



# Annual Report

## 2005/06



Province of the  
**EASTERN CAPE**

DEPARTMENT OF ECONOMIC AFFAIRS,  
ENVIRONMENT & TOURISM



*Ikamva eliqaqambileyo!*

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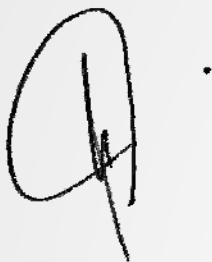
**PR 176/2006**

## **ANNUAL REPORT 2005 / 2006**

**Honourable M Sogoni  
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 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006.**

I have the honour of submitting the 2005/06 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  
31 July 2006**



**Department of Economic Affairs, Environment and Tourism**  
**Annual Report for period ended 31 March 2006**

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## Foreword by the MEC for Economic Affairs, Environment and Tourism



The Department of Economic Affairs, Environment and Tourism remains firmly committed to the process of organising its activities, and those of the Public Entities for which it is responsible, according to the strategic planning procedures and systems reflected in the national planning framework aligned to the five-year electoral cycle.

Accordingly, operational activities in the Department and its Public Entities are firmly based on the Department's *Five-Year Strategic and Performance Plan: 2005/06 to 2009/10*, the *MTEF Annual Performance Plan: 2005/06-2007/08*, and the Operational Plan (Budget) for 2005/06.

During the 2005/06 financial year, the Office of the Head of Department ensured that all Strategic Planning documents and procedures are in accordance with National and Provincial Treasury specifications. This task has proceeded quite satisfactorily and will be concluded during the 2006/07 financial year. Towards this end, the Department extended preparations for setting up a new Strategic Management Programme, which remains on course for full implementation during 2006/07.

The Department continued to emphasise the centrality of the PGDP as the Provincial blueprint of hope and development. This focus included the following activities undertaken during the year:

- The need to further develop and strengthen the Provincial SMME sector was reflected in the establishment of the EU-LED Programme that involves a co-operative engagement between the Department and the ECDC, the Department of Local Government, Housing and Traditional Affairs and Provincial Treasury.
- The establishment of the Small Enterprise Development Agency (SEDA) in association with the DTI will provide key support services for emerging entrepreneurial interests.
- The Jobs Summit Agreement, concluded in February 2006 between government, business, labour and civil society interests provides a clear set of responsibilities for joint development over the period of the PGDP and beyond.
- Developments in the field of Agro-Processing were undertaken by the EG&I Cluster Committee, led by the Department of Agriculture and the ECDC. These resulted in major developments and investments associated with various projects including the maize milling, cotton production, tea estate developments and timber cluster projects. The R1.3 billion Steinhoff timber products investment in the Ugie / Maclear area is a result of these initiatives.
- Essential research and consultation associated with the formulation of a comprehensive Provincial Industrial Strategy was commenced and will be conclude during 2007/08 in the context of emerging national industrial development policy and strategies.
- The IDZ developments at Coega and in East London were further developed and new job-creating investments were confirmed. The EG&I Cluster Committee undertook important negotiations with the DTI related to the development of a more effective funding model for the IDZ Programme.

The 2005/06 financial year was also a period of consolidating and strengthening the strategic responsibilities of the Economic Growth and Infrastructure (EG&I) Cabinet Committee, supported by the EG&I Cluster Committee, towards realising the key goals and objectives reflected in the Provincial Growth and Development Plan (PGDP).

During the year, the EG&I Cluster, initially under the able leadership of the Department's HoD, provided significant support services for the Cabinet Committee. These activities included PGDP-related programmes and projects associated with sugar beet, bio-fuels, forestry development initiatives, the expanded Public Works

programme, rail and transport-related infrastructure development, the Kei Development Corridor, the IDZ programme; as well as initial oversight responsibilities related planning for the implementation of Provincial Icon projects and initiatives resulting from the Nationals ASGI-SA strategy.

In addition, the EG&I Cluster Committee organised a highly successful Jobs Summit, held in February 2006.

In terms of service delivery improvements, substantial changes are envisaged in the organisational structure in the Department and its Public Entities. Preliminary preparation for these adjustments commenced in 2005/06 and will be implemented during the 2006/07 to 2009/10 MTREF.

A handwritten signature in black ink, appearing to read 'Mbulelo Sogoni', with a large, stylized initial 'M' and a long horizontal stroke extending to the left.

**Honourable MEC Mbulelo Sogoni**

# 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 (Amathole District Municipality), Mthatha (OR Tambo District Municipality), Queenstown (Chris Hani and Ukhahlamba District Municipalities) and Kokstad (Alfred Nzo District Municipality).

#### 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
- Biodiversity Management
- Local Economic Development.

#### 1.3 INFORMATION ON THE DEPARTMENT

##### 1.3.1 Institutions reporting to Executive Authority

- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGBB),
- Eastern Cape Liquor Board,

- Eastern Cape Parks Board (ECPB).

Note: The Department also has oversight of two Industrial Development Zones in which ECDC is the majority shareholder; Coega Development Corporation (100%) and the East London Industrial Development Zone (74%; Buffalo City 26%).

### 1.3.2 Bills submitted to the legislature during the Financial Year

None were submitted

### 1.3.3 Member of Executive Council visits abroad

Place	Date	Purpose
Japan	09-14 October 2005	Reduce, Reuse, Recycle Study Visit to Tokyo, Japan
Japan / Korea	15-25 September 2005	World Expo

## 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.***
- ***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.***
- ***Environmental Management.***
- ***Environmental Education and Community Liaison Services.***
- ***Biodiversity Management***
- ***Coastal Management.***

### **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 implementation is largely operationalised through public entities. These entities have boards which serve as their accounting officers subject to the oversight of the Department.

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 Protected Areas

Open tender processes are followed by the Eastern Cape Parks Board with regard to the hunting and culling of game. An annual game auction is also held..

### 3.1.4 Provision of Tourist Facilities

Wherever possible tourist facility rates are market related. These are reviewed from time to time.

## 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.

Public services provided by Programme 4 in relation to Environmental Impact Management do not generate any revenue for the Department.

## 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	Human Resources Management	Human Resources Management	Public Service Act, Regulations and CORE Employment Equity Act Skills Development Act; Skills Development Levies Act 9 of 1999 Basic Conditions of Employment Act; Labour Relations Act; PSCBC Resolutions
1	Administration	Financial Administration	Public Service Act Public Finance Management Act, 1999 Treasury Regulations National Treasury Framework for Supply Chain Management
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.

Programme Number	Programme Name	Core Function	Mandate
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	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 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
	622,764	647,610	619,239	28,371

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 or where more appropriate on the Operational Plan for 2005/06.

### **3.1 PROGRAMME 1 Administration**

#### **Purpose**

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

#### **Programme 1 consists of the following sub programmes:**

- Office of the MEC - this sub-programme gives political leadership to the Department
- 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 and development.
- Financial Management - this sub-programme is responsible for financial planning, management and control of the Department.
- Administrative Management - this sub-programme is responsible for the implementation of Supply Chain Management, which includes all six pillars.

The following functions are located within the Office of the Head of Department.

- 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 and tourism deliverables.
- Legal Advisory Services - this component is responsible for providing Legal Advice to the Department through shared services under the Office of the Premier.
- Strategic Planning – this component is responsible for Strategic Planning in the Department and its Entities.

#### **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**

- Position of Chief Financial Officer was filled on 1 June 2005 and the post of Deputy Director Special Programmes was filled on 1 July 2005.
- The expanded functions of the Office of the Head of Department required critical appointments which were not provided for in the old organogram. Unexpected delays in finalising the new organogram delayed these critical appointments, more especially that of Office Manager and Head of Communications. It is confidently expected that the new organogram, together with these and other critical posts will be finalised in 2006/07.
- Department again showed insufficient capacity to monitor and evaluate the performance of the Public Entities. The long-awaited Internal Control branch has been established under the Office of the Chief Financial Officer, however during the period under review it had not yet begun to address the Public Entities.



## Special Programmes Unit

### Purpose

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

The unit is composed of the following desks: -



- Gender and Youth
- Disability and Elderly
- Children and HIV & AIDS

### Measurable Objectives

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
To ensure the mainstreaming of Designated groups into departmental programmes	Designated group's interest are concretely catered for in all departmental projects	All departmental planning documents integrate marginalized groups. At least 1 project from each programme caters for the marginalized groups	All departmental planning documents integrate the marginalized groups. 3 projects identified. Recommendations and referrals made on the 31 project proposals that were received. Some were referred to the public entities, other departments, and regions. The Department sponsored the Walter Sisulu University HIV/AIDS project with products and supplements to assist learners living with HIV.
Implementation of the Integrated Provincial Disability Strategy	More Disabled people employed by the department. More disabled people accessing funding. Capacitate disabled people on business skills.	Facilitate, co-ordinate and monitor the integration of the IPDS in the department Hold quarterly meetings in the department with two workshops to review the progress. Facilitate information sharing sessions on SMME and LED projects for people with Disabilities. Organize and facilitate workshops to train people with disabilities on business related skills. Build capacity of disability structures at District and Local level	The department was deployed to lead the economic cluster on disability to partner with Ukhahlamba DM. Input on the IDDP concept document was made. Input on the departmental Employment Equity Plan was also made. Departmental recruitment procedures have improved. Departmental adverts indicate that bias will be given to the designated groups. Panels are now consulting on the target to be met and at what levels. This is a positive indication that equity targets are taken seriously. Adverts have a clause to specifically invite the marginalized group to apply and panels are consulting on equity targets for the department as well as per programme. Awareness in Umhlobo Wenene was raised. Information also disseminated in Ukhahlamba and Amathole DMs on economic

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			empowerment in August. The workshop for projects of the disabled people has been conducted in Burgersdorp. People were capacitated with skills of avoiding the collapse of projects. Disabled people gained information or knowledge concerning the project management and importance of record keeping, financial management and progress report about projects. Participated in the International Day for Disabled Persons held on 3rd Dec 2005 in Port Alfred (Cacadu DM).
Ensure the implementation of the departmental Gender policy	Departmental programmes are gender sensitive Increase in the number of women in senior management Women becoming major beneficiaries of sustainable economic and environment departmental projects	Mainstream gender into all programmes and policies. Resuscitate and support SAWEN. Lead the Women's month which has been declared the economic empowerment of women month.	Departmental planning documents integrate gender. Women comprise 39% of employees and 26% at SMS level. The target for 2005 is 40% across all levels. The department has a challenge of attracting and retaining scarce skills. The department needs to ensure that it reaches 40% by the end of this year. It is required that we start preparing for the 50% 2006 target. The Women's Month concept document was developed, popularized and the dept gave leadership to the month in the province. Having been deployed by the Provincial Gender Machinery to partner with Amathole, the dept held its celebration in a poverty stricken town of Bedford in Nxuba LM. A report on the progress made by the department in terms of implementing Beijing, CEDAW and SADC recommendations has been made and submitted to the OTP-OSW during the 16 Days of Activism on No Violence Against Women and Children Campaign and was presented on the Day of Accountability / closure of the 16 Days Campaign. The Department has participated in the International Women's day celebration. Participated in the UN 50 <sup>th</sup> Session on the Status of Women.
To facilitate an increase of designated group's participation on tourism	More designated groups involvement in Tourism industry	Expose elderly people to tourism opportunities during tourism / International Day for the Elderly.	A relationship with the Eastern Cape Council of Churches has been established to expose the elderly to tourism with a view of exposing them to economic benefits through Arts and Craft, cultural and religious practices etc.

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Facilitate and co-ordinate the implementation of the EC Provincial programme of action for children and the elderly	Learners are exposed to careers linked the department	Career EXPO or exhibition to be done	A relationship with the DoE has been established to expose the girl and boy children to various careers linked to the department's core business. Two career expo sessions which sought to expose children to the most needed career paths [scarce skills] were held at Fort Hare Campus and at Water Sisulu Universities respectively and attended by more than 700 learners across the province.
Facilitate the implementation of the Provincial Youth Development Plan (PYDP)	Departmental programmes and policies integrate youth. Young people capacitated on economic development skills. Youth entrepreneur networking forums established.	Policy guidelines in place. Establish networks for coordinating youth entrepreneurs. Capacity building workshop for local youth forums. Assist in distribution of HIV/AIDS prevention material.	The provincial forum has been established with the assistance from ECYC. Needs analysis done and strategy developed but not finalized yet. Departmental Youth Development and Empowerment Plan (2006-2014) is in the process of being finalized. The provincial network agreed to coordinate through the NAFCOC Youth Chamber. Assisted in coordinating the Youth Month events. The strengthening of the NAFCOC Youth Wing will enable the decentralisation of these networking forums to all districts. A database of unemployed graduates in the province has been established and is being maintained.
<div>   </div>			

## Communications

### Purpose

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

### Analysis of Constraints and Measures planned to overcome these

- The post of Communications Officer was vacant for the greater part of the year, and was filled at the beginning of March 2006. A Publications sub-committee dealt with enquiries and press liaison. The sub-committee also reviewed the operational plans and organogram of the Communications Division, which process will find expression in the 2006/007 operational plan.

### Measurable Objectives

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Promote image of the Department	Media releases	Improve the image of the Department and inform public of departmental activities	World Consumer Day publicised on Umhlobo Wenene, UCR fm, and Pondo News Interview: DTI Champion Awards
Media liaison	Media have better understanding of departmental activities	Stakeholders fully informed	Media releases and press statements on: <ul style="list-style-type: none"><li>• World Consumer Day</li><li>• DTI Champion Awards</li><li>• Credit Bill</li></ul>
Publications	Publications published	Internal and external communications	Departmental activities internally communicated by e-mail and intranet



## Strategic Planning and PGDP/IDP Alignment

### Purpose

Strategic planning is an established component of the Administration Programme in order 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 planning procedures of the Department's Public Entities, where relevant.

### Measurable Objectives

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	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"> <li>Completed Five-Year Strategic and Performance Plan: 2005/06 to 2009/10.</li> <li>Annual Performance Plan for 2005/06 and the MTREF years 2006/07 to 2007/08.</li> </ul> [All Strategic Planning Instruments compliant with Treasury specifications.]	Review Strategic Planning components with Managers.	1. Strategic planning documents completed according to Treasury specification. 2. On-going procedures to determine, define and implement Measurable Performance Indicators established.
	Public Entity Strategic Planning procedures aligned with DEAET Strategic Planning.	Public Entities advised regarding Treasury requirements. Establish procedures to ensure alignment.	1. Strategic planning documents for Public Entities completed according to Treasury specification. 2. Arrangements established to ensure that Measurable Performance Indicators are incorporated into Service Level Agreements (SLAs).
	Co-ordination between Strategic Planning procedures and Sector Department Strategic Planning.	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.



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	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 Planning procedures 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.	<ol style="list-style-type: none"> <li>1. PGDP Budget parameters determined with ECSECC/PCMU.</li> <li>2. Budget alignments determined for DEAET Programmes and Public Entities.</li> <li>3. Progress made towards formulating measurable indicators for PGDP Programmes with ECSECC and Programme Managers.</li> </ol>
Establish and maintain an operating relationship between the DEAET Strategic Planning procedures 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"> <li>1. Process of assessing IDPs commenced.</li> <li>2. LED and Infrastructure components of IDPs to be linked to DEAET and Public Entity planning procedures.</li> <li>3. IDP procedures linked to PGDP Programmes.</li> <li>4. Appropriate measurable indicators to be determined.</li> </ol>
	Ensure that ECDC, ECTB and ECPB strategic planning procedures 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.	<ol style="list-style-type: none"> <li>1. All systems established and Cluster Secretariat operational.</li> <li>2. Performance requires attention.</li> <li>3. EG&amp;I Specialist Economist appointed by OTP.</li> </ol>



## **Human Resources Management**

### **Purpose**

To establish and maintain appropriate organizational systems, HR policies and practices to administer, manage, develop and retain human capital within the Department.

### **Measurable objectives**

Key measurable objectives for Human Resource Management are linked to the following:

- Effective human resource management, practices and Organizational Development systems.
- Sufficient supply, development and retention of competent and motivated staff.
- Facilitation and management of Performance Management System (PMDS).

### **Achievements for the Year 2005/06**

- A. A comprehensive orientation program over a period of two days was held.
- B. Roadshows for labour relations matters conducted in all regions;
- C. An Employee Wellness Day was held in Bhisho.
- D. Two agreements reached with organised labour on transfer of employees to SanParks and EC Parks Board.

### **Operational Achievements**

#### **1. Filling of critical vacant posts**

The following critical funded posts were filled:-

- Chief Financial Officer
- Manager – Supply Chain Management
- Senior Manager – Biodiversity
- Manager – Biodiversity
- Manager – SPU
- Assistant Manager – SPU (Youth & Gender)
- Communication Officer
  - Assistant Manager - HRD
  - 2 State accountants – Internal Control
  - 4 Environmental Officers

#### **2. Organizational Structure**

Workshops, inputs and ratification of the proposed organisational structure held, presentation to MEC, the Director-General made.

#### **3. Labour Relations**

Out of the 18 misconduct cases dealt with 14 have been finalized within the prescribed time frames, and out of 19 grievances 10 have been finalized. Roadshows have been conducted in all regions to update

managers and employees on grievance procedures and misconduct matters.

**4. Performance Management System**

Great improvement has been noted in terms of submissions of workplans and reviews and the payment of incentives linked to performance was done in accordance with the correct measures and tools as specified in the Performance Management and Development System.

**5. Skills Development**

The department had an intake of 19 learners and 14 interns during this financial year and 7 of these learners and interns have already been permanently appointed within the Public Service.

A session on orientation was also organised and successful.

**6. Service Benefits**

15 of the 17 employees were transferred from Karoo Nature Reserve to the South African National Parks during the year after intensive negotiations with organised labour and employees, and timeous processing of their benefits and transfer payments was done. 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.

**7. Employee Wellness Program**

The department organised a very successful wellness day in March 2006 which was well attended by employees at all levels, managers and most departments in the Department. A survey on safety in the workplace for both Head Office and regions was conducted and a comprehensive report developed which assisted in planning for the financial year 2006/07.

**8. Collective agreements**

Two agreements for the transfer of employees to SanParks and Eastern Cape Parks Board as a result of transfer of function in the affected provincial parks in October 2005 and March 2006. These agreements assist in smooth transition and transfer of employees to the relevant institutions.

**Analysis of constraints and measures planned to overcome them:**

**Challenges for the Year 2005/06**

1. Many funded posts could not be filled as they were in the proposed structure that was not approved yet by the end of the financial year.
3. Though the processing of service benefit payments has improved, the old cases still remain a challenge.
4. Reluctance of managers at all levels to perform their role as hr managers within their components as required by the Public Service Regulations, 2001.
5. Job evaluation was not conducted as planned due lack of capacity as a result of the transfer of the trained workstudy officer.
6. Exit of senior managers in the economic development especially a woman manager, which makes the department to fail to achieve the employment equity targets. In addition, environmental officers tend to assume duties

and leave the department within a short space of time due to the demand of their skills.

7. For four (4) Environmental posts that were advertised, recruitment processes were finalised and offers made to competent candidates but before they could assume duties they all declined.

CHALLENGE AREA	REAL CHALLENGE	REMEDIAL ACTION
Filling of vacant posts	Non filling of funded posts due to non approval of the new organisational structure	New organisational structure be approved and implemented
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
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
Job evaluation	Exit of workstudy officer and key panellists resulted in delays in dealing with job evaluations, as well as proposal for changing the organisational structure	Ensure that the new structure is in place. Deployment of an official to the workstudy section to deal with the evaluations. New members to be trained as job evaluation panellists.
Exit of critical staff	Exit of female senior manager and environmental officer due to demand of their skills	Recruitment processes will target women. Participating in a National process of reviewing the remuneration levels of Environmental Officers to offset.

