-	1 128	-	-	1 128	3 788
Social benefits	-	-	-	1 128	-	-	1 128	1 128
Other transfers to households	2 660	-	-	-	-	-	-	2 660
<b>Payments for capital assets</b>	<b>2 844</b>	-	-	<b>6 785</b>	-	-	<b>6 785</b>	<b>9 629</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	2 844	-	-	6 629	-	-	6 629	9 473
Transport equipment	-	-	-	2 575	-	-	2 575	2 575
Other machinery and equipment	2 844	-	-	4 054	-	-	4 054	6 898
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	156	-	-	156	156
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 784 403</b>	-	-	-	-	<b>12 050</b>	<b>12 050</b>	<b>2 796 453</b>
<b>Amount to be voted</b>								<b>12 050</b>