



Department of Economic Affairs, Environment & Tourism

Annual Report 2004 / 05



Published by:
Department of Economic Affairs, Environment and Tourism
Province of the Eastern Cape
Private Bag X0054
Bhisho 5605
South Africa

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ISBN: 0-621-36028-7

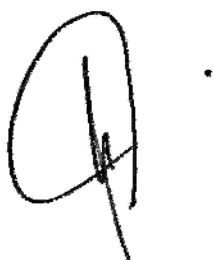
PR 111/2005

**ANNUAL REPORT
2004 / 2005**

**Mr A de Wet
Member of the Executive Council for
Economic Affairs, Environment and Tourism**

**Report of the Senior General Manager of the Department of Economic Affairs,
Environment and Tourism for the period 1st April 2004 to 31st March 2005.**

I have the honour of submitting the 2004/05 Annual Report of the Department of Economic Affairs, Environment and Tourism in terms of the Public Finance Management Act, 1999.



**Adv Naledi Burwana-Bisiwe
Senior General Manager
Department of Economic Affairs, Environment and Tourism**

Department of Economic Affairs, Environment and Tourism
Annual Report for period ended March 31 2005

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Foreword by the MEC for Economic Affairs, Environment and Tourism



During 2004/05, the Department of Economic Affairs, Environment and Tourism adopted new strategic planning procedures in line with a national planning framework aligned to the five-year electoral cycle. This resulted in the formulation of a Five-Year Strategic and Performance Plan covering the period 2005/06 to 2009/10; together with an Annual Performance Plan for the 2005/06 to 2007/08 MTREF period and an Operational Plan for the 2004/05 financial year. In this regard, 2004/05 was a transition period during which the Department geared its operations, and those of its several Public Entities, to the new planning system.

The five-year strategic planning perspective provides opportunities to take a broad, longer-term view of strategic goals for the Department as a whole, and to develop associated strategic objectives within the context of key national and provincial planning instruments, including the Provincial Growth and Development Plan (PGDP), Municipal Integrated Development Plans (IDPs), and the five-year strategic plans of the DTI and the DEAT, which constitute the primary sources of government policy that the Department must analyse, interpret and implement at the Provincial level.

The Department is responsible for co-ordinating sustainable economic development in the Province and for providing essential regulatory and advisory services. The Department is also the custodian of environmental protection and promotes tourism development. These activities are conducted mainly through specialist Public Entities that are funded through the Department's budget.

The **Eastern Cape Development Corporation (ECDC)** is the key economic development agency in the Province and was subjected to an intensive review during 2004/05, culminating in the appointment of a new CEO and a new Board of Directors. These developments resulted in significant operational changes that improved the ECDC's performance and corporate governance. ECDC highlights during the year under review include the following:

- Turnaround at the Magwa Tea Estate which produced over 1.5 million tons of tea worth R20 million.

- Bushman Sands, one of the province's premier leisure resorts, has entered its mature stage. All of the estate has been sold. ECDC financed and invested over R40 million into the Bushman Sands project and created 800 jobs.
- The ECDC Enterprise Promotion team was instrumental in securing investments worth over R400 million in the Province's two Industrial Development Zones.
- Enterprise Promotion also doubled the number of jobs which it aimed to create (achieved 2 526) and improved its investment target (achieved R740 million).
- The Wild Coast tourism initiative has had sizeable input from ECDC and the corporation will continue to play pivotal role in this development.
- In terms of harnessing our natural heritage, projects such as the Coffee Bay resort and Kuzuko Game Reserve are well underway.
- Steinhoff is to establish a chipboard factory in Maclear. This is estimated to create 3 000 direct and 10 000 indirect jobs.

The automotive manufacturers have also done the region proud with several new export contracts now in place. The Automotive Industrial Development Cluster (AIDC), in which ECDC has a stake, has been responsible for the establishment of the second automotive park which is to open in the Nelson Mandela Metro. These parks are creating important opportunities for second and third tier suppliers.

The Enterprise Finance component improved lending to women by almost 50%, and launched micro finance pilot initiatives in Queenstown and Mthatha which will be extended to rest of the Province.

Enterprise Development Services provided extensive support to SMMEs, particularly in the construction and arts and craft sectors.

The Project Development component made significant contributions towards introducing ventures associated with biodiesel, *Aloe Ferox* and cotton in rural areas of the Province.

Over 2 000 ECDC properties have been identified and accounted for in the Portfolio and Properties Register. The ECDC is one of the largest property owners in the Province.

The establishment of the Spatial and Rural Development Unit to craft and implement the corporation's rural development strategy.

Comprehensive re-structuring and transformation of the **Eastern Cape Tourism Board** (ECTB) was concluded during the year in order to align its operations the new Provincial Tourism Act. The ECTB is an effective mechanism to develop the tourism sector in the Province through partnership programmes with the private sector, District Municipalities and other tourism organisations in the Province and elsewhere.

The Province's two Industrial Development Zones play a leading role in the national IDZ Programme. The IDZs are mandated to provide well-appointed locations for the establishment of strategic industrial investments to stimulate export-oriented industry and to promote economic linkages between domestic and zone-based industries. The

IDZ programme optimises the use of existing infrastructure and resources, generates additional employment, skills formation and the transfer of technology.

In the first quarter of the year, the **East London Industrial Development Zone (ELIDZ)** channelled much of its energies into a strategic refocusing of the organisation to build functionalities and capacities that were wanting in terms of the start-up organisational structure. These activities facilitated a general year-on-year comparative increase in spending due to improved organisational capacity. Thus, expenditure increased from R59 million in the previous period to R149.4 million in the year under review for the organisation as a whole. In particular, there was a noticeable improvement in expenditure on the infrastructure programme where expenditure of R43.6 million, recorded in the previous year, grew to an expenditure of R123.2 million in 2004/05.

Infrastructure development was based on 19 contracted projects with a combined value of R183 million, of which R123.2 million was spent in 2004/05. The balance relates to infrastructure commitments for continuing project work extending into the following financial year. Infrastructure expenditure highlights in 2004/05 include:

- Five of the 19 projects initiated in 2004/05 financial period were completed.
- 18.5 km of roadways were developed.
- 9.35 km of internal storm water system were developed.
- 27 km of power lines were installed.
- 17 km of sewer lines were laid.
- 13 km of perimeter fencing and walling were erected.
- 50 km of underground sleeves for various services were laid.
- 25 km of 11kva underground electrical cables were laid.
- 275 km of stainless steel wiring for perimeter walling and fencing electrification were installed.

Investment interest in the IDZ responded to promotion efforts and serious enquiries related to industrial properties showed a strong upturn in 2004/05. These have led to extensive interactions and negotiations with potential new tenants for industrial park properties in the IDZ. In particular, extensive discussions took place with automotive industry companies related to the establishment of an automotive supplier park (ASP) in the ELIDZ. Development work on the ASP intensified towards the end of the period under review and reflects a key strategic focus for the 2005/6 financial year.

At the **Coega Industrial Development Zone** and the associated deepwater **Port of Ngqura** development:

- Over R339 million was spent on infrastructure projects during the year;
- Approximately 11,800 people were employed since inception of the project to date on the site;
- Total wages paid amounted to over R140 million since inception;
- The number of persons trained in various skills exceeds 2,000;
- An international benchmarking study was completed, which favourably compared Coega to competing world locations in the various identified clusters;
- Negotiations were completed for the introduction of the first investor to the IDZ;
- The installation of access and utility services to the Light Industrial Cluster and the Automotive Cluster in the IDZ were completed, including roads, water, sewerage services and telecoms;

- The key road-over-rail bridge, spanning the main railway line, was completed;
- The Neptune Road and Systems Interchange was completed, thus linking the Port area with the IDZ zones north of the N2 highway; and
- Bulk Electricity supply was completed which consists of 4 High Voltage and 22 Medium Voltage sub-stations, including cables, lines and 'Scada' monitoring systems.

The basic infrastructure of the Port of Ngqura was completed with the flooding of the Port Basin.

The Eastern Cape Parks Board (ECPB) was established at the beginning of 2004 in terms of the Provincial Protected Areas Act and a Board was appointed. Management, personnel and operational arrangements were concluded during 2004/05 and the Parks Board will undertake the task of revising or formulating management plans for all Protected Areas in the Province and will manage the Baviaanskloof Reserve as a World Heritage Site in due course. The Board is also responsible for managing and consolidating all Reserves in the 490 000ha of Protected Areas in the Province, including three Reserves that were previously managed by Eastern Cape Tourism Board.

In terms of Chapter 3 of the National Environmental Management Act, No. 107 of 1998, which calls for cooperative governance, consolidation and coordination of environmental management programmes by all departments that deal with environmental issues, a Provincial Environmental Forum was established during the year. The Forum consists of six District Municipalities, the Buffalo City Municipality, and the Departments of Agriculture, Housing and Local Government and Health.

The Department manages regulatory agencies associated with the gambling and liquor industries in the Province.

The **Eastern Cape Gambling and Betting Board (ECGBB)** administers the gaming industry. Three Casinos in the Province operate a combined 1,575 slot machines and 50 tables. The slot machines, in particular, are highly regulated to ensure that the return to player statistics cannot be amended without the Board's regulatory approval. The highlight of the year was the conclusion of a landmark broad-based empowerment deal at the Wild Coast Sun where 30% of the shareholding in Transkei Sun International was transferred to Mbizana Community SPV (Pty) Ltd ("Mbizana SPV") a company wholly-owned by the Wild Coast Sun Mbizana Development Trust ("Mbizana Trust"), established to benefit the community of the Mbizana district. In addition, a 50% shareholding in a management company deriving 25% of the management fees payable in respect of Wild Coast Sun was transferred directly to the Mbizana Trust. The Mbizana Trust will also receive some R8 million in respect of corporate social investment over the next seven years. The ECGBB played a facilitating role in structuring the deal and training trustees to represent the community. The deal, concluded in accordance with the bid commitments in terms of which the gambling licence was awarded, establishes new industry standards for empowerment and for benefits which will accrue to the entire community. Two Route Operator licences were awarded during 2004/05, which allow each licensee to operate 1,000 Limited Payout Gambling Machines for a period of seven years. Local empowerment shareholders hold a minimum of 15% of each licence, over and above any national empowerment

shareholdings. Following due procedures, the first 17 site licences were issued to Route Operators during the year and preparations for extending the process of awarding site licences were concluded for implementation during 2005/06. During the period under review five suspected illegal premises were raided. Two persons were convicted of illegal gambling, two paid admission of guilt fines and 25 machines were forfeited to the Board. In terms of the Board's social responsibility mandate, 28 forfeited computers were donated to two community development projects.

Gambling and betting taxes, fees and interest collected for the Province during the financial year under review totalled an unprecedented R52.8 million compared to R71.31 million in 2003/04. R30.85 million of the latter amount represented arrear collections, which means that annual collections showed an impressive increase of 30% over the prior year and resulted in revenue over and above the budgeted target of R 11.54 million for the Provincial fiscus.

During the year under review, the **Eastern Cape Liquor Board (ECLB)** was registered as a Schedule 3 entity in terms of the Public Finance Management Act and the Eastern Cape Liquor Act No 10 of 2003 was promulgated. The Board was appointed in August 2004 and a key highlight was the registration of illegal liquor outlets. This was a bold initiative by the Department and the first of its kind in the country. Despite some shortcomings, the process of legalising these outlets was a great success and brought 15,412 outlets into the business mainstream. In terms of the Act, a Panel of Appeal was appointed to hear cases which have been refused by the Board.

The Board embarked on an information dissemination campaign to explain the part to be played by Municipalities in the new Liquor Administration. The first meeting was held with the Amathole District Municipality although the absence of by-laws indicating hours of trade and irregular Ward Committee meetings in some local municipalities caused some delays. The Board also arranged meetings with school governing bodies and the religious fraternity to acquaint people with the laws related to the sale of liquor. Various inspection services are an important priority for the ECLB and much needed assistance was secured from the SAPS after constructive meetings with the MEC for Safety and Liaison and the Provincial leadership of SAPS, which resulted in the secondment of over 200 SAPS officials to assist the Board. The Provincial Treasury granted the ECLB permission to operate a bank account and several commercial Banks were approached to submit tenders for banking services.

The Department continued to participate in planning and implementing the **Provincial Growth and Development Plan (PGDP)** and is the Lead Department in the Cabinet and Cluster Committees for Economic Growth and Infrastructure, which are responsible for two key PGDP Programmes; viz., Strategic Infrastructure and Manufacturing Diversification & Tourism. These involvements are joint inter-Departmental co-operative endeavours designed to strengthen the capacity to deliver on PGDP targets over the 5-year Strategic Planning period. In this regard, Municipal IDPs remain the most important implementation instruments that give effect to the PGDP.

For much of the year under review, the Department operated with an acting Head of Department and an acting Chief Financial Officer and underwent several senior management adjustments, both in the Department and in the Public Entities. Much

appreciation is extended to those officials who assisted to ensure that services were not interrupted during the year.

A handwritten signature in black ink, appearing to read 'André de Wet', written in a cursive style.

André de Wet
MEC

Part 1

General Information

1. GENERAL OVERVIEW

1.1 INTRODUCTION

The Department operates from a Head Office located in Bhisho, and its operational activities are conducted through five District Offices and seven Public Entities and statutory organisations.

The Head Office functions consist of overall administrative and financial management, human resource management, strategic planning, information technology management, and the management of policy-related issues that are associated with Economic and Environmental Affairs.

District Offices are located at Port Elizabeth (Cacadu District Municipality and Nelson Mandela Metro Municipality), East London (Amatole District Municipality), Mthatha (OR Tambo District Municipality), Queenstown (Chris Hani and Ukhahlamba District Municipalities) and Kokstad (Alfred Nzo District Municipality).

The Public Entities established by the Department are the following:

- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGBB),
- Eastern Cape Liquor Board,
- Coega Development Corporation (CDC),
- East London Industrial Development Zone (Pty) Ltd, (ELIDZ) and
- Eastern Cape Parks Board (ECPB).

Note: The CDC and the ELIDZ are subsidiary organisations of the ECDC.

1.2 SERVICES RENDERED BY THE DEPARTMENT

The Department renders a variety of services related to the following operational areas:

- Liquor Administration
- Gambling and Betting Regulation
- SMME Support
- Chamber Development
- Consumer Protection
- Promotion of Tourism
- Trade Promotion
- Investment Promotion, including IDZs
- Environmental Protection

- Nature Conservation
- Local Economic Development.

2. VISION, MISSION AND DEPARTMENTAL PRIORITIES

The Department's vision and mission statements were developed within the frameworks of National and Provincial government and are aligned with the Provincial Growth and Development Plan (PGDP). From these contexts, the Department has derived a series of priority operational areas.

2.1 VISION

The Department of Economic Affairs, Environment and Tourism strives for an Eastern Cape which is devoid of the inequalities of the past, unified through integrated and sustainable economic, social and cultural development; thus providing an acceptable quality of life for all of its people in the context of a united, non-racial, non-sexist and democratic South Africa.

2.2 MISSION STATEMENT

The Department's mission is to build a sound, growing and sustainable economy which facilitates economic empowerment and delivers an optimal quality of life for all citizens of the Province; especially through the efficient utilisation and management of environmental resources, the promotion of investment and the strategic deployment of the human and financial resources at its disposal.

2.3 DEPARTMENTAL PRIORITIES

The Department's priority areas are the following:

- ***SMME Development.***
- ***Investment Promotion.***
- ***Spatial Development initiatives***
- ***Industrial Development Zones.***
- ***Industrial Cluster Initiatives.***
- ***Marketing of the Eastern Cape.***
- ***Gambling and Betting Administration.***
- ***Consumer Protection and Education.***
- ***Trade Inspection.***
- ***Liquor Administration.***
- ***Protected Area Management.***
- ***Technical/Regulatory Environmental Management.***
- ***Environmental Education and Community Liaison Services.***
- ***Nature conservation.***

3. IMPORTANT DECISIONS AND STRATEGIC ISSUES FACING THE DEPARTMENT

The Department of Economic Affairs, Environment and Tourism operates in the context of the Provincial Growth and Development Plan (PGDP) which seeks to promote broadly-based socio-economic development in the Province, supported

by the overall principles of sound macro-economic fundamentals at the National level. These fundamentals represent the outcome of diligent application, prudent spending and macro-economic discipline over several years, and constitute a foundation upon which to build regional and local initiatives towards growing the provincial economy.

The Department's core business consists of economic and environmental policy analysis and development, while operational implementation is increasingly decentralised to public entities and parastatal organisations all of which have clear mandates and reporting and policy-related obligations to the Department through established channels.

Consequently, key operational functions are developed and managed by the Eastern Cape Development Corporation (ECDC), the Eastern Cape Tourism Board (ECTB), and the Eastern Cape Parks Board (ECPB). Essential regulatory and advisory services are provided by the Eastern Cape Gambling and Betting Board and the Eastern Cape Liquor Board.

The Department facilitates the strengthening of developmental local government based on Local Economic Development (LED) initiatives to create sustainable job opportunities and viable revenue bases. This involves building development capacity at the local government level and the appropriate devolution of functions, together with financial and human resources, to Metropolitan, District and Local Municipalities.

Towards these ends, the Department seeks to establish co-operative initiatives for implementing Local Government Integrated Development Plans (IDPs), national rural and urban development strategies, and to promote the realisation of the Province's Industrial Development Zones (IDZs) at Coega and East London.

3.1 Tariffs

3.1.1 Liquor Licences

The Eastern Cape Liquor Act No 10 of 2003 regulates the tariffs charged.

3.1.2 Gambling Fees and Licences

The tariffs charged are regulated by the Gambling and Betting Act, (Eastern Cape), No. 5 of 1997.

3.1.3 Income from Game Reserves

Open tender processes are followed for culling and the sale of game.

3.1.4 Provision of Tourist Facilities

Wherever possible tourist facility rates are market related. These reviewed from time to time in terms of the outsourcing of hospitality functions.

3.2 Free Services

The Department renders statutory free services related to the functions of the Department in respect of consumer affairs. No significant income would be generated from these services as most of the people served are in the low-income bracket.

4. LEGISLATIVE MANDATE

The Department performs its functions in accordance with the legislation listed in the table below:

Programme Number	Programme Name	Core Function	Mandate
1	Administration	Personnel Administration	Public Service Act, Regulations and CORE Employment Equity Act Skills Development Levies Act 9 of 1999 Basic Conditions of Employment Act
1	Administration	Financial Administration	Public Service Act Public Finance Management Act, 1999 Provincial Exchequer Act and Regulations
2	Information Management	Development, review and assessment of planning issues and associated research	MEC's Annual Policy Speech and Strategic Review. All legislation, regulations and which may impact on the mandate of the Department.
2	Information Management	Information Systems	Public Service Regulations, 1999 (Part III B1 (f) and Part III E). SITA Act 88 of 1998.
3	Economic Affairs	SMME Development	National Small Business Act of 1995 Businesses Act 71 of 1991. Eastern Cape Development Corporation Act 2 of 1997.
3	Economic Affairs	Investment Promotion	Policies formulated and managed by the Department of Trade and Industry and delegated to Provinces.
3	Economic Affairs	Spatial Development Initiatives and Industrial Development Zones	Derived from the Department of Trade and Industry IDZ Programme.
3	Economic Affairs	Industrial Cluster initiatives	DTI Programme.
3	Economic Affairs	Marketing of the Eastern Cape	Mandate accorded to the ECDC.
3	Economic Affairs	Tourism development	EC Tourism Act 8 of 2003 [EC].
3	Economic Affairs	Financial sustainability	Mandate accorded to the ECDC.
3	Economic Affairs	Gambling and betting administration and regulation.	Gambling and Betting Act 5 of 1997 [EC.]
3	Economic Affairs	Consumer Protection	Consumer Affairs Act 5 of 1998.
3	Economic Affairs	Consumer Education	Consumer Affairs Act 5 of 1998. Credit Agreement Act 75 of 1980 Usury Act, 1968. Sales & Services Act 25 of 1965.
3	Economic Affairs	Trade Inspection	Trade Metrology Act, 1973. Credit Agreement Act 75 of 1980.
3	Economic Affairs	Liquor Administration	Liquor Act 27 of 1989 National Liquor Bill of 2001

Programme Number	Programme Name	Core Function	Mandate
			EC Liquor Act 10 of 2003 [EC]
4	Environmental Affairs	Protected Area Management	Environmental Management Bio-diversity White papers. Nature & Environmental Conservation Ordinance 19 of 1974. Ciskei Conservation Act 10 of 1987. Transkei Environmental Conservation Decree 9 of 1992. National Forest Act 84 of 1998. Veld & Forest Fire Act 101 of 1998. Marine Living Resources Act, 1998. Fencing Act 31 of 1963. Mountain Catchment Areas Act 63 of 1970. EC Parks Board Act 12 of 2003 [EC].
4	Environmental Affairs	Technical/Regulatory Environmental Management	Environmental Management White Paper. Bio-diversity White Paper. Sea Shore Act 21 of 1935. Environment Conservation Act 73 of 1989. National Environmental Management Act 107 of 1998. Marine Living Resources Act, 1998. Problem Animal Control ordinance 26 of 1957.
4	Environmental Affairs	Environmental Education Community Liaison Services	Environmental Management White Paper. Bio-diversity White Paper. National Environmental Management Act 107 of 1998. Environment Conservation Act, 1989.

Part 2

Programme Performance

1. VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R million	R million	R million	R million
	849,529	799,624	762,272	37,352

Responsible MEC	MEC for Economic Affairs, Environment and Tourism
Administering Department	Economic Affairs, Environment and Tourism
Accounting Officer	Senior General Manager/Head of Department

2. AIM OF THE VOTE

The aim of the Department of Economic Affairs, Environment and Tourism (Vote 9) is to promote sustainable economic growth in the Eastern Cape Province and to ensure that adequate measures are taken to protect the natural environment and to facilitate the growth of a viable tourism industry.

3. PERFORMANCE AGAINST KEY MEASURABLE OBJECTIVES, BY PROGRAMME

Reporting by Programme is based on the Performance Measures and Targets specified in the Annual Performance Plan for 2005/06 to 2007/08. In some instances, reporting is based on the Operational Plan for 2004/05 although appropriate performance measures were not consistently included in the Operational Plan. The Department has undertaken a comprehensive exercise to address this matter and all future reporting will be based on the Operational Plan.

3.1 PROGRAMME 1

Administration

Purpose

The purpose of this programme is to provide over all strategic direction and management, financial administration, and human resource management and auxiliary services for the Department.

Programme 1 consists of the following sub programmes:

- Office of the Head of Department – this sub programme is responsible for overall management of the Department and its Public Entities.
- Human Resource Management - this sub programme is responsible for human resource management, development and provision of auxiliary services.
- Financial Management - this sub programme is responsible for financial planning, management and control of the Department.

Office of Head of Department

Purpose:

To co-ordinate relationships within the Department and between the Department and relevant institutions at the different levels of government, as well as directly managing those functions and sub-programmes which fall directly under the Office of the HOD.

Measurable Objectives:

Key measurable objectives for the Office of the HOD are linked to the efficient co-ordination of the following relationships:

- The relationship between the different programmes of the Department, and between the Head Office and District Offices of the Department
- The relationship between the Department and its Public Entities, more especially with regard to the transfer of funds, the drawing of service level agreements and the accountability of the Entities to the Provincial Legislature.
- The relationship between the Department and its national equivalents, the Department of Trade and Industry and the Department of Environment and Tourism
- The relationship between the Department and the Office of the Premier, including the Office of the Director-General, and the efficient performance of all responsibilities assigned to the Department by the Office of the Premier
- The performance of the Economic Growth and Infrastructure Cluster of which the Department of Economic Affairs, Environment and Tourism is the lead department.
- The measurable objectives of Strategic Planning, Communications and the Special Programme Unit will be specified below.

Analysis of Constraints and Measures planned to overcome these

- Positions of Head of Department and Chief Financial Officer were not filled on a permanent basis for the greater part of the year under review. The Office of HOD was filled as from 17 March 2005, and the Office of CFO will be filled during the 2005/06 financial year.

- Other critical posts not filled in the Office of the HOD, including the post of Office Manager, Deputy Director Special Programmes and Head of Communications. These posts will be filled during the 2005/06 financial year.
- Department showed insufficient capacity to monitor and evaluate the performance of the Public Entities. This will be addressed in 2005/06 by the creation of Internal Control posts within the Office of the HOD.
- Problems experienced in dealing with external agencies such as the National Treasury (registration of the Parks Board) and the District Municipalities (transfer of Local Economic Development funds). The LED function will be relocated to the Office of the HOD during 2006/07.

The following components / functions are an integral part of the HOD's office:

- Special Programme Unit - this component is responsible for the mainstreaming of gender, disability and youth issues into Departmental policies, programmes and projects.
- Communication services - this component is responsible for marketing, educating and informing the public about economic development, environmental tourism deliverables
- Strategic Planning - this component is responsible for the strategic planning function in the Department and its Public Entities.
- Legal Advisory Services - this component is responsible for providing Legal Advice to the Department.

Special Programmes Unit

Performance in 2004 / 2005-08-24 Based on Operational Plan

Annexure 1 Part C: Special Programmes Unit

Purpose

The purpose of this sub-programme is to ensure that gender, disability, children, youth, elderly and HIV and AIDS are mainstreamed into all Departmental programmes and policies.

Measurable Objectives

Objectives, Performance Indicators, Targets and Actual Performance for 2004/05 are indicated below.

Measurable objectives	Performance Measure or Indicator	Targets for 2005/05	Actual Performance
Integrated plan in place	Integrated plan launched. Implementation plan available.	Holding a meeting with all staff members	Presentations to all staff members on mainstreaming of SPU programmes in the 5 regions took place.
Transformation forum in place. Equity plan in place.	Transformation committee members inducted. Employment Equity Plan with clear targets implemented.	Consultation on departmental transformation and equity plans.	Transformation meetings with representatives from the regions have been held. Equity plan in place but consultation on amendments is being planned.

Measurable objectives	Performance Measure or Indicator	Targets for 2005/05	Actual Performance
Disability friendly environment created and sustained. Understanding Sign Language.	Conduct awareness raising programmes on disability. Train staff in signing.	Consultation with all stakeholders. Encourage the construction of parking bays, ramps and toilets. Workshop.	DEAET-Eastern region and Public Works had planning meetings held and site visits done in order to ensure access to the departmental buildings, toilets, ramps and parking bays. 18 SPU officials trained in Basic Sign Language.
Policies completed and implemented.	Development of sector specific policies on gender, youth, disability and HIV and AIDS finalized or implemented.	Dissemination of policies for implementation through meetings, workshops and seminars.	Contributed towards the development of the Provincial Gender Policy Framework.
Information dissemination regarding career education.	Career exhibition and information sharing district seminars.	Consultation with the ECYC, Department of Education and District offices.	None
Increased gender awareness. Departmental annual report is gender sensitive.	Awareness raising on gender issues during Women's day celebrations. Participate in the international gender policy conference. Gender equality workshop.	Women's day activities implemented. Conference attended and EC DEAET experiences shared.	Participated in district and provincial Women's Day/Month celebrations in OR Tambo DM. As deliverable, the department trained 23, 1 with disability, young women in Project and Business Management skills. Contributed R75 000 (poverty alleviation) towards the celebration of the main event in Bhisho.
Women participating in tourism activities	Increased participation by women in tourism.	Tour of the elderly to selected places arranged as celebration of the tourism month.	None
Children's Day used for information dissemination.	To create awareness on children about tourism.	Tour arranged for children to children tourism attractions.	Participated in the Provincial Children's Day celebrations in Molteno. As a deliverable, the department developed a business plan for the computer centre in Nkwanca LM.
Capacity of managers in gender issues and the economic empowerment of women increased.	Capacity of managers enhanced through a Provincial Dialogue.	Seminar facilitated and report produced.	None
16 Days of Activism on gender and HIV/AIDS	Awareness raising workshop and seminars through imbizos.	Imbizos arranged and facilitated.	HIV/AIDS Roadshow at Mount Ayliff. Skills for Project Management for young women and disabled were provided in OR Tambo – Ntabankulu and Ncora – Shiloh -Embilisweni for disabled.