### Measurable Objectives

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Effective human resource management practices and organisational development systems in the Department	A functional organisational structure aligned to the new strategic plan of the department	A new approved organisational structure aligned to reviewed Strategic plan	A proposed structure developed and consultation still continuing
	All employees files complies with NIMR	All files folio numbered	63.5% of employee files folio numbered
	Exit benefits paid on time	Leave gratuities paid within 21 days.	43 cases processed and 29 were paid
		Pension payouts within 60 days.	19 processed and 11 paid
	Effective leave management system	Implementation and monitoring of leave management system.	Reconciliation of paper records and Persal system is done monthly.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	Sound Labour relations within the department	Workshops to create awareness to all employees. Less grievances and disputes.	Workshops conducted twice in each region and Head Office.
	Implementation of Employee Wellness Program	Create awareness of all employees. An action plan developed.	Coordinators appointed in each Region and Head Office. 4 Workshops conducted for coordinators. Employee Wellness Day conducted.
		Reported Injuries on duty (IOD) processed.	8 reported injuries processed 3 IODs paid.
Sufficient supply and retention of competent and motivated staff to meet the strategic objectives of the department	Filling of critical funded posts as well as development and retention of skilled employees.	Filling of posts within 3 months of the advert  Approved Workplace Skills Plan	31 posts filled.  Workplace Skills Plan approved and implemented. 83 employees exposed to training. 14 Interns and 19 learners were contracted. A comprehensive and informative orientation program was conducted. 34 bursaries holders – 14 external and 20 internal bursary holders.
Facilitate and monitor effective performance management and development system	Performance agreements signed and reviews conducted within timeframes	Performance agreements signed by April and reviews conducted during the month following the end of the quarter	75.5% of PA signed and reviews conducted



## **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.
- Supply Chain Management
- Sound Expenditure and Liability Management.
- Accounting and Reporting Requirements.

### **Service delivery objectives and indicators**

#### **Progress analysis**

- Appointment of personnel for banking services and deduction office.
- Clearing of BAS suspense accounts, monthly.
- Successfully closed the books for the financial year end.
- PERSAL/BAS Reconciliation.
- Payroll Management.
- Management 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 various training initiatives on financial management to improve skills.
- Financial Circulars submitted to the Head of Department and Chief Financial Officer were approved as control measures.
- Centralisation of authorisation functions at Head Office due to monitoring and evaluation.
- Operational staff for procurement, asset management and stores, including departmental members of the SMS, attended courses on Supply Chain Management.
- Procure and Proquote computerized system was procured.

#### **Special Measures**

##### **Analysis of constraints and measures planned to overcome them:**

- Deployment of Financial Director. This post is to be advertised during 2006/07.
- Delays in filling of critical posts. New organogram is to be approved during 2006/07 and posts will be filled.
- Shortage of space for record management.
- Reporting to Provincial Treasury on a monthly basis in line with Treasury Circular No. 11 of 2004. This circular is to be repealed by Provincial Treasury as discussed at Cabinet Committee Meeting.

- Monitoring of transfer payments in terms of legislative frameworks (Annual Division of Revenue Act and PFMA, Act 1 of 1999). The new approved organogram provides for a unit to be populated that will be responsible for the monitoring and evaluation of transfers to the Public Entities.
- Centralization of internal audit (SIAS) in the Office of the Premier, resulted to challenges being experienced in the implementation of internal control procedures and processes.

#### **Description of planned quality improvement measures**

- Proposed revised organogram. New organogram is to be approved during 2006/07.
- Various financial circulars distributed to correct procedures and processes.

#### **Specification of measurable objectives and performance measures**

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

#### **Measurable Objectives**

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Preparation and monitoring of credible budget for the department</b>	<ul style="list-style-type: none"> <li>▪ Alignment of budget with strategic plan</li> <li>▪ Timely submission of budget to Provincial Treasury</li> <li>▪ Capturing of approved budget by 30<sup>th</sup> March</li> <li>▪ Implementation of budget policy</li> <li>▪ Budget monitoring and evaluation</li> </ul>	Development of departmental budget policy	Draft budget policy



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Effective and efficient revenue management</b>	<ul style="list-style-type: none"> <li>Annual revision of tariffs.</li> <li>Timeous collection of revenue through all sources.</li> </ul>	Development of departmental revenue policy	Approved revenue tariffs. Reconciliation of revenue collected on a monthly basis. Departmental revenue strategy in place.
<b>Ensuring that a procurement process for goods and services that is fair, transparent, equitable and cost effective is in place (Implementation of Supply Chain Management (SCM))</b>	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 implementation with regards to: Appointment of bidding committees, training on SCM, finalisation of draft policy, revue of financial delegations.	Training on SCM has taken place. Draft SCM guidelines and Asset Management policy has been prepared - awaiting approval from Provincial Treasury. Procured proquote and procure electronic system for management of provisioning and procurement processes.
<b>Adaptation to procurement changing trends as per National and Provincial guidelines</b>	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.	Some senior management officials and operational level provisioning staff trained during the last quarter.  Bidding Committees appointed.
<b>Ensure sound expenditure management</b>	<ul style="list-style-type: none"> <li>Ensure that systems and procedures for expenditure management are in place</li> <li>Implementation of processes to track expenditure and commitment against the vote</li> <li>Ensure that no under or over expenditure take place</li> </ul>	Development of acquisitioning and expenditure flow chart and guideline Creditors` reconciliation.	Approved provisioning flow chart and guideline Commitment/Creditors` reconciliation.
<b>Liability management</b>	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.	Suspense accounts cleared on a monthly basis. Interface exceptions cleared on a daily basis. No force closure during the year under review.
<b>Efficient cash management systems (CAMS)</b>	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"> <li>Clearing of exceptions on a daily basis.</li> <li>Weekly submission of funds requisitioning.</li> <li>Perform bank reconciliations on a monthly basis</li> <li>Complied with BAS Practice Note 1 of 2003.</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Effective payroll management</b>	Effective and efficient salary administration	Fully compliant with Treasury Regulations and PFMA	PERSAL/BAS reconciliation performed monthly Clearing of PERSAL interface exceptions on a monthly basis
<b>Effective asset management</b>	Maintain and update asset registers that adhere to Treasury Regulations in respect of assets.	Maintenance and updating of asset registers of new assets and the movement of assets.	Electronic asset register has been developed and populated. Draft asset management policy - awaiting approval from Provincial Treasury.
<b>Development and implementation of an asset management policy and system</b>	<ul style="list-style-type: none"> <li>Revised procedures and systems implementation.</li> <li>Maintain asset management policy and asset management system.</li> </ul>	Inventory verification through periodic stocktaking and development of disposal policy.	Draft asset management policy - awaiting approval from Provincial Treasury.
<b>Effective accounting and reporting requirements</b>	<ul style="list-style-type: none"> <li>In-Year-Monitoring submitted by the 15<sup>th</sup> of each month.</li> <li>Financial oversight review reports.</li> <li>Credible Annual Financial Statements.</li> </ul>	<p>Submission of IYM reports by the 15<sup>th</sup> of each month.</p> <p>Quarterly financial oversight reports to be prepared and submitted.</p> <p>AFS to be submitted in terms of the PFMA, section 40 (1) (c) by 31 May 2006.</p>	<p>IYM reports submitted monthly.</p> <p>Financial oversight reports compiled and submitted.</p> <p>AFS submitted to Auditor General - first Department in the Province to submit.</p>

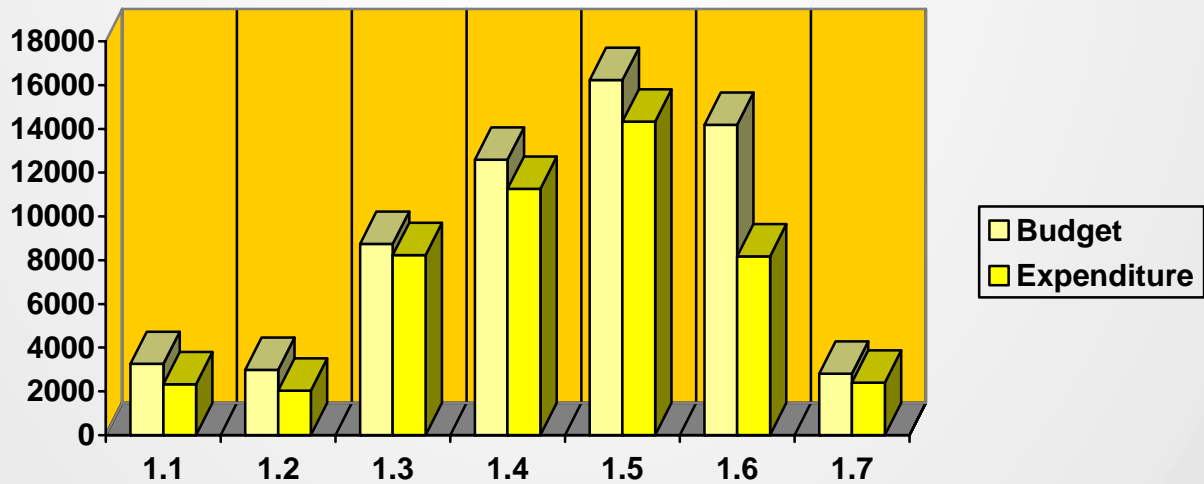


## Reconciliation of Budget with Plan

### Programme 1: Administration

Programme budget (R million)

Sub-Programme	Voted Budget 2005/06	Actual Expenditure 2005/06	Deviation (%)
1.1 Office of the MEC	3,254	2,329	28.4%
1.2 Office of the MEC Core Staff	2,976	2,026	31.9%
1.3 Office of the Permanent Secretary	8,745	8,226	5.9%
1.4 Administration	12,585	11,149	11.4%
1.5 Financial Management	16,234	14,329	11.7%
1.6 Human Resource Management	14,179	8,175	42.3%
1.7 Special Programmes	2,812	2,401	14.6%
<b>TOTAL PROGRAMME</b>	<b>60,785</b>	<b>48,635</b>	<b>20%</b>



## **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***

- Monitoring of service response rate by SITA and delivery through Action Request System (ARS) so as to improve the quality of service.
- Back Office solution improved with data storage networks and space conservation exercise undertaken by converting stand alone servers with blade servers and redeployment of stand alone servers to regional offices.
- Network cabling completed as per Departmental requirements:
  - Grahamstown cabled
  - Bhisho Business Village cabled
  - New EG Kei regional office cabled
  - Amathole region regional offices cabled.

#### ***Systems Development***

- **GIS**  
New software upgrade and maintenance procured.
- **Web Solutions**  
Intranet site enhanced and upgraded to Sharepoint Portal technology  
Current Information dissemination via Intranet site and Internet site.  
Assistance provided on a web based system for reporting on the State of Environment and Wild Coast. New Web Server installed.
- Balanced Scorecard Launched (Performance Management System as requested by MEC piloted and launched.)
- **Business Analysis**  
Master Systems Plan reviewed  
Analysis of systems identified by Programme 3 conducted  
Business Impact Assessment being drafted by SITA, this will assist with the completion of the draft Disaster Recovery Plan

### ***Knowledge Management***

#### **▪ Electronic Document Management System (EDMS) project**

- System fully operational
- Registry using the system fully
- Other staff still require further training on the system
- Back scanning has started with payments of 2005/06 cycle ready for integrity checking.
- Project not signed off yet, Biometrics and electronic signatures still pending.
- Amendment to File plan has to be approved by the Provincial Archives
- Draft Document policy compiled and has been sent to Senior Managers for comment.
- Draft Registry Procedure compiled and has been sent to Senior Managers for comment.
- Starting to roll-out EDMS to the regions - scanners and licences bought.

#### **▪ Resource Centre**

Collection growing after identifying reliable and registered suppliers.

Growing usage of resource materials.

InMagic Library system installed

Initial visits to the regions done. Requirements for establishment of resources centres in regions identified- personnel problems and office space allocation are main concerns

Ongoing research from different clients within and outside the department

Ongoing classification and cataloguing

### **General**

Staff attended relevant ICT conferences, courses and workshops so as to improve skills and keep up to date with latest technologies.

### **Special Measures**

Aligning ICT Organogram with MSP and reviewing Knowledge Management organogram.

Recruitment of staff to deliver services.

### **Analysis of constraints and measures planned to overcome them**

- New organogram proposal submitted to address departmental growing needs in Information Technology and Strategic Management. Records Management function was included in new proposed organogram.
- SITA procurement procedures have caused delays in delivering services to Department and payment delays. Meetings held with SITA to address concerns. SITA continues to give firm commitment to enhance delivery.
- SITA skills levels: on-site Microsoft specialist included in current SLA.

- Shortage of space for the Resource Centre at Head Office and Regional Offices. Submission of requirements made to Departmental Office Committee
- Problems experienced with suppliers on procurement issues.
- Delays in processing at finance division when procuring materials.

#### **Description of planned quality improvement measures**

- The Department is considering using the knowledge management concept for the integration of all knowledge in the Department. 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 new intranet web site will enable the staff to communicate and collaborate in their own workspace thus ensuring improved service 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**

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Network Architecture</b> (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 98.67% availability. Connection to Bhisho Campus Network on 30 <sup>th</sup> of June 2005 Connection of Environmental affairs section from Bhisho Business Village and Indwe House Connection of Grahamstown office to the GCCN in January.
		Relevant SITA SLAs signed	LAN and desktop SLA signed Transversal SITA SLA signed
		Enterprise Agreement software including back office rolled out	MSNIS was fully deployed in all compatible hardware at head office and in the regions.
		Departmental computers upgraded according to warranty	68



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
		Effective operating systems and updated software facilities to service Departmental programme needs as per MS EA.	Software updates were rolled out to networked computers
		Effective Backup and Disaster Recovery Solutions in place	Daily Backups executed and fully verified immediately thereafter. Backup tapes stored off site at SITA strongroom. Draft DRP being revisited due to changes in the network architecture.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Systems Development</b>  (GIS) <b>(Web Solutions)</b> (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 utilization and dissemination of information, including a GIS facility.	Fully operation GIS facility that is available to the whole department.	GIS System installed and some cadastral data available, GIS Services available on Network. DGITO staff attended relevant training
		Latest software for GIS installed	GIS software is upgraded to the latest version.
		Master System Plan kept current.	The Master Systems Plan was reviewed.
		Implement <i>Intranet</i>	<ul style="list-style-type: none"> <li>○ A new collaborative, dynamic <i>intranet</i> site has been developed and implemented using Sharepoint Portal Server 2003. We are in the process of phasing out the old website and familiarizing Departmental staff with the look and feel as well as functionality of the new website. The strategy is to ensure a smooth transition.</li> <li>○ The <i>intranet</i> site is maintained and updated on a daily basis.</li> <li>○ Submission of information for publishing on the site has improved since the appointment of the new Communications Officer and establishment of Communications Committee.</li> </ul>



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
		Implement <i>Internet</i>	<ul style="list-style-type: none"> <li>○ The <i>Internet</i> site was launched in August 2004 and is still in use.</li> <li>○ The <i>internet</i> site is updated regularly with relevant information for publishing.</li> </ul>
		Research and Development	<ul style="list-style-type: none"> <li>○ A performance management system has been developed and implemented using the Microsoft Business Scorecard Manager, which is based on the Balanced Scorecard methodology. The system was launched in December 2005</li> <li>○ An e- learning facility is available online for our Departmental staff's usage.</li> <li>○ A National Treasury approved procurement and tender system (Intenda) has been identified for Finance Division as requested.</li> </ul>
		Intranet and Internet Design	<ul style="list-style-type: none"> <li>○ The design of our <i>Intranet</i> and <i>Internet</i> is reviewed annually. This enables us to take new technologies into consideration. (e.g. the change from a static html website (old "qoqosho" site) to a personalized, collaborative, integrated solution (Sharepoint Portal Server 2003).</li> <li>○ Ad-hoc changes are also made if the need arises</li> <li>○ The "branding" of websites is done in accordance with provincial requirements.</li> </ul>
		Secure Intranet / Internet Sites	<ul style="list-style-type: none"> <li>○ Intrusion detection systems, firewalls, encryption and policies (ISS) are in place to ensure <i>intranet</i> and <i>internet</i> sites are secure.</li> </ul>

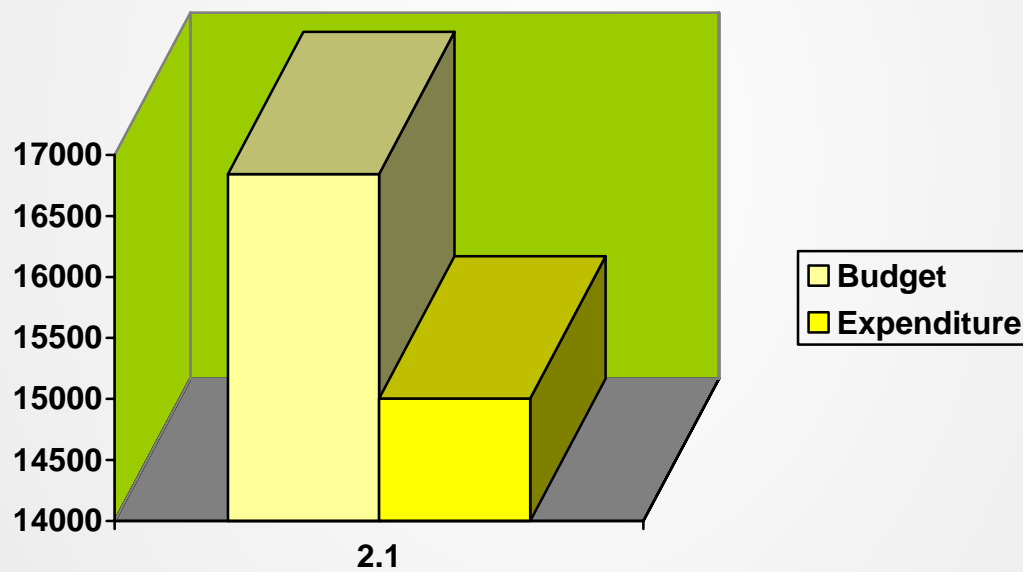
MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Knowledge Management</b>	Development of a comprehensive resource and information centre in the Department.	Final phase of implementing electronic document management system (EDMS)	The EDMS is fully functional. Staff members are starting to use the system. Project not signed off due to problems with biometrics and signatures. Process of back scanning of documents continues.
		Maintenance of the EDMS system	The file plan on the system is continuously being updated because of the back scanning and changes in the organogram of the department
		Manual records management	Ongoing receiving and dispatching of mail, filing and scanning of incoming documents is done daily. The backlog of records that need to be filed and disposed of is still pending. This is because of shortage in personnel and approval of the amendment to the file plan by the provincial archives.
		Policy and procedure	A procedure's manual and records management policy have been redrafted and resubmitted to Senior Managers for comment.
		Resource Management of manual information sources	Ongoing cataloguing on the InMagic database Ongoing acquisition of books and other resource mainly on request
		Resource management of digital information sources	Subscription for SABINET has been done. Other digitised information is being collected
		Resource management of target information support services	Establishing links with parastatals for information sharing is in its initial stages
		Marketing the resource centre	Launch and posters of the resource centre done Continuous marketing of resources (new acquisitions) by email and word of mouth, newsletters (DGITO News)
		Research services	IT research subscription with Gartner has been done. Ongoing research support is being done on request
		Implementing resource centres in the regions	Computers for all the regions have been bought. Office allocation in Queenstown and East London is still a problem. An office for Mthatha has been identified. Personnel to manage the resource centres in the regions awaiting approval of the departmental organogram

## Reconciliation of budget with plan

### Programme 2: Information Management

Programme budget (R million)

Programme	Voted Budget 2005/06	Actual Expenditure 2005/06	Deviation (%)
2.1 INFORMATION MANAGEMENT	16,842	15,004	10.9%
TOTAL PROGRAMME	16,842	15,004	10.9%



### **3.3 PROGRAMME 3 Economic Affairs**

#### **Purpose**

Economic Affairs serves as a facilitating agent in the development and implementation of government strategies that are designed to contribute towards the realisation of economic growth and development in the province. Most of the associated interventions namely; sector and industry development, trade and investment promotion, small business development and business financing are carried out through the Eastern Cape Development Corporation - ECDC.

The programme also provides access to information on policy and strategy issues to small enterprises, project funding for the development of local economies through municipalities, advice and assistance to consumers and investigates complaints of unfair practices against businesses. In this regard the department's district offices are vital as they are the service delivery vehicles of the programme's activities.