Measurable objectives	Performance Measure or Indicator	Targets for 2005/05	Actual Performance
Awareness creation on economic activities to benefit designated groups in order to alleviate poverty.	Facilitation of business development plans. Dissemination of information on possible projects. Demonstration of viable projects. Showcase projects and achievements of women. Information sharing session.	Exhibition. Admin talks arranged. Some groups have accessed projects.	Development of a provincial Women's Directory. Outreach programme at Ukhahlamba on economic empowerment of people with disabilities.
Engendered budget	Departmental workshop on gender budgeting facilitated.	Workshop arranged and Admin facilitated	Presentations on how to budget with the cognizance of the marginalized groups done in all regions.
Improved awareness on environment	Children's awareness on environment increased.	Workshop. Projects for children to participate by the Environment Directorate and SPU.	Nkwanca multipurpose computer centre for children, the site has been identified.
Departmental plans informed by objectives and activities spelt in the PGDP and international frameworks (WSSD, CEDAW and Beijing)	Dissemination of the National Gender Policy action plans of WSSD, PGDP and international frameworks, CEDAW and Beijing. Workshop management on these.	All these circulated. Workshop arranged and facilitated. Showcase the report as a 10 year democracy achievement by the department.	Departmental 10 year report on all the instruments produced and presented at the National Gender Conference – Conversations amongst Women.

Communications

Performance in 2004/2005

Purpose

Communication services are responsible for marketing, educating and informing the public about economic development, environmental and tourism deliverables.

Measurable Objectives

Objectives, Performance Indicators, Targets and Actual Performance for 2004/05 are indicated below.

Measurable objectives	Performance Measure or Indicator	Targets for 2005/05	Actual Performance
Departmental publication	Production of magazine	Improve corporate image	Newsletter could not be published due to funding constraints, however individual stories were published in such publications as Real People and My Business
Enhance image of Department in public eye	Advertising campaign	Image enhanced	Radio talk shows on Umhlobo Wenene. Departmental activities such as World Environment Day, World Consumer Day
Media monitoring and liaison	Media to have better understanding of Departmental positions	Be informed precisely about which areas the public needs more clarity Stakeholders kept informed	Press statements on Liquor Act, Magwa, World Consumer Day, Enviro Awards etc. Press cuttings Liaison with Media, and response to enquiries.

Strategic Planning and PGDP/IDP Alignment

Performance in 2004/2005

Based on the following:

- Annual Performance Plan 2005/06 to 2007/08. Part B: Section 3.5 and Table 3.1.
- Operational Plan for the 2004/05 Financial Year. Annexure 1 Part D: Strategic Planning and PGDP/IDP Alignment.

Purpose

Strategic planning is a new component of the Administration Programme and is intended to ensure that internal strategic planning procedures are established to monitor progress related to the Department's Five-Year Strategic and Performance Plan. This includes ensuring that appropriate alignment linkages are developed with the PGDP and Municipal IDPs; and that these are linked to the strategic plans of the Department's Public Entities, where relevant.

Measurable Objectives

Objectives, Performance Indicators, Targets and Actual Performance for 2004/05 are indicated below:

Measurable Objective	Performance Measure or Indicator	Targets for 2004/05	Actual Performance
Sound Strategic Planning systems are established and updated in the Department, including linkages to Public Entities and Provincial and National sector Departments.	<ul style="list-style-type: none"> Completed Five-Year Strategic and Performance Plan: 2005/06 to 2009/10. Annual Performance Plan for 2005/06 and the MTREF years 2006/07 to 2007/08. [All Strategic Planning Instruments compliant with Treasury specifications.]	Review all Strategic Planning components with Managers.	1. New format strategic planning documents completed according to Treasury specification. 2. Process commenced to determine, define and implement Measurable Performance Indicators.
	Public Entity Strategic Plans aligned with DEAET Strategic Plan.	Review and advise Public Entities regarding Treasury requirements.	1. New format strategic planning documents completed according to Treasury specification. 2. Process commenced to determine, define and implement Measurable Performance Indicators.
	Co-ordination between Strategic Plan and Sector Department Strategic Plans.	Regular discussions with EG&I Cluster Departments.	Consultation process established in the context of the EG&I Cluster Meetings.
	DTI and DEAT Strategic Plans assessed and linkages established.	DTI and DEAT Strategic Plans reviewed.	National (DTI and DEAT) strategic objectives incorporated into DEAET Strategic Planning.
	New 5-year Strategic Planning cycle is established.	Consultation with Provincial and National Treasury regarding technical requirements.	Procedures for securing access to updated formats and templates established.
Establish and maintain an operating relationship between the DEAET Strategic Plan and the Provincial Growth and Development Plan (PGDP).	Strategic Planning systems are aligned with PGDP specifications and budgets.	Sustained participation in PGDP discussions and work-group activities.	1. PGDP Budget parameters determined by ECSECC/PCMU. 2. Preliminary budget alignment s determined. 3. Review mechanisms and preliminary draft measurable indicators for PGDP Programmes formulated with ECSECC and Programme Managers.

Measurable Objective	Performance Measure or Indicator	Targets for 2004/05	Actual Performance
Establish and maintain an operating relationship between the DEAET Strategic Plan and the Metro and District Municipality Integrated Development Plans (IDPs).	Review Metro and District Municipality IDPs to identify key alignment areas.	Identify specific areas of alignment with IDP budgets.	<ol style="list-style-type: none"> 1. Process not yet commenced. 2. Requires key decisions regarding the status of Municipal IDPs related to Regional Offices. 3. Appropriate measurable indicators to be determined.
	Ensure that ECDC and ECTB strategic plans are aligned with Metro and District Municipality IDPs.	Identify specific areas of alignment with IDP budgets.	
Co-ordinate the activities of the Economic Growth and Infrastructure (EG&I) Cluster Committee and arrange logistical support services.	Arrangements in place for holding EG&I Cluster Meetings.	Establish appropriate systems and ensure adequate arrangements with the OTP Cluster Secretariat.	All systems established and Cluster Secretariat operational. Performance requires attention.

Human Resources Management Performance in 2004/2005

Measurable Objective	Performance Measure or Indicator	Targets for 2004/05	Actual Performance
Review and maintain a functional organogram	To analyze the Strategic plan and benchmark with current structure	An approved functional structure	Consultations on Program 3 and 4 on a new structure due to legislative changes.
Sound human resource management	To recruit and effect appointments.	Funded posts filled within 3 months of advert.	18 posts filled.
	Reconstruct records and develop file movement control system.	All employees with required files.	Prescribed files for all employees opened.
	To process service benefits.	Payment of benefits to current and ex employees.	44 leave gratuities and 38 pension benefits paid out.
	To put in place proper leave management system and capacitate supervisors on their role.	An effective leave management system.	Leave registers opened and leave approval delegations decentralized up to reserve managers.
Human practices	To develop / review hr plan, EE plan and guidelines.	Approved HR, EE plan and guidelines.	An HR plan developed and EE targets reviewed. Guidelines on grievance handling, discipline and abscondment handling developed.

Measurable Objective	Performance Measure or Indicator	Targets for 2004/05	Actual Performance
	<p>Conduct information sessions and workshops and give advice and guidance on hr prescripts.</p> <p>To validate performance plans facilitate and assist in quarterly reviews</p> <p>To create awareness, empower and give guidance on processes and procedures on labour prescripts</p> <p>To ensure safe and healthy work environment and payment of IODs.</p>	<p>Better decision making and accountability.</p> <p>Signed and aligned performance plans. Reviews conducted.</p> <p>Sound employer – employee relations and less grievances and disputes.</p> <p>Risk areas identified and IODs paid</p>	<p>Sessions on labour related prescripts conducted for both H/O and all regions.</p> <p>84% signed performance plans.</p> <p>Reviews conducted by some components. Workshops conducted for both H/O and regional offices.</p> <p>IODs approved by Workman's Compensation Commissioner paid.</p>
Effective staff development programs to maximize performance	<p>To conduct and analyze available skills to determine gaps.</p> <p>To develop and implement Work Place Skills Plan (WSP).</p> <p>Analyze individual skills ' gaps resulting from performance reviews</p> <p>To organize and coordinate transversal and program specific training and development.</p> <p>To facilitate and coordinate orientation program for new employees</p> <p>Facilitate, manage and monitor bursary payments and records.</p> <p>To develop and provide reports to management, OTP and PSETA</p>	<p>Gap analysis and competency profile reports.</p> <p>An approved WSP</p> <p>Intervention programs identified as Personal Developmental Programs (PDPs)</p> <p>Employees trained on both transversal and program specific</p> <p>An orientation program and induction guidelines in place.</p> <p>Proper records in place and timeous payments of accounts.</p> <p>Quarterly reports.</p>	<p>A departmental competency profile and skills' gap identified.</p> <p>A WSP was approved and implemented.</p> <p>PDPs not coordinated properly.</p> <p>130 employees from across the salary levels trained.</p> <p>An orientation program held and induction guidelines developed and are part of an HR Handbook.</p> <p>Reliable records on bursary in place and accounts paid on receipt of statements.</p> <p>Reports to PSETA, OTP and departmental Skills Development Committee done.</p>

Challenges for the Year 2004/05

1. Time frames set for filling of vacant posts could not be achieved due to centralized personnel delegations and later the austerity measures.
2. Program specific training could not be provided due to insufficient budget for skill development.
3. Delays in processing of benefits to beneficiaries of late ex employees due to cultural demands by certain magistrates (this is rife in the Bizana magisterial district).
4. Non prioritization of personnel related vacant posts in regions. This resulted in poor hr records and leave management.
5. Reluctance of managers at all levels to perform their role as hr managers within their components as required by the Public Service Regulations, 2001.

CHALLENGE AREA	REAL CHALLENGE	REMEDIAL ACTION
Filling of vacant posts	Non implementation of personnel delegation as prescribed by Public Service Regulations, 2001.	The department to reconsider this aspect to ensure efficiency.
Allocation of budget for training and development	Skills development budget not given priority	Allocation should be as per the needs of the department
Processing of exit benefits	Magistrates in Bizana area deny appointed beneficiaries documents if they are women.	The Eastern Cape Admin intervenes as this reflects badly on service delivery
Decision makers not prioritizing filling of hr posts in regions	Non filling of hr posts in regions resulted in poor hr and leave records.	The department should ensure that hr posts are filled with competent personnel
Role of line managers on hr functions	Reluctance or tendency to shift responsibility to hr component	All managers should have a KPA which relates to human resource management within one's unit

Achievements for the Year 2004/05

- A. A comprehensive orientation program over a period of two days was held.
- B. A candlelight Memorial for people who died and those living with HIV/AIDS was held in PE.
- C. A labour relations guide was developed and workshops held on new collective agreements.

Operational Achievements

1. Filling of vacant posts

The following critical funded posts were filled:-

- Director (EIM)
- Manager (Coastal Zone Management)
- Manager (Environmental Impact Management)
- Assistant Director (EAP)
- 12 Environmental Officers

2. Job Evaluation

The salary level of inspectors was subjected to job evaluation as a result of their request. Also the post of the Admin Assistant in the office of the HOD was revaluated. The results and recommendations for upgrading these posts were submitted to the Executing Authority and were approved.

3. Organizational Structure

An organizational structure for programs 3 and 4 for both H/O and regions was reviewed and proposals drafted.

4. Labour Relations

Designated employees in line with new Grievance rules were appointed and trained. Out of the 28 misconduct cases dealt with 20 have been finalized within the prescribed time frames. Ten disputes were referred to the Bargaining Council and 7 were dismissed in favour of the department.

5. Performance Management System

For the first time officials' performance was reviewed using the tools provided for within the PMDS although there is still a room for greater improvement.

6. Skills Development

A wide variety of training needs identified for this financial year has been met focusing on both management and lower level employees.

The department has sponsored 56 officials within to study at tertiary institutions fields that are related to their day to day functions and are essential for the realization of the department's strategic objectives.

7. Service Benefits

There was a great improvement in turnaround time for the processing of service benefits for those employees that left the department through attrition. Leave gratuities were able to be processed and paid out within one month and pension payouts within sixty days.

Financial Management

Purpose

To manage limited financial resources in order to ensure effectiveness, efficiency and appropriateness in the delivery of outputs required for financial planning, management and control of the Department.

Measurable objectives

Key measurable objectives for Financial Management are linked to the following:

- Planning, Budgeting and Revenue Management.
- Procurement Management.
- Sound Expenditure and Liability Management.
- Management Arrangements.
- Sound Asset Management.
- Accounting and Reporting Requirements.

Service delivery objectives and indicators

Progress analysis

- Appointment of personnel for banking services and deduction office.
- Clearing of the converted FMS suspense accounts and BAS suspense accounts.
- Successfully closed the books for the financial year end.
- PERSAL/BAS Reconciliation.
- Payroll Management.
- Commitment/Creditors' Reconciliation.
- Reduction of Fleet Vehicles.
- Alignment of the budget with the departmental strategic plan.

- Alignment of budget to SCOA requirements.
- Production of commitment / creditors` reconciliation.
- Approval of revised revenue tariffs.

General

- Staff attended training on Standard Chart of Accounts (SCOA) so as to improve skills.
- Financial Circulars submitted to the Acting Head of Department and Acting Chief Financial Officer were approved as control measures.
- Centralisation of authorisation functions at Head Office due to fiscal discipline and austerity measures.
- Provincial Treasury conducted a workshop for the Department and its Public Entities on December 7 2004 with respect to the implementation of Supply Chain Management.
- Operational staff for procurement, asset management and stores, including departmental members of the SMS, attended courses on Supply Chain Management.

Special Measures

Analysis of constraints and measures planned to overcome them

- Resignation of the Chief Financial Officer.
- Deployment of Financial Director.
- Delays in filling of critical posts.
- Shortage of space for record management.
- Issuing of Treasury Circular No. 11 of 2004 with regard to budget belt tightening.
- Monitoring of transfer payments in terms of legislative frameworks (Annual Division of Revenue Act and PFMA, Act 1 of 1999).

Description of planned quality improvement measures

- Proposed revised organogram.
- Various financial circulars distributed to correct procedures and processes.

Specification of measurable objectives and performance indicators

To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for financial management.

Financial Management

Measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Preparation and monitoring of credible budget for the department	<ul style="list-style-type: none"> ▪ Alignment of budget with strategic plan ▪ Timely submission of budget to Provincial Treasury ▪ Capturing of approved budget by 30th March ▪ Implementation of budget policy ▪ Budget monitoring and evaluation 	Development of departmental budget policy	Draft budget policy

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Effective and efficient revenue management	<ul style="list-style-type: none"> ▪ Annual revision of tariffs. ▪ Timeous collection of revenue through all sources. 	Development of departmental revenue policy	<ul style="list-style-type: none"> ▪ Approved revenue tariffs ▪ Reconciliation of revenue collected on a monthly basis ▪ Draft departmental revenue strategy
Ensuring that a procurement process for goods and services is fair, transparent, equitable and cost effective is in place	Development and implementation of a procurement policy that is guided by applicable legislation and departmental strategic goals.	Work with Provincial Treasury in respect of Supply Chain Management introduction.	The Provincial Treasury is in constant touch with the Department through SCM implementation consultants
Adaptation to procurement changing trends as per Nation and Provincial guidelines	Ensure readiness for the new Supply Chain Management policy in respect of procurement by being constantly in touch with the Provincial Treasury in respect of new guidelines.	Training of senior management and provisioning operational staff in Supply Chain Management.	Department and its public entities workshopped on SCM Implementation. Some senior management officials and operational level provisioning staff trained during the last quarter.
Ensure sound expenditure management	<ul style="list-style-type: none"> ▪ Ensure that systems and procedures for expenditure management are in place ▪ Implementation of processes to track expenditure and commitment against the vote ▪ Ensure that no under or over expenditure take place 	Development of acquisitioning and expenditure flow chart and guideline Creditors` reconciliation.	Approved provisioning flow chart and guideline Commitment/Creditors` reconciliation.
Liability management	Preparation of monthly age analysis of debtors and creditors reports monthly clearing of suspense accounts.	Clearing, maintaining and controlling of expenditure and salary related suspense account in the department.	A task team was formulated and the department fully complied with Treasury Circular No. 15 of 2004.
Ensure management arrangement	<ul style="list-style-type: none"> ▪ Design and implementation of internal controls. ▪ Proper risk management. ▪ Segregation of duties. ▪ Delegation of powers. 	<ul style="list-style-type: none"> ▪ Population of the internal control unit . ▪ Development of risk management strategy. 	
Efficient cash management systems (CAMS)	No overdrafts and extra-ordinary bank charges.	Fully compliant with Treasury Circular No. 18 of 2003, PFMA and BAS Notice No.13.	<ul style="list-style-type: none"> ▪ Submission of bank reconciliation by the 10th of each. ▪ Clearing of exceptions on a daily basis. ▪ Weekly submission of funds requisitioning.

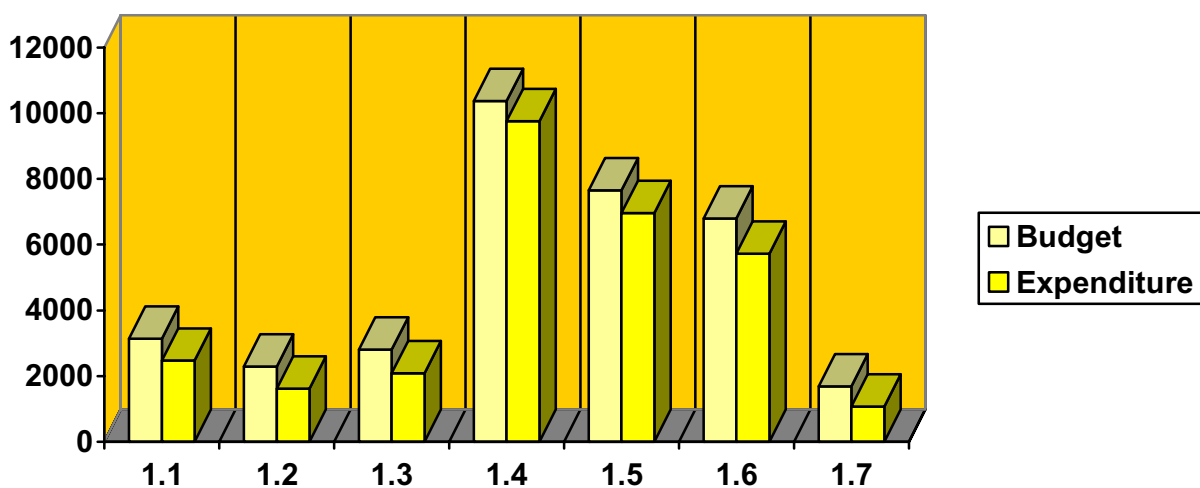
Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Effective payroll management	Effective and efficient salary administration	Fully compliant with Treasury Regulations and PFMA	PERSAL/BAS reconciliation Clearing of PERSAL interface exceptions on a monthly basis
Sound asset management	Maintain and update asset registers including adherence to Treasury Regulations in respect of assets.	Maintenance and updating of asset registers in respect of new assets and the movement of assets.	Exercise not finalised but ongoing as new assets get captured. This includes the movement of assets from one user to another or from one location to another.
Development and implementation of an asset management policy and system	<ul style="list-style-type: none"> ▪ Revised procedures and systems implementation. ▪ Maintain asset management policy and asset management system. 	Inventory verification through periodic stocktaking and development of disposal policy.	Periodic stocktaking is ongoing. There is a draft disposal policy.
Effective accounting and reporting requirements	<ul style="list-style-type: none"> ▪ In-Year-Monitoring submitted by the 15th of each month. ▪ Financial oversight review reports. ▪ Credible Annual Financial Statements. 	Develop an asset management policy and management system.	Draft asset policy.

Reconciliation of Budget with Plan

Programme 1: Administration

Programme budget (R million)

Sub-Programme	Voted Budget 2004/05	Actual Expenditure 2004/05	Deviation (%)
1.1 Office of the MEC	3,140	2,471	21.3
1.2 Office of the MEC Core Staff	2,292	1,622	29.2
1.3 Office of the Permanent Secretary	2,806	2,087	25.6
1.4 Administration	10,368	9,758	5.9
1.5 Financial Management	7,651	6,956	9.1
1.6 Human Resource Management	6,798	5,719	15.9
1.7 Special Programmes	1,685	1,072	36.4
TOTAL PROGRAMME	34,740	29,685	14.6



3.2 PROGRAMME 2

Information Management

Purpose

To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

Measurable objectives

The Information Management Programme is managed by the DGITO on the basis of three separately budgeted Projects identified as key measurable objectives:

- Systems Development: GIS, Web Solutions and Business Analysis.
- Network Architecture: Technology Architects.
- Knowledge Management: Resource Centre.

Service delivery objectives and indicators

Progress analysis

Network Architecture

- MailSweeper in place.
- Monitoring of service response rate by SITA and delivery through Action Request System (ARS) so as to improve the quality of service.
- Intrusion Detection system in place.
- Back Office solution for all servers in place.
- Implementation of policies in the Department's ICT security charter: Server Room Register, Oath of Secrecy and Removal of IS/IT Equipment.
- MS EA for implementation of new server and desktop upgrades signed.
- Network cabling completed as per Departmental requirements.

Achievements for the Year 2004/05

Systems Development

- **GIS**
New software upgrade and maintenance procured
- **Web Solutions**
Departmental Internet site successfully launched in collaboration with PGITO Council initiative in line with the Premier's 100 days service delivery.
Current Information dissemination via Intranet site.
Assistance provided on a web based system for reporting on the State of Environment.
New Web Server installed.
- **Business Analysis**
Vulindlela rolled out to Senior Managers
Master Systems Plan completed and approved.

Knowledge Management

- **Electronic Document Management System (EDMS) project**
Final stages of EDMS Project – deployment of the system under way.
File plan designed.

Document policy compiled.
 Registry Procedure compiled.
 User awareness and change management sessions completed.
 Training on the EDMS Documentum will be done from August 2004 through to April 2005.
 Project documentation signed off (project charter and project scope).
 User requirements compiled and waiting sign off.

- **Resource Centre**
 Collection growing after identifying reliable and registered suppliers.
 Growing usage of resource materials.
 Marketing on the intranet.
 Good customer care in the resource centre.

General

- The ICT Master Systems Plan (MSP) was submitted to Executing Authority and approved.
- SITA skills levels: on-site Microsoft specialist included in current SLA.
- ICT policies submitted to Executing Authority were approved.
- Staff attended relevant ICT conferences, courses and workshops so as to improve skills and keep up to date with latest technologies
- The signing of the MS EA is a step towards standardising the environment within the Department and thus stabilising Information Communication Technologies.
- Launch of the internet web site will enable the public to communicate directly with the MEC, thus ensuring improved service delivery.
- Project for the roll out of Back Office and Desktop software as per Microsoft Enterprise Agreement undertaken (with consideration for creating a blue print for the other Provincial Departments as per Provincial GITO Council request) was a great success.

Challenges for the Year 2004/05

- Resignations have affected the DGITO Organogram which was fully staffed; retention of ICT staff is a challenge.
- Records Management function was not budgeted for in 2004/05.
- Organogram not finalised.
- The plan is towards integrated and comprehensive information management of which Records Management is a crucial component.
- The Records Management function is currently undertaken by Procurement and Office Services.
- No decision has been made on where integrated and comprehensive information management will be located.
- Records Manager not yet appointed.
- Shortage of space for the Resource Centre.
- The Department is considering using the knowledge management concept for the integration of all knowledge in the Department. This will mean putting together the Resource Centre and Records Management functions and linking up with research that is done in the Department. The concept has not been embraced by all managers in the Department and is not clearly

understood. This can hamper the quality of improvements to the way in which information is utilised in the Department.

Discussions are taking place with Human Resource Management on a retention policy and the Organogram is being revisited as per recommendations in the ICT Master Systems plan for the Department. Aligning ICT Organogram with MSP and reviewing Knowledge Management organogram. Recruitment of staff to deliver services.

- Sharepoint deployment delayed due to shortage of funds and resources.
- Identification of new urgent systems to be implemented: Performance Management System requested by MEC.
- Requires additional budgetary allocation to address this shortfall.

Extra budgetary requirements via Option 2 were submitted to address this shortfall.

- Problems experienced with suppliers on procurement issues, invoices not submitted timeously.
- Delays in processing at finance when procuring materials.
- SITA procurement procedures have caused delays in delivering services to Department and payment delays to them as well as their suppliers.

Meetings held with SITA to address concerns. SITA has given firm commitment to enhance delivery. Maintain close monitoring of Service Level Agreements to ensure that more efficient services are rendered.

Specification of measurable objectives and performance indicators

To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

Measurable objectives

Based on the Operational Plan 2004 / 05 Financial Year: ANNEXURE 2
Programme 2: Information Management.

Objectives, Performance Indicators, Targets and Actual Performance for 2004/05 are indicated in the following table:

Measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Network Architecture (Technology Architecture)	To develop, manage and administer Information Communication Technology systems in the Department as specified in the DGITO responsibilities.	Annual Network and desktop availability at 98.1%.	Monitored SITA service response and delivery through Action Request System (ARS) to improve quality of service. Statistics indicate 98.4% availability.
		Installation of Backup solution equipment and software by July 2004.	Backups are done daily. Veritas Backup solution is fully operational at Head Office and East London.
		DRP Finalised by June 2004	The Disaster Recovery Plan has not yet been finalised but backups are done weekly and stored off site. The new SITA ISS tender in 2005 will provide SITA the necessary skills to complete this project. Due to some major systems changes and problems at SITA ISS agreement has been reached for the compilation of a new Disaster Recovery Plan for the Department to be completed September 2005.
		Effective operating systems and updated software facilities to service Departmental programme needs as per MS EA.	These were identified during a Design workshop with implementation plans put in place and the Department has been upgraded to Windows Xp and Office 2003.
		Security Policies in place and implementation started by August	As the policies have been signed by the MEC, each user will be given an Acceptable User Policy to sign.
		Intrusion Detection System to be installed in District Offices by March 2005.	Attended to calls and visited regional offices for hardware and software audit. SITA is investigating new IDS solutions due to the change in the Active Directory infrastructure at DEAET.
		Exchange server rolled out to regions by May 2004	The Department was identified as ideal for the evaluation of Microsoft Back Office Software and thus a Project Definition Workshop was held at Provincial level to identify generic requirements which needed to be taken into consideration. A boot camp was held in the

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			DEAET laboratory in October 2004, to prepare for the provincial Microsoft AD design, test and rollout project. The Design workshop took place in January 2005 and the Lab testing for a complete Microsoft solution was completed in the DEAET Lab. Once these tests were completed DEAET implemented the solution which has been working since mid March 2005. All Departments were invited to attend and take part in this exercise and valuable skills transfer to DEAET as well as other Provincial Departments took place.
		MailSweeper functional at Head Office	The MailSweeper is fully functional and monitors all DEAET emails. The MIMESWEEPER version 5 licences and media were received from Duxbury. It will first be tested in the laboratory for our environment before it is deployed.
Systems Development (GIS) (Web Solutions) (Business Analysis)	To establish and maintain a comprehensive economic, environmental and tourism-related information management system and to ensure that adequate electronic and other systems are in place for the efficient utilisation and dissemination of information, including a GIS facility.	Intranet kept up to date on a daily basis.	Intranet updates are done on a daily basis. Current information and news is available.
		Develop, populate, market and manage implementation of Internet Site by July 2004.	The New Internet Site design was completed. A web based system is in place for reporting on the State of Environment In the design phase of share point portal server 2003. This will serve as the new intranet site.
		Launch of Departmental Internet Site by August 2004.	The Internet site was successfully launched by the Premier and MEC on the 10 th of August 2004.
		Implementation and evaluation of Pilot phase of the Commitments Database by August 2004.	A commitments system was in place. Training was conducted at Head Office and officials were utilizing the system.
		Manage and administer the web	Servers were administered and managed daily as per

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
		server, GIS server and the SQL database server, as well as the new servers being implemented for new developments within the Department on a daily basis.	draft procedures. New servers were installed for Active Directory services, MOM and SMS, Exchange journaling. Vulindlela System was installed and all members of management were trained thereon.
		Investigate and analyse a Performance Management System by March 2005.	A performance management system was requested by the MEC and a solution was identified. We are in the proof of concept phase of the new Balance Scorecard performance management system
		MSP finalised and Phase 1 implementation started by July 2004.	All deliverables were drafted. The Department received the final documents for approval. The Honourable MEC signed approval in December 2004. Implementation of identified projects underway.
Knowledge Management (Resource Centre)	To develop a comprehensive knowledge management resource and promote and facilitate the establishment of a integrated Provincial Information Management System.	Purchase the Electronic Document Management System by April 2004	EDMS purchased through SITA and Head Office solution installed. Final training in progress, documents being scanned by registry.
		EDMS project for the Head Office (Phase 1) to be implemented by October 2004.	Awareness sessions on Documentum were conducted.
		Records Management policy and registry procedure in place	Records management policies and procedure drafted and awaiting necessary approval.
		Increasing scope of EDMS. Additional licenses for HR and MEC	The procurement process for additional licences was started and these are expected to arrive in mid 2005.
		Physical registry set up. Security measures like burglar doors, fire extinguishers, protective measures against the sun, filing cabinets need to be purchased	The physical set up of the registry is taking slightly longer and equipment is being purchased in a phased approach

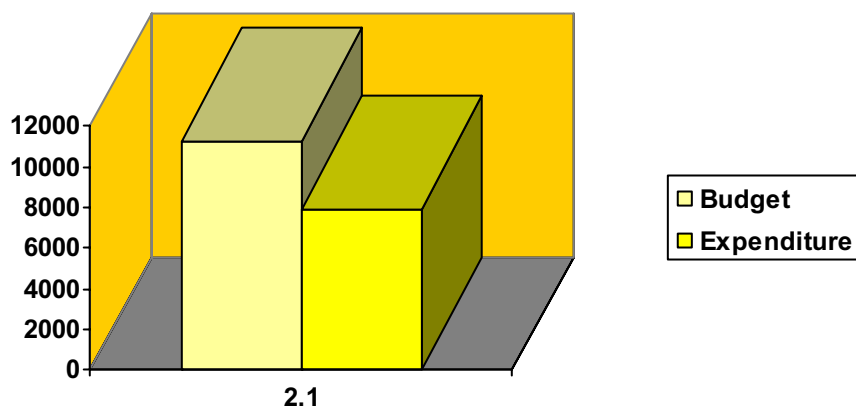
Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
		Access to current information by Departmental personnel and external users.	Documents being scanned in the registry and forwarded to relevant people
		Scanning training conducted	Awareness sessions on Documentum were conducted.
		Procurement of relevant publications. Acquisition of resource centre materials, books and other materials	Books being purchased for the resource centre.
		Classification and cataloguing ongoing.	Inmagic software delivered and installed.
		Marketing and awareness Increase in the number of enquiries and requests	Trips have been undertaken to the regions to assess the need and requirements of regions as well as marketing of current catalogues

Reconciliation of budget with plan

Programme 2: Information Management

Programme budget (R million)

Programme	Voted Budget 2004/05	Actual Expenditure 2004/05	Deviation (%)
2.1 INFORMATION MANAGEMENT	11,256	7,918	29.7%
TOTAL PROGRAMME	11,256	7,918	29.7%



3.3 PROGRAMME 3 Economic Affairs

Purpose

The purpose of the economic affairs programme is primarily growth and development promotion, through programmes in sector development, business finance, tourism, trade and investment promotion, small business development and other industry specific development initiatives, using departmental resources and its implementing agencies. The program also has a regulatory responsibility in relation to liquor, gambling and gaming industry, whilst ensuring the protection and promotion of consumer rights.

This is done with the aim of ensuring a conducive environment for economic growth and development. During the year under review the following took place:

- The appointment of the Eastern Cape Tourism Board Members and the Chief Executive Officer.
- The Eastern Cape Liquor Act 10 of 2003 came into operation in September 2004.
- Initiating the revision of the Economic Affairs programme functional structure to consist of four focus areas of Research, Policy and Monitoring and Evaluation; Tourism Development; Local Economic Development; Business Regulation and Consumer Affairs; and Office for the Investigations of Unfair Business Practices and Consumer Affairs Tribunal for the financial year 2004/5;
- The elements of the programme remained in place during the year under review with intensified efforts to deal with backlogs in the granting of licences by the Liquor Board. The office of the Office for the Investigations of Unfair Business Practices and Consumer Affairs Tribunal has been re-examined to give it more purpose and ensuring that it is in line with the Eastern Cape Unfair Business Practices Act.

During the year under review, the Department has once again taken many strides in enhancing its consumer advice, education programs to ensure that the levels of consumer exploitation are reduced, unfair business practices are minimised and extending more protection to the consumers.

Service Delivery Achievements

Delivery against Performance Targets:

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
SMME Development Small Business Support Services and Information Centres Established	Training workshops on the Business Referral And Information Network [BRAIN] tools.	4 Workshops	4 Training Workshops Held: <ul style="list-style-type: none"> Company Registration and Intellectual Property by CIPRO in East London DTI Offerings and on how to access by BRAIN in Mthatha Incentives by The Enterprise Office (TEO) in Mthatha BBBEE by Trade and Investment South Africa (TISA) in Mthatha.
	Facilitate DTI-DEAET dialogue on the Small Enterprise Development Agency (SEDA)	Briefing sessions between DTI and DEAET	<ul style="list-style-type: none"> DTI/SEDA - DEAET briefing session was held. The following Municipalities were briefed on SEDA: Alfred Nzo; O.R. TAMBO; Ukhahlamba; Chris Hani; Nelson Mandela Metro A broad understanding of SEDA networks and its role within municipalities exists.
Increased Awareness On Available Small Business Support Programmes	Research programmes.	Programme scoping	A desk top scoping work was done. BigNews was identified as a possible project partner.
	Compile a directory of small business support programmes and service points	Print media service information directory	Suspended due to provincial financial belt tightening exercise.
Client support Systems development and personnel training	DEAET enterprise support strategy development	Identification of key strategic intervention areas <ul style="list-style-type: none"> IT systems Business development support with focus on implementation support to the DTI programmes and Municipality programmes 	<ul style="list-style-type: none"> Advised and assisted aspirant SMME entrepreneurs seeking self employment opportunities, financial and non financial information. Targeted small business support and interventions, <ul style="list-style-type: none"> Mdantsane Urban Renewal Programme [MURP] - Business survey completed in the area to establish business needs and support networks.

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<ul style="list-style-type: none"> Diagnostic assessment of business systems on Local Business Service Centres [LBSCs] done. DEAET in partnership with Nelson Mandela Metro University - Small Business Unit [NMMU-SBU] and the Development Bank of Southern Africa (DBSA) provided integrated SMME support services. Providing office space in Mthatha for the delivery of these services and those of the DTI. Contribute in the development of the Vulindlela SMME/LED municipal support programme with NMMU-SBU and DBSA as project partners.
Cooperatives development strategy	Provincial concept document for cooperatives support framework completed.	Provincial workshops for stakeholder briefing and inputs to the cooperatives national policy and strategy	<ul style="list-style-type: none"> A draft concept document was developed through stakeholder consultations for implementation of Co-operatives Development Strategy in the province. The Draft Concept Document provides a framework for alignment, integration and effective implementation and co-ordination of national, provincial and local government programmes and strategies.
	Focused strategy for brick-makers cooperatives	Establish a model using brick makers' groups in Ukhahlamba	Case study was done and a proposed model was undertaken.
Small business access to technical assistance, technology transfer and mentorship	Expansion of Eastern Cape Manufacturing Advisory Centre [ECMAC].	<p>Retain and continue with current operations in Queenstown.</p> <p>Open a new centre in Mthatha.</p>	<p>ECMAC extended its service network;</p> <ul style="list-style-type: none"> An additional office in Mthatha. The centre further expanded its support programmes by

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			establishing : <ul style="list-style-type: none"> ▪ A Service Provider Training Programme ▪ Developed partnerships with ECDC donor funded institutions and municipalities for technology transfer and mentorship.
Sector focused service provider development programmes established	Service provider registration and learning programmes established	Programmes targeting the <ul style="list-style-type: none"> ▪ Tourism sector ▪ Agricultural sector ▪ Craft sector ▪ Emerging contractors ▪ Forestry and timber industry 	DEAET has sensitised ECDC to develop sector focussed service provider development programmes: <ul style="list-style-type: none"> ▪ Eastern Cape Crafters Development Agency [ECCDA] established with support from ECDC. ▪ Contractor Development Programme by ECDC in partnership with Construction and Housing Industry Education Training Authority [CHIETA]. ▪ Facilitated and funded the establishment of East London Business Development Centre housed at ECDC. ▪ CoMark and GTZ provided market driven technical training focussing on tourism, agriculture, forestry and timber sectors.
Financial Assistance programmes providing for enterprise loan segment below R 100 000	Strategy developed with ECDC	Pilot programme ready for implementation in 2005/6	Analysis and evaluation of the DTI Apex and Local Economic Fund [LEF] was done: <ul style="list-style-type: none"> ▪ Pilot projects on micro-loan finance started in Queenstown and Mthatha by the ECDC. ▪ A draft framework establishing linkages between ECDC micro loan-finance, Apex Fund and LEF is in place.
LED: Aligned LED programme with PGDP priorities	List of LED projects for funding from municipal IDPs	Established data base of LED related information to inform provincial LED plan.	A Public Funded Projects Register is being developed to assist: <ul style="list-style-type: none"> ▪ In LED planning. ▪ With an overview of

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>project nature, investment information, employment and income potential, as well as geographic spread</p> <p>To ensure reliability of the register:</p> <ul style="list-style-type: none"> ▪ An Audit Plan for recording of all unregistered LED projects is being developed ▪ A structure that allows for participation in the IDP processes and consideration of project proposals and monitoring. ▪ Priority sectors identified are Tourism, Agriculture, Manufacturing and SMMEs
	Support at least 10 LED projects.	10 LED projects funded.	<p>Funded Projects and Brief Update: ALFRED NZO: Tomato Project:</p> <ul style="list-style-type: none"> ▪ Construction of the structure and access road is completed and in operation. ▪ Over 5000 boxes of tomatoes were produced and sold at R20.00 per box. ▪ A separate sales bank account is maintained. ▪ Community members were trained on Business Management and Bookkeeping. <p>Chicken Project</p> <ul style="list-style-type: none"> ▪ Construction of the infrastructure and access roads road is completed. ▪ 40 temporal jobs were created during the construction phase. ▪ Project members were also trained on Business Management and Bookkeeping. ▪ Chicken and eggs sales

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>are in progress.</p> <ul style="list-style-type: none"> A separate bank account for sales has been opened. <p>O. R. TAMBO: 3 Projects - 5 800 000</p> <p>Designated groups are the main beneficiary targets:</p> <ul style="list-style-type: none"> Masikhupuke Essential Oils - R800 000 Scoping & Skills Profile Studies - R2m Tourism related road works - R3m.
Promotion of agri-business sector and contribution to food security initiative for poverty and HIV/AIDS relief	Completion of 14 IDP review processes with District Municipalities and the Metro.	Report on the extent of alignment of Led programmes with PGDP priorities.	Participated in the IDP review processes of District Municipalities and Metro.
	2 projects per programme identified	Package related projects into development programmes	The Flax and Hemp projects were earmarked for integration into the Natural Plan Fibre Programme
	Cluster meetings at 6 District Municipality	Cascading development cluster approach to municipal level	The District Municipalities are structured as such and the department participated in the relevant clusters.
	10 manufacturing SMMEs developed	10 SMMEs linked to the CSIR Incubation Programme	Integration was delayed due to institutional challenges.
	The SEED programme established	Promote Small Enterprise Entrepreneurship Development (SEED)	This is linked to the Incubation Programme and was therefore also delayed,
	Launch of food security programme in collaboration with DOA at 5 District Municipalities	Incorporation of HIV/AIDS and food security programme at district municipality	The DOA was approached and a letter of intent was entered into between and by DEAET and CSIR.
Supporting the EU programme	2 business incubators at local level	Promoting economic resource & environmental management programmes	The implementation of the EU Programme was contingent upon the approval of the provincial proposal by the European Commission which could not be finalised in the

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			year 2004-05.
	2 appropriate technologies developed	Enhancing the pro-poor programming development strategy in the PGDP	The implementation of the EU Programme was contingent upon the approval of the provincial proposal by the European Commission which could not be finalised in the year 2004-05.
	10 SMMEs supported to source LED funding	Promote use of donor funding using public funds as leverage	The implementation of the EU Programme was contingent upon the approval of the provincial proposal by the European Commission which could not be finalised in the year 2004-05.
Regulation & Consumer:			
Liquor administration in terms of the Eastern Cape Liquor Act of 2003	Liquor Board fully operational	Full board member complement appointed.	Board Members Appointed.
	Panel of appeal operational	Board of appeal appointed.	Appeal Panel was appointed.
	Applications approved/declined	Applications for liquor licenses considered by the new Board	358 applications in terms of the new EC Liquor Act. 10 of 2003 were received, 127 were considered.
	Licences issued to qualifying applicants	Liquor licences issues in terms of the Act	Licenses were issued to all successful applicants, and the applicable fees paid.
Liquor Administration in terms of Act 27 of 1989	All approximately 125 applications considered	Old board considers the last batches of applications lodged in terms of Act 27 of 1989	496 applications submitted in terms of the old Liquor Act No: 27 of 1989 were considered.
Compliance with the provisions of the Eastern Cape Liquor Act of 2003	Regulations published in the Government Gazette	MEC publishes regulations	Regulations were developed and gazetted No: 1143 in April 2004 together with the Act.
	Top management posts filled	Board appoints key staff	Interviews of senior staff have been conducted
Regulated liquor industry in the province	Temporary licenses issued to all applicant	Temporary licences issued to Shebeeners	15 412 temporal registration certificates were issued to all unlicensed applicant-operators.

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance												
	Shebeeners		The Board met and considered about 50% of applications.												
	Workshops held in at least in each District Municipality and Metro	Workshops held with industry and local government	Workshops attended by liquor business operators and officials were held in all six District Municipalities and the NMMM.												
	Trading hours published for all Districts	Agreement on trading hours reached	The NMMM is the only municipality that developed by-laws providing for trading hours.												
Effective Eastern Cape Liquor Board	Board occupying new premises	Premises secured for lease or purchase	Offices were secured under lease agreement.												
	Furniture and equipment delivered	Furniture and equipment purchased	The ECLB conducts its business from the new office which is adequately furnished.												
Promote responsible consumer behaviour and fair business practices.	Reports and trends indicating positive change in consumer behaviour.	Post training workshop reports	<div>66 workshops were conducted across the Province: Break down by District Municipalities Alfred Nzo, Amathole, Cacadu, - NMMM, Chris Hani - Ukhahlamba, OR Tambo respectively.</div> <table><tr><th>Workshops</th><th>Attendance</th></tr><tr><td>20</td><td>300</td></tr><tr><td>3</td><td>74</td></tr><tr><td>3</td><td>120</td></tr><tr><td>5</td><td>300</td></tr><tr><td>35</td><td>525</td></tr></table> <div>1319 consumers received training through these workshops and reports indicate an increase in attendance.</div> <div>In addition awareness campaigns and radio talk shows on community radio stations and Umhlobo Wenene FM were held.</div>	Workshops	Attendance	20	300	3	74	3	120	5	300	35	525
Workshops	Attendance														
20	300														
3	74														
3	120														
5	300														
35	525														
	Posters and consumer rights material distributed to districts	Exposure of consumers to general information, awareness and	Over 10 000 consumers were exposed to general consumer rights, service information from sector specific regulators i.e.												

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance										
		advice	MFRC, FSB, Bank Ombudsman, DEAET, NER, Lay byes' and lodgement of complaints with Consumer Protector through posters and information material distributed to all major towns in the District Municipalities and NMMM area. The main distribution points were high population concentration centres such as shopping malls, public offices, pension pay points, National Youth Day, Human Rights Day, World Consumer Rights Day celebrations, etc.										
	Register of consumer calls	Complaints Register Completed	Consumer Calls Registers are Maintained										
		Consumers advised and/or referred to appropriate authorities for resolution of complaints ,	<div>The Consumer Information Register shows that: Consumers Advice And Assistance Calls: Total 4027</div> <table><tr><td>Alfred Nzo</td><td>245</td></tr><tr><td>Amathole</td><td>850</td></tr><tr><td>Cacadu/NMMM</td><td>1842</td></tr><tr><td>Chris Hani /Ukhahlamba</td><td>629</td></tr><tr><td>O. R. TAMBO</td><td>461</td></tr></table> <div>An increase of 1937 in registered calls compared to 2090 recorded in the previous year has been noted. This represents about 49% increase which is generally attributed to effectiveness of publicity initiatives and awareness of consumers about our services.</div> <div>58 consumer complaints were prepared for referral to the Consumer Protector. 10 businesses are affected :<ul style="list-style-type: none">▪ 6 in Alfred Nzo▪ 2 in Amathole</div>	Alfred Nzo	245	Amathole	850	Cacadu/NMMM	1842	Chris Hani /Ukhahlamba	629	O. R. TAMBO	461
Alfred Nzo	245												
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Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance										
			<ul style="list-style-type: none">1 in OR Tambo1 in Chris Hani <p>As result of advice services Business accepted claims and consumers enjoyed relief.</p>										
	Reports and survey result indicating or confirming compliant business	Survey Report	Suspended due to provincial financial belt tightening exercise.										
Business compliant with trade legislation	Trade inspection reports and remedial plans	Trade inspection and blitz campaigns	<p>1435 business outlets were subjected to compliance checks through proactive and reactive trade inspections and blitz campaigns.</p> <p>The compliance checks were conducted in terms of the provisions of Sales and Service Matters Act and the Credit Agreements Act focussing mainly on lay byes, credit transactions, price displays and receipting.</p> <table><tr><td>Alfred Nzo</td><td>295</td></tr><tr><td>Amathole:</td><td>138</td></tr><tr><td>Cacadu/NMMM:</td><td>562</td></tr><tr><td>Chris Hani/Ukhahlamba</td><td>218</td></tr><tr><td>O. R. Tambo</td><td>222</td></tr></table> <p>Reports indicate concentration of unacceptably high levels of non-compliance in Mthatha, Port Elizabeth, East London, Queenstown and Kokstad. Demand for monitoring is ever increasing as consumers become aware of their rights. The “Deep Down” multi-law enforcement stakeholder campaign was piloted in Mthatha.</p>	Alfred Nzo	295	Amathole:	138	Cacadu/NMMM:	562	Chris Hani/Ukhahlamba	218	O. R. Tambo	222
Alfred Nzo	295												
Amathole:	138												
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Effective Consumer Affairs	Capacity development	Staff development and training	Training in the NMMM/Cacadu Region cored:										

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<ul style="list-style-type: none"> MS PowerPoint 2000– All Consumer Officers attended the course (Eagle Computer Training, PE) Advance Excel (Meyer) attended a 2 day course Trade Inspection Course – Ms. Kannemeyer qualified as a Trade Inspector. Computer Training <p>O. R. TAMBO</p> <ul style="list-style-type: none"> Training offered by other organizations to enhance our performance. An award has been won by our office for best performance from Bank Seta for training consumers on “BUDGETING” and reading of “CONTRACTS” <p>Workshops for NGO that are involved in the protection of consumers to enhance their knowledge and ability to resolve consumer problems brought to them</p>
	Information sessions	Workshops	<p>Programme 3 staff participated in three DTI Workshops:</p> <ul style="list-style-type: none"> Consumer Credit Policy Credit Bill Public Hearings – both held in Port Elizabeth National Liquor Act Public Hearing - held in East London <p>Office of Bank Ombudsman – also in Port Elizabeth</p>
	Systems improvement	Information Management Toolkit	Consumer calls and consultation registers were developed.
Consumer Protector: Establish An Office Of The Consumer Protector In Terms Of The Consumer Affairs Act 5 Of 1998	The Office of the Consumer Protector occupying the premises and operational	Premises secured for lease and accessible to the public	<p>Premises were identified but not secured</p> <p>An organogram was proposed based on the resolutions made at the workshops held at Good News, Cintsa and at DEAET Boardroom. The proposal</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>covered the strategic plan, business plan, and job description for the various posts.</p> <p>The proposal setting up the office has not yet been approved by the Executing Authority due to the belt tightening exercise by the Province and the Proposed restructuring process by the executing authority. The office will be established during 2005/6 financial year. This is confirmed in the policy speech of the MEC.</p> <p>Offices for the MFRC were also visited in Gauteng for further consultation on the establishment of the Office.</p>
	Furniture and equipment delivered	Furniture and equipment purchased	This could not be undertaken as no new offices have been acquired.
	Settlement Agreement Signed	Agreements made to settle between the two parties	Mediation and arbitration settlements are recorded
	Complaints Resolved	Summon parties to Tribunal for unresolved cases for final adjudication	Preparing proper investigation against 3 businesses in terms of section 11
Support Effective Operation Of The Consumer Tribunal	All planned meetings held and payments made to suppliers and members of the tribunal for services rendered	All logistics for the operation of the Tribunal provided	<p>Logistical support for effective operation of the Tribunal has been identified and provisions of the Act are observed for referral purposes.</p> <p>The meeting made the following resolutions: Dates fixed for the mediation and arbitration of settlements between consumers and business in terms of section 11 of the Act to be co-coordinated by the Consumer Protector.</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			The dates for the hearings were determined as the week starting 26/07/2004 and to be held in the Western Region. The Consumer Tribunal Chairperson was entrusted with the responsibility of contacting the fifth member and establishing his eligibility to be a member of the Tribunal in terms of section 15(1) of the Act and advise the Department accordingly.
Participate in national and inter-provincial structures	Input made	Adoption and incorporation of input. Implement Cafcom resolutions.	The Consumer Protector attended 80% of the meetings called by both organizations. The workgroup forum resolved to standardise <ul style="list-style-type: none"> Approach and operating standards of operation in provinces. To ensure uniformity Set and rotate meetings for submission and discussion of provincial representation in the next workgroup forum meeting will be held in P.E. on 29/4/05. The last one was during February 2005 in Mpumalanga.
Monitor and co-ordinate the complaints handling programme throughout the Province.	Receiving and investigation of consumer complaints received directly from the public and through the Regional Consumer Affairs offices. Monitor and co-ordinate Regional activities on complaints. Submit quarterly reports in terms section 5(2) of the Act to the Department.	Resolution of 60% of Consumer complaints received both by the Consumer Protector and Regions. Ensuring that Regions comply with the laid down procedures on complaints handling. Quarterly reports submitted to the Department in terms of the Act and	A record of consumer complaints referred for consideration by The Office of The Consumer Protector is maintained. Relief to consumers: 3 mediation sessions held on complaints registered directly with the Consumer Protector. <ul style="list-style-type: none"> 2 records of settlements 1 mediation still in process Referrals: 2 cases were referred to Cafcom <ul style="list-style-type: none"> 1 case resolved against the

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
		in compliance With the monitoring and co-ordination activities of the programme.	Holiday Club. ▪ 1 still under consideration
Train and build capacity amongst personnel for the administration of the relevant section of the Consumer Affairs Act jointly with Departmental training division to identify and address training needs within the budgetary constraints of the directorate and the training division	The satisfaction of no less than 100% of the training needs of the personnel of the directorate by the end of the financial year, would be a satisfactory measure	The capacity building process is an ongoing process with the new appointments and an increase in the number of Acts to be complied with, results in an ever increasing demand for capacity building, however, our target is to provide personnel with 100% of their training needs.	Capacity building achievement is at more than 80% of the needs of Personnel. RUDO Consulting, council for medical schemes, MFRC and the financial services board have assisted a lot in building the capacity of Personnel. A certificate of excellence was awarded to the Province by the Bank Seta for meeting the standards set by the Bank Seta for capacitating consumers in Micro Finance Skills. Technikon Witwatersrand trained all our Trade Inspectors.
Arrange for the sitting of the Tribunal presided over by the chairperson to hear, consider and make decisions on any matter which is before it by virtue of proceedings envisaged by the Act.	Proceedings before the Tribunal shall be initiated by summons in the prescribed form which shall be served on the parties concerned in any manner as may be prescribed by the Act.	The sitting of the Tribunal as soon as there are cases unresolved by the mediation and arbitration exercise of the Consumer Protector in terms of section 11 of the Act.	There were no cases available for arbitration by the Tribunal. Cases brought before the Consumer Protector were either resolved through mediation in terms of section 11 of the consumer affairs unfair business practices Act 5 of 1998 or are awaiting outcomes thereof.

PUBLIC ENTITIES

Programme 3 has an oversight responsibility for six Public Entities which have concluded Service Level Agreements with the Department. These are the following:

- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGBB),
- Eastern Cape Liquor Board,
- Coega Development Corporation (CDC),
- East London Industrial Development Zone (Pty) Ltd, (ELIDZ) and
(The CDC and the ELIDZ are subsidiary organisations of the ECDC).



Eastern Cape Development Corporation

Website: www.ecdc.co.za

Established in terms of Act No 2 of 1997 (EC). Key aims in the establishment of ECDC are to plan, finance, coordinate, market, promote and implement programmes with positive impact on the development of the Eastern Cape Province and all its people in the fields of industry, commerce, agriculture, transport and finance. The Department holds all shares in the ECDC, and the Corporation is the official economic development agency for the Government of the Eastern Cape Province.