The development of local tourism products to enhance their global competitiveness is one of programme's key interventions. The exposure of tourism products through marketing dictates that we diversify our product base in order to accommodate the increasing demand. The mandate delegated to Eastern Cape Tourism Board (ECTB) is to market the Eastern Cape as a preferred tourism destination and the programme's role is therefore to provide policy guidance and direction.

Various pieces of legislation further mandate the department to regulate certain industries and to this extent the programme performs a monitoring role over the Eastern Cape Liquor Board, the Eastern Cape Tourism Board and the Eastern Cape Gambling and Betting Board.

The functions of the Economic Affairs Programme are conducted through the following Divisions:

- Office of the Chief Director.
- Enterprise Development.
- Local Economic Development and Spatial Development.
- Education and Compliance
- Office for Investigation and Prohibition of Unfair Business Practice.

District Offices are strategically located to facilitate, co-ordinate and monitor the implementation of local, provincial and national programmes.

At the same time, linkages between the Department and its Public Entities, in this instance, the Eastern Cape Development Corporation (ECDC), Coega IDZ (ECDC subsidiary), East London IDZ, Eastern Cape Liquor Board (ECLB) and the Eastern Cape Gambling and Betting Board (ECGBB), are aligned to these sub-programmes with the aim of achieving operational effectiveness.

In line with their respective mandates, Public Entities are responsible for the implementation of economic growth and development programmes; regulation of liquor, gambling and betting activities; and related social responsibility programmes. Service Level Agreements are entered into for performance-based monitoring and evaluation with all implementing institutions.

The National Spatial Development Initiatives, Provincial Growth and Development Plan and the Integrated Development Plans assist in determining priorities and influencing the allocation of resources, including donor funding.

## **Specified policies, priorities and strategic objectives**

### **Strategic Objectives**

During the year under review specific objectives against which the programme's performance was to be measured and against which the contributions of its components were to be assessed are outlined in the 2005/6 operational documents of the department.

In brief the set objectives were informed by the national and provincial policy framework whereas target setting was based on capacity considerations and anticipated resource flows. The broad and overall objectives were:

- To contribute towards policy making, law reform and strategy development processes affecting the programme's areas of responsibilities
- To implement programmes meant to develop promote responsible a consumer behaviour, self-reliance and assertiveness
- To afford recourse and redress to consumers
- To facilitate implementation of various government strategies relating to all the component parts of the programme; and in turn
- To contribute towards the realisation of set economic growth and development targets.
- To develop and promote tourism as apriority sector for economic development

## **Progress analysis**

Underpinning the each performance objective and area of responsibility was the need to enhance delivery and improve the standard of performance. It is encouraging to report that despite the battery of challenging experiences, for example high rate of staff turnover at strategic positions.

- The process to appoint the Eastern Cape Liquor Board Members initiated.
- The Eastern Cape Liquor Act 10 of 2003 amendment session initiated by DEAET and ECLB.
- Initiated the revision of the Economic Affairs programme functional structure to consist of four focus areas of Research, Policy and Monitoring and Evaluation; Enterprise Development; Local Economic Development and

Spatial Projects; Business Regulation and Consumer Affairs; and Office for the Investigations of Unfair Business Practices and Consumer Affairs Tribunal for the financial year 2005/6;

- 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.
- Participation of the programme in the Provincial EU LED structures.
- Launch of SEDA Provincial Office.

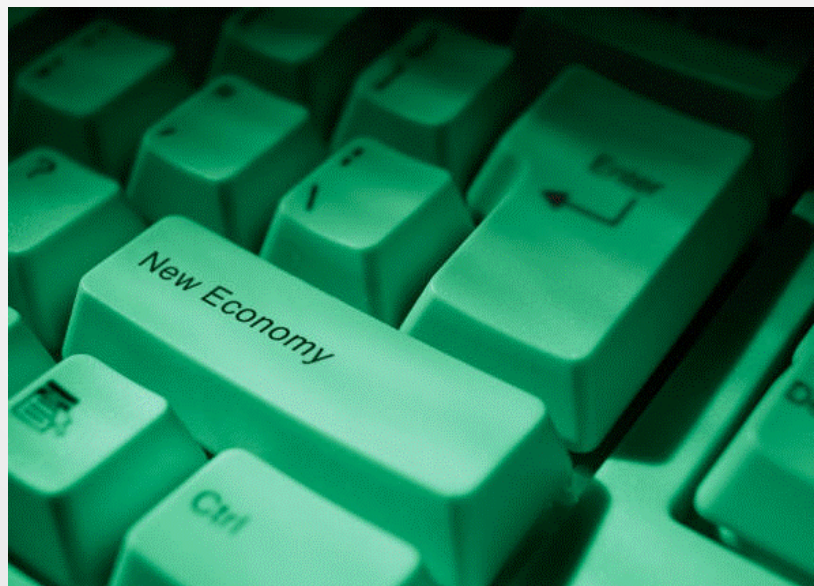
During the year under review, the Department has once again taken many strides in enhancing its consumer advice, education programs to ensure that the levels of consumer exploitation are reduced, unfair business practices are minimised and extending more protection to the consumers.

#### **Analysis of constraints and measures planned to overcome them**

- Budget allocation is not in line with the economic mandate as a result strong partnership linkages is an alternative.
- Non filling of critical vacant funded posts.
- Delay in the finalisation and approval of the proposed functional organogram.
- Finalisation of regulatory framework both National and Provincial. Consistent participation in the law reform process.

#### **Description of planned quality improvement measures**

- Improve monitoring and evaluation of Public Entities linked to the Programme.
- Strengthening coordination with National Departments, Provincial and Local Government.
- Enhance partnerships with various stakeholders.
- Participate in economic development initiatives.
- Appointment of personnel.





## Measurable Objectives

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

### OFFICE OF THE CHIEF DIRECTOR: DELIVERY AGAINST PERFORMANCE TARGETS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Enhance the capacity of the institutions to deliver on their respective mandates through integrated planning process and effective performance monitoring and evaluation</b>	Discussion paper outlining realignment options & cooperation proposals	Discussion paper compiled	Held a workshop with ECDC, ECTB – areas of overlap and duplication identified (marketing, tourism promotion)
	Record of meetings with public entities	4 Service Level Agreement concluded with public entities	4 SLAs signed with the ECDC, the ECTB, the ECGBB, and the ECLB
	Performance reports	At least 2 review conducted	Mid year reviews were undertaken with each of the 4 public entities and the Divisions of the programme.
<b>To influence and align national policy, Undertake focused research for the development of provincial policy framework.</b>	Commissioned Research and Report	MOU signed with ECSECC on research projects to be conducted	No focused research work and studies were undertaken but participated in ECSECC research work undertaken.
	Record of policy decisions	Participate in MINMEC's of the dti and DEAT and MIPTECH	Only Attended Miptech Meetings
<b>To determine the economic potential of sectors for the development of programmes</b>	Sector study report on Services Industry in Eastern Cape	MOU signed with ECSECC and terms of reference drawn up.	Engage the Interim EU LED Task Team in the preparation for the establishment of a Project Coordination Unit housed at ECSECC.
	Identify and acquire baseline information on the service sector	Commissioned Sector Studies	Engage Western Cape and Consumer Protection Branch in the dti, but other planned visits suspended at the directive of the HOD.
<b>Monitor and evaluate impact of development programs to ascertain whether these have realised their developmental potential</b>	Implementation of an appropriate M&E monitoring system.	Monitoring and Evaluation System	Held preliminary discussion with the dti, STATS-SA and SAS on M & E System. ECSECC tasked to develop a Provincial M&E tool for PGDP.
<b>Enhance the capacity of the program to deliver on its services through its district and head office establishment</b>	Signed performance agreements & reviews undertaken quarterly	Comply with statutory requirements	Review sessions held quarterly and gaps were identified in respect to project verification, performance monitoring and accurate reporting. Mechanisms to address these challenges were also identified



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	Skills Development - Enhancing the capacity of the tourism officials at provincial and local levels to effectively manage tourism activities. Officials responsible for tourism in the DEAET regions as well as public entities and other departments with tourism related functions attend the training on Responsible Tourism Planning.	All 5 Assistant Managers, other officials in the Regional offices and 1 from each relevant department attend.	16 officials attended the training.
	LED officials and councillors from two District Municipalities [Ukhahlamba and Chris Hani] attend the training.	40 LED officers and councillors	44 officials including councillors attended the training.
	The transformation of the tourism industry thru the Tourism BEE Charter. Participation in the formulation of the transformation strategy.	Training on the Tourism BEE Charter in order to formulate a provincial plan based on the national.	DEAET Tourism Manager attended training in tourism BEE Charter.
	The promotion and maintain high quality experiences by encouraging the grading of tourism facilities by the Tourism Grading Council of South Africa [TGCSA].	Government departments procure services of graded accommodation establishments.	All regional offices are informed to procure services of graded accommodation establishments.
		Communication with all provincial departments so as to get their support.	7 Provincial government departments attended the information session by DEAT and TGCSA officials. The DEAET improves on its procurement from grade institutions.
<b>To facilitate the generation of higher levels of economic growth and employment creation, and to Reduce economic inequalities in the Province</b>	Communicate the findings of the Global Competitiveness Project [GCP] report which focuses on tourism development in the Wild Coast and the Nelson Mandela Metro.	Identification of priority areas for development in the Wild Coast and the Nelson Mandela Metro.	OR Tambo DM and NMM have identified priority areas for tourism linked to the GCP.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	Continuity and sustainability of the European Programme of Support for tourism development in the Wild Coast.	Private sector investment in the tourism projects.	A private sector company [Drifters] has been awarded the tender to operate the tourism facilities funded by the EU programme.
	Safety and security strategy for the Wild Coast.	Establishment of community structures for safety in the Wild Coast.	A Safety and Security launch was organised by the Safety and Liaison resulting in a draft tourist safety strategy.
	Secured funding from Gambling Board Tourism Trust Fund	Use the Trust Fund on EU/LED related projects	Gambling Board Trust Fund Not Accessed
	Sector plans reflecting opportunities for HDI participation	Support to identification of tourism products in municipalities and finalisation of provincial brand	Score card being developed and officials were trained on tourism related areas.
		Provincial Tourism scorecard concluded	This project was undertaken by the Office of the Premier and the Programme participated in workshops.
	Training and exposure of Black entrepreneurs to opportunities available in the tourism industry	Support mechanisms identified with ECTB	ECTB championed this area as discussed in MiPtech.
	Strategic product identification and development	Participate in ECTB initiative	ECTB championed this process through Tourism structure established in Municipality Areas

#### ENTERPRISE DEVELOPMENT: DELIVERY AGAINST PERFORMANCE TARGETS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
SMME Policy Development	Policy and Strategy Framework Document	All district reports available	3 district reports completed
	Proposed Institutional Framework for the Provincial SEDA	Approval and establishment of SEDA support network in the province.	SEDA provincial office was launched and is operational
	Discussion of possible institutional models with municipalities	Determine options for the SEDA institutional framework at District Municipality Level	4 Branch offices ready to be launched as SEDA offices (P.E, Queenstown, Mthatha and E.L)
	Business Development Service Support Plan – Non/Financial	Identified key intervention in Non/Financial and business infrastructure development.	Discussions held with ECDC relevant Division and the dti Division and Agencies.
	Public Private Partnership Agreements	Provincial Business Support Policy Framework	This was catered for in the Jobs Summit Social Contract

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Cooperatives Development</b>	Cooperatives Draft Strategy Developed. Cooperatives Act workshop held.	Co-operative development support charter with stakeholder input and within the framework of a national/provincial joint co-op development strategy.	A Provincial Draft Strategy developed. A Cooperatives Act multi stakeholder workshop held.
<b>Broad Based Economic Development, initially focussing on preferential procurement and supplier development support</b>	Number of businesses exposed to strategic opportunities for the Broad-based Black Empowerment Deals	Empowerment transaction facilitated as a project in each region in each month	These were the BBBEE opportunities identified and to which a pilot project was undertaken in partnership with PERCCI and ECDC.
	Availability of supply chain management information and advice in the business advice & support institutions	Value return from interventions	Information on the supply chain management available in the Public Entities and Business Development Support Agencies
<b>SMME Financing</b>	Micro-finance Facility Operational with ECDC	Availability of loan finance products providing for micro-small and empowerment enterprises	The micro-loan support facility is available at the ECDC
	Awareness promotion campaigns held and level of exposure	Increased public awareness on available enterprise finance options	The launch of Apex Fund in Middledrift exposed more than sixty SMME and eight municipal representatives to micro-finance
<b>Competitiveness Improvement</b>	Off-take contracts and sustainable service demand	Outreach to all district municipalities	6 workshops held in Districts involving and attended by 98 delegates were held.
		Small Business Linkages to IDZ and SDI initiatives and other trade market opportunities	Both COEGA and the ELIDZ provided opportunity to SMMEs through this initiative
<b>2010 World Cup Bid Opportunities and program refinement</b>	Competitive and Sustainable Tourism Enterprises	Collaborative training programme, DEAET, DEAT, ECI-Africa	The Management Training Programme was started during the year under review and multi stakeholder representatives received one week training on tourism.
	2010 World Cup Small Business Programme	Attend 2010 Provincial Coordinating Committee	The Department of Sport Arts and Culture is the lead agent of the provincial coordinating committee and DEAET has been part of the preparatory sessions and training needs are being identified through this process

## LED AND SPATIAL PROJECTS: DELIVERY AGAINST PERFORMANCE TARGETS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>To influence IDPs to reflect provincial economic development priorities</b>	Ensure that LED Procedures are presented at ISRDP/URP Meetings, LED Workshops and LED Forums	Analyse seven IDPs of District Municipalities and Metro	Developed LED Procedures relating to the Municipal Support Grant Programme
	Ensure participation by the Regional Offices/District Offices in the IDP Review Processes and the IDP Hearings	Participate and submit inputs in the Economic Cluster during the IDP Review Processes and in the IDP Hearings	Participated and contributed in the IDP Review Processes and IDP Hearings
	Ensure effective participation in the National LED Forum meetings	Participate and submit inputs towards the development of the National LED Policy and Implementation Framework	<ul style="list-style-type: none"> <li>Held a meeting with the Department of Provincial &amp; Local Government (DPLG)</li> <li>Submitted inputs towards the development of the National LED Policy Guidelines</li> </ul>
<b>To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.</b>	Ensure that the District Development Committees are fully operational in the Regions/Districts	Establishment of six District Development Committees in the Regions/Districts	Established six District Development Committees in the Regions/Districts
	Ensure that the District Development Committees that are led by the Department integrate national and provincial policy imperatives with the those of the local sphere	Participation by the Department, Municipalities, Public Entities, and other Sector Departments in the meetings of the District Development Committees	The Department ensured the full participation of Municipalities and Public Entities in the meetings of the District Development Committees
<b>To improve integration and achievability of IDP goals to ensure alignment with the PGDP.</b>	Ensure that there is support and funding of LED-related projects that are linked to the IDPs, PGDP, and NSDP	Support and fund 30 LED-related projects in various Municipalities	<ul style="list-style-type: none"> <li>Developed a Project Matrix as a tool towards Project Implementation, Monitoring, and Evaluation</li> <li>Supported and funded 23 LED-related projects in various Municipalities</li> </ul>
	Ensure that Research Studies are commissioned in the District Municipalities and Metro	Commission Research Studies in the District Municipalities and Metro	Developed a Small Business Enabling Environment Survey Instrument and shared it with the Municipalities
	Ensure the development of the institutional capacity	Produce a Report on the LED Summer Academy in Germany in order to share the information with other members of the institution	<ul style="list-style-type: none"> <li>Participated in the NEPAD Council Trade and Investment Conference in May 2005 in East London</li> <li>Participated in the LED Summer Academy in July 2005 hosted by Mesopartner in</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>Germany – a Report was produced</p> <ul style="list-style-type: none"> <li>Participated in an International Conference on “Textiles for Sustainable Development” in October 2005 in Port Elizabeth</li> </ul> <p>Participated in the LED training on facilitation and communication in February 2006 hosted by GTZ/InWent at Mpekweni Beach Resort</p>
	Ensure that Proposals by the various stakeholders are forwarded to the meetings of the Economic Growth and Infrastructure Cluster	<ul style="list-style-type: none"> <li>Facilitate the presentation of Proposals in the Economic Growth and Infrastructure Cluster</li> <li>Develop a Discussion Document on the Sustainable Village Concept</li> </ul> <p>Participate in Task Teams of the Economic Growth &amp; Infrastructure Cluster</p>	<ul style="list-style-type: none"> <li>Facilitated the presentation of four Proposals in the Economic Growth and Infrastructure Cluster</li> <li>Tabled the Discussion Document at the Economic Growth &amp; Infrastructure Cluster</li> </ul> <p>Participated in the Economic Growth &amp; Infrastructure Cluster Task Teams</p>
	Ensure that a Database on Twinning Agreements is developed	Facilitate the sourcing of the information from the Office of the Premier, Municipalities, and Research Institutes	<ul style="list-style-type: none"> <li>Facilitated the sourcing of the information on Twinning Agreements from the Office of the Premier and CSIR</li> <li>Shared the information with the Municipalities</li> </ul>

#### BUSINESS REGULATION AND CONSUMER AFFAIRS: DELIVERY AGAINST PERFORMANCE TARGETS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
To ensure establishment and rendering of quality advisory services	Quality of information maintained and advice being given	Complaints & Advice Handling System (Consumer Data Management System)	Consumer Data management system were assessed and a workshop on information management the dti, municipalities and STATS-SA. Gaps were identified and recommendations on improvement were made
	Proper handling of consumer information and generation of purpose specific reports	Asses and pilot new system by year end	Systems used in the Western Cape Province and the new dti consumer complaints management were assessed together with the DIGITO.
	Performance Report on the Effectiveness of Programmes	Schedule of annual activities in place by end April 2005	The annual activity schedule was used to implement and review performance of consumer awareness, advice and education throughout the year. Performance assessment sessions were held every two months. These