The Board of Directors, to which ECDC reports, represents government, business and labour, as appointed by the MEC for Economic Affairs, Environment and Tourism.

The Vision of the ECDC is to be a primary contributor to the economic prosperity of the Eastern Cape through promoting private sector investment and development. The ECDC has five core functional areas, which are closely integrated to facilitate economic growth in all sectors of the economy of Eastern Cape.

Investment Promotion

ECDC promotes and facilitates foreign direct investment and domestic investment into the Eastern Cape Province. Assistance is given at each stage of the investment process: initial enquiry, pre-feasibility, feasibility, establishment and aftercare.

Business Finance

ECDC, through strategic partnerships, provides access to enterprise finance for SMME development. Access is enhanced by supporting businesses financially where possible; facilitating the establishment of financial support institutions; and through structured finance investments by ECDC.

Spatial Programmes

ECDC plays a catalytic and facilitating role in specific provincial economic development programmes. The most significant of these are the two Industrial Development Zones and the Spatial Development Initiative. Development projects with high economic impact are identified, packaged and promoted.

Trade Promotion

ECDC works with local manufacturers to facilitate the export of goods from the Province. Services include: export readiness assessments, product development, marketing and technical assistance.

Business Development Services

ECDC works with accredited service providers to enhance SMME performance through facilitating non-financial support.

ECDC performance for 2004/05 is reflected in detail in the Corporation's annual report.

**Eastern Cape Tourism Board**

Website: www.ectourism.co.za

The ECTB was established in 1995 in terms of the Eastern Cape Tourism Board Act, 1995 (Act No 9 of 1995 EC). The ECTB is an enabling and facilitating agent that works in partnership with public and private sector interests to promote the Eastern Cape as a destination of choice by domestic and foreign tourists.

The ECTB's mission is to realise the tourism vision for the Eastern Cape Province by initiating, coordinating, facilitating and implementing appropriate and effective development and marketing strategies and activities that will benefit all stakeholders in the tourism industry. In marketing the Eastern Cape, the ECTB adopts the brand name *Eastern Cape: Naturally, South Africa's Best*.

Together with private and public sector interests in the Province, the ECTB has concluded a comprehensive Tourism Master Plan. The overall purpose of the Plan is to:

- Provide the tourism industry and community in the Eastern Cape with a longer-term framework for tourism industry strategy, vision 2014.
- Enable individual businesses to anticipate, plan and prepare for potential changes, opportunities and threats.
- Provide the industry and community with a firm basis for planning financial and resource requirements.
- Isolate and develop key issues associated with the industry's development.
- Put in place programmes for improving the Eastern Cape's tourism industry, its profitability and performance.

- Stress the impact of tourism and its growing importance on employment in the Eastern Cape economy today and in the future.

The Tourism Master Plan is a living document that seeks to incorporate the tourism development initiatives of the private sector and those of District, Metro and Local Municipalities in the Province. The ECTB was re-structured towards the end of the financial year in order to align its operations and services with the new Eastern Cape Tourism Act.

ECTB performance for 2004/05 is reflected in detail in the Board's annual report.

Eastern Cape Liquor Board

www.eclb.ecprov.gov.za

Established as separate Public entity with its own annual report from 2003/4, the Liquor Board's purpose is the regulation and granting of liquor licensing in the Province in terms of the National Liquor Act 27 of 1989. The main thrust of the Board's performance and the department for the year under review was:

- To administer the Liquor Act (Act 27 of 1989) and to ensure compliance thereof within time frames as stipulated by the Liquor Board Action Plan, whereby ensuring fast and efficient service to the public.
- To administer the Provincial Liquor Act, to ensure regulation of the retail sales and micro-manufacturing of liquor in the province and compliance thereto and provide training thereon.
- Undertake special programmes, thereby promoting entry of new participants in the industry ensuring adequate standards of service delivery by new and existing liquor traders, taking into account community considerations, whilst also addressing the realities confronting the industry.
- To transform the liquor industry, to ensure responsible liquor trade in the Eastern Cape.

The Liquor Board's key operational divisions consist of the following

- Administration
- Inspectorate
- Finance and Information management
- Human Resource

ECLB performance for 2004/05 is reflected in detail in the Board's annual report.



Eastern Cape Gambling and Betting Board

Website: www.ecgbb.co.za

The Eastern Cape Gambling and Betting Board was established in terms of the Gambling and Betting Act, 1997 (Act No. 5 of 1997) (EC) (as amended), which was brought into operation by various Proclamations, the initial Proclamation being Proclamation No. 5 of 1997 of 9 July 1997. The objective of the Board is to oversee all gambling and betting activities in the Province and matters incidental thereto, and to advise the MEC regarding matters related to gambling. Amongst the most important functions of the Board are the licensing of the legal gambling industry, the regulation of licence holders, the collection of gambling taxes on behalf of the Province and taking steps to ensure the abolition of unlicensed gambling. In this regard, the Board undertakes licensing investigations and may issue and revoke licences and determine the conditions that apply to any licence. It is the responsibility of the Board to ensure that an accountable and credible legal gambling industry exists in the Province and that internationally recognised standards in the industry are complied with. The Board participates actively in responsible gambling programmes in order to minimise the adverse social impact of gambling.

ECGBB performance for 2004/05 is reflected in detail in the Board's annual report.



Coega Industrial Development Zone

Website: www.coega.co.za

The Coega IDZ is operated by the Coega Development Corporation (CDC), which is wholly owned by the South African government, through the ECDC. The Coega IDZ consists of 12,000 ha of industrial land, situated 20km east of the City of Port Elizabeth and adjacent to a new deepwater port on the Coega River, which is under construction.

CDC performance for 2004/05 is reflected in detail in the Corporation's annual report.



East London Industrial Development Zone

Website: www.elidz.co.za

The East London Industrial Development Zone (IDZ) is managed by the East London Industrial Development Zone Corporation (ELIDZC), which is a Company established to develop the IDZ and to attract investment by offering world class infrastructure and services. The East London IDZ is located on the city's West Bank, adjacent to the existing port and airport, and has over 1,500 ha available for new industry. The IDZ will be developed and serviced in phases. The ELIDZC was changed from a Section 21 Company to a full company towards the end of 2003. This resulted in the appointment of a new Board of Directors and a comprehensive restructuring of the company's operational activities.

ELIDZ performance for 2004/05 is reflected in detail in the Company's annual report.

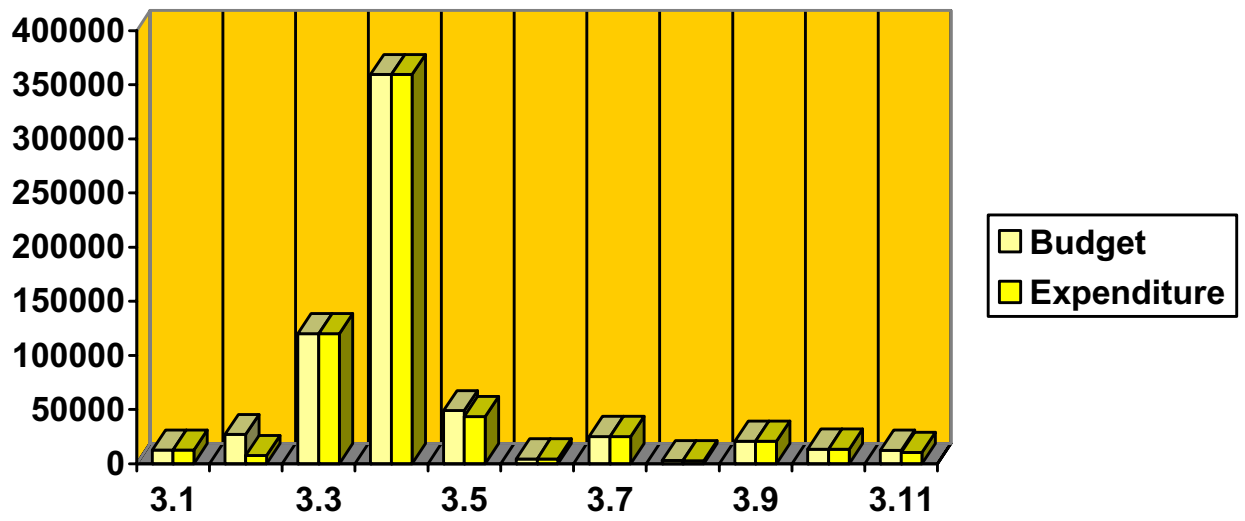
Reconciliation of budget with plan

Programme 3: Economic Affairs

Programme budget (R million)

Sub-Programme	Voted Budget 2004/05	Actual Expenditure 2004/05	Deviation (%)
3.1 Investment Promotion	12,531	12,531	-
3.2 Local Economic Development	26,864	7,375	72.5
3.3 East London IDZ	120,022	120,022	-
3.4 Coega Development Corporation	359,431	359,431	-
3.5 Promotion of SMMEs	49,000	43,320	11.6
3.6 Trade Development	4,212	4,212	-
3.7 DRISA/AIDC	25,000	25,000	-
3.8 Eastern Cape Liquor Board	2,773	2,559	7.7
3.9 Promotion of Tourism	20,645	20,645	-
3.10 Eastern Cape Gambling & Betting Board	13,364	13,364	-
3.11 Consumer Affairs	12,343	10,378	15.9
TOTAL PROGRAMME	646,185	618,837	4.2

Graph for Reconciliation of budget with plan
Programme 3: Economic Affairs



3.4 PROGRAMME 4 Environmental Affairs

Purpose

The mandate of the Chief Directorate: Environmental Affairs is to ensure through legislation and equilibrium between the need for economic, social and spatial development on the one hand, and sustainable use of renewable natural resources on the other, as well as the mitigation of negative impacts of development activities on the environment. The main goal is to ensure the conservation of biodiversity and protection of the environment for sustainable development in the Eastern Cape Province.

The Chief Directorate is divided into 2 directorates, which accurately reflect the programme of Environmental Affairs. The two Directorates are: Directorate of Environmental Impact Management, Air Quality and Waste Management and the directorate of Biodiversity Conservation and Coastal Management. The Chief Director is the strategic leader of the programme giving the overall executive direction to the two directorates and the monitoring role to the Eastern Cape Parks Board parastatal.

The above structure is reflected in the five regions of the province where each region is headed by the Regional Manager and the Assistant Managers.

Specified policies, priorities and strategic objectives

Strategic Objectives

- To provide strategic leadership and coordination of the Chief Directorate and monitoring of the Eastern Cape Parks Board performance.
- To conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species and genes in the Eastern Cape.
- To promote conservation and sustainable utilisation of natural resources for the benefit of all.
- To protect and enhance the quality of the environment for the benefit of humanity.
- To promote Environmental Awareness.
- To implement Environment sector of expanded Public Works programme.

Progress analysis

- Eastern Cape Provincial Parks Board Act No.12 of 2003 enacted and Board Members appointed.
- Submission of the Environmental Implementation Plan first year review for approval by DEAT.
- Eastern Cape Coastal Programme developed
- Environmental Awareness activities celebrated e.g. Eastern Cape Cleanest Town Competition, World Environmental Day, National Marine Day and Eastern Cape Environmental Awards.
- C.A.P.E Project Implementation Plan approved and funded by the World Bank and UNDP.
- Maloti Drakensberg Transfrontier Project SA Project Coordination Unit appointed to facilitate the implementation of the Project Plan.

- Baviaanskloof Mega Reserve as part of 8 sites of the Cape Floristic Region has been declared as a World Heritage Site.
- Chair Coega Environmental Liaison Committee and participate in Coega Environmental Monitoring Committee.
- In 2005/06 the Department of Water Affairs and Forestry is engaged in negotiations with the department in assigning DWAF Indigenous Forests to the department.
- Marine and Coastal Management is exploring the possibility of contracting the department by delegating coastal management functions.
- DEAT is planning to declare some Protected Areas as National Parks but be managed by the Province.

Analysis of constraints and measures planned to overcome them

- Sufficient budget in line with the mandate is a challenge and an opportunity to form more partnerships.
- Non filling of critical vacant posts funded/not funded.
- Strengthening of partnerships is a priority.
- Appointment of staff to improve the enforcement and compliance, implementation and monitoring function.

Description of planned quality improvement measures

- Strengthening partnerships with various stakeholders.
- Source external funding where possible.
- Appointment of personnel.

Measurable objectives

Objectives, Performance Indicators and Targets from the Operational Plan 2004/05 (Pages. 76-79) and Actual Performance for 2004/05 are indicated in the following table:

Service delivery achievements

Chief-Directorate: Environmental Affairs

Delivery against performance targets:

Office of the Chief-Director (IEM): to ensure coordination and monitoring of the two directorates, Eastern Cape Parks Board and to offer administrative and managerial support to these structures.

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Effective coordination of administration of the two directorates (sub-programmes) and giving strategic direction	Chief Directorate Monthly Management meeting	To sustain service delivery internally and externally. To ensure that management is up to speed with evolving management developments and opportunities.	Monthly management meetings were held wherein various management challenges and opportunities were discussed and common approach discussed with innovation being encouraged within the current constraints e.g. staff shortage, budget constraints, transport management (Fleet Africa & subsidized vehicles), closer interaction with other government departments, District and Local Municipalities etc. DEAT Provincial Coordinators of the Chief Directorate of Social Responsibility (Poverty Relief) presented the funded and the current projects in the Province. It was agreed that Regional Committees will be established to monitor the implementation of the projects by the various Implementing Agents. Workplan templates of the Admin Officer: Permit Administration, Environmental Officers: EIM, BCM, AQWM, CZM; Assistant & Regional Managers & Head Office Managers were presented and discussed to be adopted in April Management Meeting as standardised templates that will be used for the development of job description and standardisation of quarterly performance assessment. General Manager addressed SANBI Welcome Dinner for the Eastern Cape Educators involved in the Greening of the Nation Programme for Mbizana District and Butterworth Cluster pilot schools including Mbizana Municipality. Invited by DEAT to be part of the panel interviewing candidates for the Wild Coast

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>Programme Manager that will be responsible for the amalgamated Wild Coast Conservation and Sustainable Development Project and EU Programme beyond August 2005. Held a meeting with Mpofu Trust who had an interest in managing the hospitality and possibly build more accommodation within the reserve and were advised to approach ECPB in writing as agreed by both parties. Meet with Siyakhuphuka Community Development, OR Tambo Community Service, DEAT Social Responsibility and Eastern Region-DEAET Regional Manager to discuss their waste management poverty relief proposal. It was agreed that they will submit their business plan to OR Tambo for discussion and inclusion in the District Municipality IDP once it is finalised by a service provider. Mpande Camp Site Proposed Tourism Development follow up interdepartmental meeting resolved that ECDC is not an applicant but a development facilitator for the proposed development and Mpande community/trust is the applicant, a draft ROD will be finalised in May 2005, DLA requested that a Community Resolution must be completed parallel to the DEAET and DWAF process so that a surveyor – general office can be approached to survey the investment area.</p>
	Regional Management	Coordination of Regional Environmental Affairs Management	All Regions submitted their monthly reports to Head Office and feedback is done through monthly management meetings to ensure standardisation and consistency.
	ECPB Board Meeting	To ensure the integration of the department's mandate in terms of biodiversity management within Protected Areas.	Departmental representative participated in the meetings of the Eastern Cape Parks Board
	National Meetings attendance and feedback	Participate in the National and Provincial Environmental Affairs management meeting	Agreed that the Environmental Sector proposed Budget Structure must be refined by the Task Team before National Treasury can gazette it for comment and this will be implemented in 2006/07 in order to allow Provinces

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>to align their environmental management institutional arrangement with the required implementation and reporting. This sector will for the first time participate in the Inter-Governmental Fiscal Review and Palmer Development Group has been contracted to assist in the compilation of such document. MINMEC requested that SANBI Climate Change presentation be simplified and be presented to the Cabinet and Provincial EXCO in order to sensitise the Political Heads of the Environment and other portfolios. Western Cape will circulate golf and polo estates guidelines to National and Provinces by end of March 2005 to assist those Provinces who are faced with the similar development applications. MEC were given CD Rom landfill status quo to review and confirm its correctness. DEAT will develop a strategy of how to deal with unregulated sites. DWAF agreed to train Environmental Officers that will be responsible for the permitting of landfill sites. DEAT will develop a guideline of how the backlog should be handled and discuss with Provinces. A 5 year Danish Urban Environmental Management Programme funded to the tune of R220m over 5 years will target only Metros but Nelson Mandela is not included, and DEAT have budgeted R22m over 5 years for those that are not included in the donor funding but will be funded on the basis of a Provincial motivation. DEAT was mandated to hold a meeting with Provinces and discuss the implementation of NEMA section 24(g) and learn from Gauteng's implementation. South Africa will host the World Heritage Committee Convention in Durban from 9-11 July 2005 and MINMEC agree that only natural heritage sites will be declared by DEAT. It was emphasised that Provinces should celebrate World Environment Week from 5-10 June 2005. An agreement has been reached</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			between DEAT and DWAF about the management of marine outfall sewerage pipes and this agreement will be reworked into the Coastal Zone and Estuarine Management Bill.
Consolidation of legislative and regulatory framework	Finalisation of the Eastern Cape Environmental Management Bill. National environmental legislation framework	Compliance and enforcement improvement	DEAET and Office of the Premier Legal Services finalized the Bill including the comments received. Draft Biodiversity Regulations being developed in line with the Bill and National environmental management act. Kyoto Protocol has come into operation as from 16 February 2005 but SA has no commitments as developing country for now and two major polluters have not signed (USA 25% and Australia). NEMA Protected Areas Amendment Bill (B2B 2004) was signed by the President on the 5 January 2005. Protected Areas Management Plans Framework will be completed by DEAT consultants before end of 2005 as a result Provincial Protected Areas Implementation Plan must be discussed at Working Group 1 and submitted through MEC's Office to DEAT Minister. Western Cape has contracted a team of consultants to develop an Integrated Environmental, Planning and Heritage Legislation and the first draft will be available in April 2005 for circulation and comment. NEMA Protected Areas Amendment Bill (B2B 2004) was signed by the President on the 5 January 2005. Protected Areas Management Plans Framework will be completed by DEAT consultants before end of 2005 as a result Provincial Protected Areas Implementation Plan must be discussed at Working Group 1 and submitted through MEC's Office to DEAT Minister. Western Cape has contracted a team of consultants to develop an Integrated Environmental, Planning and Heritage Legislation and the first draft will be available in April 2005 for circulation and comment.
Trans-boundary projects coordination	Implementation of Project Implementation Plans	Provision of Project Coordination/ Steering/Implementation Committee meetings	Maloti Drakensberg Transfrontier Project (MDTP) Community Facilitator for Eastern Cape appointed and located at Matatiele. Task Teams and

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
		minutes	Working Groups established to operationalise the Project Implementation Plan. Maloti Drakensberg Transfrontier Project (MDTP): DEAT-MDTP Coordinator has been appointed. Implementing Agencies presented quarterly achievements to the World Bank Supervision Mission and the Province was congratulated by the Mission and one of the projects – linking of Ntsikeni to Coleford was rated as number 3 in their list. MDTP Project Management Unit facilitated the development of the Eastern Cape Strategic Plan in line with 7 objectives of the Inter Agency MOU. It has been agreed with the World Bank Supervision that the Eastern Cape boundaries will be increased to include Lady Grey and Barkly East in terms of bioregional programme. MDTP newsletter is being printed for distribution by the Implementing Agents and will be available in April 2005.
Trans-boundary projects coordination	Implementation of Project Implementation Plans	Provision of Project Coordination/ Steering/Implementation Committee meetings minutes	Wild Coast Conservation and Sustainable Development Project (WCCSD). The Project Management Unit appointed and fully functional CSIR appointed to develop a Biodiversity Assessment Report. Pilot project initiated at Hluleka Nature Reserve Area. Poverty Alleviation Business Plan for Mkambati, Silaka and Hluleka submitted to DEAT Social Responsibility for funding. The Project Management Unit (PMU) participated in the DWAF Strategic Environmental Assessment (SEA) to ensure that the Wild Coast SEA will not duplicate DWAF Forest focused area but compliment it in order to assist decision makers with necessary tools. Wild Coast SEA Terms of Reference were developed and an advert placed in newspapers before end of March 2005. PMU and UNDP as mandated by the Steering Committee have finalised a FIVE YEAR Global Environment Facility (GEF) \$6,5m grant funding application for the implementation of the

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
			<p>recommendations of the Planning Cycle that is coming to an end by August 2005.</p> <p>Eastern Cape Implementation Committee (ECIC): It is a SANBI Bioregional Programme that is housed in DEAET P.E Offices to coordinate the various Eastern Cape Bioregional Programmes very closely with the Chief Directorate: Environmental Affairs. 16 agencies have signed an MOU and 4 have not yet signed – DWAF, DALA, DHLG&TA and Cape Nature. 2 have indicated that they would like to be signatories – TERU and WESSA Border/Kei and it was agreed that they be signatories. R1, 35 million have been secured from DBSA for Capacity Building Project for Eastern Cape Land-Use Planners and Decision Makers in terms of Mainstreaming Biodiversity into Planning and Development targeting municipalities, and it is implemented by SANBI and WESSA-BCU under the auspices of ECIC. Project Advisory Group to the Fish River Biodiversity Initiative has been given a Project Review Document to assess and recommend projects that must be implemented in 2005.</p>
Organisational Restructuring & Skills Development	Identification of critical funded posts. Staff Capacity building	Appointment letters issued Approval of critical vacant funded posts recommendations by the MEC.	<p>MEC approved Senior Manager: Biodiversity Conservation and Coastal Zone Management and EG Kei Region Environmental Officer: EIM recommendations for appointment. The MEC has approved the filling of critical vacant funded posts i.e. 2XManagers for Biodiversity Conservation and Waste Management and Air Quality Management; 1X Assistant Manager: EIM; 3X Environmental Officers: EIM and 5X Environmental Officers: Biodiversity Conservation Management. Chief Directorate developed a revised functional organisational structure in line with the unfolding environmental legislative law reform process for submission to the HOD and MEC for approval and implementation.</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Communication	Organise an environmental awareness planning session	Environmental Awareness Year Plan	<p>Eastern Cape Cleanest Town Competition winners were announced during World Environment Day held in Port Elizabeth at Motherwell Raymond Mhlaba Indoor Sport Centre (Buffalo City No.1, Lukhanji No.2 & Ndlambe municipality No.3).</p> <p>Provincial Environmental Awards winners were announced at Maluti College of Education with the environmental project of the year being Nozipho Primary School in Whittlesea.</p> <p>Celebration for the inscription of the first Eastern Cape Province World Heritage Site Baviaanskloof Mega-reserve was held at Komdomo gateway, Patensie. National Marine Day and Wetlands Day celebrations were</p> <p>Cancelled due to Province belt tightening.</p>

Directorate: Environmental Impact Management, Air Quality & Waste Management

To Coordinate EIA Regulations, Compliance with EIA Regulations and NEMA Principles

(Objectives for this Directorate appear on the 2004/05 Operational Plan from Pg. 79-83)

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Capacity Development, Education and awareness programme, Agenda 21/WSSD, Special Projects.	Increase number of designated group appointments. Contribute funding to the approved designated group project. Organise training courses for EIM staff. Awareness programs with local authorities. Participation in Enviro-awards and Cleanest town competition. Coordination of identified WSSD Provincial Projects. Establishment of Provincial CEC and PEAC.	Internship Programme for designated Groups. Facilitate sustainable environmental project. Improvement of service delivery and understanding of applicable legislations. Joint environmental information and resource centres. Raising awareness on environmental issues, and good waste management practises by local municipalities. Meeting the main objectives of Local Agenda 21 as agreed. Strong links with Municipalities and enforcement of cooperative governance on environmental issues.	Establishment of Provincial Environmental Forum; Establishment of Provincial Environmental Advisory Committee; Training of staff and district Municipalities on Environmental issues; Funding of 2 WSSD Provincial Projects towards development of business plans; Hosting of Cleanest town competition for District and Local Municipalities on World Environment Day;
Administration of EIA Regulations. Compliance with EIA regulations and NEMA Chapter 2 principles.	Number of EIA applications processed. Regular inspection of new listed developments in terms of EIA Regulations. Compliance monitoring for RoDs. Handling appeals from regions.	Improved compliance and a program. Drafting appeal for the MEC's approval and liaising with the Regional offices (Credible RoDs issued).	Initiating uniformity across the 5 regional offices in processing EIAs; Sampling of approved RoDs for monitoring purposes; Facilitation of appeal process by Head Office on behalf of Regional offices.
Strengthening Environmental Management &	Development of sector guidelines. Establishment of	Standardised process in dealing with various EIA applications	Regional and Head Office participation in IDP forums; Establishment of National

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Cooperative Governance (Environmental Impact Management, Cooperative Governance-EIP)	EIA registers. Intergovernmental and sectoral meetings. Establishment of Provincial CEC and PEAC.	Sound development in line with environmental norms. Compliance. Cooperative governance. Strengthen of EIA process in case of appeal. Development and implementation of operational guidelines. Improve access to environmental legal advice service. Monitor compliance. Submit 2 nd Annual report. Develop resource materials.	Administration Environmental system for registration of EIAs; Establishment and coordination of quarterly meeting for members; Attendance of Working group meetings in Pretoria on EIP's; Submission of 2 nd Annual report to National;
Monitoring & Evaluation (data management & monitoring stations, Environmental Reporting-Provincial State of the Environment Report)	Development & update data base for EIM. Regular inspection of new developments in terms of conditions attached to ROD's. Review of Integrated waste management plans. Development of Hazardous Waste Management Plans	Efficiency on information management and for monitoring purposes.	Review of Integrated Waste Management Plans by Regional offices on behalf of District Municipalities; Procurement process for appointment of service provider in developing Hazardous Management Plans for the Province;
Waste Management Programme	Training on Enforcement and Compliance & on landfill sites evaluation and Permitting. Participate in Provincial working group and National working group on waste management. Ensure development and review of Integrated Waste Management Plans (IWMP) and	Capacity building for staff on landfill site permitting. Capacity building on EIA. Resourcing the function. Finalise delegation to Regional Offices. Interface permit system with EIA database. Assess status quo of the existing landfill sites. Capacity building for staff on landfill site permitting. Development of Hazardous Waste Management Plans	Training of staff on section 20 by DEAT; Participation in the transfer of function in terms of issuing of permits from DWAF to DEAT and later to the Provinces; Hosting Cleanest town competition and awarding the 3 winners prizes;

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
	liaise with DEAT. Hold and participate in Cleanest Town Competition.		
Air Quality Management	Establishment of close links with Local and National governments. Acquisition of national standards for emissions. Training for staff	Register of scheduled process Training. Monitoring.	Training of staff and District Municipalities on the new Air Quality Management Act;
To ensure that the Sub-Programme is supported by goal directed institutions	Coordinate and monitor the activities of the regions, liaise with Head Office; Attend environmental and operational meetings Restructure and manage the Directorate on a functional basis Asses skills and develop a Skills Development Plan; Mentoring of new employees Implement a standard budget management system	Aligned functional institutional arrangement.	Monitoring and implementation of uniform standards in both Biodiversity Conservation and Coastal Zone Management is implemented in all Regions where the function is applicable. Contributed to the development of the Chief Directorate proposed functional structure.

Directorate: Biodiversity, Conservation & Coastal Management

To Ensure Sound and Effective Biodiversity Management, Conservation & Coastal Management in the Province.

(Objectives for this Directorate appear on the 2004/04 Operational Plan from Pg. 83-88)

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
Ensure that provincial wetland and freshwater systems are managed according to national standards and norms	Facilitate the formation of a Wetland Management Unit in the Province Develop a Wetland Management Framework in the Province Audit and develop Wetlands Database for the Province Improve information of ecology and management of wetlands through research Identify and initiate community based fisheries projects Establishment of RAMSAR sites General co-ordination of wetland activities	World Wetlands Day events Wetland Management Unit established and operational Community based fishery projects	Provincial Wetlands and freshwater Forum is in place and the systems are managed according to National and International Standards. Ntsikeni has been identified as a RAMSAR site. Wetlands Database for the Province has been developed Two sites in the Province have been identified for Aquaculture (community based fisheries projects Gariep and Xonxa Dam)
Ensure that the coast is managed according to sustainability principles	Coastal Management Programme Facilitate inputs into Spatial Planning SEA of the coast Input into landuse planning, includes Wild Coast Conservation Area Develop a Coastal Management Plan Audit and develop a database for all coastal projects	Cases of illegal developments addressed Law enforcement initiatives undertaken	There is great reduction in construction of illegal cottages due to massive community consultation processes. Wild Coast Conservation and Sustainable Development Project workshops were arranged to look at the best land use practises. Database for Wild Coast Projects have been developed and a strategic Sea-Shore Act Implementation and Coordination of SCLP continue. Coffee Bay Mussel Rehabilitation Project is progressing well.

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
	<p>Ensure stoppage of illegal developments on the coast</p> <p>Implementation and enforcement of ORV Regulations</p> <p>Coordination of the EU Programme - Special Project</p> <p>Dune management;</p> <p>Rehabilitation, management plan</p> <p>Specialist input on permits and licenses</p> <p>Sea-Shore Act Implementation</p> <p>Coordination</p> <p>SCLP</p>		
Ensure that biodiversity is conserved and protected in the Eastern Cape	<p>Develop a Provincial Conservation Plan/ Bioregional Plan</p> <p>Framework for the support and promotion of conservancies and environmental extension work including special Enviro days and events</p> <p>Restructure permit and license administration-training of staff</p> <p>Management of CITES administration</p> <p>Monitor extent of illegal trade of endangered species</p> <p>Develop a strategy for the Special Investigations unit</p>	<p>Effective and efficient CITES permit Administration</p> <p>Monthly reports and or, Incidents reports. Carry out arrests of suspects, lay charges and register the cases. Request assistance from relevant law enforcement agencies.</p> <p>Compile reports</p>	<p>A Standard web based permit system is operational. There is reduction on illegal trade on endangered species.</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
	<p>Make provision for the formation of the Scientific Services Unit; Specialist biological input on permits and licenses Active participation in the Biodiversity Forum Consolidation of Protected Areas- Audit, categorisation etc Implementation of the National Biodiversity Bill and the Provincial Management Programme Assignment and transfer of Indigenous Forests; Audit, facilitate, categorise</p>		
Develop effective legislation and ensure compliance thereof for biodiversity, conservation and coastal management	<p>Develop procedures for effective compliance; Liaison with SAPS Monitoring and routine control Ensure adherence to all relevant legislation Create awareness about permitting an compliance procedures Control of problem animals Information dissemination procedures by the Special Investigations Unit Input to the national legislation review processes</p>	Improve quality of court cases and convictions	<p>Staff attended refresher training on legislation and there has been improvement in delivery. Annual hunting proclamation was submitted in November and Gazetted in December 2004. The Law enforcement Handbook has been developed. Awareness campaigns have been conducted to reduce incidents and this has been a success.</p>

Measurable Objective	Performance Measure or Indicator	Target for 2004/05	Actual Performance
	Direct provincial law reform and gazetting of Bills Continuous assessment, review and implementation of existing laws		
To ensure that monitoring and evaluation system is in place and functioning	Establish information streams necessary for computation of the indicators, data centralisation Develop a M&E system for protected areas under the parastatal and biodiversity outside PAs Identify research needs and commissioning of research Approve Management Plans and their impacts and assist in Protected area management Monthly and quarterly reports as per programmes and activities	Monitoring and Evaluation system in place Research reports Reports for programmes activities	Monthly and quarterly reports as per programmes have been prepared and submitted.

PUBLIC ENTITIES

Programme 4 has an oversight responsibility for one of the Department's Public Entities with which a Service Level Agreements has been concluded. This entity is the Eastern Cape Parks Board.

Eastern Cape Parks Board

The Eastern Cape Parks Board was established through Provincial Parks Board Act No. 13 of 2003 and started operating as an entity in April 2004. This new entity was established after a recommendation was adopted that conservation and environmental management in the Province be restructured. As a result of that

recommendation, the Province resolved to establish a conservation parastatal in the form of the Eastern Cape Parks Board, which will be functionally responsible for the management of the protected areas; and, if feasible, a range of off-reserve conservation management functions. As mentioned above, the Provincial Parks Board Act No. 13 of 2003 provides the enabling legislation for the establishment of this board. The Eastern Cape Parks Board operates from East London and the Board of Directors was appointed in 2004. Currently, the National Treasury is finalising the listing exercise of ECPB in terms of PFMA.

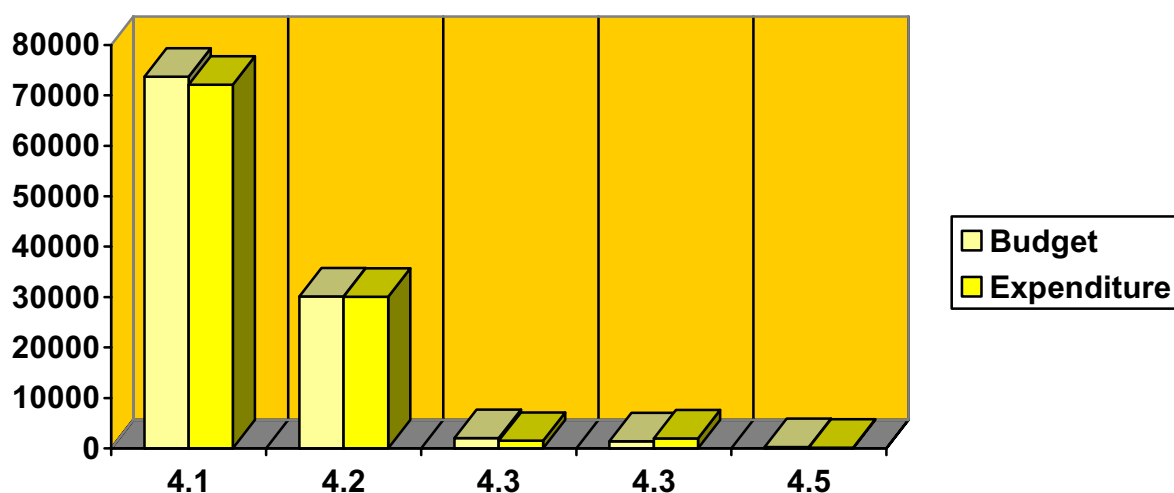
ECPB performance for 2004/05 is reflected in detail in the Board's annual report.

Reconciliation of budget with plan

Programme 4: Environmental Affairs

Programme budget (R million)

Sub-Programme	Voted Budget 2004/05	Actual Expenditure 2004/05	Deviation (%)
4.1 Integrated Environmental Management	73,685	72,129	2.1
4.2 Biodiversity Management	30,125	30,082	0.1
4.3 Environmental Impact Management	2,011	1,497	25.6
4.4 Coastal & Marine Management	1,379	1,968	-42.7
4.5 Waste & Air Quality Management	243	156	35.8
TOTAL PROGRAMME	107,443	105,832	1.5



4. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2004/05

The Department provides most of its services through its Public Entities, the services of which are summarised elsewhere in this Annual Report and detailed in the Annual Reports of the Entities themselves. Services are also rendered directly to the public and the communities through Programme 3 (Economic Affairs) and Programme 4 (Environmental Affairs) of the Department operating out of its five Regional Offices in the Province.

The Consumer Protection function is regulated by the Provincial Consumer Affairs Unfair Business Practices Act (Act 5/1998). This established the Consumer Affairs Tribunal and the Office for Investigation of Unfair Business Practices which administer the Act. During the 2004/05 financial year, 1425 businesses were inspected. A total of 4027 consumer complaints were received, of which 75% were resolved by negotiation and 5% were referred to the Consumer Protector for mediation and arbitration in terms of section 11 of the Act.

Programme 3 also has a budget for Local Economic Development, a programme which is implemented by District and Local Municipalities in co-ordination with the Regional Offices of the Department. R28 million was initially allocated to LED during 2004/05, for transfer to District Municipalities but subsequently reduced to R19 million as a result of surrenders to Treasury consequent on the financial crisis of the Province. R2.5 million was successfully transferred to the Eastern Cape Manufacturing Advisory Centre, an initiative of the National Department of Trade and Industry supported by the Province. However, the R16.5 million supposed destined for transfer to the Municipalities could not go through. This was partly due to the fact that the Municipalities were seemingly unable to give the necessary assurances in terms of the new Municipal Finance Management Act. However, the process also exposed limitations in the capacity of Programme 3, more especially with regard to securing credible reports with regard to funding transferred in previous financial years. The Department was therefore forced to apply to Treasury for a rollover of the R16.5 million. At the same time, the structural problems within the Department itself are being addressed. The LED function has been shifted from Programme 3 to the immediate supervision of the Head of Department. This change is operational from 2005/06, and will reflect in the books from 2006/7 onwards.

The Department's operations and budgets with regard to the Provincial Parks were handed over to the Eastern Cape Parks Board which came into existence in April 2004. The Chief Directorate Environment continued to perform important conservation functions outside the reserves, notably with regard to its Special Investigation Unit and its actions against illegal structures more especially on the Wild Coast. Environmental awareness programmes and events such as the cleanest town competition, the Enviro- awards to schools and communities, and the celebration of World Environment Day continued. The Department also continued to perform important regulatory functions with respect to Environmental

Impact Assessments. 711 applications were received during the financial year and 474 Records of Decision were issued.

The most important constraint on the activities of the Department during 2004/05 arose out of the financial surrenders by the Department amounting to R11,678,000 from the Department alone excluding its Public Entities. This was also accompanied by cutbacks with regard to specific expenditures which detracted from such events as World Consumer Day in March 2005. It is the considered opinion of the Department that the reduction of budget for economic development in favour of Social Services Consumption is not the appropriate way of addressing poverty and underdevelopment in the Eastern Cape.

Nevertheless, the Department has done its best under straitened circumstances. More especially it has attempted to play its part as the lead department of the Economic Growth and Infrastructure Cluster, which also includes Public Works, Transport and Agriculture. During the latter part of 2004/05, the Cluster did meet regularly, did adopt Terms of Reference and did align its activities with the Cabinet Committee on Economic Growth and Infrastructure.

5. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2004/05

All Eastern Cape Provincial departments are confronted by problems of staff retention and vacancies in critical posts, but the extent of critical vacancies experienced by the Department during 2004/05 were extraordinary even according to the norms of the Province. The most senior positions in the department, those of Senior General Manager and Chief Financial Officer were filled by Acting personnel for almost the entire financial year. Other critical posts which remained vacant for all or most of the year included: Director of Finance, Deputy Director Asset Management, Deputy Director Transport, Deputy Director Budget and Revenue, Deputy Director Special Programmes Unit, Regional Directors Mthatha and Queenstown. In addition, other critical posts funded in the organogram remained unfilled, for example Deputy Director in the Office of the HOD and two Assistant Directors of Internal Control in the Finance section. The Department was further obliged to make use of shared services in respect of Internal Audit and Legal Services, which was not entirely satisfactory more especially that no legal advisor was permanently deployed to the Department for half the year (October 2004 – March 2005).

It was precisely while the Department was suffering from this acute lack of human resources that it came under intense scrutiny with regard to the monitoring and oversight of the Public Entities, more especially from the Executing Authority, the Portfolio Committee and the Auditor General. The practice of the department, as expressed in letters written to the Entities by the then CFO in May 2002, had been to enforce strict compliance with the specific provisions of section 38 of the PFMA and Section 8.4 of the Treasury regulations. It became apparent through debate and correspondence that the Department also had need to enforce the broader

provisions of Sections 51 and 54 of the PFMA in order to ensure accountability by the Entities with regard to the public funds transferred to them by the Department. The Entities were invited to a meeting on 17 September 2004 at which the Financial Discipline measures, later articulated in the Treasury Circular of 21 September 2004, were explained to them and precise instructions were conveyed to them in written form. Transfers were suspended to two entities which did not immediately comply. The Board of ECDC was replaced, and steps were taken to assert the rights of the Province as shareholder in the Coega and East London IDZs. These decisive actions have greatly enhanced the working relationship between the Department and its Public Entities, and laid the foundation for enhanced Service Level Agreements to be signed before transfer of funds can take place in the 2005/06 financial year. The appointment on 18 March 2005 of a new Senior General Manager and Head of Department marked the end of this transitional phase, and provided the Department with stability of management as 2004/05 drew to a close.

A further entirely unexpected challenge arose out of the delay of the National Treasury in listing the Eastern Cape Parks Board as a Public Entity in terms of Section 47 (2) of the Public Finance Management Act. Registration as a Public Entity had been clearly envisaged in the Provincial Parks Board Act 12/2003 and the listing had been regarded as a mere formality when the Act came into effect on 1 April 2004. The formal application for listing was submitted in September 2004 but, despite constant reassurances, the Department was disappointed to receive a communication through Provincial Treasury, dated 31 March 2005, that National Treasury had imposed a moratorium on all applications for listing including that of the Parks Board. It had been the intention of the Department to transfer all relevant personnel from the Department to the Parks Board together with all relevant assets on 31 March 2005. The moratorium effectively rendered the transfer of the personnel impossible due to complications with the pensions funds, and as a result, the Department has been compelled to extend the secondment of the relevant personnel rather than transfer them as hoped.

6. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2004/05 FINANCIAL YEAR

The year under review was a year of implementation and consolidation rather than innovation. No new legislation was introduced in either the economic or the environmental programmes. 2004/05 was however the year in which legislation previously passed was first implemented, for example, the Parks Board Act 12/2003 came into effect in April 2004 and the Eastern Cape Liquor Act 10/2003 came into effect in August 2004. Important negotiations between the Provincial Department of Environment and National Departments, for example with regard to the permitting of landfill sites and the implementation of sanctions on illegal structures, have enhanced the capacity of the Province to deal directly with problems within its area of jurisdiction. Route Operator Licences were awarded for the first time by the Eastern Cape Gambling and Betting Board, and other programmes were rolled out as detailed in full elsewhere in this report.

The Department is continuously engaged with the questions of how best to manage its Public Entities, as detailed in the previous section, and it is entirely possible that lessons learned may bear fruit in a restructuring of the Department and its operations in 2005/06.

Part 3

Report of the Provincial Audit Committee

In compliance with section 38(a) (ii) of the Public Finance Management Act, 1999 (Act No 1 of 1999), the Eastern Cape Provincial government has a shared Internal Audit Unit that is administered by the Office of the Premier. The interaction between this Unit and the Department started in December 2003.

2004/05 Annual Report to the Accounting Officer

1. INTRODUCTION

It is with great pleasure that we present to the Accounting Officer our annual report for the financial year ended 31 March 2005. This is the Audit Committee's first report presented in compliance with Treasury regulation 3.1.9.

2. MEMBERSHIP AND ATTENDANCE AT MEETINGS

The table below depicts names of those who held office as Audit Committee members and whose participation was complemented by contributions from the Ex-officio members and some observers:

NAME	ROLE	SCHEDULED MEETINGS	SPECIAL MEETINGS	MEETINGS ATTENDED
Mr.M Dondashe	Chairperson	4	2	6
Mr G le Roux	Member	4	2	5
Mr J Smith	Member	4	2	1
Mr Marsberg	Auditor General Ex-officio member	4	2	2
OTP	Director General Ex-officio member	4	2	6
Provincial Treasury	Act. SG Provincial Treasury Ex-officio member	4	2	4

It has been our greatest concern on the absence of Mr. J. Smith, the third member of this committee for most of the term of our office since the appointment of the AC three (3) years back.

3. MANDATE

The mandate of the Provincial Audit Committee is derived from Section 38(1)(a) of the Public Finance Management Act (PFMA), and paragraph 3.1 of the Treasury Regulations.

4. MEETINGS

The Committee held at least six (6) meetings during the year under review. During these meetings the Committee considered a number of issues including:

4.1 Approval of Internal Audit Plans

The Committee noted with regret, that Internal Audit's rolling three year Strategic Plan was combined with the operational plan. This led to the component being seen not to have complied with Treasury Regulations 3.2.7 during the first seven (7) months of the financial year under review. However, this was rectified during November 2004 when Operational Plans were developed and approved as required.

The Committee noted with appreciation the concerted effort of the Internal Audit teams in executing the planned audit activities despite resource constraints during the year which was marked by the evidence of reports to various Departments.

We also noted that the risk assessment was conducted at the Department from which the 2005/2006 Operational Plan and the rolling three (3) year strategic plan were developed, approved and implemented.

4.2 Review of Internal Audit Reports and Auditor General's Reports to Management

The review of auditors' reports to management (both internal and external) has given the Committee a cause for concern with regard to the extent of internal control weaknesses still existing in the Department. The Committee was particularly concerned with the adequacy of internal controls and in certain operational areas, the effectiveness of internal control procedures and compliance thereof. The areas for concern are as follows:

- Fleet Management
- Procurement Process
- Management of leave and capped leave
- Transfer payments
- In-year Monitoring and Management reporting
- Asset management
- Personnel and Payroll management
- Suspense Accounts

- Revenue Collection processes; and
- Contracts Management

Our view is that there is an urgent need for capacity building in most of the Programmes in the Department, especially the area of Financial Management where the services of the Finance Director, Manager Budget/Revenue, Manager Asset Management and State accountant Budget are still outstanding. The Department also operated without the services of the HOD and CFO for ten months of the financial year under review.

We again will like to express our concern over the non-existence of Internal Control and risk management unit and recommend that management consider the establishment of that unit in the new financial year.

There is also the need to foster a climate of compliance with the rules and regulations through training which should include training in ethics. Staff must be held accountable for poor performance, and persistent non-performers must be dealt with in terms of the Public Service regulations.

Controls on the management of Transfer payments were generally weak and the committee has accordingly directed Internal Audit to come up with guidelines to assist the Department.

The follow up of the Auditor General's report for the financial year ended 2003/04 was done, covering all the Department's critical operations control areas. The results of the follow up authenticated non-implementation of the Auditor General's recommended actions by the Department. Internal control weaknesses reported in Internal Audit's reports and the Auditor General's management letter for the year under review (2004/05) is repeat findings from the previous financial year again corroborated by minimal improvement in some control areas.

In utilizing the limited resources at the Department's disposal, we recommend that priority be given to addressing internal controls on critical areas as indicated above.

The Committee also wants to express its concern regarding non-participation of the Department in responding to Internal Audit reports. The Department's failure to participate in this process contravenes the agreement reached with Internal Audit as documented in the Internal Audit Charter. We urge the Management to comply with the 14 days response period agreed upon.

4.3 Review of the Annual Financial Statement of the Department

The Committee reviewed the Annual Financial Statement of the

Department in terms of paragraph 3.1.10 and 3.1.13 of the Treasury Regulations.

We noted that the Department received a Qualified report for the year under review as it happened in the past financial year, and as already indicated, with improvement on certain control areas as some of the findings previously reported were resolved. The Department is urged to take cognizance of Internal Audit reports for implementation of recommended actions. These reports are issued to the Department throughout the year highlighting areas of internal control weaknesses that can be dealt with by the Management before the External Audits by the Auditor General. Implementing such recommendations will alleviate the situation within the Department in the next financial year during which the Department must show progress in resolving internal control weaknesses.

4.4 Review of Quarterly Reports of Provincial Internal Audit

The Committee reviewed the Quarterly Reports of the Shared Internal Audit in terms of paragraph 3.2.7(d) of the Treasury Regulations.

The Committee was satisfied with the Level of performance of the Shared Internal Audit given the resource constraints.

From the perspective of the whole Department however, the extent of coverage of Internal Audit Activities for the year under review was very limited. We also like to accentuate challenges faced by Shared Internal Audit during the year under review in which they were inappropriately resourced to service the Department efficiently. However, services by this component improved since November 2004 and appropriate Audit Committee for the last two quarters for the year ended 2004/05 was presented to the Committee. Measures to address the challenges are being taken and directives from the Executive Council which impacts on Internal Audit resources will be duly communicated to the Department.

5. CONCLUSION

The Committee has had a challenging but fruitful year. The success achieved would not have been possible without the support and cooperation Internal and External Auditors received from your management.

We therefore take this opportunity to thank you and the Senior Management of your Department for the courtesy extended to the Internal and External Audit teams during the conduct of their audit activities during the year of our reporting. We also thank you for the cooperation awarded to us during the term of our office which ends in August 2005.

We always remained committed to working together with all stakeholders to

promote sound corporate governance, risk management and strengthen internal control procedures in the Eastern Cape Provincial Government.



Mr. M. Dlamini CA (SA)
Provincial Audit Committee Chairperson

Date: 08/08/2005

Part 4

Annual Financial Statements

1. FINANCIAL OVERVIEW

1.1 Introduction

The Department continued to consolidate and strengthen internal financial management systems during the year; and was the first Department in the Province to close books for 2004/05, despite senior management vacancies. In the context of the Department's Five-Year Strategic and Performance Plan, the Operational Plan for 2004/05 established procedures for achieving the objectives of effective, efficient and transparent systems of financial and risk management and internal control to enhance the management of receipts, payments, assets and liabilities. Actual performance related to the management of receipts, payments, assets and liabilities in the Department are indicated in the following sections.

1.2 Receipts

The Department collects revenue from the following main revenue sources:

- Gambling Taxes
- Horse Racing
- Liquor Licensing Fees

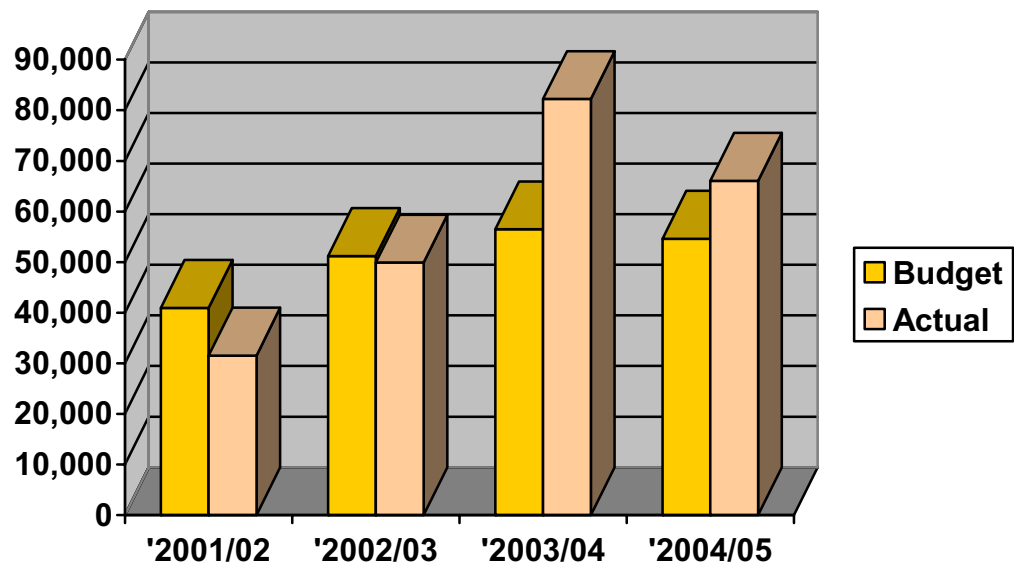
The revenue budget for the year under review was R54,630,000. Actual revenue collected by the Department amounted to R66,071,000, giving rise to an over-collection of R11,441,000.

The over-collection is attributed to a refund from the Eastern Cape Gambling and Betting Board arising from an infrastructure budget allocation for the 2003/04 financial year; as well as the surrender of surplus funds, together with the payments of claims from the Eastern Cape Parks Board with regard to expenditure incurred by the Department during the 2003/04 financial year. These amounts totaled R9,613,000, which are once-off allocations.

The following table shows budgeted revenue against actual revenue collected from 2001/02 to 2004/05 and reflects the revenue collection trend over the past MTREF period.

	2001/02 Actual R'000	2002/03 Actual R'000	2003/04 Actual R'000	2004/05 Target R'000	2004/05 Actual R'000	Deviation from target %
Tax revenue	28,079	36,058	46,092	50,448	55,769	110.5
Casino taxes	23,579	30,461	40,360	42,271	46,681	110.4
Horse Racing	1,154	3,617	3,499	4,902	5,130	104.7
Liquor Licence		1,980	2,233	3,275	3,958	120.9
Non-tax revenue	3,451	13,837	4,410	4,182	689	16.5
Sales of capital assets (Capital Revenue)	-	-	-	-	-	-
Financial transactions (Recovery of loans and advances)	-	-	31,736	0	9,613	100
TOTAL DEPARTMENTAL RECEIPTS	31,530	49,895	82,238	54,630	66,071	120.9

This information is illustrated graphically below to reflect the relationship between budgeted and actual revenue during the review period and the past three years, and shows the substantial increase in revenue in 2004/05.



1.3 Payments Summary

The Department was allocated a total adjusted budget of R799,624,000 for the financial year under review. This represents a decrease of R32,258,000 from the 2003/04 financial year expenditure budget.

During the 2004/05 financial year, 82.5% of the budget was allocated to Transfer Payments, 12.0% to Compensation of Employees and 5.5% to Operating Expenditure.

The budget reconciliation, with comparative figures for the 2002/03 financial year, is indicated below:

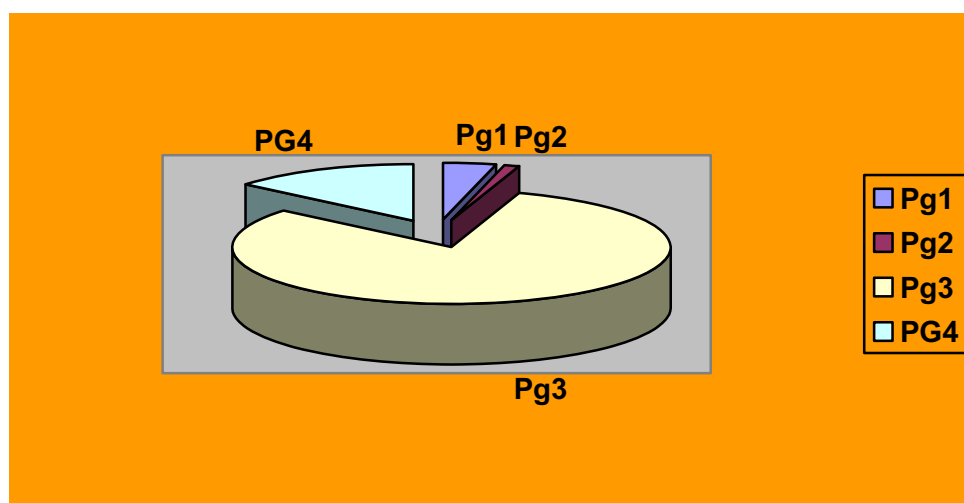
	2003/04	2004/05
	R'000	R'000
Amount appropriated, excluding rollover	833,397	849,529
Plus: Improvements in Conditions of Service	-	-
Plus: Adjustments Estimate	831,882	849,529
Rollover from previous year	-	-
Additional Funds	-	-
Suspension	1,515	49,905
Less: Total Expenditure	825,722	762,272
Authorised Programmes	825,627	762,272
Authorised Losses	95	-
Surplus per appropriation account	6,160	37,352
Less: Suspensions not included	-	-
Adjustments estimates	-	-
Amount to be surrendered	6,160	37,352
Less: Rolled over/carried forward	-	-
Amount not utilised	6,160	37,352

In line with Treasury Regulations, the Department submitted a rollover request to Provincial Treasury for R16,5m for LED funding which the Department was not able to transfer in the 2004/05 financial year, due to non-compliance by the Municipalities with the MMFA. This R16,5m forms part of the R37,352m indicated above as funds not utilised.