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE																																
			reviews showed a lack of clear understanding of the role of the programme by the public, limited access to information and services of sector regulators such as South African Bureau of Standard (SABS), Micro Finance Regulatory Council (MFRC), Council for Medical Schemes (CMS) and Financial Services Board (FSB). This creates unrealistic expectations and imposes a heavy burden on the programme as it is forced to deal with matters meant for such agencies.																																
	Provincial contribution to National Law reform process	Participation in all National Law review on reform processes.	Five sessions on the finalisation of the Credit Act input in the first draft of the Consumer Protection Bill																																
Maintain acceptable levels of compliance	Compliance checks on credit extended through purchases or leases of moveable goods, or certain services rendered on credit and incidental matters.	Compliance monitoring structures established and compliance checks campaigns conducted in all districts	<p>Trade Inspection By Sector Focus:</p> <table border="1"> <thead> <tr> <th>DM</th><th>Town</th><th>Industry</th><th>Compliance Level</th></tr> </thead> <tbody> <tr> <td>Amathole</td><td>3</td><td>Clothing Furniture</td><td>93% 4%</td></tr> <tr> <td>Alf. Nzo</td><td>0</td><td>None</td><td>N/A</td></tr> <tr> <td>C/Hani</td><td>7</td><td>Furniture</td><td>42%</td></tr> <tr> <td>ORTambo</td><td>5</td><td>Furniture General</td><td>4% 44%</td></tr> <tr> <td>Cad/MMM</td><td>16</td><td>Clothing</td><td>90%</td></tr> <tr> <td></td><td></td><td>Clothing</td><td>4%</td></tr> <tr> <td></td><td></td><td>Other</td><td>5%</td></tr> </tbody> </table> <p>The <b>90%</b> compliance refers to the franchise clothing sector businesses and the <b>4%</b> to non franchise</p> <p>The non-franchise businesses are the most dominant in terms of non compliance</p> <p>Personnel to business ratios are very high hence the low levels of compliance.</p>	DM	Town	Industry	Compliance Level	Amathole	3	Clothing Furniture	93% 4%	Alf. Nzo	0	None	N/A	C/Hani	7	Furniture	42%	ORTambo	5	Furniture General	4% 44%	Cad/MMM	16	Clothing	90%			Clothing	4%			Other	5%
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MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE																																				
	Inspection results and compliance analysis reports	Monitoring compliance of businesses in terms of 12 and 13 of the Sales and Services Matters Act.	<p>Trade Inspections By Town and Business:</p> <table><tr><th>DM</th><th>Town</th><th>Business</th></tr><tr><td>Amathole</td><td>3</td><td>23</td></tr><tr><td>Alf. Nzo</td><td>0</td><td>N/A</td></tr><tr><td>C/Hani</td><td>7</td><td>30</td></tr><tr><td>ORTambo</td><td>5</td><td>33</td></tr><tr><td>Cad/NMM</td><td>16</td><td>170</td></tr></table> <p>Businesses managed or operated by foreign nationals are in most instances found not to comply with most of the requirement of the Act. The trend with regard to franchise and non franchise is the same as that of Credit Agreement Act. This calls for a review and tightening of awarding of operating registration certificates.</p>	DM	Town	Business	Amathole	3	23	Alf. Nzo	0	N/A	C/Hani	7	30	ORTambo	5	33	Cad/NMM	16	170																		
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	Record of issues raised and response to matters raised.	Contribution to provincial legislative reform process and	Register of Acts under review was created providing a summery of implications on the province and DEAET. Comment on the Credit Bill and submissions on proposed amendments to both the ECGB Act and ECL Act were made.																																				
Raise advise, educate and raise awareness of consumers	Consumer Advice Call Record	To hold workshop within local municipality areas	<p>Consumer Call and Advice Register:</p> <table><tr><th>DM</th><th>Enquiries</th><th>Diverted</th></tr><tr><td>Amathole</td><td>50</td><td>3</td></tr><tr><td>Alf. Nzo</td><td>165</td><td>23</td></tr><tr><td>C/Hani</td><td>567</td><td>48</td></tr><tr><td>ORTambo</td><td>478</td><td>37</td></tr><tr><td>Cad/NMM</td><td>897</td><td>74</td></tr></table> <p>Workshop Held Across Province</p> <table><tr><th>DM</th><th>Town</th><th>Number</th></tr><tr><td>Amathole</td><td>5</td><td>5</td></tr><tr><td>Alf. Nzo</td><td>4</td><td>12</td></tr><tr><td>C/Hani</td><td>12</td><td>26</td></tr><tr><td>ORTambo</td><td>15</td><td>36</td></tr><tr><td>Cad/NMM</td><td>14</td><td>48</td></tr></table>	DM	Enquiries	Diverted	Amathole	50	3	Alf. Nzo	165	23	C/Hani	567	48	ORTambo	478	37	Cad/NMM	897	74	DM	Town	Number	Amathole	5	5	Alf. Nzo	4	12	C/Hani	12	26	ORTambo	15	36	Cad/NMM	14	48
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Minimise illegal operations, promote responsible gambling, liquor consumption and trade	Report on socio economic impact of gambling and liquor trade and consumption	Comprehensive report produced	Research on the socio-economic impact of liquor consumption in the Eastern Cape was undertaken through the Eastern Cape Liquor Board. The Eastern Cape Liquor Act																																				



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			is also under review to ensure effective implementation of its objectives and achievement of the intended results.
To ensure that an effective Consumer Tribunal facility and associated services are established.	Record of Tribunal Decisions & Orders of Specific Performance	Session with members of the Consumer Tribunal on schedule for cases	The sitting of the consumer tribunal is dependent upon cases of alleged unfair business practices being thoroughly investigated and presented for proper consideration as provided for in the Act. This continues to pose a great challenge as evidenced by lack of referral of such matters to this institution.
Maximize revenue generation for socio-economic development	Revenue generated for socio-economic development	SLA with ECGBB and ECLB on performance targets	Performance update and review sessions on compliance and revenue target achievability were held
To minimise the incidence of moral and social degeneration associated with gambling and the consumption of liquor	Submission to Legislature for possible amendments to provincial Acts	Report on socio economic impact of gambling and liquor trade and consumption	Comments and submissions on proposed amendments to both the ECGB Act and ECL Act were presented to the MEC. These are still under consideration and will possibly be finalised in the next accounting year.

**OFFICE FOR INVESTIGATION AND PROHIBITION OF UNFAIR BUSINESS PRACTICES: DELIVERY AGAINST PERFORMANCE TARGETS**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Ensure and establish quality consumer protection	Investigators and mediation commissioners appointed	Appoint competent investigators and commissioners for mediation	Full-time investigators have not yet been appointed. No commissioners were appointed to handle any matter during the period under review.
	Consumer Protection sessions	Awareness of and accessibility to protection services.	Partially undertaken
Prohibition, Investigation and control of Unfair Business Practices	Complaints Register completed	Attending to 100% of consumer complaints received daily.	Consumer call register maintained and all complaints received investigated.
Investigate all Consumer Complaints received	Consumer complaints investigated in terms of the consumer Affairs Unfair business Practices Act 5 of 1998 by the Consumer Protector. Consumer Complaints investigated confined to those reported	Receipt and investigation of Consumer Complaints	A total of 164 complaints was received by the Office of the Consumer Protector and of these 91 were resolved, 23 referred to other regulatory bodies and 50 still under investigation. R232,969-00 was recovered by the consumer Protector on behalf of consumers in cash and in kind.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE																																				
	directly to the office of the Consumer Protector by the consumers, as this office did not monitor and co-ordinate Consumer Protection activities in the Province as required by the Act due to instructions received from Programme Manager. A target of 50% of Complaints received during the year achieved to the satisfaction of the consumers who lodged complaints with the office.		<div>Classification of Complaints Received</div> <table><thead><tr><th colspan="2">Type</th><th>Percentage</th></tr></thead><tbody><tr><td>1</td><td>Furnisher Industry</td><td>30</td></tr><tr><td>2</td><td>Micro Lending</td><td>20</td></tr><tr><td>3</td><td>Attorneys</td><td>5</td></tr><tr><td>4</td><td>Medical Schemes</td><td>5</td></tr><tr><td>5</td><td>Administrative Orders</td><td>20</td></tr><tr><td>6</td><td>Banks</td><td>5</td></tr><tr><td>7</td><td>Insurance</td><td>3</td></tr><tr><td>8</td><td>Cell Phones</td><td>3</td></tr><tr><td>9</td><td>Departments</td><td>5</td></tr><tr><td>10</td><td>Holiday time shares</td><td>4</td></tr><tr><td></td><td>Total</td><td>100</td></tr></tbody></table>	Type		Percentage	1	Furnisher Industry	30	2	Micro Lending	20	3	Attorneys	5	4	Medical Schemes	5	5	Administrative Orders	20	6	Banks	5	7	Insurance	3	8	Cell Phones	3	9	Departments	5	10	Holiday time shares	4		Total	100
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Negotiation of arrangements to discontinue Unfair Business Practices in terms of Section 11 of the Act.	The arrangements to be made any time after the conclusion of Mediation between business and consumers if the parties reach an agreement. The arrangement shall be in writing and signed by both parties.	Negotiation of arrangements to discontinue Unfair Business Practices in terms of Section 11 of the Act.	<ul style="list-style-type: none"><li>Negotiations between the tenants Associations and King Williams Town Housing Association and the Department of Local Government led to the settlement of disputes between them</li><li>Members of Tyutyu Village Development programme settled through negotiations their disputes with the Bonke Location Community who had paid to have ploughing done on their Land but the service provider was delaying</li><li>Negotiations were held with the furniture shops concerning Unfair Business Practices perpetrated against consumers which included repossession of furniture without first applying for a court order by the furnisher shop and consumer payments to furniture shops exceeding amounts owed</li></ul>																																				
	The arrangements to be made any time after the conclusion of Mediation between business and consumers if the parties reach an agreement. The arrangement shall be in writing and signed by both parties.	Negotiation of arrangements to discontinue Unfair Business Practices in terms of Section 11 of the Act.	A group of victims of violations of gross human rights invited the Consumer Protector; the victims were from the Fort Beaufort area, to assist them with recovering claims from Government Departments in terms of the National Unity and Reconciliation Act which created the Truth and Reconciliation Commission. Over a three Months period the complaints were referred to the various Departments for attention namely Department of Education, Social Development, Office of the Premier and Local Government. All indicated willingness to assist the TRC victims; our involvement was in line with the objectives of Batho Pele and the Act.																																				

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Arrange for the sitting of the Tribunal to be presided over by the chairperson of the Tribunal.	The sitting and a record of Consumer Tribunal decisions	All unresolved matters are brought before the Consumer Tribunal as prescribed.	No unresolved matters were brought before the Tribunal by the Consumer Protector as none were available.
Representing the Province at Consumer Protection workgroup meetings, Consumer Affairs committee meetings, Consumer Union Meetings, South African Bureau of Standards and at the dti.	Attending more than 90% of meetings called.	Written input in terms of legislation reform process and working sessions.	<p>In January 2006 it was the turn of the Eastern Cape Province and a meeting attended by all the Provinces was held at the Elizabeth Hotel in Port Elizabeth.</p> <p>Attended 90% of meetings called and reported to the Province accordingly. These meetings help to ensure that there is uniformity between the Provinces and DTI in the handling of resolutions of consumer complaints. The Credit Agreements Act and the Usury Act have been repealed to ensure better protection of Consumers against unscrupulous business men resulting in the enactment of the Credit Act, this is soon to be followed by the Consumer Protection Act, once the Consumer Protection Bill is passed, which will be replacing the Consumer Affairs Unfair business Practices Act and the Sales and Service Matters Act.</p>

## **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](http://www.ecdc.co.za)**

Established in terms of Act No 2 of 1997 (EC), the key aims in the establishment of ECDC are to plan, finance, co-ordinate, 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 of the ECDC represents government, business, labour and the disabled, as appointed by the MEC for Economic Affairs, Environment and Tourism.

ECDC's vision is that "The socio-economic goals of the Eastern Cape Province can be achieved through innovative and developmentally conscious private sector 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**

The 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. The most significant of these are the two Industrial Development Zones

### **Enterprise Finance**

The 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 and Rural Programmes**

The ECDC plays a catalytic and facilitating role in specific provincial economic development programmes one of those is the Spatial Development Initiative. Development projects with high economic impact are also identified, packaged and promoted.

### **Trade/Export Promotion**

The 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.

### **Enterprise Development Services**

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

### **Property Development and Management**

The ECDC's Property Management unit aims to provide suitable industrial and commercial premises at affordable rates in the Eastern Cape. When in the interests of the investor and the corporation, ECDC will consider selling its property to the investor.

### **Support Units**

Human Resources;  
Marketing;  
IT;  
Internal Audit and  
Finance

***ECDC performance for 2005/06 is reflected in detail in the Corporation's annual report***







**Eastern Cape Tourism Board**  
**Website: [www.ectourism.co.za](http://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 2005/06 is reflected in detail in the Board's annual report.***



### **Eastern Cape Liquor Board**

**Website:** [www.eclb.ecprov.gov.za](http://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 2005/06 is reflected in detail in the Board's annual report.***



### **Eastern Cape Gambling and Betting Board**

**Website:** [www.ecgbb.co.za](http://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). The objective of the Board is to regulate 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 implementing steps to ensure the abolition of illegal 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, credible and socially responsible 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 2005/06 is reflected in detail in the Board's annual report.***





**Coega Industrial Development Zone**  
**Website: [www.coega.co.za](http://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 2005/06 is reflected in detail in the Corporation's annual report.***



**East London Industrial Development Zone**  
**Website: [www.elidz.co.za](http://www.elidz.co.za)**

**east london idz**  
*business streamlined*

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 (Registered by National Treasury as Section 3d Public Entity in 2005). This resulted in the appointment of a new Board of Directors and a comprehensive re-structuring of the company's operational activities.

***ELIDZ performance for 2005/06 is reflected in detail in the Company's annual report.***



## Reconciliation of budget with plan

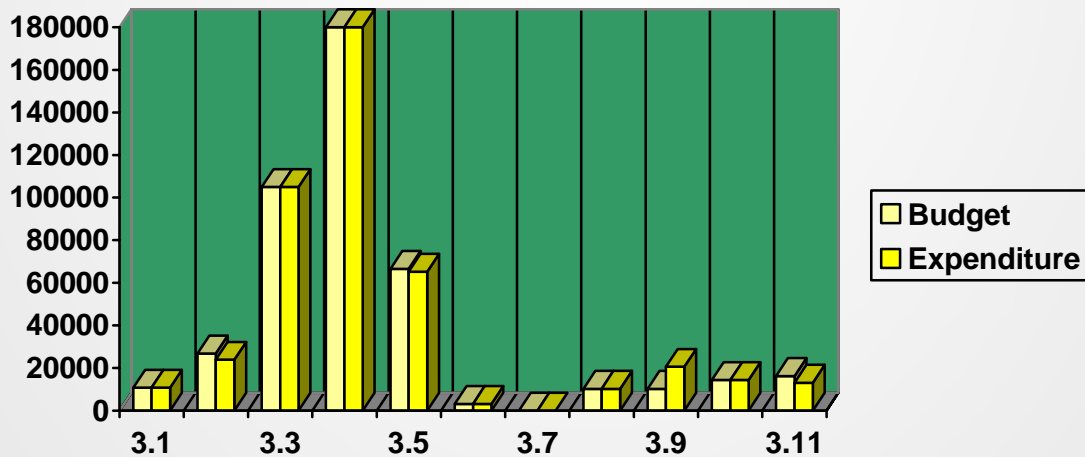
### Programme 3: Economic Affairs

Programme budget (R million)

Sub-Programme	Voted Budget 2005/06	Actual Expenditure 2005/06	Deviation (%)
3.1 Investment Promotion	10,740	10,740	0
3.2 Local Economic Development	26,756	23,345	12.75%
3.3 East London IDZ	105,000	105,000	0
3.4 Coega Development Corporation	180,000	180,000	0
3.5 Promotion of SMMEs	66,511	65,155	2%
3.6 Trade Development	3,150	3,150	0
3.7 DRISA/AIDC	0	0	0
3.8 Eastern Cape Liquor Board	10,223	10,170	.5%
3.9 Promotion of Tourism	20,532	20,532	0
3.10 Eastern Cape Gambling & Betting Board	14,364	14,364	0
3.11 Consumer Affairs	16,261	13,071	19.6%
<b>TOTAL PROGRAMME</b>	<b>453,537</b>	<b>445,527</b>	<b>1.8%</b>

## 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 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**

Measurable Objectives, Performance Measures, Target and Actual Performance for 2005/06 are indicated below.

**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	TARGETS	ACTUAL PERFORMANCE
<b>Office of the Chief Director (IEM): To ensure the coordination and monitoring of the two directorates and the Parks Authority and offer administrative and</b>	Chief Directorate Monthly Management meeting Regional Management ECPB Board Meeting National Meetings attendance and feedback	To sustain service delivery internally and externally. To ensure that management is up to speed with evolving management developments and opportunities. Coordination of Regional Environmental Affairs Management To ensure the integration of the	<ul style="list-style-type: none"> <li>▪ Attendance of MINTECH Working Group I by representative and ensure the implementation of the resolutions by the province.</li> </ul> Attendance of the Planning and Enforcement Planning Committee ( Subcommittee of Working Group I which is to ensure the standardisation of permitting and enforcement activities in the provinces

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
managerial support to these structures.		department's mandate in terms of biodiversity management within Protected Areas. Participate in the National and Provincial Environmental Affairs management meeting	
	Finalisation of the Eastern Cape Environmental Management Bill. National environmental legislation framework	Compliance and enforcement improvement	<ul style="list-style-type: none"> <li>Service Provider has been appointed to review the Provincial Conservation Act.</li> <li>A number of officials have attended an Environmental Management Inspector Bridging Course conducted by the National Department of Environmental Affairs &amp; Tourism. This is going to expand the Compliance &amp; Enforcement Section.</li> </ul> <p>Comments on the National Norms and Standards on Elephant Management</p>
	Implementation of Project Implementation Plans	Trans-boundary projects coordination Provision of Project Coordination / Steering / Implementation Committee meetings minutes (C.A.P.E., SANBI, STEP, SKEP, MDTP)	<p>C.A.P.E. –Baviaanskloof Project</p> <p>ECIC: Province continued to attend, participate in all ECIC meetings. This year's focus has been on promotion of growth and development of bioregional conservation programmes in the Eastern Cape. ECIC met quarterly at venues rotated between the main centres in the Eastern Cape. Involvement of specialists sourced from (SANBI, MDTP – Maloti Drakensberg Transfrontier Park, STEP - Subtropical Thicket Ecosystem Planning-) in the thicket, and SKEP (Succulent Karoo Ecosystem Programme) housed in the Eastern Cape has helped to maintain specialist inputs thus creating strong forum to guide processes.</p> <p>NGBP: DEAET took the lead in setting up Grassland Biodiversity Initiative. Through the input and the involvement of SANBI, MDTP this is also linked to Bioregional initiatives.</p> <p>MDTP: Province continues to attend and inputs in PCC meetings. Ongeluk'sneck – Lake Letsie Transfrontier Initiative has been the result of Provincial participation in this programme. Province looked at the need for a Grassland Park. Linking up Ukhahlamba to Ongeluk'sneck and over to Free State and Lesotho hence a Transfrontier Initiative. This would have huge spinoffs in Tourism. Specialist input has been sourced from SANBI, MDTP. Prentjiesberg – Ugie – Maclear will benefit from such an initiative.</p>



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>Desk top information has been collected (MDTP) and Field trips were organized. (SANBI, DEAET However thorough research has to be conducted.</p> <p>Funding is sourced from World Bank and from participating Government Departments including the Parastatals and Lesotho.</p> <p>Project will close in less than three years time; Government will have to streamline initiatives into priority areas thus ensuring implementation thereof.</p>
	Identification of critical funded posts. Staff Capacity building	<p>Appointment letters issued</p> <p>Approval of critical vacant funded posts recommendations by the MEC.</p> <p>Organisational Restructuring &amp; Skills Development</p>	<p>Senior Manager Biodiversity Conservation, Marine &amp; Coastal Zone Management was appointed in April 2005</p> <p>Deputy Director Biodiversity Conservation was appointed in September 2005</p> <p>1 Senior Environmental Officer under Special Investigation Unit resigned and left in September</p>
	Organise an environmental awareness planning session	Environmental Awareness Year Plan	<p>Cleanest Town Competition Awards were held in Stutterheim</p> <p>Provincial Marine Day Awareness / Celebrations were held in Port St John Municipal Area at Tombo.</p>

**Directorate: Environmental Impact Management, Air Quality & Waste Management : To Coordinate EIA Regulations, Compliance with EIA Regulations and NEMA Principles**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
Administration of EIA Regulations and other tools for sustainable development and improve compliance thereof.	<ul style="list-style-type: none"> <li>Coordination of EIA administration</li> <li>Compliance monitoring for ROD's</li> <li>Handling appeals from regions</li> <li>Coordination on enforcement issues</li> <li>Implementation of NEAS</li> </ul>	<ul style="list-style-type: none"> <li>Improved compliance</li> <li>Drafting appeal for the MEC's approval and liaising with the Regional offices</li> </ul>	<ul style="list-style-type: none"> <li>At the beginning of the year there were 339 applications waiting for consideration, 880 new applications were received and 578 RODs issued and about 13 applications were withdrawn/ cancelled during the year, leaving 560 applications pending at the end of the year.</li> <li>With the enactment of the National Environmental Amendment Act (Act. 8 of 2004) which called for all unauthorised commencement or continuation of activities listed under EIA Regulations to be rectified by means of application to the Minister or MEC in terms of Section 24G of the said Act, the province has received about 552 applications in this regard.</li> <li>Following a number of interactions with DEAT and other provinces regarding the processing of the Section 24G applications, DEAT offered to fund some provinces based on their motivated</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>needs and our province was approved for funding and an amount of R350 000 was transferred to DEAET by the end of the Financial Year. These funds will be used to appoint a Service Provider to assist with processing the applications.</p> <ul style="list-style-type: none"> <li>▪ In order to address the applications backlog in Cacadu Region (incorporating NMMM) and following some interventions by the Top Management, some staff from other regions were called to assist with the processing of applications in that region.</li> <li>▪ Eight (8) appeals have been received during the year</li> <li>▪ Participation by regions and Head Office in the workshop on Certification of EIA Practitioners that took place in Port Elizabeth.</li> <li>▪ The EIM unit organised a training course for Basic EIA and about 15 staff members mainly newly appointed staff and some managers attended such training offered by CSIR.</li> </ul>
Strengthening Environmental Management & Cooperative Governance (Environmental Impact Management, Cooperative Governance-EIP) and Policy formulation	<ul style="list-style-type: none"> <li>• Development of sector guidelines.</li> <li>• Intergovernmental and sectoral meetings.</li> <li>• Establishment of a PEAC</li> <li>• Review &amp; updating of SoER</li> <li>• Review, drafting &amp; reporting on EIP</li> </ul>	<ul style="list-style-type: none"> <li>• Standardised process in dealing with various EIA applications</li> <li>• Sound development in line with environmental norms.</li> <li>• Compliance.</li> <li>• Cooperative governance.</li> <li>• Environmental reporting</li> <li>• Functioning PEAC &amp; CEC</li> </ul>	<ul style="list-style-type: none"> <li>▪ The following are some key environmental cooperative governance and related meetings and interactions that have taken place during the year: <ul style="list-style-type: none"> <li>→ Attendance of all MinTech Working Group IV meetings dealing with EIM and Regulatory Services and a number of workshops on the new NEMA EIA Regulations</li> <li>→ Attendance and participation in National Working Group II meeting dealing with Waste Management and Air Quality technical issues and responses to correspondence emanating from this working group.</li> <li>→ Multi-stakeholder National Strategy for Sustainable Development (NSSD) workshop attended in Sandton where provinces and other stakeholders were made aware of their roles and responsibilities.</li> <li>→ Attendance of the DWAF SEA Steering Committee meetings and newly established Systematic Conservation Plan Steering Committee linked to the DWAF SEA.</li> <li>→ Attendance of all the scheduled Eastern Cape Stream flow Reduction Activities Licensing Assessment Advisory Committee (EC SFRA LAAC) meetings and kept on improving the relationships with this committee and such improvement was commended</li> </ul> </li> </ul>