Payments by Programme

As indicated in the Programme Performance section of this Annual Report, the Department delivers services through four Programmes, which are managed by appointed Programme Managers. The Programmes are divided into sub-programmes headed by Responsibility Managers.

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	35,418	3,322	-4,000	34,740	29,685	5,055
Programme 2	11,256	-	-	11,256	7,918	3,338
Programme 3	691,578	-49,393	4,000	646,185	618,837	27,348
Programme 4	111,277	-3,834	-	107,443	105,832	1,611
Total	849,529	-49,905	-	799,624	762,272	37,352



The Department under-spent the budget by R37,352,000 during the year under review. This is mainly due to:

- The non-transfer of the R16,5m to Municipalities in respect of LED funding.
- Implementation of fiscal discipline measures by Provincial Treasury as stipulated in Circular 11 of 2004.

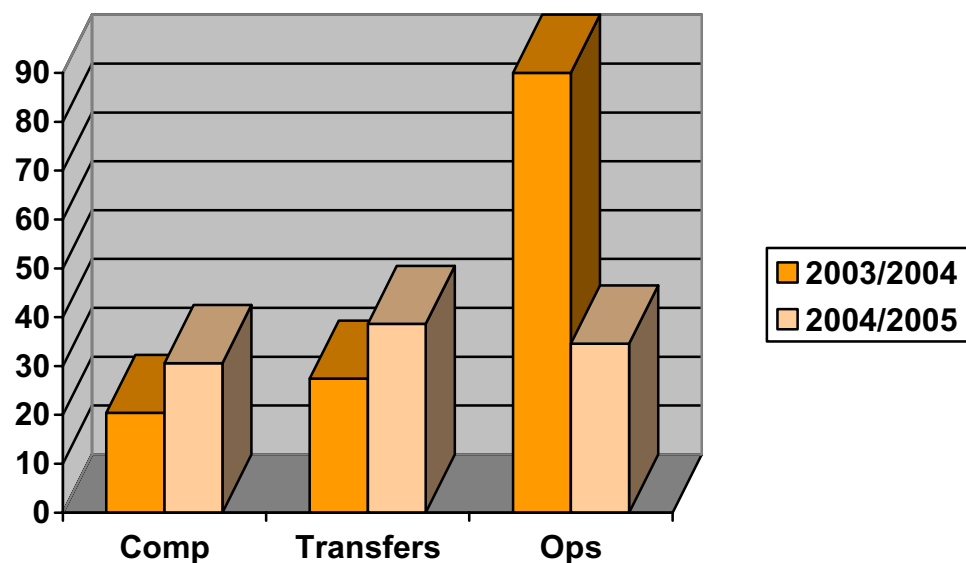
Payments by Economic Classification

The following table shows the split of the budget according to the main cost drivers which are Compensation of Employees, Transfer Payments and Operating Budget for the financial year under review, as compared to the previous financial

year. The intention of this illustration is to indicate progress made in managing and controlling the budget of the Department.

Cost Driver	2003/04 (R'000)	2004/05 (R'000)
Compensation of Employees	82,635	92,249
Transfer Payments	696,623	661,118
Operational	52,624	46,257
TOTAL	831,882	799,624

This situation is reflected graphically below:



1.4 Transfer Payments Transfers to Public Entities

The following amounts were transferred to the Departmental Public Entities during the year under review:

PUBLIC ENTITIES	AMOUNT TRANSFERRED (R million)	ESTIMATED EXPENDITURE (R million)
Eastern Cape Development Corporation	83,743	83,743
Eastern Cape Tourism Board	20,645	20,645
Eastern Cape Parks Board	44,734	44,734
East London Industrial Development Zone	120,022	120,022
Coega Development Corporation	359,431	359,431
Eastern Cape Liquor Board	0	0
Eastern Cape Gambling and Betting Board	13,364	13,364
TOTAL	641,939	641,939

Description of Public Entities

Name of Public Entity	Legislation under which established	Main Purpose of the Public Entity
Eastern Cape Development Corporation (ECDC)	National Small Business Act of 1995. Businesses Act 71 of 1991 Eastern Cape Development Corporation Act 2 of 1997 (EC) Policy documents from the DTI	To promote and facilitate economic development in the Province, particularly through foreign and domestic investment and small business development.
Eastern Cape Tourism Board (ECTB)	Eastern Cape Tourism Board Act no 9 of 1995 (EC)	To promote and facilitate the development of tourism in the Province, including sustainable investment and job creation.
The Eastern Cape Gambling and Betting Board (ECGBB)	Gambling and Betting Act 5 of 1997 (EC)	To promote, regulate and manage the gambling and betting industry in the Province.
Coega Development Corporation	The Industrial Development Zone Programme of the DTI	To promote and facilitate the establishment of the COEGA IDZ and the new deepwater Ngqura Port as a focus for private sector investment.
East London Development Zone Corporation	The Industrial Development Zone Programme of the DTI	To promote and facilitate the establishment of the East London IDZ and the further development of the Port of East London as a focus for private sector investment.
Eastern Cape Liquor Board (ECLB)	The Liquor Act No 27 of 1999	To regulate and manage the retail sale of liquor in the Province.
Eastern Cape Parks Board	Provincial Parks Board Act, 12 of 2003	To provide for the establishment of Provincial Parks Board and the appointment of members thereof, to provide for the management of biodiversity in Provincial Parks, and to provide for matters connected therewith.

Transfers to Local Government

Municipality	Appropriation		Revised Estimate R'000	Actual R'000
	Main R'000	Adjusted R'000		
Category A (Nelson Mandela Metro)	5,200	4,050	1,150	2,500
Category B	-	-	-	-
Category C (District Municipalities)	22,800	4,950	17,850	-
Amathole	2,100	1,100	1,000	-
Cacadu	1,500	200	1,300	-
Alfred Nzo	4,300	1,200	3,100	-
Ukhahlamba	3,000	2,000	1,000	-
Chris Hani	4,400	-	4,400	-
O R Tambo	7,500	450	7,050	-
TOTAL	28,000	9,000	19,000	2,500

The Department anticipated underspending due to non compliance by Municipalities in terms of MFMA, subsequently an application for a roll over of R16,5 million was submitted timeously to the Provincial Treasury for approval in February 2005.

1.5 Conditional grants

The Department does not receive conditional grants.

1.6 Capital investment, maintenance and asset management plan

Capital Investment

According to section 12 of the Eastern Cape Development Corporation Act (Act no 2 of 1997), transfer payments from the Department of Economic Affairs, Environment and Tourism, which are used for financing capital expenditure, including the financing of the Corporation's Development Programme, shall entitle the Government of the Province to further A or B shares of the Corporation. To this end, the Department has been allocated shared amounting to R28,902,000 in the financial year under review. The total of the investment to date is R133,969,000.

Maintenance

Maintenance of assets of the Department takes place on a continuous basis through the implementation of maintenance contracts with respective service providers.

Asset Management

During the financial year under review, the Department was involved in an intensive programme to identify all assets of the Department, especially with regard to the transfer of assets to the Eastern Cape Liquor Board.

2. REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 9 – DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT AND TOURISM FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The annual financial statements as set out on pages 100 to 150, for the year ended 31 March 2005, have been audited in terms of section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999). These annual financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these annual financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

3.1 Transfer Payments

- (a) In terms of s38(1)(j) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the department is required to implement efficient and effective controls and monitoring mechanisms over transfer payments. The department is furthermore responsible for ensuring that the recipients of the transfer payments use the funds for the intended purposes. The public entities did not submit written assurances as per section 38(1)(j) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) confirming that they implemented effective, efficient and transparent financial management and internal control systems during the financial year under review. The department did not perform reviews of other required monthly submissions submitted by the public entities. It is not possible to verify whether the public entities used the funds for the purposes intended. The department transferred R645 170 000 to public entities during the year under review.
- (b) Transfer payments to the Coega Development Corporation as reflected in the annual financial statements are less than the actual payments to the public entity as per the department's bank statements and confirmed by the public entity. Transfer payments to Coega are understated by R799 340.
- (c) Transfer payments to the Eastern Cape Development Corporation as reflected in the annual financial statements are more than the actual payments to the public entity as per the department's bank statements and confirmed by the public entity. Transfer payments to the Eastern Cape Development Corporation are overstated by R4 166 000. This amount has been disclosed as irregular expenditure as per note 31 to the annual financial statements. The amount has not been disclosed in Annexure1D to the annual financial statements which details the transfers made to departmental agencies.
- (d) Transfer payments to the Eastern Cape Parks Board of R44 734 000 as reflected in the annual financial statements are more than the actual payments to the public entity as per the department's bank statements and confirmed by the public entity. Transfer payments to the Eastern Cape Parks Board are overstated by R3 727 000.

3.2 Leave and leave entitlement

The leave records on the Personnel and Salary System have been used as the basis for the calculation of the R1 107 000 leave entitlement disclosed in note 28 to the annual financial statements.

As reported in the 2002/2003 and 2003/2004 financial years, leave records of the department were still found to be unsatisfactory as not all leave that had been taken by officials had been captured on the Personnel and Salary System. Numerous records that had been captured, could not be supported by authorised leave forms. In the absence of reliable leave records it was not possible to verify the accuracy of the leave entitlement disclosed in the above-mentioned note.

3.3 Capped leave

The leave records on the Personnel and Salary System have been used as the basis for the calculation of the R26 758 000 capped leave commitment disclosed in note 25 of the annual financial statements. The controls over leave records and the calculations of the capped leave entitlements were found unsatisfactory and the accuracy of the contingent liability is uncertain.

3.4 Unauthorised expenditure

Unauthorised expenditure from the prior year of R654 000 was accounted for as condoned in the annual financial statements. Legislature has not condoned the unauthorised expenditure and revenue to be surrendered is thus understated by R654 000.

3.5 Overstatement of total expenditure

The total expenditure of R762 272 000 disclosed in the annual financial statements exceeds the funding received of R758 053 000 as per the department's bank statements and Treasury confirmations. Expenditure is thus overstated by R4 219 000 and voted funds to be surrendered is understated by the same amount.

3.6 Understatement of voted funds to be surrendered

The voted funds to be surrendered of R6 814 000 as per the 2003/2004 annual financial statements had been surrendered during the 2004/2005 financial year. The amount had been included in note 18 to the financial statements as voted funds not requested, resulting in voted funds to be surrendered to be understated by R6 814 000.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999)

5. EMPHASIS OF MATTER

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

5.1 Irregular expenditure

Details of irregular expenditure incurred by the department as per note 31 to the annual financial statements are:

- (a) Transfer payments of R31 250 000 were made to the East London Industrial Development Zone during the year under review. These transfer payments were made with the purpose of financing industrial infrastructure. As appropriate legislation that enabled these transfer payments to take place, had not been promulgated, these payments are regarded as irregular expenditure.
- (b) Transfer payments of R41 006 000 were made to the Eastern Cape Parks Board during the year under review. As the Eastern Cape Parks Board is not yet registered as a provincial public entity in terms of Schedule 3, Part C of the Public Finance Management Act, 1999 (Act No. 1 of 1999), these payments are regarded as irregular expenditure. Irregular expenditure relating to transfer payments to the Eastern Cape Parks Board had been disclosed as R44 734 000.
- (c) Transfer payments of R2 500 000 were made to the Eastern Cape Manufacturing Advisory Centre during the year under review. These transfer payments exceeded the appropriated amount of R1 150 000 by R1 350 000.

5.2 Weaknesses in internal control

In terms of section 38 (1) (a)(ii) of Public Finance Management Act, 1999 (Act No. 1 of 1999), the department's accounting officer must ensure that the department has and continues to maintain effective, efficient and transparent systems of financial and risk management and internal control.

The following are areas of significant non-compliance and/or internal control weaknesses that were identified during the course of the audit:

- Revenue
- Fleet Management
- Fixed Assets
- Personnel records

Certain of these deficiencies were reported in prior years. Audit findings revealed that actions to address these deficiencies were taken, however the department was not always successful at adhering to the internal controls implemented.

5.3 Matters in public interest

(a) Non – submission of annual financial statements by a public entity

The Eastern Cape Parks Board did not submit its annual financial statements to the Auditor – General on 31 May 2005 as required in terms of s40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

(b) Establishment of the Eastern Cape Parks Board

The Eastern Cape Parks Board has been operating as a public entity since 1 April 2004, but is not yet registered as a public entity. The department is responsible for ensuring that the transfer payments to the Eastern Cape Parks Board are used for its intended purposes.

The department transferred the assets from the reserves to the Eastern Cape Parks Board, but the value of the assets transferred disclosed in the annual financial statements, do not agree to the valued listing of assets transferred.

The department's employees are still working at the reserves which have been transferred to the Eastern Cape Parks Board. Their salaries and leave entitlement have been included in the leave balances disclosed in the department's annual financial statements.

(c) Previous accounting officer seconded to the Eastern Cape Liquor Board

The former accounting officer was seconded to the Eastern Cape Liquor Board as the acting chief executive officer on 30 April 2005. The current accounting officer was appointed on 17 March 2005. The department is remunerating the current accounting officer and the

previous accounting officer from its equitable share. The previous accounting officer is due for retirement on 30 April 2006.

5.4 Annual financial statements

In terms of section 40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the department is required to submit the annual financial statements for audit purposes two months after the financial year end. Material changes had to be made to the financial statements submitted on 31 May 2005 and were subsequently re-signed and dated on 29 July 2005.

5.5 Internal Audit

In compliance with section 38(1)(a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Eastern Cape Provincial Administration has a shared Internal Audit unit and Audit Committee that are administered by the Office of the Premier. An Executive Committee decision was taken in April 2003 to outsource the Internal Audit and Audit Committee functions of the Departments of Education, Public Works, Social Development and Health. The shared Internal Audit unit continues to provide internal audit services to the remaining departments. The following issues relating to the shared service are highlighted:

- (a) A rolling three-year strategic internal audit plan for the various departments serviced by the shared service was approved by the Audit Committee, as required by Treasury Regulation 3.2.7, during February 2004. An annual plan for the 2004/2005 year, cascading from the three year rolling strategic plan, as further required by Treasury Regulation 3.2.7, was however only compiled and approved during November 2004. As a result internal audit functioned for 7 months of the year without an operational plan approved by the Audit Committee. This not only constitutes non-compliance with Treasury Regulation 3.2.7 and in effect with section 38(a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), but also constitutes non-compliance with the South African Internal Auditing Standards.
- (b) Evidence was found that Internal Audit reports covering the period November to March 2005, only, were submitted to the Audit Committee for consideration. Although the Quarterly Report was submitted to the Audit Committee, no evidence could be found or provided that the Audit Committee reported and made recommendations, based on the reports, to the relevant accounting officers as prescribed by Treasury Regulation 3.1.9.
- (c) Cognisance is taken of the restructuring process within the Shared Service and the subsequent approval of the 2005/2006 risk

assessments and operational audit plans as required by the Treasury Regulation. Cognisance is also taken of the submission of various Internal Audit reports, following from the said audit plans, pertaining to the 2005/2006 financial year.

5.6 Suspense accounts

The department did not reconcile and clear the control and suspense accounts contained in its general ledger as at 31 March 2005. The receivable and payables not yet cleared at year end amounted to R238 000 (2003/2004 – R443 000) and R17 466 (2003/2004 – R376 000) respectively.

5.7 Bank overdraft

In terms of section 3 of the Borrowing Powers of Provincial Government Act, 1996 (Act No. 48 of 1996), a provincial department may not take up bridging finance without the written approval of the Member of the Executive Committee for Finance.

According to section 1 (definitions) of the above-mentioned act, bridging finance includes overdrafts on a bank account that is operated by a provincial department.

The department's bank account went into overdraft on 28 June 2004, 28 September 2004 and 17 February 2005. Written approval authorising the overdraft was not obtained from the Member of the Executive Committee for Finance.

5.8 Investment in the Eastern Cape Development Corporation

Part of the transfer payments by the department to the Eastern Cape Development Corporation (ECDC) is for the purpose of SMME financing. In terms of the ECDC Act, the department will become entitled to the issue of share capital for transfer payments made to ECDC to facilitate capital expenditure of the SMME's. ECDC issued share capital to the value of R28 902 000 to the department for the 2004/2005 financial year.

The split between current and capital expenditure was not authorised by the ECDC Board of Directors, the Head of Department or the Member of Executive Council.

5.9 Fruitless and wasteful expenditure

The department did not disclose fruitless and wasteful expenditure amounting to R54 690. The fruitless and wasteful expenditure is the result of interest incurred on the late payment of creditors.

5.10 Inter – Governmental Receivables

An amount of R586 000 owing to the department by the Eastern Cape Parks Board has been incorrectly disclosed as a debt of the Eastern Cape Tourism Board in Annexure 6 to the annual financial statements.

5.11 Contingent liabilities

The department is involved in various legal actions of which the outcomes are still uncertain. The State Attorney indicated that the department has a possible liability of R2 150 000. The contingent liabilities disclosed in the annual financial statements amount to R506 000.

6. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.



S M Ngqwala for Auditor-General

East London

31 July 2005



3. ANNUAL FINANCIAL STATEMENTS

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MANAGEMENT REPORT **for the year ended 31 March 2005**

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

1. Departmental Overview

1.1 *Mission and Vision*

The vision of the Department of Economic Affairs, Environment and Tourism is to strive for an Eastern Cape which is devoid of the inequalities of the past, unified through integrated and sustainable economic, social and cultural development; thus providing an acceptable quality of life for all of its people in the context of a united, non-racial, non-sexist and democratic South Africa.

The Department's mission is to build a sound, growing and sustainable economy which facilitates economic empowerment and delivers an optimal quality of life for all citizens of the Province; especially through the efficient utilisation and management of environmental resources, the promotion of investment and the strategic deployment of the human and financial resources at its disposal.

1.2 *Departmental structure and objectives*

The Department has four main divisions, as follows:

1.2.1 *Administration*

The core function of this division is associated with various support services that are delivered through the following sub-programmes:

- Office of the MEC,
- MEC Support Staff,
- Office of the Head of Department, including Strategic Planning, Communications and Internal Controls (such as risk management, anti-fraud, legal services),
- Administrative Management,
- Financial Management,
- Human Resource Management, and
- Special Programmes.

1.2.2 *Information Management*

This division is responsible for information management through the Departmental Governmental Information Technology (DGITO) and provides quality and cost effective Information Management Systems and Technology (IMST) services to the Department.

1.2.3 *Economic Affairs*

This division is responsible for the managing and promoting economic development and regulatory services in the Province and operates in the following areas:

- SMME Development
- Investment Promotion
- Industrial Development Zones
- Industrial Cluster Initiatives
- Marketing of the Eastern Cape
- Tourism Development and Promotion
- Consumer Protection and Education
- Trade Inspection
- Liquor Administration and Regulation
- Gambling and Betting Administration and Regulation

1.2.4 *Environmental Affairs*

The core function of this division is to ensure the conservation of biodiversity and protection of the environment in the Eastern Cape Province.

This Division consists of the following areas of operations:

- Executive Management provides strategic direction in terms of the environmental management within the Eastern Cape Province
- Integrated Environmental Management ensures the protection and promotion of environmental quality for sustainable development in the Eastern Cape Province
- Biodiversity Conservation and Coastal Management that ensures the implementation and utilisation of natural resource for the benefit of the Eastern Cape Province's people.
- Protected Areas Management manages the biodiversity benchmark sites within fenced and adjacent to fenced areas whilst providing investment opportunities through the Eastern Cape Parks Board.

■ 1.3 Important policy decisions and strategic issues facing the Department

The Department of Economic Affairs, Environment and Tourism operates in the context of the Provincial Growth and Development Plan (PGDP) that seeks to promote broadly-based socio-economic development in the Province, supported by the overall principles of sound macro-economic fundamentals at the National

level. These fundamentals represent the outcome of diligent application, prudent spending and macro-economic discipline over several years, and constitute a foundation upon which to build regional and local initiatives towards growing the provincial economy.

The Department's core business consists of economic and environmental policy analysis and development, while operational implementation is increasingly decentralised to public entities and parastatal organisations all of which have clear mandates and reporting and policy-related obligations to the Department through established channels.

Consequently, key operational functions are developed and managed by the Eastern Cape Development Corporation (ECDC), the Eastern Cape Tourism Board (ECTB), and the Eastern Cape Parks Board (ECPB). Essential regulatory and advisory services are provided by the Eastern Cape Gambling and Betting Board and the Eastern Cape Liquor Board.

The Department facilitates the strengthening of developmental local government based on Local Economic Development (LED) initiatives to create sustainable job opportunities and viable revenue bases. This involves building development capacity at the local government level and the appropriate devolution of functions, together with financial and human resources, to Metropolitan, District and Local Municipalities.

Towards these ends, the Department seeks to establish co-operative initiatives for implementing Local Government Integrated Development Plans (IDPs), national rural and development strategies, and to promote the realisation of the Province's Industrial Development Zones (IDZs) at Coega and East London.

The Department's strategic planning process accords with Treasury specifications and consists of the following instruments:

- The Five-Year Strategic and Performance Plan (2005/06 to 2009/10) which is aligned with the electoral cycle.
- The Annual Performance Plan for 2005/06, which incorporates the MTREF period 2005/06 to 2007/08.
- The Operational Plan for 2004/05.

These documents represent a key transition to the new 5-year strategic planning requirements. Having participated in the Department's strategic planning process, the MEC fully endorsed the intent for the MTREF period 2004/05 to 2006/07; as is reflected in the Policy Speech for the Department, delivered in the Legislature on June 7, 2004.

The budget as allocated by the Budget Committee will assist in extending and further developing the Department's key responsibilities associated with economic development, tourism promotion and sustainable environmental management, as reflected in the Strategic Plan.

During the course of the 2004/05-2006/07 MTREF period the Department will continue to focus on the following areas:

- Strengthening the policy-related SMME directorate.
- Consolidating the Eastern Cape Parks Board as an operating public entity.
- Promoting the Provincial Industrial Development Zones.
- Participating in the implementation of the PGDP through the activities of the Economic Growth and Infrastructure Cabinet and Cluster Committees.
- Promoting the Eastern Cape as the preferred tourist destination.
- Monitoring and enforcement of relevant legislation for the preservation of the environment.
- Regulating and administering the gambling and betting industry, and the retail liquor business.
- Improving and extending mechanisms and procedures for protecting consumer rights.
- Developing a comprehensive information management system.

1.4 *Spending trends*

The Department's allocated budget for the 2004/05 Financial Year amounted to R799,624,000; which, together with an own revenue component of R54,630,000, resulted in an overall budget of R854,254,000 for the year. This represented an decrease of R32,258,000 over the 2003/04 budget.

Expenditure in 2004/05 amounted to R762,272,000, (2003/04 R825,722,000) which resulted in an under- spending of R37,352,000.

2. *Services rendered by the Department*

2.1 *Specific Services*

The Department renders the following specific services:

- Liquor Administration.
- Gambling and Betting regulation.
- SMME Support.
- Consumer Protection.
- Promotion of Tourism.
- Trade Promotion.
- Investment Promotion.
- Environmental Protection.
- Nature Conservation.
- Local Economic Development.

2.2 *Tariff Policy*

2.2.1 Liquor Licences

The Eastern Cape Liquor Act No 10 of 2003 regulates the tariffs charged.

2.2.2 Gambling Fees and Licences

The tariffs charged are regulated by the Gambling and Betting Act, (Eastern Cape), No. 5 of 1997.

2.2.3 Income from Game Reserves

Open tender processes are followed for culling and the sale of game.

2.2.4 Provision of Tourist Facilities

Market related rates are charged wherever possible.

2.3 *Free Services*

The Department renders statutory free services. These are related to the functions of the Department in respect of consumer affairs. No significant income would be generated from these services as most of the people served are in the low-income bracket.

2.4 *Inventories*

The Department does not keep any major inventory other than stationery, maintenance supplies and various other small inventory items.

3. *Under spending R37,352,000*

Overall, the Department under-spent by R37,352,000 during the year under review. This under-expenditure is mainly as a result of the non-transfer of LED funding to various municipalities due to non-compliance with the MFMA, as well as to the implementation of the fiscal discipline measures implemented by Provincial Treasury.

In line with the Treasury Regulations, the Department submitted a request for roll over of funds to the 2005/06 financial year to the extent of R24.8 million.

4. *Capacity Constraints*

Capacity constraints were evident due to the shortage of appropriate personnel. The matter is being addressed in accordance with the critical posts that have been identified by the Department.

Unfilled key positions in the Department's Administration Programme had an effect on matters relating to sound administrative support and financial management.

The vacant post of Chief Financial Officer, as well as other critical finance posts have placed an additional burden on other staff members. The filling of the Chief Financial Officer's post is being finalized.

The combined effect of these and other circumstances resulted in a substantial work overload on the staff members in the Department.

5. *Public entities*

Name of Public Entity	Legislation under which established	Main purpose of the Public Entity
Eastern Cape Development Corporation (ECDC)	National Small Business Act of 1995. Businesses Act 71 of 1991. Eastern Cape Development Corporation Act 2 of 1997 (EC). Policy documents from the DTI.	To facilitate economic development in the Province by promoting investment, small business development and innovative development financing.
Eastern Cape Tourism Board (ECTB)	Eastern Cape Tourism Board Act No 9 of 1995 (EC).	To promote and facilitate tourism and tourism development in the Province, including sustainable investment and job creation.
The Eastern Cape Gambling and Betting Board (ECGBB)	Gambling and Betting Act 5 of 1997 (EC).	To regulate and manage the gambling and betting industry in the Province.
The Eastern Cape Liquor Board	The Liquor Act No 27 of 1989.	To regulate and manage the retail sale of liquor in the Province.
The Coega Development Corporation (ECDC subsidiary)	The Industrial Development Zone Programme of the DTI.	To promote and facilitate the establishment of the Coega IDZ and the new deepwater Coega Port as a focus for private sector investment.
The East London Development Zone Corporation (ECDC subsidiary)	The Industrial Development Zone Programme of the DTI.	To promote and facilitate the establishment of the East London IDZ and the further development of the Port of East London as a focus for private sector investment.
Eastern Cape Consumer Tribunal	Consumer Affairs Act No 5 of 1998.	To adjudicate disputes arising from unfair business practices in the Province.

All public entities are required to comply with the provisions of section 38 of the Public Finance Management Act. Transfer payments were made to the entities indicated above during the year. Details are shown in Note 7 of the Financial Statements.

Transfer payments to Public Entities are effected in terms of comprehensive Service Level Agreements (SLAs), against which the Entities are required to submit monthly reports on expenditure. The objective of the SLAs is to ensure that expenditure incurred by the Entities is in accordance with the overall policy intentions of the Department as specified in the Strategic Plan.

6. Other organisations to which transfer payments have been made

During the period under review, an amount of R2.5 million was transferred to various organisations and institutions in order to facilitate the implementation of economic development projects. These projects were approved for funding as they satisfied the criteria set for Local Economic Development in the Province.

Particulars of the funds transferred are indicated below:

Date	Transferred to	Amount (R)
February 2005	ECMACC	2,500,000
2004/2005	TOTAL	2,500,000

Funds transferred in this context are also subject to terms and conditions specified in Service Level Agreements (SLAs). In the case of transfers to District and Local Municipalities, SLAs are compiled in the context of specific projects that are contained in the Municipal IDPs and that have been prioritised by the Municipalities concerned. The Department's Regional Directors liaise with the Municipalities concerned in terms of formulating the SLAs and are responsible for monitoring expenditure progress in association with designated Project Committees, on which they serve.

Transfer payments for specific projects are directed through relevant Public Entities (ECDC and ECTB) and are subject to SLAs which indicate the nature of the project-specific expenditure intended and the monitoring and reporting requirements.

In all respects, transfer payments from the Department's budget are carefully monitored against progress reporting specified in SLAs.

7. Corporate governance arrangements

7.1 Risk Management

The Department's approach to fraud control is as follows:

- Keeping of proper records.
- Maintenance of an effective and efficient system of Internal Control.
- Staff rotation.
- Assistance received from the shared services of Internal Audit.
- Awareness campaigns throughout the Department.
- A tight authorisation procedure.
-

7.2 Fraud Prevention

The Department's fraud prevention plan includes the following:

- Staff training and development.
- Surprise checks and cash counts in areas where revenue is collected.
- Regular stocktaking.
- Physical verification.

8. New / proposed activities

Proposed activity	Reasons	Effect	Financial Implications
The establishment of the Eastern Cape Liquor Board as a Public Entity.	To manage the administration and regulation of retail liquor sales in the Province.	Improvement in regulation efficiency and revenue collection (licence fees).	Additional funding of R7.4 m is required for infrastructure.

9. Progress with financial management improvements

- The Department has successfully implemented the SCOA BAS system.
- Training was offered to all staff involved in the financial management in the various functions and financial training was offered to non-financial managers.
- Bank reconciliations are done electronically on a monthly basis and checked by a responsible official.
- Suspense accounts are cleared on monthly basis, and the Department was able to clear all suspense accounts as at the end of the financial year.

10. Performance Indicators

Refer to part 3 of the Annual Report for Performance Indicators.

11. Events after the Balance Sheet Date

There have been no post-balance sheet events that impact on the Financial Statements as at 31 March 2005.

12. Performance Evaluation

The Province has one Audit Committee for the whole Province. An Internal Audit Unit, located in the Office of the Premier, provides a shared service for all Departments in the Province.

The Department of Economic Affairs, Environment and Tourism has been allocated an audit manager and two auditors who are involved in all financial management activities that take place in the Department; and have also assisted the Department with the physical verification of assets, documentation of systems and internal control systems.

13. Scopa resolutions

Include a table in the management report on the Scopa resolutions. The table should conform to the following format:

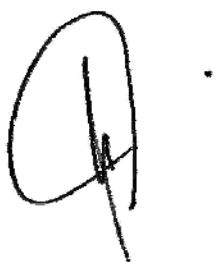
Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
No SCOPA Resolutions	Leave entitlement	
No SCOPA Resolutions	Leases	
No SCOPA Resolutions	Fleet maintenance	
No SCOPA Resolutions	Control and suspense accounts	
No SCOPA Resolutions	Unauthorised expenditure	
No SCOPA Resolutions	Irregular expenditure	
No SCOPA Resolutions	Land and buildings	
No SCOPA Resolutions	Transfer Payments	
No SCOPA Resolutions	Internal audit	

14. Other

- The assets that were transferred to Eastern Cape Parks Board for Protested Areas are not disclosed as comparative figures due to non evaluation of these assets, however the records for such assets per reserve has been drawn up.
- In compliance with Section 47(2) of the PFMA, Act No 1 of 1999, a submission has been made for the listing of the Eastern Cape Parks Board as a public entity for inclusion under Part C of Schedule 3. At the year end the Eastern Cape Parks Board was not yet registered as a public entity under Part C Schedule 3

Approval

The Annual Financial Statements set out on pages 2 to 10 have been approved by the Accounting Officer.



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Adv N F Burwana-Bisiwe
31 May 2005

ACCOUNTING POLICIES for the year ended 31 March 2005.

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. Investments

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

7. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

8. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial

Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting. Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

15. Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

APPROPRIATION STATEMENT
for the year ended 31 March 2005

Appropriation per Programme

	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
1. Administration							
Current payment	33,158	-	-	33,158	28,597	4,561	
Transfers and subsidies	84	-	-	84	67	17	
Expenditure for capital assets	783	-	-	783	336	447	
2. Policy Plan, Res & Info Sys							
Current payment	10,082	-	-	10,082	7,210	2,872	
Expenditure for capital assets	1,174	-	-	1,174	700	474	
3. Economic Affairs							
Current payment	28,823	-	-	28,823	18,895	9,928	
Transfers and subsidies	616,318	-	-	616,318	599,763	16,555	
Expenditure for capital assets	1,044	-	-	1,044	179	865	
4. Environmental Affairs							
Current payment	61,929	-	-	61,929	60,551	1,378	
Transfers and subsidies	44,931	-	-	44,931	44,921	10	
Expenditure for capital assets	583	-	-	583	360	223	
Subtotal	798,909	-	-	798,909	761,587	37,322	
Statutory Appropriation							
Current payments	715	-	-	715	685	30	
Total	799,624	-	-	799,624	762,272	37,352	
Departmental receipts				66,071			
Actual amounts per Statement of Financial Performance (Total Revenue)				865,695			
Actual amounts per Statement of Financial Performance Expenditure					762,272		

APPROPRIATION STATEMENT							
for the year ended 31 March 2005							
Appropriation per Economic classification							
	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	P fin
	R'000	R'000	R'000	R'000	R'000	R'000	
Current payments							
Compensation to employees	91,534	-	-	91,534	86,597	4,937	
Goods and services	42,909	138	-	42,771	28,237	14,534	
Transfers & subsidies							
Provinces & municipalities	256	-41	-	215	731	-516	
Departmental agencies & accounts	641,939	66	-	642,005	641,939	66	
Non-profit institutions	19,000	113	-	19,113	2,500	16,613	
Payment on capital assets							
Machinery & equipment	3,271	-	-	3,271	1,583	1,688	
Land & subsoil assets	-	-	-	-	-	-	
Total	798,909	-	-	798,909	761,587	37,322	
Statutory Appropriation							
Direct charge against Provincial Revenue Fund	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	P fin
	R'000	R'000	R'000	R'000	R'000	R'000	
Member of executive committee/parliamentary officers	715	-	-	715	685	30	
Total	715	-	-	715	685	30	

**Detail per programme 1 - Administration
for the year ended 31 March 2005**

Programme per subprogramme	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Varian ce	Payment final appro
	R'000	R'000	R'000	R'000	R'000	R'000	%
1.1 Office of the Mec							
Current payment	2,293	-	-	2,293	1,664	629	
Transfers and subsidies	7	-	-	7	6	1	
Expenditure for capital assets	125	-	-	125	116	9	
1.2 Office of the MEC Core Staff							
Current payment	2,098	-	-	2,098	1,501	597	
Transfers and subsidies	4	-	-	4	-	4	
Expenditure for capital assets	190	-	-	190	121	69	
1.3 Office of the Permanent Secretary							
Current payment	2,788	-	-	2,788	2,072	716	
Transfers and subsidies	18	-	-	18	15	3	
Expenditure for capital assets		-	-	-	-	-	
1.4 Administrative Management							
Current payment	10,122	-	-	10,122	9,697	425	
Transfers and subsidies	24	-	-	24	20	4	
Expenditure for capital assets	222	-	-	222	41	181	
1.5 Financial Management							
Current payment	7,415	-	-	7,415	6,884	531	
Transfers and subsidies	15	-	-	15	14	1	
Expenditure for capital assets	221	-	-	221	58	163	

Programme per subprogramme		2004/05						
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Varian ce R'000	Payment final appro %
1.6	Human Resource Management							
	Current payment	6,784	-	-	6,784	5,709	1,075	
	Transfers and subsidies	14	-	-	14	10	4	
1.7	Expenditure for capital assets	-	-	-	-	-	-	
	Special Programmes Unit							
	Current payment	1,658	-	-	1,658	1,070	588	
	Transfers and subsidies	2	-	-	2	2	-	
	Expenditure for capital assets	25	-	-	25	-	25	
1.8	Special Functions							
	Current payment	-	-	-	-	-	-	
	Transfers and subsidies	-	-	-	-	-	-	
	Expenditure for capital assets	-	-	-	-	-	-	
Total		34,025	-	-	34,025	29,000	5,025	
Economic classification		2004/05						
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Varian ce R'000	Payment final appro %
Current payments								
	Compensation to employees	23,363	-	-	23,363	21,286	2,077	
	Goods and services	10,110	-	-	10,110	7,311	2,799	
	Transfers & subsidies							
	Provinces & municipalities	84	-	-	84	121	-37	
	Payments for capital assets							
	Machinery & equipment	468	-	-	468	282	186	
Total		34.025	-	-	34.025	29.000	5.025	

**Detail per programme 2 - Policy Plan, Res & Info Sys
for the year ended 31 March 2005**

Programme per subprogramme	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
2.1 Information Systems							
Current payment	10,082	-	-	10,082	7,210	2,872	
Expenditure for capital assets	1,174	-	-	1,174	700	474	
Total	11,256	-	-	11,256	7,918	3,338	

Economic classification	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Current							
Compensation to employees	4,743	-	-	4,743	2,221	2,522	
Goods and services	5,339	-	-	5,339	4,950	389	
Capital							
Machinery & equipment	1,174	-	-	1,174	739	435	
Total	11,256	-	-	11,256	7,918	3,338	

**Detail per programme 3 - Economic Affairs
for the year ended 31 March 2005**

Programme per subprogramme		2004/05						Payment as final appropri %
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
3.1	Investment Promotion							
	Transfers and subsidies	12,531	-	-	12,531	12,531	-	
3.2	Local Economic Development							
	Current payment	7,480	-	-	7,480	4,731	2,749	
	Transfers and subsidies	19,004	-	-	19,004	2,524	16,480	
	Expenditure for capital assets	380	-	-	380	120	260	
3.3	East London IDZ							
	Current payment	-	-	-	-	-	-	
	Transfers and subsidies	120,022	-	-	120,022	120,022	-	
	Expenditure for capital assets	-	-	-	-	-	-	
3.4	Coega Development Corporation							
	Transfers and subsidies	359,431	-	-	359,431	359,431	-	
	Current payment	7,000	-	-	7,000	1,320	5,680	
	Transfers and subsidies	42,000	-	-	42,000	42,000	-	
3.6	Trade Development							
	Transfers and subsidies	4,212	-	-	4,212	4,212	-	
3.7	DRISA / AIDC							
	Transfers and subsidies	25,000	-	-	25,000	25,000	-	
3.8	Liquor Board							
	Current payment	2,674	-	-	2,674	2,553	121	
	Transfers and subsidies	3	-	-	3	3	-	
	Expenditure for capital assets	96	-	-	96	3	93	
3.9	Promotion of Tourism							
	Transfers and subsidies	20,645	-	-	20,645	20,645	-	

Programme per subprogramme		2004/05						Payment as final appropri %
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
3.10	East Cape Gambling & Betting Board							
	Current payment	-	-	-	-	-	-	
	Transfers and subsidies	13,364	-	-	13,364	13,364	-	
3.11	Consumer Affairs							
	Expenditure for capital assets	-	-	-	-	-	-	
	Current payment	11,669	-	-	11,669	10,291	1,378	
	Transfers and subsidies	106	-	-	106	31	75	
	Expenditure for capital assets	568	-	-	568	56	512	
Total		646,185	-	-	646,185	618,837	27,348	

Economic classification		2004/05						Payment as final appropri %
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	
Current								
	Compensation to employees	11,042	-	-	11,042	10,573	469	
	Goods and services	17,892	-113	-	17,779	7,876	9,903	
	Transfers & subsidies							
	Dept agencies & accounts	597,205	-	-	597,205	597,205	-	
	Non-profit institutions	19,000	113	-	19,113	2,500	16,613	
	Capital							
	Machinery & equipment	1,046	-	-	1,046	202	844	
Total		646,185	-	-	646,185	618,837	27,348	

**Detail per programme 4 - Environmental Affairs
for the year ended 31 March 2005**

Programme per subprogramme		2004/05						
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation
		R'000	R'000	R'000	R'000	R'000	R'000	%
4.1	Integrated Environmental Management							
	Current payment	28,277	-	-	28,277	26,947	1,330	95.3%
	Transfers and subsidies	44,825	-	-	44,825	44,822	3	100.0%
	Expenditure for capital assets	583	-	-	583	360	223	61.7%
4.2	Biodiversity Management							
	Current payment	30,019	-	-	30,019	29,983	36	99.9%
	Transfers and subsidies	106	-	-	106	99	7	93.4%
4.3	Environmental Impact Management							
	Current payment	2,011	-	-	2,011	1,497	514	74.4%
4.4	Coastal & Marine Management							
	Current payment	1,379	-	-	1,379	1,968	-589	142.7%
4.5	Waste & Air Quality Management							
	Current payment	243	-	-	243	156	87	64.2%
Total		107,443	-	-	107,443	105,832	1,611	98.5%

**Detail per programme 4 - Environmental Affairs
for the year ended 31 March 2005**

Economic classification	2004/05						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Current							
Compensation to employees	52,386	-	-	52,386	52,517	-131	100.3%
Goods and services	9,568	-25	-	9,543	8,100	1,443	84.9%
Transfers & subsidies							
Provinces & municipalities	172	-41	-	131	121	10	92.4%
Dept agencies & accounts	44,734	66	-	44,800	44,734	66	99.9%
Capital							
Machinery & equipment	583	-	-	583	360	223	61.7%
Land & subsoil assets	-	-	-	-	-	-	0.0%
Total	107,443	-	-	107,443	105,832	1,611	439.1%

**Notes to the Appropriation Statement
for the year ended 31 March 2005**

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) to the annual financial statements.
2. Detail of specifically and exclusively appropriated amounts voted (after Virement):
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. Detail on financial transactions in assets and liabilities
Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses)) to the annual financial statements.

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

4.1 Per programme:

	Voted Funds after virement	Actual Expenditure	R'000	%
Administration	34,740 See schedule	29,685	5,055	85.4%
Policy Plan, Res & Info Sys	11,256 See schedule	7,918	3,338	70.3%
Economic Affairs	646,185 Variance not material	618,837	27,348	95.8%
Environmental Affairs	107,443 Variance not material	105,832	1,611	98.5%

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)

4.2 Per economic classification:

R'000

Current expenditure

Compensation of employees	86,597
Goods and services	28,237
Interest and rent on land	
Financial transactions in assets and liabilities	
Unauthorised expenditure approved	

Transfers and subsidies

Provinces and municipalities	731
Departmental agencies and accounts	641,939
Universities and technikons	
Public corporations and private enterprises	
Foreign governments and international organisations	
Non-profit institutions	2,500
Households	

Payments for capital assets

Buildings and other fixed structures	
Machinery and equipment	1,583
Heritage assets	
Biological assets	
Software and other intangible assets	
Land and sub soil assets	

Statement of Financial Performance

for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1.	798,909	831,882
Statutory appropriation	2.	715	-
Appropriation for unauthorised expenditure approved		-	-
Departmental revenue	3.	66,071	82,238
Local and foreign aid assistance	4.	-	-
TOTAL REVENUE		865,695	914,120
EXPENDITURE			
Current expenditure			
Compensation of employees	5.	87,282	85,534
Goods and services	6.	28,237	34,067
Interest and rent on land	7.	-	-
Financial transactions in assets and liabilities	8.	-	-
Local and foreign aid assistance	4.	-	-
Unauthorised expenditure approved	9.	-	-
Total current expenditure		115,519	119,601
Transfers and subsidies	11.	645,170	696,623
Expenditure for capital assets			
Buildings and other fixed structures	12.	-	-
Machinery and Equipment	12.	1,583	5,148
Biological or cultivated assets	12.	-	-
Software and other intangible assets	12.	-	-
Land and subsoil assets	12.	-	4,350
Local and foreign aid assistance	4.	-	-
Unauthorised expenditure approved	9.	-	-
Total expenditure for capital assets		1,583	9,498
TOTAL EXPENDITURE		762,272	825,722
NET SURPLUS/(DEFICIT)		103,423	88,398
Add back unauthorised expenditure	9.	-	654
Add back fruitless and wasteful expenditure	10.	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		103,423	89,052
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	18.	37,352	6,814
Departmental revenue to be surrendered to revenue fund	19.	66,071	82,238
Local and foreign aid assistance	4.	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		103,423	89,052

Statement of Financial Position

as at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		3,456	10,290
Unauthorised expenditure	9.	654	654
Fruitless and wasteful expenditure	10.	-	-
Cash and cash equivalents	13.	2,552	2,787
Loans		-	-
Other financial assets	14.	-	-
Prepayments and advances	15.	12	-
Receivables	16.	238	6,849
Local and foreign aid assistance receivable	4.	-	-
Non-current assets		133,969	105,067
Investments	17.	133,969	105,067
Loans		-	-
Other financial assets	14.	-	-
TOTAL ASSETS		<u>137,425</u>	<u>115,357</u>
LIABILITIES			
Current liabilities		3,456	10,290
Voted funds to be surrendered to the Revenue Fund	18.	2,600	6,814
Departmental revenue to be surrendered to the Revenue Fund	19.	873	2,641
Bank overdraft	20.	-	-
Payables	21.	-17	835
Local and foreign aid assistance repayable	4.	-	-
Local and foreign aid assistance unutilised	4.	-	-
Non-current liabilities		-	-
Payables	22.	-	-
TOTAL LIABILITIES		<u>3,456</u>	<u>10,290</u>
NET ASSETS		<u>133,969</u>	<u>105,067</u>
Represented by:			
Capitalisation reserve		133,969	105,067
Recoverable revenue		-	-
TOTAL		<u>133,969</u>	<u>105,067</u>

Statement of Changes in Net Assets

for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Capitalisation reserve			
Opening balance		105,067	40,067
Transfers		28,902	65,000
Closing balance		133,969	105,067
Recoverable revenue			
Opening balance		-	-
Debts written off	8.6	-	-
Debts recovered (included in departmental receipts)			
Debts raised			
Prior year adjustment			
Closing balance		-	-
TOTAL		<u>133,969</u>	<u>105,067</u>

Cash Flow Statement

for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		872,294
Annual appropriated funds received		798,909
Statutory appropriated funds received		715
Appropriation for unauthorised expenditure received	9.	-
Departmental revenue received		66,071
Local and foreign aid assistance received	4.	-
Net (increase)/decrease in working capital		6,599
 Surrendered to Revenue Fund		 -67,839
Current payments		-186,839
Transfers and subsidies paid		-645,170
Net cash flow available from operating activities	23.	-27,554
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-1,583
Proceeds from sale of capital assets	3.	-
Proceeds from sale of investments	23.	-
Proceeds from sale of other financial assets		-
(Increase)/ decrease in loans granted		-
Net cash flows from investing activities		-1,583
 CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend to government		-
Increase/(decrease) in loans received		28,902
Net cash flows from financing activities		28,902
 Net increase/(decrease) in cash and cash equivalents		 -235
 Cash and cash equivalents at beginning of period		 2,787
 Cash and cash equivalents at end of period		 2,552

1. Annual Appropriation**1.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments(Equitable Share)

	Final Appropriation R'000	Actual Funds Received R'000
Administration	34,025	29,000
Policy Plan, Res & Info Sys	11,256	7,918
Economic Affairs	646,185	618,837
Environmental Affairs	107,443	105,832
Total	798,909	761,587

Explanation of material variances including whether or not application will be made for a rollover.

Note

2. Statutory Appropriation

Member of executive committee/parliamentary officers

3. Departmental revenue to be surrendered to revenue fund**Description**

Tax revenue

Sales of goods and services other than capital assets

Fines, penalties and forfeits

Financial transactions in assets and liabilities

Total revenue collected

3.1

Departmental revenue collected

* Please note that departmental revenue budgeted applies to provincial departments. This must equal the amount received in the appropriation. Only if the department has under-collected on budgeted revenue, then the amount collected should be inserted in the budgeted revenue line. This will result in a zero balance for departmental revenue on the face of the Income Statement.

3.1 Financial transactions in assets and liabilities**Nature of loss recovered**

Other

5. Compensation of employees**5.1 Salaries and wages**

Basic salary

Service Based

Compensative/circumstantial

Periodic payments
Other non-pensionable allowances

5.2 Social contributions
5.2.1 Short term employee benefits

Pension
Medical
Bargain council

Total compensation of employees

Average number of employees

6. Goods and services

Advertising
Attendance fees (including registration fees)
Bank charges and card fees
Communication
Computer services
Commission
Consultants, contractors and special services
Courier and delivery services
Entertainment
External audit fees
Equipment less than R5 000
Honoraria (Voluntary workers)
Inventory
Legal fees
Maintenance, repair and running costs
Operating leases
Printing and publications
Professional bodies and membership fees
Resettlement costs
Subscriptions
Owned and leasehold property expenditure
Travel and subsistence
Venues and facilities
Protective, special clothing & uniforms
Training & staff development
Previous years unallocated items

6.1

6.2

6.3

R50 184.00 included under communication classification refers to payments of interest and has been disclosed as fruitless expenditure

6.1 External audit fees
Regulatory audits
Total external audit fees

6.2 Inventory
Construction work in progress
Other inventory
Domestic Consumables
Food and Food supplies
Fuel, oil and gas
Laboratory consumables
Other consumables
Stationery and Printing
Medical Supplies
Total Inventory

6.3 Travel and subsistence
Local
Foreign
Total travel and subsistence

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure
Opening balance
Unauthorised expenditure – current year
Unauthorised expenditure awaiting authorisation

9.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings
-----------------	--

Amount has as yet not been condoned, however, process has been implemented and outcome thereof is awaited and therefore amount has disclosed as "unauthorised expenditure awaiting authorisation".

10. Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure
Opening balance
Transfer of Statement of Financial Performance – authorised losses
Fruitless and wasteful expenditure

Incident

**Disciplinary steps
taken/criminal
proceedings**

11. Transfers and subsidies**Note**

Provinces and municipalities
 Departmental agencies and accounts
 Non-profit institutions

[ANNEXURE 1B & 1C](#)
[ANNEXURE 1D](#)
[ANNEXURE 1H](#)

12. Expenditure for capital assets

Machinery and equipment
 Land and subsoil assets
Total

[ANNEXURE 4](#)
[ANNEXURE 4](#)

13. Cash and cash equivalents

Consolidated Paymaster General Account
 Cash receipts

15. Prepayments and advances**Description**

Claims recoverable

16. Receivables

		Less than one year	One to three years	Older than three years
Amounts owing by other entities	ANNEXURE 6			
Staff debtors	16.1	221		
Clearing accounts	16.2			
Other debtors	16.3	17		
		238	-	-

16.1 Staff debtors

(Group major categories, but list material items)

SAL:ACB RECALLS: CA,SAL:DEDUCTION DISALL ACC: CA,SAL:DISALLOWANCE
 ACCOUNT: CA,SAL:TAX DEBT: CA,DEBT ACCOUNT: CA,DEBT RECEIVABLE INCOME: CA
 ADVANCES

16.3 Other debtors

Nature of advances

(Group major categories, but list material items)

DISALL DISHONoured CHEQUES: CA,SAL:PENSION DEBT ACC CA

INTEREST - TELKOM ACCOUNT

17. Investments**Investee****Nature of investment**

(Reflected at cost)

INVESTMENT ACC: TRADING ACC NC

18. Voted Funds to be surrendered to the Revenue Fund

Opening balance

Transfer from Statement of Financial Performance

Voted funds not requested/not received

Paid during the year

Closing balance

Opening balance only transferred during the 2005/06 financial year

19. Departmental revenue to be surrendered to revenue fund

Opening balance

Transfer from Statement of Financial Performance

Paid during the year

Closing balance

** Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

21. Payables – current**Description****30 Days****30+ Days**

Amounts owing to

other departments

ANNEXURE 7

Clearing accounts

21.2

-17

Other payables

21.3

-17

-

21.2 Clearing accounts

Description

(Identify major categories, but list material amounts)

SAL:FIN INSTITUT STUDY LOANS:C,SAL:OFFICIAL UNIONS:CL,SAL:GARNISHEE
ORDER:CL,SAL:MEDICAL AID:CL,SAL:INCOME TAX:CL,SAL:PENSION FUND:CL

21.3 Other payables

Description

(Identify major categories, but list material amounts)

Revenue to be surrendered

**23. Reconciliation of net cash flow from operating activities
to surplus/(deficit)**

Net surplus/(deficit) as per Statement of Financial Performance

(Increase)/decrease in receivables – current

(Increase)/decrease in prepayments and advances

(Increase)/decrease in other non-current assets

Increase/(decrease) in payables – current

Surrenders

Capital expenditure

Other non cash items

Net cash flow generated by operating activities

24. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered

Departmental revenue surrendered

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

		<i>Note</i>
25. Contingent liabilities		
Liable to	Nature	
Housing loan guarantees	Employees	<u>ANNEXURE 3</u>
Other departments (unconfirmed balances)		<u>ANNEXURE 7</u>
Capped Leave Commitments		
Other		
26. Commitments		
Current expenditure		
Approved and contracted		
Capital expenditure		
Approved and contracted		
Total Commitments		
Confirmed balances with other departments		<u>ANNEXURE 7</u>

28. Employee benefits

Leave entitlement

Thirteenth cheque

Performance awards

29. Leases

		Buildings & other fixed structures	Machinery and equipment
29.1	Operating leases		
	Not later than 1 year		3,826
	Later than 1 year and not later than 3 years		3,564
	Later than three years		210
	Total present value of lease liabilities	-	7,600

31. Irregular expenditure**31.1 Reconciliation of irregular expenditure**

Opening Balance

Irregular expenditure – current year

Transfers to receivables for recovery (Not condoned)

Irregular expenditure awaiting condonement

Note

Analysis

Current

1. R1,350m disclosed (not condoned), submission to be made for condonement for the current year 2004/05: Irregular expenditure due to fact ECMAC, whilst white book reflects R1,150 m to be transferred NMMM. 2. Transfer to ELIDZ for the first quarter was transferred to ELIDZ and to ELIDZ now done via ECDC in order to comply with requirements of schedule 3 of the PFMA. 3. Transfers for ECPB directly to ECPB whilst the PFMA under schedule. Disclosed as irregular expenditure

31.2 Irregular expenditure

Incident

Disciplinary steps taken/criminal proceedings

Non-compliance with Tender

Over expenditure on personnel on programmes 1, 2 & 4

EL IDZ & EC Film Commission

Procurement not in line with Treasury Circular 8 of 2003, Wilderness

Foundation & National Botanic Institute

33. Senior management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis, showing separately major classes of key management personnel and including a description of each class for the current period and the prior period, should be disclosed.