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>the Committee.</p> <p>→ IDP Forum Meetings for District and Local Municipalities were attended and input on environmental chapters made.</p> <p>→ Innovative interactions have taken place between Amathole Regional Office and Amathole District Municipality on cooperative governance issues and most EIA applications from the District Municipality were prioritized and more than 95% were finalized due to these interactions.</p> <p>→ Active participation by Amathole Regional Office in the establishment of the IAIA branch in East London.</p> <p>→ Alfred Nzo Regional Office participated in land care forum meetings in Mt. Ayliff.</p> <p>→ Ongoing participation by Cacadu Office in Ngqura IDZ and Harbour Environmental Monitoring Committee and Environment Liaison Committee meetings (Coega)</p> <p>→ Ongoing participation by OR Tambo Regional Office on land reform meetings with DLA and other stakeholders.</p> <p>→ Continued participation by OR Tambo Regional Office in DEAT Social Responsibility Programme for purposes of ensuring that environmental considerations are incorporated when implementing the projects under this programme.</p>
Monitoring & Evaluation (data management & monitoring stations, Environmental Reporting-Provincial State of the Environment Report)	<ul style="list-style-type: none"> <li>Monitoring of SoER process with CSIR.</li> <li>regular inspection of new developments in terms of conditions attached to RoDS'</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency on information management and for monitoring purposes.</li> <li>Environmental Management Plans for District and Municipal sector development plans.</li> </ul>	<ul style="list-style-type: none"> <li>Detailed statistics report as requested by DEAT in preparation for the NEMA EIA Regulations Implementation Workshop was compiled and submitted with contributions from regions.</li> <li>Compliance inspections are taking place in regions and reports compiled and kept in the regions and appropriate remedial mechanisms undertaken in cases on noncompliance.</li> <li>Ongoing attendance by OR Tambo Regional Office of Mzamba Filming Site EMC and Ugie-Langeni Link Road (Nyibeni) EMC</li> <li>Participation of four regions (Amathole, OR Tambo, Chris Hani/Ukhahlamba and Alfred Nzo) in the DWAF coordinated joint site visits to proposed afforestation sites as per EC SFRA LAAC (Afforestation Licensing cooperative governance structure) agreed protocols.</li> <li>Several landfill site development projects</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>were monitored and the relevant compliance reports were sent out. In general, the projects have a fairly acceptable impact on the environment although compliance is not always high and response to the reports is not yet seen as important.</p> <ul style="list-style-type: none"> <li>▪ The Environmental Management Inspectorate, a network of environmental enforcement officials from different government departments (national, provincial and municipal), was created by an amendment to the National Environmental Management Act, 107 of 1998 ("NEMA") which came into effect on 1 May 2005. The new Chapter 7 of NEMA now provides for Environmental Management Inspectors (EMIs) to be designated by the Minister and MECs. About 19 official from both management and operational level attended a 11-day EMI Bridging Training at Pretoria and Pietermaritzburg and further 8 officials were due to attend the last round of training to be held in Cape Town during May/June 2006.</li> </ul>
Waste Management and pollution prevention	<ul style="list-style-type: none"> <li>• Handover of Waste Management function (land fill sites) from DEAT</li> <li>• Participate in Provincial working group and National working group on waste management.</li> <li>• Ensure development and review of Integrated Waste Management Plans (IWMP) and liaise with DEAT.</li> <li>• Hold and participate in Cleanest Town Competition.</li> <li>• Compilation of Hazardous Waste Management Plans</li> <li>• Provincial Waste Summit</li> <li>• Policy Formulation</li> </ul>	<ul style="list-style-type: none"> <li>• Effective implementation administration of the landfill site permitting system</li> <li>• Capacity building for staff on landfill site permitting.</li> <li>• Submission of Waste Management Plans by Districts</li> <li>• Submission of the hazardous Waste Management Plans &amp; IWMP's to national</li> <li>• Effective communication and co-operative governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ The National Waste Information System (WIS) Pilot Project inception workshop was attended with delegates from National DEAT, CSIR, BCM and NMMM in East London. Subsequent facilitation of the signing of the MoU between DEAT and DEAET and the participating Municipalities took place. The pilot has been progressing well in the province and is receiving support from municipalities as well as private facilities. The roll-out of the pilot to the wider province has been initiated with successful workshops in various district</li> <li>▪ Participation in the African Stockpile Programme Workshop held East London.</li> <li>▪ The Department saw the engagement of JICA in the waste management challenges of the province through interventions made by two waste experts from Japan who stayed for a period of two months (October – November 2005). Their input and recommendations were greatly appreciated especially in the Buffalo City Municipality.</li> <li>▪ The Department has coordinated the participation of Buffalo City Municipality and Nelson Mandela Metro in the 2004/05 National Cleanest Town Competition and the National Panel visits took place in May 2005, consequently Buffalo City Municipality was announced</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>as the Second Runner-up winner in November 2005.</p> <ul style="list-style-type: none"> <li>▪ Maintained linkages with the National DEAT regarding the concluded Mandara Case which has received an observable level of media coverage.</li> <li>▪ The Department, through various representations, has participated in the process of transferring ECA Section 20 dealing with licensing of landfill sites from DWAF through to DEAT and to provinces. Training session has been attended at National DEAT regarding this handover and some regions have already engaged the local DWAF offices on capacity building in implementation of the transfer.</li> <li>▪ The IWMP process has started in most District Municipalities. The Nelson Mandela Metropolitan Municipality, Amathole District Municipality, Buffalo City Municipality and Amahlathi Local Municipality have completed the process, Chris Hani and Ukhahlamba District Municipalities are towards finalizing theirs through active support from our District Offices while others like OR Tambo has started some engagements on the matter although the latter cites financial constraints regarding finalization of IWMP.</li> <li>▪ The Department conducted its 2005/06 Provincial Cleanest Town Competition in which 22 towns participated and the competition was concluded by the announcement of the winners by our MEC during the World Environment Day Celebrations held at Stutterheim. The winners were 1. Camdeboo, 2. Great Kei and 3. Port St. Johns municipalities. Mquma Municipality (Butterworth) received a special award of being the most improved municipality in terms of waste management services.</li> <li>▪ District offices have responded on various calls related to waste management issues within their areas of jurisdiction and associated reports compiled.</li> <li>▪ Two major landfill applications are in process in Amathole Region which includes Hazardous Permit for Roundhil, and the Eastern Regional Landfill near Butterworth. Linked to the above projects, the Amathole Regional Office organized site visit to Compass Waste Service Pinetown based company on the use of the Autoclave for the treatment of health care waste and was attended by some</li> </ul>

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
			<p>officials who attended the EMI course in Pietermaritzburg in March 2006, optimising the opportunity of a break offered during the EMI course.</p> <p>Participation in the PSC meetings for Oriental Plaza Buy-back and Recycling Centre and in the meetings regarding the proposed rehabilitation of tannery waste dump in King William's Town.</p> <ul style="list-style-type: none"> <li>▪ Ongoing participation by Chris Hani Regional Office on waste disposal site selection and EIA process re landfill site applications in Barkley East and Maclear, and monitoring of existing landfill sites in the region.</li> <li>▪ Ongoing participation by Cacadu Regional Office in programme to address issues re proposed regional hazardous Waste Disposal Facility</li> <li>▪ Ongoing participation by Cacadu Regional Office in programme pertaining to the Papiesfontein waste disposal site (Jeffreys Bay) and Glass Recycling in Graaf Reinet</li> </ul>
Air Quality Management	<ul style="list-style-type: none"> <li>• Defining roles &amp; responsibilities on the Air Quality Management Act</li> <li>• Appointing of provincial air quality officers</li> <li>• Training of staff</li> <li>• Establishment of provincial emission standards</li> <li>• Provincial workshop on AQMA</li> <li>• Establishment of a monitoring framework</li> </ul>	<ul style="list-style-type: none"> <li>• Effective implementation of AQMA</li> <li>• Establishment of close links &amp; working relationships with local municipalities</li> <li>• Establishment of regional environmental forums</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attendance of the National Committee on Climate Change meetings held during the year</li> <li>▪ Attendance of the National Climate Change Conference held at Gallagher Estate.</li> <li>▪ Two officials of the Chief Directorate participated in the 11th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 11) and 1st Conference of the Parties Serving as the Meeting of Parties to the Kyoto Protocol (COP/MOP 1) held in Montreal, Canada from 28 November – 10 December 2005.</li> <li>▪ Ongoing participation of Cacadu Regional Office in the following with regards to air quality issues: <ul style="list-style-type: none"> <li>→ Programme to address issues at Pelts Tannery</li> <li>→ Aloes Environmental Monitoring Committee meeting</li> </ul> </li> </ul>

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

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
<b>Biodiversity Conservation and Coastal Management - To conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species and genes in the Eastern Cape</b>	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 Assess skills and develop a Skills Development Plan; Mentoring of new employees Implement a standard budget management system	Aligned functional institutional arrangement.	<ul style="list-style-type: none"> <li>▪ Revitalisation of Biodiversity Management Task Team to deal with Policy and Strategic Assignments, and Biodiversity Technical Team to deal with Policy and operational issues.</li> <li>▪ Biodiversity Technical Committee Meeting attended to ensure implementation of uniform standards on biodiversity activities in all the regions.</li> <li>▪ Operational guidelines were developed and the following were approved and are implemented:               <ol style="list-style-type: none"> <li>1) Leopard Hunt Damage Causing</li> <li>2) Damage Causing Wild Animals in Urban Areas</li> <li>3) Management of Primates in the Eastern Cape</li> <li>4) Commercialization of Indigenous Plants</li> <li>5) Hunt Wild Animals causing damage to Crops</li> <li>6) International and domestic Export of Cycads</li> </ol> </li> <li>▪ Biodiversity realignment workshop was held. Biodiversity functions outside protected areas were regrouped and re-articulated to ensure uniform standards.</li> <li>▪ Monitoring and implementation of uniform standards in both Biodiversity Coastal Zone Management</li> <li>▪ The same strategy applies in CZM through development and implementation of operational guidelines in all 5 Regions in the Province. Bimonthly Technical Task Team Meetings. Monthly PCC meetings. Bi-monthly Wild Coast Illegal Task Team Meetings and monthly reports.</li> <li>▪ Alignment with HR for personnel training needs and skills development.</li> <li>▪ Budget spent in adherence to PFMA and Departmental standard procedures.</li> <li>▪</li> </ul>
	Facilitate the formation of a Wetland Management Unit in the Province Develop a Wetland	World Wetlands Day events Wetland Management Unit established and operational	<ul style="list-style-type: none"> <li>▪ Revitalised the Provincial Wetlands and freshwater Forum. Rhodes University is a member. Secretariate of the forum is housed in Rhodes. Systems are managed according to National and International Standards.</li> </ul>



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	<p>Management Framework in the Province</p> <p>Audit and develop Wetlands Database for the Province</p> <p>Improve information of ecology and management of wetlands through research</p> <p>Identify and initiate community based fisheries projects</p> <p>Establishment of RAMSAR sites</p> <p>General co-ordination of wetland activities</p>	<p>Community based fishery projects</p> <p>Ensure that provincial wetland and freshwater systems are managed according to national standards and norms</p>	<ul style="list-style-type: none"> <li>Grassland Biodiversity Forum has been established. Province is working hand in hand with SANBI, DWAF and Dept of Agriculture. Wetlands are mainly in Grasslands and in DWAF areas. Prentjiesberg has been identified as Grassland Biodiversity Hotspot and has potential to be a RAMSAR site. Research has to be conducted and rehabilitation and implementation plan be established. This is crucial due to Ntsikeni RAMSAR site having moved over to KZN.</li> </ul>
	<p>Coastal Management Programme</p> <p>Facilitate inputs into Spatial Planning</p> <p>SEA of the coast</p> <p>Input into landuse planning, includes Wild Coast</p> <p>Conservation Area</p> <p>Develop a Coastal Management Plan</p> <p>Audit and develop a database for all coastal projects</p> <p>Ensure stoppage of illegal developments on the coast</p> <p>Implementation and enforcement of ORV Regulations</p> <p>management plan</p> <p>Specialist input on permits and licenses</p> <p>Sea-Shore Act Implementation</p> <p>Coordination SCLP</p>	<p>Ensure that the coast is managed according to sustainability principles</p> <p>Ensure that cases of illegal developments are addressed, Law enforcement initiatives undertaken</p>	<ul style="list-style-type: none"> <li>There is increase in construction of illegal developments along the Coast especially in the East London, Port Alfred towards Western Region. A need for a funded committee like the Wild Coast Illegal Cottage Task Team should be established..</li> <li>Wild Coast Illegal Task Team continued to monitor illegal developments at the Wild Coast. Data has been collected and a database has been set. The system is with DEAT Directorate of MCM in Cape Town. Demolished 5 structures at Port St John, Mbizana and KSD. 3 Cases of illegal activities brought to court. One has been resolved</li> <li>ORV task team meetings are held bi-monthly in the Eastern Cape. Stakeholders are all affected parties from the Province and DEAT MCM</li> <li>Coffee Bay Mussel Rehabilitation Project is still progressing.</li> </ul>
	Develop a Provincial	Effective and efficient CITES permit	<ul style="list-style-type: none"> <li>A Standard web based permit system is stalled due to DEAT planning to take over the system and adopt it as</li> </ul>



MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	TARGETS	ACTUAL PERFORMANCE
	<p>Conservation Plan/ Bioregional Plan 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 better service delivery for the Special Investigations unit ( Compliance &amp; Enforcement)</p> <p>Assignment and transfer of Indigenous Forests; Audit, facilitate, categorise</p>	<p>Administration Monthly reports and or, Incidents reports. Carry out arrests of suspects, lay charges and register the cases. Request assistance from relevant law enforcement agencies. Compile reports</p> <p>Ensure that biodiversity is conserved and protected in the Eastern Cape</p>	<p>National Standard System.</p> <ul style="list-style-type: none"> <li>▪ CITES Management and administration runs smoothly. Province continues to take lead in ECIC. Also continues to support Baviaanskloof PMU and ECPB as this is flagship for C.A.P.E.</li> <li>▪ Assignment and transfer of indigenous forests is still under process. Wild Coast initiatives have caused delays to this process.</li> <li>▪ A Successful Provincial World Wetlands 2006 Day Celebration was held in Peelson.</li> <li>▪ Participation in the Co- Management Committees (Dwesa/Cwebe) and Mkambathi.</li> <li>▪ Annual hunting proclamation was submitted in November and Gazetted in February 2006. Consultation with the relevant stakeholders e.g Hunting Industry has taken place before the proclamation and supplied with the copies.</li> <li>▪ Awareness campaigns have been conducted to reduce incidents and this has been a success.</li> <li>▪ Service Provider has been appointed to review the Provincial Conservation Act.</li> </ul> <p><b>Permits Issued</b></p> <ul style="list-style-type: none"> <li>▪ CITES – 1149</li> <li>▪ Non CITES – 2072</li> <li>▪ Hunting Permits – 613</li> <li>▪ CAE – 83</li> <li>▪ Fauna &amp; Flora (Transport, Import etc) – 2121</li> </ul> <p><b>Professional Hunting</b></p> <ul style="list-style-type: none"> <li>▪ Professional Hunting permits – 246</li> <li>▪ Hunting Contractors Permits issued – 91</li> <li>▪ Income generated – R18220.00</li> <li>▪ Process of transfer of Indigenous Forests continues. A phase approach has been recommended for smooth running of processes.</li> </ul>

**Professional Hunting by Overseas Clients  
from 01 November 2004 to 31 October 2005**

<b>COUNTRY</b>	<b>DAYS</b>	<b>SPECIES</b>	<b>ANIMALS</b>	<b>VISITORS</b>
Australia	31	9	19	4
Austria	57	17	32	6
Belguim	73	27	49	9
Brazil	2	1	1	1
Canada	113	29	104	15
Czech Republic	12	4	7	3
Denmark	456	29	413	59
England	269	40	195	28
FINLAND	41	9	19	5
France	121	29	101	19
Germany	153	33	120	22
HAWAII	8	4	4	1
Holland	47	14	48	8
Hungary	27	19	39	3
Ireland	66	11	56	8
Israel	5	6	6	1
Italy	131	28	128	19
JAPAN	12	7	10	1
Mexico	88	23	79	10
Netherlands	107	19	85	17
New Zealand	14	7	9	2
Norway	308	35	310	33
Portugal	9	7	9	1
Russian Federation	72	27	91	7
Scotland	66	16	48	10
Slovakia	38	11	27	8
Spain	883	41	1194	106
Sweden	134	16	86	17
United Kingdom	193	21	136	23
USA	8785	68	6137	752
ZIMBABWE	11	3	7	1
	12332		9569	1199

**PERIOD 01/11/2004  
TO 31/10/2005**

				E. Rate:	
<b>Animals Hunted</b>	<b>9569</b>		<b>\$7,612,510.00</b>	<b>R 6.50</b>	R 49,481,315.00
	<u><b>Days</b></u>	<u><b>Per Day</b></u>			
<b>Daily Rates (hunting clients) DAYS</b>	<b>12332</b>	<b>\$375.00</b>	\$4,624,500.00	<b>R 6.50</b>	R 30,059,250.00
	<u><b>Days</b></u>	<u><b>Per Day</b></u>			
<b>Daily Rates (non-hunting clients)</b>	<b>1849.8</b>	<b>\$135.00</b>	\$249,723.00	<b>R 6.50</b>	R 1,623,199.50
(15% of hunting clients, days)					
<b>SUB TOTAL</b>					<b>R 81,163,764.50</b>

Interaction with business sector. Provincial and Nationally					
South African Airways (external and Internal)					R 15,128,925.70
Car Hire					R 1,485,296.89
Hotel Accommodation					R 1,485,296.89
Taxidermy (packing, shipping, mounting)					R 38,253,800.00
Tips (staff)					R 4,090,653.73
Fishing and Touring					R 852,219.53
Curios/shopping					R 1,874,882.96
Venison meat					R 766,997.57
<b>SUB TOTAL</b>					<b><u>R 63,938,073.28</u></b>
<b><u>TOTAL</u></b>					<b><u>R 145,101,837.78</u></b>
<b>Summary:</b>					
	<b>Stats 2004</b>	<b>Stats 2005</b>	<b>Percentage diff.</b>		
<b>Amount of animals hunted decreased</b>	<b>16105</b>	<b>9569</b>	<b>-40.58</b>		
<b>Hunting days, hunting clients decreased</b>	<b>41765</b>	<b>12332</b>	<b>-70.47</b>		
<b>Non-hunting client days decreased</b>	<b>6264</b>	<b>1845</b>	<b>-70.55</b>		
<b>Decreased income generated</b>	<b>R 279,347,835.91</b>	<b>R 145,101,837.78</b>	<b>-48.06</b>		
As can be seen the total amount of animals hunted as well as hunting and non-hunting client days has decreased by					
a great margin. The unit price per animal as well as taxidermy fees has been updated during this year.					
The above explains the considerable decrease in hunting revenue from 2004 to 2005,					
the rand has strengthen over the same period.					

## 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**  
**Website: [www.ecpb.co.za](http://www.ecpb.co.za)**

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 2005/06 is reflected in detail in the Board's annual report.***

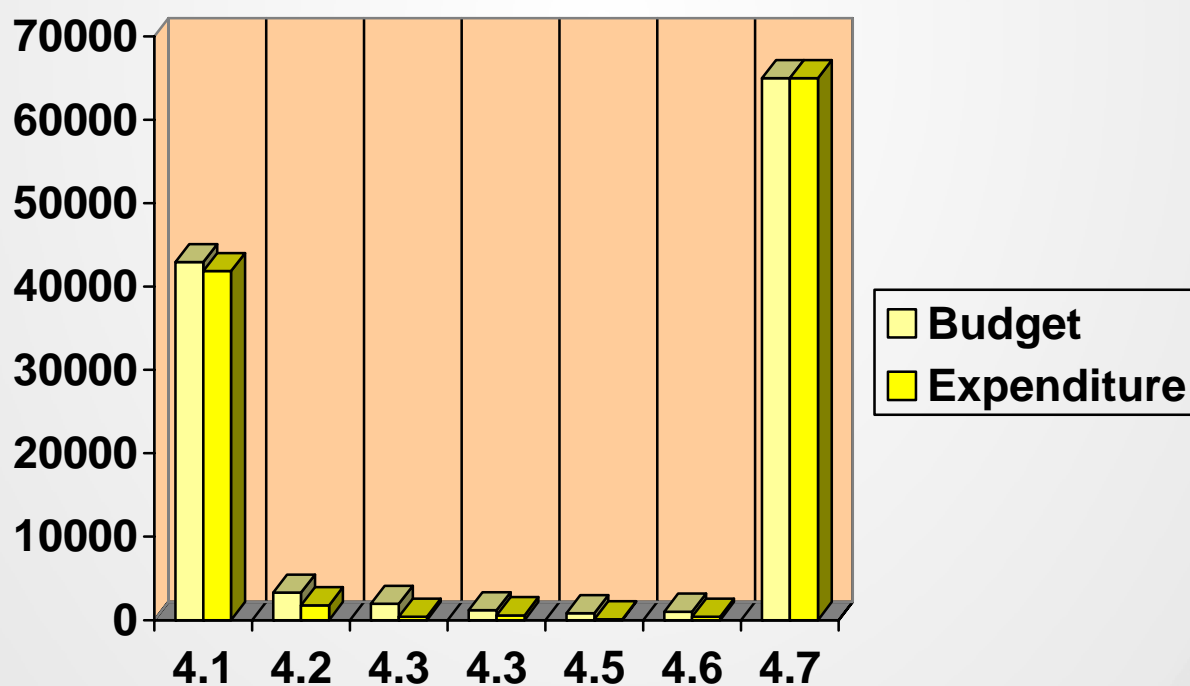


## Reconciliation of budget with plan

### Programme 4: Environmental Affairs

Programme budget (R million)

Sub-Programme	Voted Budget 2005/06	Actual Expenditure 2005/06	Deviation (%)
4.1 Environmental Affairs Management	42,929	41,849	2.5%
4.2 Biodiversity Management	3,297	1,769	46.3%
4.3 Environmental Impact Management	1,947	388	80%
4.4 Coastal Management	1,162	572	50.8%
4.5 Air Quality and Waste Management	811	89	89%
4.6 Compliance and Enforcement	1,000	406	59.4%
4.7 Eastern Cape Parks Board	65,000	65,000	-
<b>TOTAL PROGRAMME</b>	<b>116,446</b>	<b>110,073</b>	<b>5.5%</b>



#### **4. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2005/06**

The Department provides most of its services through its Public Entities, the services of which are summarized elsewhere in this Annual Report and detailed in the 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) operating out of the Department's five Regional Offices in the Province.

The Consumer Protection function is regulated by the Provincial Consumer affairs Unfair Business Practices Act (Act5/1998). This established the Consumer Affairs Tribunal and the Office for Investigation of Unfair Business Practices which administer the Act. There is an overwhelming demand for these services from the citizens of the Province for which our human and financial resources are simply inadequate. We also face competency challenges in that the sophistication of the microlenders and similar tends to overshadow our simple approach.

Programme 3 also has a budget for Local Economic Development, a programme which is implemented by District Municipalities in co-ordination with the Regional Offices of the Department. In 2004/05 severe problems were experienced with processing transfers to Municipalities, mainly because Municipalities were still grappling with the new Municipal Finance Management Act. As a result, funds could not be transferred to Municipalities, and the Department was forced to apply to Treasury for a rollover of R16.5 million. There was however a marked improvement in departmental processes during the year under review. Albeit that the LED budget had dropped to R5.282 million, the Department was able to make use of the rollover, and the full total of R21.782 million was transferred to the Municipalities.

Protected Areas within the Province continued to be administered by the Eastern Cape Parks Board which was finally registered in September 2005. The Chief Directorate Environment continued to perform conservation functions outside the protected areas, including the demolition of illegal developments along the Wild Coast, the regulation of hunting and the protection of endangered species. Annual events such as the Enviro-awards and the Cleanest Town competition, together with national days such as World Environment Day and Wetlands Day, continue to enhance environmental awareness. The Department also continues to perform important regulatory functions with respect to Environmental Impact Assessment. In 2005/06, 880 (2004/05: 711) new applications were received and 578 (2004/05: 474) Records of Decision were processed. This indicates that the Department is dealing more expeditiously with applications but that the applications themselves are coming in at a faster rate.

The Financial Discipline measures implemented in 2004/05 were relaxed to a certain extent during the course of 2005/06 and the financial surrenders of 2004/05 were not again required. This enabled the Department to meet its targets to a considerable extent, and to embark on new initiatives such as the Job Summit process.



## **5. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2005/06**

The appointment of a Senior General Manager in March 2005 and a Chief Financial Officer in July 2005 resolved many of the uncertainties which had clouded 2004/05. It was also possible to fill the post of Deputy Director: Expenditure to establish, for the first time in the history of the Department, an Internal Control Unit. Other critical posts filled during the course of the year include Regional Director Mthatha, Manager Asset Management, Assistant Manager Transport, Manager Budget and Revenue, Assistant Manager HRD, Manager and Assistant Manager Special Programmes Unit. On the other hand, we have also experienced key resignations in critical posts notably the Senior Manager SMME.

On the other hand, it was not possible to finalise the long-awaited new organogram during this financial year. As a result, it was not possible to augment the capacity of the Office of the Head of Department to the extent that is required for the Department to fulfil its obligations to the Cluster and the PGDP. The delay has also impacted especially severely on Programme 4 (Environment) which has new functions to perform in such areas as Air Quality and Waste Management due to changes in national legislation. The new functions are catered for in the new organogram, which will also go far to alleviate the pressure of demand for faster processing of Environmental Impact Assessments. The Department continues to be obliged to make use of shared services in respect of Internal Audit and Legal Services, but needs to thank these colleagues for the greatly enhanced co-operation experienced during the year under review.

Five employees of the Department who were performing Liquor functions were transferred to the Liquor Board, and a transfer agreement on the transfer of the Reserve Staff to the Parks Board was reached with the unions. By comparison with 2004/05, which had seen protracted negotiations between the Department and its Entities with regard to compliance issues, the year under review was one of consolidation and of greater alignment of strategic plans and working relationships. The Liquor Board appointed its first CEO and CFO and intensified the roll out of its operations. The most significant remaining problems arose out of the non-registration of the Parks Board, which persisted up to September 2005. This arose out of ongoing debates at national level, entirely beyond the scope of the Province. Non-registration resulted in instability of personnel at ECPB, including senior management personnel, notably the position of CFO of the Parks Board which remained vacant for long periods and was indirectly responsible for ECPB delaying the submission of its 2004/05 Annual Financial Statements. Monitoring and Evaluation of the Public Entities has greatly improved in terms of frequency, but at the institutional level we still await the Special Monitoring and Control Unit, with special reference to the Entities, which is a feature of the new organogram. In addition, we have not yet arrived at a proper partnership model based on clear role definition that could translate into effective Service Level Agreements.

## **6. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2005/06 FINANCIAL YEAR**

No new legislation was introduced in either the economic or the environmental programmes. Significant new environmental legislation and regulations were however either introduced or promulgated at the national level, which it is the responsibility of the Province to implement. These include the following:

- Amendment of Section 20 of the Environment Conservation Act
- Review of Environmental Impact Assessment Regulations
- Promulgation of the Air Quality Management Act
- Enforcement and Compliance Regulations in terms of NEMA (National Environmental Management Act, 107/1998)

Economic Affairs has had to take account of the national initiative to expand its footprint in the Province under the banner of SEDA (Small Enterprise Development Agency). The rollout of SEDA has been done in consultation with DEAET and DEAET has also contributed R 5 million to the establishment of SEDA in the Eastern Cape. Relations between DEAET and SEDA are governed by a Service Level Agreement between SEDA and ECDC. The Department further transferred R 1.5 million to ECDC for the specific purpose of supporting the Mzimvubu mega-project currently being driven from within the Office of the Premier. Finally, DEAET has been instrumental in hosting the Job Summit in February 2006, and is fully committed to driving and implementing the Job Summit outcomes.

The most significant developments within the Administrative Programme, aside from the establishment of an Internal Control Unit, relate to the implementation of Supply Chain Management. Bidding committees have been appointed and delegations revised down to Deputy Director level. It must be borne in mind however that SCM is implemented in phases according to the implementation plan of National Treasury, according to which the full implementation of SCM is not due until 2009/10.

# 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.

### 1. Overview

We are pleased to present our report for the financial year ended 31 March 2006.

### 2. Audit Committee Members and Attendance

- The Audit Committee consists of the members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.
- During the period under review, there were two meetings held.

Name of the Member	Numbers of meetings attended
Mr. V.G. Magan (Chairperson) appointed 5-12-2005	2
Ms. L. Steele (Member) appointed 5-12-2005	2
Ms. H.N. Jaxa (Member) appointed 5-12-2005	2

### 3. Audit Committee Responsibility

The audit committee reports that it has completed with its responsibilities a rising from Section 38(1)(a) of the Public Finance Management Act and Treasury Regulations 3.1.13. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with its charter and has discharged its responsibilities as contained therein.

### 4. The effectiveness of internal control

Although there were some areas of improvement, the systems of internal control were partially inadequate and ineffective for the year under review as compliance with prescribed policies and procedures were lacking in certain instances. Instances of non compliance were reported by the Shared Internal Audit Services unit during the period under review.

The disclaimer of opinion received from the Auditor General for the year under review reflects that the department has not fully complied with effective, efficient and transparent systems of internal control.

#### **4.1 Internal Audit**

There is a Shared Internal Audit Services unit in compliance with section 38 (1) of the PFMA and it is administered by the Office of the Premier. During the year under review internal audit performed certain assignments. Reports presented to management highlighted certain internal control weaknesses where management had failed to comply with certain prescripts and/or legislation. Management acknowledged the findings of internal audit. Management was appraised of the areas where internal audit found controls which were previously reported as weak, to have improved.

### **5. Governance**

#### **5.1 Risk Management**

A risk assessment was undertaken during the period under review and a risk database is in existence. Management has acknowledged these risks and a plan will be implemented to address these risks.

#### **5.2 Fraud Management**

The committee has been advised that the department had no fraud prevention plan in place however a plan is being devised to address this issue.

### **6. Submission of in year management and monthly/ quarterly reports in terms of the Public Finance Management Act and the Division of Revenue Act.**

We have been advised that the monthly / quarterly in-year management reports were compiled and submitted timeously as required in terms of legislation.

### **7. Evaluation of Financial Statements**

The department has complied with National Treasury requirements for the submission of the annual financial statements. The annual financial statements have been prepared in compliance with the applicable laws and regulations. Accounting policies have been appropriately applied.

The Audit Committee has

- Perused the Auditor General's management letter and management responses thereto,
- Noted the responses by management and made its own recommendations as required in terms of treasury regulations 3.1.12 and
- Noted the disclaimer of opinion from the Auditor General and remains committed to assist management in discharging their duties in terms of legislation.

The audit committee concurs and accepts the Auditor General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

## **8. Appreciation**

The committee expresses its sincere appreciation to the Honourable MEC, Accounting Officer, senior management team and the Auditor General.



**Chairperson of the Audit Committee**

**Date: 16 August 2006**

# 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. In the context of the Department's Five-Year Strategic and Performance Plan, the Operational Plan for 2005/06 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 R58,010,000. Actual revenue collected by the Department amounted to R93,767,000, giving rise to an over-collection of R35,757,000.

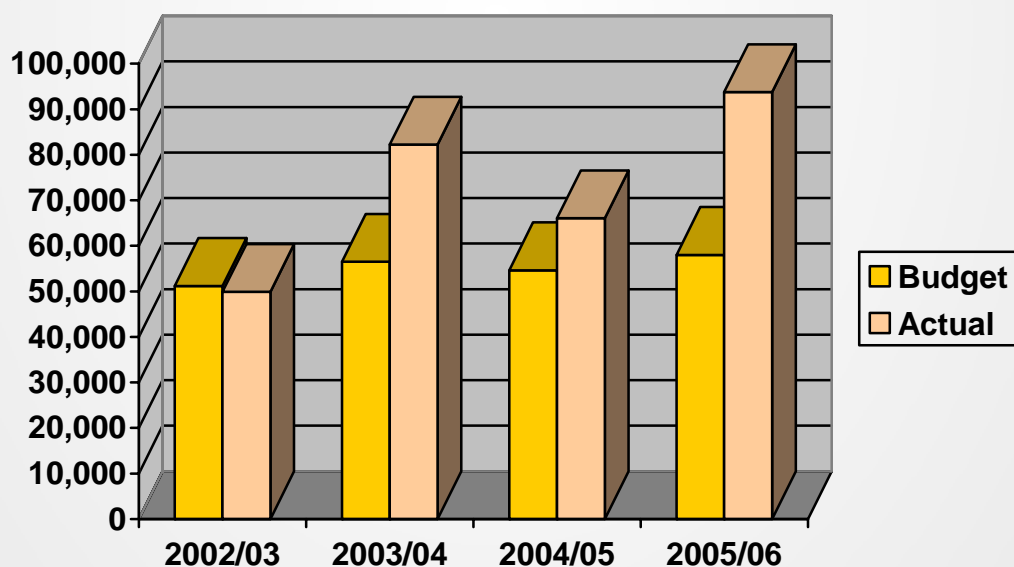
The over-collection is attributed to the refunds on the compensation of Reserve employees, received from the Eastern Cape Parks Board, as well as the surrendering of funds from the 2004/2005 financial year by the Eastern Cape gambling and Betting Board.

The following table shows budgeted revenue against actual revenue collected from 2002/03 to 2005/06 and reflects the revenue collection trend over the past MTREF period.



	2002/03 Actual R'000	2003/04 Actual R'000	2004/05 Target R'000	2004/05 Actual R'000	2005/06 Actual R'000
<b>Tax revenue</b>	<b>36,058</b>	<b>46,092</b>	<b>50,448</b>	<b>55,769</b>	<b>64,318</b>
<b>Casino taxes</b>	30,461	40,360	42,271	46,681	55,733
<b>Horse Racing</b>	3,617	3,499	4,902	5,130	5,966
<b>Liquor Licence</b>	1,980	2,233	3,275	3,958	2,619
<b>Non-tax revenue</b>	<b>13,837</b>	<b>4,410</b>	<b>4,182</b>	<b>689</b>	<b>515</b>
Sales of capital assets (Capital Revenue)	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	161
Financial transactions (Recovery of loans and advances)	-	31,736	-	9,613	28,777
<b>TOTAL DEPARTMENTAL RECEIPTS</b>	<b>49,895</b>	<b>82,238</b>	<b>54,630</b>	<b>66,071</b>	<b>93,771</b>

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 2005/06.



### 1.3 Payments Summary

The Department was allocated a total adjusted budget of R647,610,000 for the financial year under review. This represents a decrease of R152,014,000 from the 2004/05 financial year expenditure budget.

During the 2005/06 financial year, 76.1% of the budget was allocated to Transfer Payments, 13.6.0% to Compensation of Employees and 8.6% to Operating Expenditure.

The budget reconciliation, with comparative figures for the 2004/05 financial year, is indicated below:

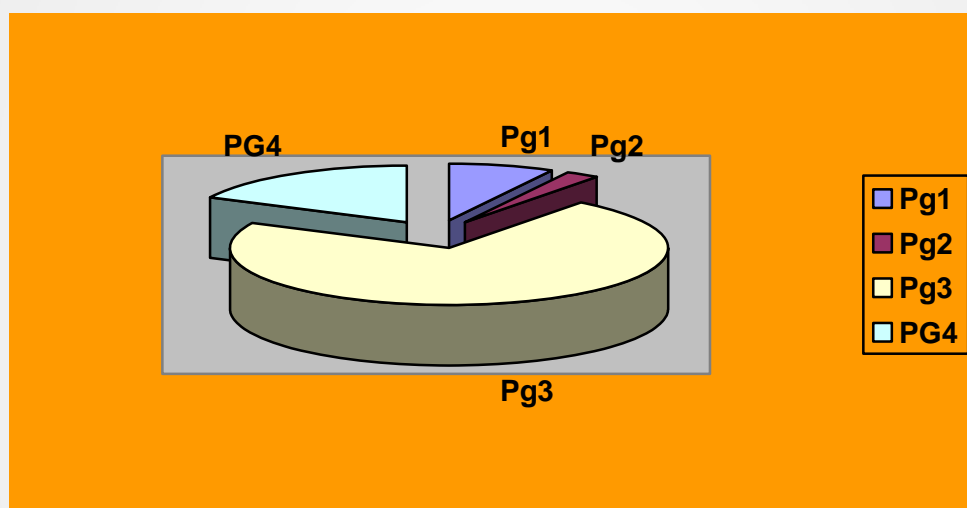
	2004/05 R'000	2005/06 R'000
Amount appropriated, excluding rollover	849,529	622,764
Plus: Improvements in Conditions of Service		
Plus: Adjustments Estimate	849,529	622,764
Rollover from previous year		24,846
Additional Funds		
Suspension	49,905	
Less: Total Expenditure	762,272	619,239
Authorised Programmes	762,272	619,239
Authorised Losses		
Surplus per appropriation account	37,352	28,371
Less: Suspensions not included		
Adjustments estimates		
Amount to be surrendered	37,352	28,371
Less: Rolled over/carried forward		
Amount not utilized	37,352	28,371

In line with Treasury Regulations, the Department submitted a rollover request to Provincial Treasury for R5.1m which the Department was not able to expend in the 2005/06 financial year. This R5.1m forms part of the R28,371m 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 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	54,394	6,391		60,785	48,635	12,150
Programme 2	16,083	759		16,842	15,004	1,838
Programme 3	425,975	17,562		453,537	445,527	8,010
Programme 4	116,312	134		116,446	110,073	6,373
<b>Total</b>	<b>622,764</b>	<b>24,846</b>		<b>647,610</b>	<b>619,239</b>	<b>28,371</b>



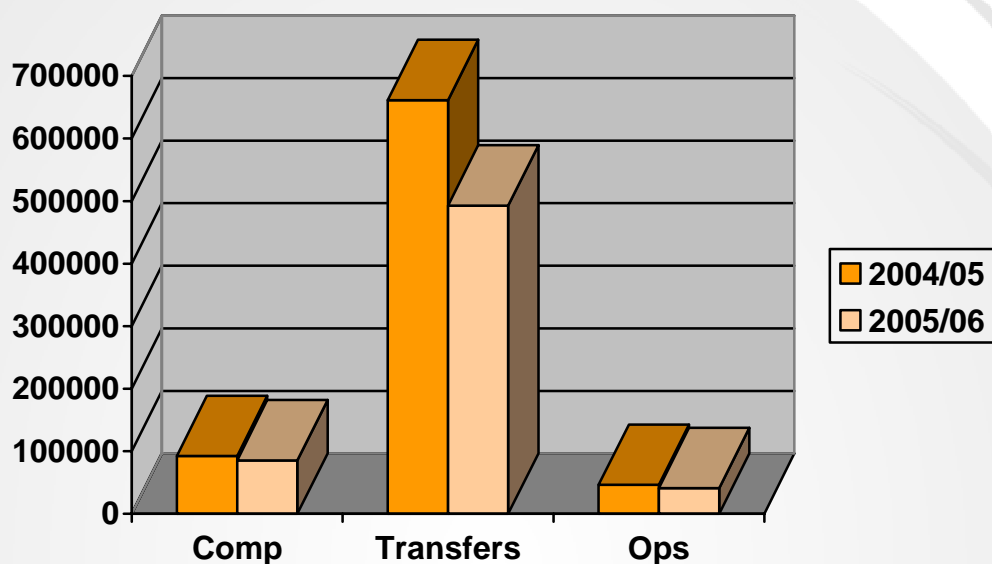
The Department under-spent the budget by R28,371,000 during the year under review. This is mainly due to outstanding commitments, which include capital expenditure commitments.