- The Minister, Deputy Ministers, Director-General
- Deputy Director Generals

Head of Department

Chief Directors and Directors

34. Public Private Partnership

For each Public Private Partnership the department has entered into the following must be disclosed for the current and prior period:

A description of the arrangement

Significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows

The nature and extent of:

1. rights to use specified assets
2. obligations to provide or rights to expect provision of services
3. obligations to acquire or build items of property, plant and equipment
4. obligation to deliver or rights to receive specified assets at the end of the concession period
5. renewal and termination options
6. other rights and obligations (e.g. major overhauls), and

Changes in the arrangement occurring during the period

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NIL

ANNEXURE 1B

STATEMENT OF CONDITIONAL GRANT PAID TO DEPARTMENTS

NIL

ANNEXURE 1C

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

GRANT ALLOCATION

TRANSFER

NAME OF MUNICIPALITY	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000
RSCL	-	-	-	-	731	-	-
	-		-	-	731	-	-
		-					

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 1D

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

TRANSFER ALLOCATION

AGENCY/ACCOUNT	Adjusted				
	Appropriation				
	Act	Roll Overs	Adjustments	Total Available	Actual Trans
	R'000	R'000	R'000	R'000	R'000
ECTB	20,645			20,645	20,645
ECGBB	13,364			13,364	13,364
COEGA DEV CORP	359,431			359,431	359,431
ELIDZ	120,022			120,022	120,022
ECPB	44,734			44,734	44,734
ECDC	83,743			83,743	83,743
	641,939	-	-	641,939	641,939

ANNEXURE 1E

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

NIL

ANNEXURE 1F

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NIL

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

[ANNEXURE 1G](#)

STATEMENT OF TRANSFERS/SUBSIDIES TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

NIL

[ANNEXURE 1H](#)

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXP
	Adjusted	Roll Overs	Adjustments	Total	Actual
	Appropriation				
	Act				
	R'000	R'000	R'000	Available	Transfer
				R'000	R'000
Transfers					
AMATOLE	1,000			1,000	-
CACADU	1,300			1,300	-
ALFRED NZO	3,100			3,100	-
UKHAHLAMBA	1,000			1,000	-
CHRIS HANI	4,400			4,400	-
OR TAMBO	7,050			7,050	-
NELSON MANDELA	1,150			1,150	2,500
	19,000	-	-	19,000	2,500
TOTAL	19,000	-	-	19,000	2,500

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 1I

STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

NIL

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

NIL

ANNEXURE 1K

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND
PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2005**

NIL

ANNEXURE 1L

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT FOR THE YEAR ENDED 31 MARCH 2005

NIL

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 2A

**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED/PUBLIC ENTITIES AS AT 31 MARCH 2005
(Only Public and Private Entities)**

Name of Public Entity Controlled entities	Nature of business	Relevant Act	State Entity's PFMA Schedule type	% Held 03/04	% Held 04/05	Number of shares held		Cost of investment R'000	
			(state year end if not 31 March)			2004/05	2003/04	2004/05	2003/04
ECDC	Promoting foreign and domestic investment	EC Development Act No.2 of 1997	Schedule 3(d)	100.0%	100.0%	28,902	500,000	133,969	105,067
Subtotal						-	-	133,969	105,067
Total						-	-	133,969	105,067

ANNEXURE 2B

**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED/PUBLIC ENTITIES AS AT 31 MARCH 2005
(Only Public and Private Entities)**

NIL

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital	Opening Balance	Guarantees issued during the year	Guarantees Released during the year
		amount R'000	01/04/2004 R'000		
	Housing			R'000	R'000
ABSA	Housing loan	3,175	411	344	
African Bank	Housing loan	55	12	-	
Allied Bank	Housing loan	-	-	-	
Boland Bank	Housing loan	-	40	-	
FBC	Housing loan	-	60	-	
First National Bank	Housing loan	2,060	412	77	
Future Bank	Housing loan	-	-	-	
Ithala Limited	Housing loan	155	-	-	
Meeg Bank	Housing loan	155	127	-	
NBS	Housing loan	-	76	-	
Nedcor / Nedbank	Housing loan	220	39	30	
Old Mutual	Housing loan	955	197	-	
Peoples Bank	Housing loan	945	49	-	
Perm	Housing loan	-	427	-	
Saambou Bank	Housing loan	-	49	-	
Standard Bank	Housing loan	1,550	-	11	
TNBS	Housing loan	-	16	-	
		9,270	1,915	462	-
	Total	9,270	1,915	462	-

[ANNEXURE 3 \(continued\)](#)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - FOREIGN

NIL

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

[ANNEXURE 4](#)

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000
MACHINERY AND EQUIPMENT	5,148	1,583	-	-	-
Computer equipment	4,032	1,195	-	-	-
Furniture and office equipment	560	388	-	-	-
Other machinery and equipment	534	-	-	-	-
Specialised military assets	-	-	-	-	-
Transport assets	22	-	-	-	-
LAND AND SUBSOIL ASSETS	4,350	-	-	-	-
Land	4,350	-	-	-	-
	9,498	1,583	-	-	-

[ANNEXURE 4 \(continued\)](#)

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000
MACHINERY AND EQUIPMENT	-	5,148	-	-	-
Computer equipment		4,032			
Furniture and office equipment		560			
Other machinery and equipment		534			
Specialised military assets					
Transport assets		22			
LAND AND SUBSOIL ASSETS	-	4,350	-	-	-
Land		4,350			
Mineral and other non regenerative assets					
	-	9,498	-	-	-

This is a movement schedule as at 1 March 2003

Disposals only relate to amounts included in the opening balances and the additions columns. If you have a disposal, the amount written off should be equivalent to the carrying value of the asset.

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

This is a movement schedule as at 1 March 2003

ANNEXURE 6

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed b
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000
Department			
ROADS AND PUBLIC WORKS	-	21	-
DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM	-	296	130
OFFICE OF THE PREMIER	-	-	8
	-	317	138
Other Government Entities			
ECTB - Tourism	-	-	2,519
ECPB - Conservation	-	4,632	7,399
ECDC - LED	-	-	4,166
TELKOM ACCOUNT	-	-	50
	-	4,632	14,134
TOTAL	-	4,949	14,272

**Include all amounts owing by National and Provincial Departments as well as all Public Entities,
Constitutional Institutions and Trading Entities**

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 7

INTER-DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed
	31/03/2005	31/03/2004	31/03/2005
	R'000	R'000	R'000
Department			
Amounts not included in Statement of financial position			
Current			
NATIONAL, PROVINCIAL TREASURY, JUSTICE	29	-	477
Subtotal	29	-	477
Total	29	-	477
Amounts included in Statement of financial position			
Current			
SAMDI	-	25	-
JUSTICE	-	53	-
PREMIER	-	11	-
PROVINCIAL TREASURY	-	110	-
Subtotal	-	199	-
Total	-	199	-

Include all amounts owing to National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities

Part 5

Human Resource Management

AIM

To render Human Resources Administration, Human Resources Development Organisational Development and Labour Relations Services to the Department.

1. SERVICE DELIVERY

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Provision of human resources in the department	Line functionaries	Applicants	Providing the right skilled employees at the right time	Filling of posts delayed due to centralisation of delegations and provincial austerity measures
Payments of service benefits	All employees of the department and ex employees	Ex employees and their beneficiaries; pension admin; SARS; Workman's compensation	Pay benefits within the prescribed timeframes	75% improvement against last year's performance.
Full implementation of PMDS	All employees of the department	None	Signed and validated performance plans; reviews and assessment conducted	76% signed performance plans; reviews conducted
Skills development	All employees; interns and learners	Qualified and unqualified unemployed youth	Improved competency levels of employees;	Focus was only on transversal training due to budgetary constraints
Ensure a safe and healthy environment	All employees of the department	Department of Labour; NOSA	SHE structure in place; identify risk and unsafe areas; develop a report and draw a plan	SHE structure in place; report on unsafe areas in place; a program and plan in place
Ensure achievement of	All programs	Department of Labour; OTP;	Improved representation of	There is an improvement on

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
set EE targets		DPSA	all designated groups	black women and youth representation, other area are still a challenge.
Provide guidance on HR practices and labour relations	Management and all employees	Organised labour; other departments; sectoral council	Quality and on time assistance and advice	Best decisions made and grievances, misconduct cases dealt with on time
Employee Wellness Program	All employees	Immediate family members	Confidentiality and professionalism; referrals dealt with on time	More self and supervisor referrals

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings: information sharing sessions; reports	Management and employees	OTP; DPSA; PSC	Reports submitted on time
Meetings for clarity; sharing information; consultations	Organised labour	PSCBC; GPSSBC	More interactions with union

Table 1.3 – Service information tool

Types of information tool	Actual achievements
Employee files	85% compliant
Persal system	90% information updated
Vulindlela	Quarterly updates
Intranet ; e-mail; Departmental Website	High rate of utilisation for Departmental information

Table 1.4 – Complaints mechanism

Complaints Mechanism	Actual achievements
<i>Designated employees</i>	Designated employees appointed in writing
Negotiating team	Negotiating team appointed and functional
Appeals Body	Appeals body appointed and functional

2. EXPENDITURE

Table 2.1 – Personnel costs by programme, 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (Rand)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1	29,685	21,971	560,800	74%	24
Programme 2	7,981	2,221	63,033	28%	2
Programme 3	618,837	10,573	5,660	2%	12
Programme 4	105,832	52,517	32,507	50%	57
Total	762,272	87,282	662,000	11.5	94

Table 2.2 – Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (Rand)
Lower skilled (Levels 1-2)	23,743	26.6	56,130
Skilled (Levels 3-5)	14,098	15.8	57,543
Highly skilled production (Levels 6-8)	25,923	29.1	140,886
Highly skilled supervision (Levels 9-12)	13,040	14.6	237,091
Senior management (Levels 13-16)	8,585	9.6	476,944
Total	85,389	95.8	92,312

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	15,330	70	-	-	180	0.8	998	7.1
Programme 2	1,465	66	-	-	24	0.9	123	6.4
Programme 3	7,399	70	-	-	103	0.9	418	4.9
Programme 4	37,708	72	303	0.6	258	0.5	3,235	3.6
Other	6	66.7	-	-	-	-	1	11.1
Total	61,918	69.5	303	0.3	565	0.6	4,765	5.3

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	17712	71.7	146	0.6	37	0.1	1741	7.1
Skilled (Levels 3-5)	10505	73.5	104	0.7	78	0.5	910	6.4
Highly skilled production (Levels 6-8)	19184	71.3	54	0.2	322	1.2	1323	4.9
Highly skilled supervision (Levels 9-12)	9444	67.8	-	-	128	0.9	505	3.6
Senior management (Levels 13-16)	5073	54.5	-	-	-	-	286	3.1
Total	61918	69.5	304	0.3	565	0.6	4765	5.3

3. EMPLOYMENT AND VACANCIES

Table 3.1 – Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate (% of posts not filled)	Number of posts filled additional to the establishment
Programme 1	231	175	24.2	3
Programme 2	12	9	25	-
Programme 3	69	56	18.8	1
Programme 4	825	685	17	27
Total	1137	925	18.6	31

Table 3.2 – Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	544	456	16.2	28

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Skilled (Levels 3-5)	264	216	18.2	-
Highly skilled production (Levels 6-8)	240	184	23.3	2
Highly skilled supervision (Levels 9-12)	66	50	24.2	-
Senior management (Levels 13-16)	23	19	17.4	1
Total	1137	925	18.6	31

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related	44	34	22.7	-
Forestry & other	6	4	33.3	-
Agricultural related	11	9	18.2	-
Bio, zoology	145	127	12.4	27
Heavy vehicle driver	1	1	-	-
Cleaners in offices	116	85	26.7	-
Client info clerk	3	3	-	-
Conservation labourers	133	119	10.5	-
Farm hands labourers	217	176	18.9	1
Forestry advisors/ farm managers	14	9	35.7	-
Finance and economic	9	6	33.3	-
Financial and related professionals	12	10	16.7	-
Financial clerk	30	18	40	-
Food service aid	3	3	-	-
Head of department1	1	1	-	1
HR & org development	10	6	40	-
Human resource clerks	15	9	40	-
Human resource related	1	1	-	-
Identification experts	3	1	66.7	-
Communication	1	1	-	-
Library related	5	5	-	-
Light vehicle driver	2	2	-	-
Logistical support	2	2	-	-
Transport clerk	1	1	-	-
messengers	1	1	-	-
Motor vehicle drivers	1	1	-	-
Nature conservation	132	113	14.4	-
Other admin related clerks	68	52	23.5	1
Admin policy rel off	27	23	14.8	-
Other occupations	1	1	-	-
Regulatory inspectors	10	6	40	-

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Secretaries/other keyboard operating cl	63	50	20.6	1
Security guards	15	14	6.7	-
Security officers	4	4	-	-
Senior managers	23	20	13	-
Trade/industry advisors	7	7	-	-
TOTAL	1137	925	18.6	31

4. JOB EVALUATION

Table 4.1 – Job Evaluation, 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	544	-	-	-	-	-	-
Skilled (Levels 3-5)	264	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	240	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	66	-	-	-	-	-	-
Senior Management Service Band A	18	1	5.6	-	-	-	-
Senior Management Service Band B	3	1	33.3	-	-	-	-
Senior Management Service Band C	2	-	-	-	-	-	-
Senior Management Service Band D	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	1137	2	0.2	-	-	-	-

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	Nil
Male	-	-	-	-	Nil
Total	-	-	-	-	Nil
Employees with a disability					Nil

Table 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
n/a	n/a	n/a	n/a	n/a
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2003/04				2
Percentage of total employment				-

Table 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	Nil
Male	-	-	-	-	Nil
Total	-	-	-	-	Nil

Employees with a disability

0

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2003/ 04

Nil

5. EMPLOYMENT CHANGES

Table 5.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	462	1	29	6.3
Skilled (Levels 3-5)	242	0	6	2.5
Highly skilled production(Levels 6-8)	174	16	11	6.3
Highly skilled supervision(Levels 9-12)	56	1	5	8.9
Senior Management Service Band A	13	-	1	7.7
Senior Management Service Band B	3	-	1	33.3
Senior Management Service Band C	1	1	-	-
Senior Management Service Band D	-	-	-	-
Total	951	19	53	5.6

Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	30	1	3	10
Forestry & other	2	8	2	100
Agricultural related	4	-	-	-
Building caretaker	22	-	-	-
Heavy vehicle driver	1	-	-	-
Related technical	1	-	-	-
Client info clerk	6	-	-	-
Conservation labourers	294	-	18	6.1
Farm hands labourers	252	-	15	6
Forestry advisors/ farm managers	1	-	1	100
Finance and economic	9	1	-	-
Financial and related professionals	11	1	-	-
Financial clerk	16	-	-	-
Food service aid	1	-	-	-
HR & org development	4	-	1	25
Human resource clerks	20	-	1	5
Human resource related	4	-	-	-
Communication	1	-	-	-
Library related	6	-	-	-
Light vehicle driver	3	-	-	-
Logistical support	1	-	-	-
Transport clerk	6	-	-	-
Safety inspectors	1	-	-	-
Nature conservation	70	6	4	5.7
Other admin related clerks	44	-	-	-
Admin policy rel off	34	-	4	11.8
Other occupations	39	-	1	2.6
Regulatory inspectors	4	-	-	-
Secretaries/other keyboard operating cl	38	1	1	2.6
Security guards	7	-	-	-
Water plant related	3	-	-	-
Senior managers	13	1	2	15.4
Trade/industry advisors	3	-	-	-
TOTAL	951	19	53	5.6

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	15	26.3
Resignation	14	24.6
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	1	1.8
Dismissal – inefficiency	-	-
Discharged due to ill-health	6	10.5
Retirement	17	29.8
Transfers to other Public Service Departments	4	7
Other	-	-
Total	57	100
Total number of employees who left as a % of the total employment		5.9

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	30	-	1	3.3	19	63.3
Forestry & other	2	-	-	-	3	150
Agricultural related	4	-	-	-	4	100
Building caretaker	22	-	-	-	16	72.7
Heavy vehicle driver	1	-	-	-	1	100
Related technical	1	-	-	-	-	-
Client info clerk	6	-	-	-	7	116.7
Conservation labourers	294	-	-	-	257	87.4
Farm hands labourers	252	-	-	-	212	84.1
Forestry advisors/ farm managers	1	-	-	-	-	-
Finance and economic	9	2	1	11.1	6	66.7
Financial and related professionals	11	-	-	-	8	72.7
Financial clerk	16	-	1	6.3	17	106.3
Food service aid	1	-	-	-	1	100
HR & org development	4	-	-	-	3	75
Human resource clerks	20	-	-	-	16	8
Human resource related	4	-	-	-	3	75

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Communication	1	-	-	-	1	100
Library related	6	-	-	-	5	83.3
Light vehicle driver	3	-	-	-	2	66.7
Logistical support	1	-	-	-	1	100
Transport clerk	6	-	-	-	4	66.7
Safety inspectors	70	-	-	-	52	74.3
Nature conservation	44	5	-	-	38	86.4
Other admin related clerks	34	-	-	-	27	79.4
Admin policy rel off	39	-	-	-	42	107.7
Other occupations	4	-	-	-	4	100
Regulatory inspectors	1	-	-	-	1	100
Secretaries/other keyboard operating cl	38	-	-	-	34	89.5
Security guards	7	-	-	-	7	100
Water plant related	13	-	1	7.7	1	7.7
Senior managers	3	-	-	-	3	100
Trade/industry advisors	3	-	-	-	3	100
TOTAL	951	7	4	0.4	798	83.9

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	462	-	-	-	387	83.8
Skilled (Levels 3-5)	242	-	-	-	226	93.4
Highly skilled production (Levels 6-8)	174	1	1	0.6	145	83.3
Highly skilled supervision (Levels 9-12)	56	5	1	1.8	39	69.6
Senior management (Levels 13-16)	17	1	2	11.8	1	5.9
Total	951	7	4	0.4	798	83.9

6. EMPLOYMENT EQUITY

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	-	-	5	3	-	-	-	15
Professionals	81	-	1	25	60	1	1	11	180
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	33	1	-	-	84	4	-	13	135
Service and sales workers	5	-	-	-	2	-	-	-	7
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and	6	1	-	-	-	-	-	-	7

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
machine operators and assemblers									
Elementary occupations	344	60	-	5	169	2	-	1	581
Total	476	62	1	35	318	7	1	25	925
Employees with disabilities	2	-	-	1	-	-	-	-	3

Table 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	-	-	-	-	-	-	-	2
Senior Management	8	-	-	5	3	-	-	-	16
Professionally qualified and experienced specialists and mid-management	33	-	1	20	18	-	-	4	76
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	59	-	-	9	72	4	1	18	163
Semi-skilled and discretionary decision making	177	30	-	1	116	3	-	3	330
Unskilled and defined decision making	197	32	-	-	109	-	-	-	338
Total	476	62	1	35	318	7	1	326	925

Table 6.3 – Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	1	-	-	-	1
Senior Management	-	-	-	-	-	-	-	1	1
Professionally qualified and experienced specialists and mid-management	-	-	-	-	1	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	12	1	-	1	16
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Not available permanent	-	-	-	1	-	-	-	-	-
Total	2				14	1		2	19
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.4 – Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	2	-	-	2	1	-	-	-	1
Skilled technical and academically qualified workers, junior management,	-	-	-	-	1	-	-	-	1

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	3	-	-	2	2	-	-	-	7
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.5 – Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	2	-	-	-	2
Professionally qualified and experienced specialists and mid-management	1	-	-	1	2	-	-	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	-	-	-	2	-	-	-	10
Semi-skilled and discretionary decision making	3	-	-	-	3	-	-	-	6
Unskilled and defined decision making	21	1	-	-	8	-	-	-	30
Total	33	1	-	1	17	-	-	1	53
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.6 – Disciplinary action for the period 1 April 2004 to 31 March 2005

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Demotion	1	-	-	-	-	-	-	-	1
Final written warning	5	-	-	1	2	-	-	-	8
Counselling	2	-	-	-	1	-	-	-	3
Suspension without pay	3	-	-	1	-	-	-	-	4
TOTAL	11	-	-	2	3	-	-	-	16

Table 6.7 – Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	-	1	2	7	-	-	1	23
Professionals	3	1	-	-	5	-	-	-	9
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	23	-	-	1	65	-	1	2	92
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	3	-	-	-	3	-	-	-	6
Total	41	1	1	3	80	-	1	3	130
Employees with disabilities	1	-	-	-	-	-	-	-	-

7. PERFORMANCE REWARDS

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Asian	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Coloured	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
White	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total	Nil	Nil	Nil	Nil	Nil

Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Total	Nil	Nil	Nil	Nil	Nil	Nil

Table 7.3 – Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
See Table 6.4 for list of occupations	-	-	-	-	-
Total	Nil	Nil	Nil	Nil	Nil

Table 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	Nil	Nil	Nil	Nil	Nil	Nil

8. FOREIGN WORKERS

Table 8.1 – Foreign Workers, 1 April 2004 to 31 March 2005, by salary band

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	Nil	-	Nil	-	Nil	-

Table 8.2 – Foreign Worker, 1 April 2004 to 31 March 2005, by major occupation

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
N/A	-	-	-	-	-	-
Total	Nil	-	Nil	-	Nil	-

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2004 TO 31 DECEMBER 2004

Table 9.1 – Sick leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	3084	93.7	264	45.9	12	427
Skilled (Levels 3-5)	1358	90.4	142	24.7	10	231
Highly skilled production (Levels 6-8)	1174	81.9	122	21..2	10	425
Highly skilled supervision (Levels9-12)	302	86.4	38	6.6	8	176
Senior management (Levels 13-16)	51	98	7	1.2	7	86
Not available	25	100	2	0.3	13	3
Total	5994	90.3	575	100	10	1348

Table 9.2 – Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	169	100	3	50	56	24
Skilled (Levels 3-5)	80	100	2	33.3	40	13
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision	5	100	1	16.7	5	2

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
(Levels 9-12)						
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	254	100	6	100	42	39

Table 9.3 – Annual Leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	9653.64	25
Skilled Levels 3-5)	5688	24
Highly skilled production (Levels 6-8)	3899	21
Highly skilled supervision(Levels 9-12)	1260	21
Senior management (Levels 13-16)	338	18
Total	20838.64	23

Table 9.4 – Capped leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	740	9	93
Skilled Levels 3-5)	321	10	108
Highly skilled production (Levels 6-8)	160	8	117
Highly skilled supervision(Levels 9-12)	60	12	125
Senior management (Levels 13-16)	6	3	79
Total	1287	9	103

Table 9.5 – Leave payouts for the period 1 April 2004 to 31 March 2005

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	Nil	Nil	Nil
Capped leave payouts on termination of service for 2004/05	10	1	10000
Current leave payout on termination of service for 2004/05	Nil	1	Nil
Total	10	2	5000

10. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Lower levels of employees employed within the Provincial Parks	Awareness workshops and interaction with peer educators; distribution of condoms

**Table 10.2 – Details of Health Promotion and HIV and AIDS Programmes
(tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Miss S Pityi – Senior Manager HRM
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		EAP; an EAP officer; wellness coordinator and 9 trained peer educators. The budget is
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		EAP Safe and healthy environment Management of HIV, AIDS
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		Wellness coordinator – Mulaudzi; SPU –Phama; Consumer Affairs – Mtshali, Siphamla, Siciko; Environmental – Mpunzi, Noncembu, Maki, Madolo, Nqabeni; Admin – Rademeyer, Mdayi, Nomzaza, Mpaliso, Mpumza & Mjali
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		✓	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		The department has an HIV, AIDS policy in place

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		There are no results as yet and no one has declared their status
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Surveys Monthly meetings Monthly and quarterly reports

11. LABOUR RELATIONS

Table 11.1 – Collective agreements, 1 April 2004 to 31 March 2005

Total collective agreements	None
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Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	15
Verbal warning	-	-
Written warning	-	-
Final written warning	6	30
Suspended without pay	5	25
Fine	1	5
Demotion	1	5
Dismissal	-	-
Not guilty	1	5
Case withdrawn	3	15
Total	20	100

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Drunk on duty	1	5.5
Damage to government vehicles	2	11.1
Unacceptable conduct	1	5.5
Misappropriation of funds	1	5.5
Theft of state property	1	5.5
Misuse of government vehicle	3	16.6
Unauthorised use of government vehicle	1	5.5
Fraud	1	5.5
Misuse of state petrol	1	5.5
Misuse of state telephone	1	5.5
Unauthorised keeping of personal firearm in the state premises	1	5.5
Unauthorised purchase/requisition of stock	1	5.5
Fighting at work	2	11.1
Sexual harassment	1	5.5
Total	18	100

Table 11.4 – Grievances lodged for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of grievances resolved	13	62
Number of grievances not resolved	8	38
Total number of grievances lodged	21	100

Table 11.5 – Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of disputes upheld	3	30
Number of disputes dismissed	7	70
Total number of disputes lodged	10	100

Table 11.6 – Strike actions for the period 1 April 2004 to 31 March 2005

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

Table 11.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	121.6
Cost (R'000) of suspensions	R19 736.73

12. SKILLS DEVELOPMENT

Table 12.1 – Training needs identified 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	15	2	6	-	8
	Male	58	-	10	5	15
Professionals	Female	73	-	2	3	5
	Male	101	-	2	2	4
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	101	11	55	2	68
	Male	34	-	23	1	24
Service and	Female	2	-	-	-	-

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
sales workers	Male	5	-	-	-	-
Skilled agriculture and fishery workers	Female	6	-	-	-	-
	Male	87	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	7	-	-	-	-
Elementary occupations	Female	139	-	3	-	3
	Male	323	-	3	-	3
Sub Total	Female	336	13	89	5	107
	Male	615	-	15	8	23
Total		951	13	104	13	130

Table12.2 – Training provided 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	2	6	-	8
	Male	12	-	10	5	15
Professionals	Female	73	-	2	3	5
	Male	107	-	2	2	4
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	101	11	55	2	68
	Male	34	-	23	1	24
Service and sales workers	Female	2	-	-	-	-
	Male	5	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	7	-	-	-	-

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	172	-	3	-	3
	Male	409	-	3	-	3
Sub Total	Female	351	13	66	5	84
	Male	574	-	38	8	46
Total		925	13	104	13	130

13. INJURY ON DUTY

Table 13.1 – Injury on duty, 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	20
Temporary Total Disablement	7	70
Permanent Disablement	1	10
Fatal	-	-
Total	10	100

14. UTILISATION OF CONSULTANTS

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Nil	Nil	Nil	Nil
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil	Nil	Nil	Nil

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

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

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Nil	Nil	Nil	Nil
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil	Nil	Nil	Nil

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

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