### 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	2004/05 (R'000)	2005/06 (R'000)
Compensation of Employees	92,249	85,509
Transfer Payments	661,118	492,688
Operational	46,257	41,042
<b>TOTAL</b>	<b>799,624</b>	<b>619,239</b>

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	76,066	76,066
Eastern Cape Tourism Board	20,532	20,532
Eastern Cape Parks Board	65,000	65,000
East London Industrial Development Zone	105,000	105,000
Coega Development Corporation	180,000	180,000
Eastern Cape Liquor Board	10,170	10,170
Eastern Cape Gambling and Betting Board	14,364	14,364
<b>TOTAL</b>	<b>471,132</b>	<b>471,132</b>

## Description of Public Entities

Name of Public Entity	Legislation under which established	Main Purpose of the Public Entity
<b>Eastern Cape Development Corporation (ECDC)</b>	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.
<b>Eastern Cape Tourism Board (ECTB)</b>	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.
<b>The Eastern Cape Gambling and Betting Board (ECGBB)</b>	Gambling and Betting Act 5 of 1997 (EC)	To promote, regulate and manage the gambling and betting industry in the Province.
<b>Coega Development Corporation</b>	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.
<b>East London Development Zone Corporation</b>	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.
<b>Eastern Cape Liquor Board (ECLB)</b>	The Liquor Act No 27 of 1999	To regulate and manage the retail sale of liquor in the Province.
<b>Eastern Cape Parks Board</b>	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		
<b>Category A (Nelson Mandela Metro)</b>	282	6,000	6,282	6,282
<b>Category B</b>				
<b>Category C (District Municipalities)</b>				
<b>Amathole</b>	1,000	960	1,960	1,960
<b>Cacadu</b>	1,000	1,040	2,040	2,040
<b>Alfred Nzo</b>	500	2,600	3,100	2,600
<b>Ukhahlamba</b>	1,000	-	1,000	1,000
<b>Chris Hani</b>	1,000	2,400	3,400	3,400
<b>O R Tambo</b>	500	3,500	4,000	4,000
<b>TOTAL</b>	<b>5,282</b>	<b>26,500</b>	<b>21,782</b>	<b>21,282</b>

### **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 R38,786,000 in the financial year under review. The total of the investment to date is R172,755,000.

#### **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 and to this extend has appointed a service provider who has scanned all the assets of the Department electronically.



## **2 MANAGEMENT REPORT**

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

#### **1. General review of the state of financial affairs**

##### **■ 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 tourism development, environmental management, as well as policy formulation while operational implementation is largely 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 (ECGBB) and the Eastern Cape Liquor Board (ECLB).

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 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 2005/06.

These documents represent a key transition to the 5-year strategic planning requirements. Having participated in the Department's strategic planning process, the MEC fully endorsed the intent for the MTREF period 2005/06 to 2007/08; as is reflected in the Policy Speech for the Department.

The budget as allocated 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 2005/06-2007/08 MTREF period the Department will continue to focus on the following areas:

- Strengthening the policy-related SMME directorate.
  - Consolidating the Eastern Cape Parks Board and the Eastern Cape Liquor Board as operating public entities.
  - 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.
- Comment on significant events that have taken place during the year
- A very successful Growth and Development Jobs Summit took place on the 14 to 16 February 2006.
  - A Post-Summit Job Creation process, developed by ECSECC, forms an important part of the Department's role in the Economic Growth and Infrastructure Cluster.
  - World Consumer Rights Day Celebrations took place on 14 March 2006.
  - Various Environmental International, National and Provincial days were celebrated and these include the World Wetlands Day and Marine Day.
  - A successful Cleanest Town competition took place.
  - Road shows on Environmental Impact Assessments were conducted.
  - Various working groups have been established to deal with:
    - Wild Coast Illegal Cottages
    - Coastal Issues
    - Environmental Impact
  - Launch of the ECLB and ECPB took place.
  - A Provincial Environmental Management Forum, which includes all six District Municipalities, was established.
  - The Provincial office of the Small Enterprise Development Agency (SEDA) was launched during March 2006.
  - An official orientation programme for newly appointed staff was introduced.
  - An Employee Wellness Day was celebrated during March 2006.
  - The Department engaged in a successful internship and learner ship programme.
  - Auditing of leave with regard to the transfer of staff to Eastern Cape Parks Board, Eastern Cape Liquor Board and SANPARKS has been successfully finalised.
  - Completion of the Sustainable Development Planning for the Wild Coast.
- Comment on major projects undertaken or completed during the year
- The status of the Baviaanskloof Mega Reserve was alleviated to that of a World Heritage Site.
- Spending trends:

The spending trends of the Department are reflected on the table below:

<b>Programme</b>	<b>Voted funds after virements R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>% Variance</b>
Programme 1: Administration	60,785	48,742	12,043	19.8%
Programme 2: Information Management	16,842	15,004	1,838	10.9%
Programme 3: Economic Affairs	453,537	445,527	8,010	1.8%
Programme 4: Environmental Affairs	116,446	110,073	6,373	5.5%
<b>TOTAL</b>	<b>647,610</b>	<b>619,239</b>	<b>28,371</b>	<b>4.4%</b>

- Reasons for under/over spending:

Programme 1: Administration: - The filling of funded posts not on the approved structure, the non-submission of invoices by suppliers, despite various requests to supply outstanding invoices for payment therefore, as well as the late implementation of the internship programme resulted in the under-expenditure under the various economic classifications.

Programme 2: Information Management: - The under expenditure is due to the non-supply of new servers ordered to enhance the information technology capacity of the Department. These servers had to be imported and transport problems were experienced which the service provider could not address sooner, thus resulting in the late arrival of the items.

Programme 3: Economic Affairs: - The under-expenditure of this programme is 1.7% only and therefore not material.

Programme 4: Environmental Affairs: - Material under-expenditure in this programme was experienced under economic classification goods and services due to the non-filling of vacant funded post under sub-programmes Air Quality and Waste Management as well as Coastal Management with the resulting under-spending of the operational budget.

- Discuss the impact on programmes and service delivery

The under-spending in the various programmes did not have any major impact on the service delivery of the programmes. To this extent, various commitments have been made for which the Department has requested funding to be rolled over to the 2006/2007 financial year.

- Actions taken or planned to avoid recurrence.

The Department in conjunction with INTENDA developed an electronic procurement and provisioning system which will assist in managing the procurement processes of the department electronically, thus reducing the creditor payment cycle. Furthermore, suppliers will be electronically linked to the system and this will also assist with the submission of invoices, issuing of goods receive vouchers, as well as the updating of the Departmental asset register.

#### ■ Any other material matter

The Department is not aware of any other material matter that will have an influence on the Annual Financial Statements as prepared and submitted.

## **2. Service rendered by the department**

### **2.1 A list of services rendered:**

#### **Programme 1: Administration**

- To enhance the effectiveness and efficiency of the Department through quality management of financial, personnel and provisioning administration to ensure the establishment of a functional organisational structure, work procedures and the appointment of sufficiently skilled staff with special emphasis on women, youth and the disabled.
- To establish, maintain and extend an internal Strategic Planning function that will monitor progress related to the Department's Strategic Plan and ensure that appropriate linkages are developed with relevant aspects of the PGDP process.
- Human Resource Management is responsible for managing and coordinating all personnel-related and skills development matters.
- Financial Management is responsible for financial planning, management and control of the Department.
- Special Programme Unit is responsible for the mainstreaming of gender, disability and youth issues into Departmental policies, programmes and projects.
- Communication services are responsible for marketing, educating and informing the public about economic development, environmental tourism deliverables.

#### **Programme 2: Information Management**

- To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.
- Strategic Planning and PGDP/IDP Alignment provides for research and analysis concerning the Department's relationships with District Municipalities, the PGDP and for monitoring the strategic planning process, and is linked to the Office of the Head of Department.

#### **Programme 3: Economic Affairs Management**

- To promote economic development by focusing on the empowerment of SMME entrepreneurs, the implementation of SDIs, IDZs and Industrial Cluster Initiatives and through the efficient and effective marketing of the Eastern Cape.

#### **Programme 4: Environmental Affairs Management**

- Develop and implement Regulations and Operational Guidelines.
- Develop and implement a Bio-Diversity Conservation Strategy for the Province.
- Improve enforcement and ensure compliance with all relevant legal prescripts.
- Implementation of Environmental Impact Management systems.
- Implement Environmental Awareness programmes.
- To develop and implement provincial environmental reporting systems and tools (State of the Environment Reporting, provincial environmental indicators).
- Implement the Provincial Environmental Implementation Plan (EIP), first 4-year term including an outline of annual action plans with measurable outputs and the establishment of a Provincial Environmental forum.
- To develop a provincial environmental database (consolidated spatial and non-spatial information management system).
- Monitoring and evaluation of the performance of local authorities in ensuring adherence to air quality standards.
- To ensure the integration of HIV and AIDS programmes in the work place.
- To implement Sustainable Development Resolutions.

## 2.2 Tariff policy

2.2.1 The tariff structure of the Department is determined through submissions made. The submissions are scrutinized and approved by the Honourable MEC for DEAET.

Presently approved tariff structure of the Department:

<b>ENVIRONMENTAL AFFAIRS</b>	
<b>Hunting license (RSA)</b>	R 20.00 per year *
<b>Hunting license (Ciskei)</b>	R 10.00 per year *
<b>Permit to act as a Professional Hunter</b>	R 50.00 per year *
<b>License to sell protected flora</b>	R 20.00 per year *
<b>Professional Hunting register</b>	R 90.00 per register
<b>Fresh water angling licences</b>	R 2.00 per year *

Note: \* These tariffs are linked to the Provincial Legislation and can therefore not be altered until such time as new Legislation is gazetted

## 2.2.2 Liquor Licences

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

## 2.2.3 Gambling Fees and Licences

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

## 2.3 Free Services

The Department render 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

Inventories are recorded on BIN cards at cost, on receipt of the item. Cost of the inventory is defined as the total cost of acquisition.

Inventory on hand at year end is valued at R 398,000.

### **Inventory on hand at year end:**

	<b>R`000</b>
Other inventory	43
Domestic consumables	3
Food and food supplies	16
Other consumables	22
Stationery and printing	298
Medical supplies	5
Weapons and armaments	11
	<hr/>
	398

### 3. Capacity constraints

Capacity constraints were evident due to the shortage of appropriate personnel. The matter is being addressed in accordance with the critical post that have been identified by the Department as well as the revision of the Departmental organogram.

### 4. Utilisation of donor funds

No donor funding has been received. However, an amount of R 350,000 was received from Department of Environment and Tourism - National for processing of applications in terms of Section 24G of NEMA, 1998 as amended as a Local and Foreign Aid Assistance.

### 5. Trading entities and public entities

<b>Name of Public Entity</b>	<b>Legislation under which established</b>	<b>Main purpose of the Public Entity / Reasons for transfers</b>
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.



## 6. Organisations to whom transfer payments have been made

The Department supports seven (7) Public Entities through subsidies:

AGENCY/ACCOUNT	TRANSFER ALLOCATION R'000
Eastern Cape Tourism Board	20,532
Eastern Cape Gambling and Betting Board	14,364
COEGA Development Co-operation	180,000
East London Industrial Development Zone	105,000
Eastern Cape Parks Board	65,000
Eastern Cape Development Corporation	76,066
Eastern Cape Liquor Board	10,170
	<u>471,132</u>

With regard to reasons for transfers, see 5 above.

## 7. Public private partnerships (PPP)

Not Applicable

## 8. Corporate governance arrangements

### 8.1 Electronic Document Management System (EDMS)

The Department is making all endeavours to improve its management capacity through the use of modern technology. The continued enhancement of the electronic document management system has had positive spin offs in the improvement of internal controls in this department. This is evident from the electronic auditing process of payments.

### 8.2 Internal Audit

The Department is making use of shared internal audit services (Office of the Premier), in terms of section 38 (1) (a) (ii) of the PFMA, under the direction of the Audit Committee. This is assisting the Department in accomplishing its objectives by bringing a systematic disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal control and governance processes.

### 8.3 Internal Control

The Department has established an internal control unit within the Department through financial management information system interface. The turnaround time for payment of creditors is now within the prescribed time frames in terms of the applicable legislation.

In an effort to satisfy sound and acceptable financial standards, the department introduced and populated an Internal Control Unit whose main function is to ensure compliance with all regulations and Government prescripts.

### 8.4 Risk Management

Forensic investigations were ordered by the Accounting Officer into probable irregular conduct of two Senior Managers, whilst the Member of the Executive Council ordered an investigation into the management of a Public Entity. Disciplinary action(s) are currently under consideration.

During the last quarter of the financial year, a revised risk assessment was performed. Subsequently a risk plan was produced which identified new risks and set out an implementation over a period of time.

The Shared Internal Audit Service (SIAS), which is located in the Office of the Premier and the Department jointly, produced these reports and plans.

### **8.5 Fraud Management**

A fraud prevention plan will be developed during the 2006/2007 financial year, based on the risk assessment and management. Various measures were introduced to prevent and minimize losses and risks. This includes the appointment of a Loss Control Officer. Managerial processes were introduced to have the key personnel declare their interest held everywhere so that any conflict of interest can be identified.

### **8.6 Committees**

The Department established various committees; this includes the various Bidding Committees and the Monitoring & Evaluation Committee. Furthermore monthly management forum meetings are held at which strategic issues are discussed.

## **9. Discontinued activities/activities to be discontinued**

There are no activities discontinued or to be discontinued. However shifting of activities from the Department to Eastern Cape Liquor Board has taken place during the year under review.

## **10. New/proposed activities**

There are no new activities to be undertaken for which final agreements have been reached.

## **11. Asset management**

The Department engaged in a process to capture all assets on an electronic spreadsheet, which complies with the minimum requirements as set by Provincial Treasury. An asset management unit has been established and bi-monthly asset management forum meetings are held.

The Department has prepared a draft Asset Management policy, as well as customised Supply Chain Management guidelines. However, final approval from Provincial Treasury is awaited.

## **12. Events after the reporting date**

There have been no events after the reporting date that impact on the Financial Statements as at 31 March 2006.

## **13. Performance information**

Key to the Department's strategic role in Provincial Government is the monitoring and evaluation of various programmes and strategies within the Provincial Government and also across local and district municipalities. The department developed a Balance Scorecard system to ensure appropriate monitoring and evaluation of performance measures of all the programmes.

The Department utilizes a performance management approach, whereby performance monitoring is based on the Strategic Plan of the Department, which include strategic objectives, against which key performance indicators are measured. They have been included in the performance agreements with the programme managers. During the 2005/06-year, various reports were produced and this monitoring process will be improved upon in the 2006/07 financial year. The contents of these reports will be linked directly with the strategic objectives as per the strategic plan of the Department.

The performance information in the quarterly reports (consolidated into an annual report) are based on statistics (raw data of measurable outputs of the objectives), which should be verifiable by means of documents such as registers.

#### 14. SCOPA resolutions

Table on the SCOPA resolutions:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
"The Committee recommends that urgent steps be taken to ensure proper and full compliance with the provisions of the PFMA since failure to do so undermine the objectives of the Act as well as the whole process of public accountability."	Transfer Payments	"The committee concluded that the provisions of section 40 and 41 of the Public Finance Management Act (PFMA), 1999, which relates to the keeping of records and submission of the same when required to do so, were not adhered to and that the Accounting Officer was unable to account for the matters raised in the report of the Auditor-General. The hearing was, consequently, abandoned."
See above	Leave & Leave entitlement	See above
See above	Capped Leave	See above
See above	Unauthorized Expenditure	See above
See above	Overstatement of Total Exp	See above
See above	Understatement of funds to be surrendered	See above

#### 15. Other

A new Member of the Executive Council was appointed with effect from 10 April 2006.

#### Approval

The Annual Financial Statements set out on pages 105 to 150 have been approved by the Accounting Officer.



.....  
**Adv N F Burwana-Bisiwe**  
**Head of Department**  
**31 May 2006**

### 3 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 2006

##### 1. AUDIT ASSIGNMENT

The annual financial statements as set out on pages 105 to 150 for the year ended 31 March 2006, 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) (PFMA). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. 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. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. These standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

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

##### 3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the annual financial statements.

## **4. QUALIFICATION**

### **4.1 Inadequate reconciliations**

The following findings are a result of a lack of independent checks and reconciliations by management:

#### **4.1.1 Disclosure of financial guarantees inaccurate**

The accuracy of housing loan guarantees, disclosed in annexure 3 to the annual financial statements as R 6 781 000, could not be ascertained since the amount is based on outdated information.

#### **4.1.2 Misallocation between funds to be surrendered and payables**

Included in the balance of payables in the statement of financial position is an amount of R 1 908 000 represented as an exchequer payable to Provincial Treasury. This amount was arrived at by deducting the total expenditure for 2005/06, R 619 846 000 (prior to the material adjustments referred to below) from total transfers from treasury, of R 621 754 000.

Had the correct accounting treatment been applied, voted funds not requested/not received should have been disclosed as R 25 856 000, and voted funds to be surrendered to the revenue fund disclosed as R 2 515 000.

Disclosure note 17.2, other payables, reflects the amount of R 1 908 000 as a negative balance, indicating that it is a debtor, whereas note 17, payables – current description, shows a liability of R 1 908 000.

As a result, the amount of R 1 908 000 has been misallocated and incorrectly reflected under payables in the statement of financial position and the notes thereto.

#### **4.1.3 Unauthorised expenditure relating to the Eastern Cape Parks Board**

Certain department staff were seconded to the Eastern Cape Parks Board (ECPB) as from 1 April 2005.

Salaries for these staff, amounting to R 27 989 815 for the year were paid for by the department with the understanding that this would be refunded by the ECPB. Salaries paid for by the department was funded from voted funds budgeted for departmental vacancies. The ECPB refunded the department an amount of R 25 670 947 on the 31 March 2006.

This refund has been incorrectly treated as departmental revenue in the annual financial statements and should have been included in the balance of voted funds to be surrendered.

Applying Section 1 of the Public Finance Management Act, No. 1 of 1999 (as amended by Act 29 of 1999), hereafter referred to as PFMA, the salaries expenditure was not made in accordance with the purpose of its vote.

The full amount paid on behalf of Park's Board employees of R 27 989 815 amounts to unauthorised expenditure. This has not been disclosed in the annual financial statements.

Further, personnel expenditure disclosed in annual financial statements is overstated by R 27 989 815 and voted funds to be surrendered to the revenue fund understated by the same amount.

Taking into account the overstatement of personnel expenditure, underspending is understated in the appropriation statement and statement of financial performance by R 27 989 815.

Total underspending per the statement of financial performance is disclosed as R 28 371 000. The impact of the overstatement of personnel expenditure on underspending would increase it to R 56 361 000.

#### **4.1.4 Cash reconciliation difference not explained**

A reconciliation was performed on the bank amount reflected in the statement of financial position. This involved analysing the cash inflows and outflows from/to Provincial Treasury. A difference of R 900 958, which could not be explained by the department was noted, resulting in a limitation of scope.

### **4.2 Inadequate monitoring**

Management did not adequately and effectively monitor the department's activities and financial processes that resulted in the preparation of the annual financial statements. This inadequate monitoring impacted on the extent to which the department was able to ensure that its financial administration operated effectively throughout the year under review. The most significant consequence of inadequate monitoring on the financial statements is:

#### **4.2.1 Non-Cash items included in revenue not explained**

The department has disclosed revenue of R93 767 456 in the year under review. Of this amount, R 1 728 499 comprises non-revenue items. It is possible for revenue to be recorded even though physical cash has not been received. This can occur where there are uncleared revenue suspense accounts, mainly from receipts that were not allocated in the previous years, and where cash was surrendered to the revenue fund. Such suspense accounts did not exist in the previous year (2004/05) per department's audited financial statements.

The amount of R 1 728 499 could not be traced to the 2004/05 financial statements.

#### **4.2.2 Unauthorised payment to former HOD**

The former Head of Department (HOD) was deployed to the Eastern Cape Liquor Board (ECLB) as acting CEO to set up ECLB's systems. The HOD was remunerated by the department and not ECLB.

The deployment was in contravention of Section 3(B)(2) of the Public Service Act of 1994, as it was not approved by the Premier of the Eastern Cape.

Upon the appointment of the new HOD, the department did not have voted funds from which to pay the former HOD. It appears that the former HOD's remuneration was paid from two funded posts that were vacant per current approved organogram. Total remuneration paid to the former HOD for the year, amounts to R353 688, which appears to be unauthorised expenditure. The department did not submit a claim for the remuneration from the ECLB.

#### **4.2.3 Irregular expenditure: no supply chain management framework**

For the year under review, all procurement was done in the absence of an approved and fully implemented supply chain management framework.



This is in contravention of:

- Treasury regulation 16A.3;
- Section 38(1)(a)(iii) of the PFMA, and
- Treasury Circular No. 12 of 2004

In light of this, all expenditure for goods and services for the year, amounting to 350 000 is irregular expenditure.

R 40

#### **4.2.4 No bid process followed**

In terms of Treasury Regulation 9.1.1 read with Sections 38(1)(g) and 76(2)(e) of the PFMA, the accounting officer of an institution must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.

Payments totalling R 2 466 800 were incurred in contravention of the above legislation and approved departmental policies.

In addition, the findings detailed below, indicate that this amount is irregular expenditure:

- No bidding process was conducted which contravenes the requirement that expenditure greater than R 100 000, should go out to tender.
- Only one quote was included with the expenditure voucher.
- The cabinet minutes which served as a basis for approving the expenditure are not signed
- It appears as if the order was compiled after the services were rendered.

Further, the amount of R 2 466 800, has been incorrectly allocated to inventories, overstating this expense item.

#### **4.2.5 Treatment of Foreign Aid assistance in the AFS**

In the statement of financial performance, an amount of R350 000 is reflected under revenue as Local and foreign aid assistance. The same amount is also reflected in the statement of financial position as a current liability. This indicates that this amount has been recorded twice as a credit in the annual financial statements. No explanation was provided by the department to reconcile these amounts, resulting in a scope limitation.

#### **4.2.6 Inadequate monitoring over transfer payments**

There is uncertainty as to whether transfer payments, amounting to R 492 688 000, are used for the purpose intended, as the department does not have adequate controls to monitor the transfers sufficiently.

In this regard, the department does not comply fully with Treasury regulations 3.2.8 and 8.4.1; chapter 8.6 of the Treasury directives as well Sections 38(1)(a)(i) and 76(4)(e) of the PFMA.

Due to the lack of effective monitoring and review of transfer payments by the department, we cannot satisfy ourselves that the funds were used for the intended purposes and the possibility exists that the transfer payments are unauthorised expenditure.

Section 1 of the PFMA defines unauthorised expenditure as overspending of a vote or a main division within a vote; or expenditure not 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.

Section 8.6.1.2 of the Treasury Directives issued on 1 June 2000 in terms of section 18.2(i) of the PFMA stipulates that funds may only be utilised for the purpose for which they were approved.

#### **4.2.7 Supporting documentation for accruals not supplied**

Accruals, amounting to R 3 231 000 could not be audited as supporting documentation was not submitted for audit purposes, resulting in a scope limitation.

#### **4.2.8 Fixed asset register incomplete**

An accurate fixed asset register could not be supplied for audit purposes, therefore the fixed asset balance of R 14 654 000 disclosed in Annexures 4 and 5 could not be verified. The department did not maintain adequate fixed asset registers showing individual fixed assets with invoiced amounts. We are unable to conclude on the completeness, accuracy and validity of the fixed asset register, resulting in a scope limitation.

Further, the current year movement as reflected in Annexure 4 appears to be misstated. The ledger balance for machinery and equipment on BAS shows a balance of R 3 859 916, whereas the annual financial statements and notes thereto Annexures 4 and 5, show a balance of R3 654 000. Expenditure for Capital Assets is therefore understated by R 205 916. This results in a scope limitation.

### **5. DISCLAIMER OF AUDIT OPINION**

*Due to the significance of the matters discussed in paragraph 4, I do not express an opinion on the annual financial statements of the Department of Economic Affairs, Environment and Tourism for the financial year ended 31 March 2006.*

### **6. EMPHASIS OF MATTER**

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

#### **6.1 Inadequate authorisation**

Instances where management did not institute controls over the department's activities and financial processes relating to authorisation, include:

##### **6.1.1 Delegation letters not attached to payment advices**

It was noted that letters of delegation were not always attached to expenditure vouchers.

##### **6.1.2 Journal form design weakness**

The standard journal form, used by the department does not make allowance for a third reviewer and approval.

## **7. Policy framework**

The most significant consequence of non-compliance with legislation resulting from the lack of a policy framework is:

### **7.1 Lack of policies and procedures**

The department does not have written or documented procedures/policies in place for the following:

- Shortages/surpluses relating to revenue
- Debt collection policy
- Supply change management
- Internal controls relating to compliance with relevant laws and regulations
- Subsistence and travel claims

### **7.2 Control weaknesses**

Control weaknesses relating to the department's policy framework include:

- Poor form design for capturing resettlement costs
- No controls in place to monitor the use of a petrol card from Fleet Africa

### **7.3 No risk assessment and fraud prevention plans in place**

Treasury regulation 27.2.1 has not been complied with as the department does not have a fraud prevention plan, neither does it have a risk assessment plan. Cognisance should be taken of the fact that a risk assessment was performed during the year.

Isolated instances were identified which could impact on the misstatement of the financial statements or control systems in place. It was not possible to quantify any misstatements and cognisance is taken that management has investigated these cases.

### **7.4 Subsistence and travel claim appears excessive**

Travel claims paid to the previous MEC from June to August 2005 amount to R 168 583. Owing to a lack of departmental policy, no analysis was performed to consider a more affordable alternative and no value-for-money was achieved.

## **8. Independent reconciliations**

The following findings are a result of a lack of independent checks and reconciliations by management:

### **8.1 Fleet Africa reconciliations inadequate**

Fleet Africa reconciliations performed are inadequate as the invoices are not reconciled and compared to the department's expectation of the amount billed. Kilometres travelled by the allocated fleet are not calculated from logbooks.

## **8.2 Bas Ledger amount not agreeing to AFS**

Balances relating to payables, prepayments and advances and receivables, per the BAS ledger do not agree to the amounts reflected per the annual financial statements, with a difference of R 79 969.

## **8.3 No independent review of financial statements**

There is no evidence of an independent review of the financial statements and supporting documents thereto.

A vast majority of the note descriptions and amounts in the annual financial statements do not correspond to the notes thereto. Disclosure notes do not agree to the prior year annual financial statements. There is no accounting policy for asset registers. Spelling and grammar errors were noted.

Page 21 of the appropriation statement for administration, shows an amount for actual expenditure as R 47 943 000. Note 4.1 to the appropriation statement relating to this item reflects an amount of R 48 050 000, indicating a difference of R 107 000.

The total for annexure 6 discloses R 5 001 000, yet the figures cast to R 9 898 000.

The report of the accounting officer includes incorrect page number referencing to the annual financial statements. There is a R 107 000 casting error relating to actual expenditure for the current year (page 4).

## **8.4 Inconsistencies relating to comparative figures – payables**

The prior year annual financial statements reflect an amount of R 17 000 as a payable. The comparative figures in the current year annual financial statements reflect this amount as a negative amount, indicating that it is an asset. The current annual financial statements disclose an amount of R 50 000 in respect of an exchequer payable to Provincial Treasury, which does not agree with the prior year annual financial statements.

## **8.5 Inconsistencies between the accounting officer's report and the audit report**

Paragraph 8.1 of the accounting officer's report makes reference to the implementation of an electronic database management system (EDMS). It is stated that the system has been beneficial in improving internal controls and has had a positive impact relative to the electronic auditing process of payments. This appears to be in conflict with the internal control deficiencies reported on in paragraph 9.1 of the audit report.

Further, no formal assessment was performed by management on the system to evaluate its effectiveness. Audit testing revealed that the EDMS system did not operate as intended and this was communicated to management.

Paragraph 8.3 of the accounting officer's report makes reference to the turnaround time for creditors being within legislative prescribed frameworks. Audit testing revealed that this was not always the case.

Risk management is discussed in paragraph 8.4 of the accounting officer's report. The content thereof is inconsistent with paragraph 7.3 of the audit report. It is to be noted that there was no approved risk management plan at the year-end.

Paragraph 11 of the accounting officer's report refers to asset management. Read with paragraph 4.2.8 of the audit report, it is to be noted that the process of capturing assets electronically commenced towards the end of the year and had not been completed at the end of the audit.

Further, attention is drawn to the fact that the supply chain management guidelines were not approved and fully implemented at year-end.

## **9. Inadequate Monitoring**

The further consequences of inadequate monitoring reported in paragraph 6.1 are:

### **9.1 Internal control weaknesses**

Owing to inadequate monitoring by management, internal control weaknesses were identified in the following:

- Capped leave and leave gratuities
- Asset management and inventory
- Expenditure
- Payables
- Debtors
- Under-utilisation of vehicles

### **9.2 Finance leases entered into**

The department has entered into finance leases with is in contravention of section 66 of the PFMA and Treasury regulations 13.2. The leases have been correctly disclosed in the annual financial statements.

### **9.3 Lack of segregation of duties over expenditure**

Following a review of the general ledger, significant control weaknesses relating to segregation of duties were noted.

### **9.4 HR plan not approved and no assessments**

The Human Resources plan is in a draft stage and not approved by the executing authority. We were unable to verify that the processes contained in the draft were implemented during the 2005/6 financial year.

Further the draft human resources (HR) plan does not indicate the assessment of skills, competencies and capacities of the human resources required under the section "demands", for the current and future period.

### **9.5 Performance information outdated and incomplete**

In the strategic plan, the information on which performance indicators are based is outdated. The impact of this on performance reporting cannot be quantified.

Further, the performance information submitted for auditing purposes was found to be incomplete with tables that were not populated.

## **9.6 Material changes to the annual financial statements**

In terms of section 40(1)(c) of the PFMA, the department is required to submit the annual financial statements for audit purposes two months after the financial year-end. Material changes were made to the financial statements submitted on 31 May 2006.

## **9.7 Comparative amount incorrect: Gifts, Donations and Sponsorships**

In Annexure 10 to the Annual Financial Statements, the comparative amount for Gifts, donations and sponsorships disclosed in the current year does not agree to the closing balance per last year's audited financial statements. The comparative per annexure 10, is reflected as R1 769 000 whereas per the prior year signed Annual Financial Statements, the amount was nil. Supporting documentation relating to this difference was not provided.

## **10. Internal audit**

### **10.1 Internal Audit**

In compliance with section 38(a)(ii) of the PFMA, 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:

- The Audit Committee was evaluated as ineffective in the past. During the year under review, the Audit Committee was disbanded and a new Committee elected. The new committee however only came into effect during November 2005 and had its first effective meeting in January 2006. As a result Internal Audit functioned for most of the year without the effective oversight needed.
- Cognisance is taken of the improvements made by the shared services during the year under review. However, after consideration of various factors, no reliance was placed on the internal audit service.
- Although Quarterly Reports were 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.

## **11. Matters not affecting the audit report**

An agreement was entered into between the department, the Eastern Cape Tourism Board and the Eastern Cape Parks Board whereby, with effect from 1 April 2006, seconded employees from the department would be transferred to the ECPB.



## 12. APPRECIATION

The assistance rendered by the staff of the Department of Economic Affairs, Environment and Tourism during the audit is sincerely appreciated.



*SM Ngqwala for Auditor-General*

**East London**

**31 July 2006**



**AUDITOR-GENERAL**

DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9

ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006

**4 2005/06 ANNUAL FINANCIAL STATEMENTS**

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**1.2 Presentation currency**

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

**1.3 Rounding**

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

**1.4 Comparative figures**

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

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

**2. Revenue**

**2.1 Appropriated funds**

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

**2.2 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

**2.2.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

**2.2.2 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

**2.2.3 Fines, penalties & forfeits**

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

**2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

**2.2.5 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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.

**2.2.6 Gifts, donations and sponsorships (transfers received)**

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**2.3 Local and foreign aid assistance**

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

**3. Expenditure**

**3.1 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 (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance<sup>1</sup>.

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.

**3.1.1 Short term employee benefits**

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

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<sup>1</sup> This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**3.1.2 Long-term employee benefits**

**3.1.2.1 Termination benefits**

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**3.2 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

**3.3 Unauthorised expenditure**

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

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

**3.4 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

**3.5 Irregular expenditure**

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

**3.6 Transfers and subsidies**

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

**3.7 Expenditure for capital assets**

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 (by no later than 31 March of each year)..

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**4. Assets**

**4.1 Cash and cash equivalents**

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

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

**4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

**4.3 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.4 Investments**

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

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

**4.5 Inventory**

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

**5. Liabilities**

**5.1 Payables**

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

**5.2 Lease commitments**

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.



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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

**5.3 Accruals**

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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

**5.4 Contingent liabilities**

A contingent liability 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 contingent liability is 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 included in the disclosure notes.

**5.5 Commitments**

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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

**6. Net Assets**

**6.1 Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

**6.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**7. Related party transactions**

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

**8. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

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**VOTE 9**

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2006**

Appropriation per programme									
				2005/06				2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	56,722	-	-	56,722	47,355	9,367	83.5%	33,158	28,597
Transfers and subsidies	337	-	-	337	76	261	22.6%	84	121
Payment for capital assets	2,955	-	-	2,955	512	2,443	17.3%	783	282
<b>2. Information Management</b>									
Current payment	12,545	-	-	12,545	12,406	139	98.9%	10,082	7,171
Transfers and subsidies	48	-	-	48	5	43	10.4%	-	8
Payment for capital assets	4,249	-	-	4,249	2,593	1,656	61.0%	1,174	739
<b>3. Economic Affairs</b>									
Current payment	23,997	-	-	23,997	17,849	6,148	74.4%	28,823	18,449
Transfers and subsidies	428,040	-	-	428,040	427,445	595	99.9%	616,318	600,186
Payment for capital assets	1,500	-	-	1,500	233	1,267	15.5%	1,044	202
<b>4. Environment Affairs</b>									
Current payment	50,069	-	-	50,069	44,595	5,474	89.1%	61,929	60,617
Transfers and subsidies	65,377	-	-	65,377	65,162	215	99.7%	44,931	44,855
Payment for capital assets	1,000	-	-	1,000	316	684	31.6%	583	360
<b>Subtotal</b>	<b>646,839</b>	<b>-</b>	<b>-</b>	<b>646,839</b>	<b>618,547</b>	<b>28,292</b>	<b>95.6%</b>	<b>798,909</b>	<b>761,587</b>
<b>Statutory Appropriation</b>									
Current payment	771	-	-	771	692	79	89.8%	715	685
Transfers and subsidies									
Payment for capital assets									
<b>TOTAL</b>	<b>647,610</b>	<b>-</b>	<b>-</b>	<b>647,610</b>	<b>619,239</b>	<b>28,371</b>	<b>95.6%</b>	<b>799,624</b>	<b>762,272</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Prior year unauthorised expenditure approved with funding									
Departmental receipts				35,758				66,071	
Local and foreign aid assistance received				350					
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>683,718</b>				<b>865,695</b>	
<b>Add:</b>									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure authorised									
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					<b>619,239</b>				<b>762,272</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
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**APPROPRIATION STATEMENT  
for the year ended 31 MARCH 2006**

Appropriation per economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	87,899	-	-	87,899	85,509	2,390	97.3%	91,534	86,597
Goods and services	55,434	-	-	55,434	36,696	18,738	66.2%	42,458	28,237
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	471,132	-	-	471,132	471,132	-	100.0%	642,005	641,939
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	21,782	-	-	21,782	21,282	500	97.7%	19,113	2,500
Households	888	-	-	888	274	614	30.9%	215	731
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9,704	-	-	9,704	2,510	7,194	25.9%	3,584	1,583
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	1,144	(1,144)	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>646,839</b>	<b>-</b>	<b>-</b>	<b>646,839</b>	<b>618,547</b>	<b>28,292</b>	<b>95.6%</b>	<b>798,909</b>	<b>761,587</b>

Statutory Appropriation									
	2005/06							2004/05	
Details of direct charges against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the National/Provincial Revenue Fund									
President and Deputy President salaries									
Member of executive committee / parliamentary officers/legislature	771	-	-	771	692	79	89.8%	715	685
Judges and magistrates salaries									
Sector education and training authorities (SETA)									
National Skills Fund									
<b>Total</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>771</b>	<b>692</b>	<b>79</b>	<b>89.8%</b>	<b>715</b>	<b>685</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

1: ADMINISTRATION	2005/06							2004/05	
Programme 1 per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the Mec</b>									
Current payment	2,475			2,475	1,630	845	65.9%	2,293	1,664
Transfers and subsidies	8			8	7	1	87.5%	7	7
Payment for capital assets								125	116
<b>1.2 Mec Core Staff</b>									
Current payment	2,857			2,857	1,935	922	67.7%	2,098	1,501
Transfers and subsidies	19			19	-	19	0.0%	4	4
Payment for capital assets	100			100	91	9	91.0%	190	67
<b>1.3 Office of the Permanent Secretary</b>									
Current payment	8,551			8,551	8,219	332	96.1%	2,788	2,072
Transfers and subsidies	79			79	7	72	8.9%	18	25
Payment for capital assets	115			115	-	115	0.0%	-	-
<b>1.4 Admin Management</b>									
Current payment	11,495			11,495	10,834	661	94.2%	10,122	9,697
Transfers and subsidies	90			90	33	57	36.7%	24	34
Payment for capital assets	1,000			1,000	282	718	28.2%	222	41
<b>1.5 Financial Management</b>									
Current payment	15,579			15,579	14,175	1,404	91.0%	7,415	6,884
Transfers and subsidies	55			55	15	40	27.3%	15	25
Payment for capital assets	600			600	139	461	23.2%	221	58
<b>1.6 Human Resource Management</b>									
Current payment	13,064			13,064	8,166	4,898	62.5%	6,784	5,709
Transfers and subsidies	75			75	9	66	12.0%	14	24
Payment for capital assets	1,040			1,040	-	1,040	0.0%	-	-
<b>1.7 Special Programmes Unit</b>									
Current payment	2,701			2,701	2,396	305	88.7%	1,658	1,070
Transfers and subsidies	11			11	5	6	45.5%	2	2
Payment for capital assets	100			100	-	100	0.0%	25	-
<b>Total</b>	<b>60,014</b>	<b>-</b>	<b>-</b>	<b>60,014</b>	<b>47,943</b>	<b>12,071</b>	<b>79.9%</b>	<b>34,025</b>	<b>29,000</b>

	2005/06							2004/05	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	32,823			32,823	30,748	2,075	93.7%	23,363	21,286
Goods and services	23,899			23,899	16,607	7,292	69.5%	9,795	7,311
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Non-profit institutions									
Households	337			337	76	261	22.6%	84	121
<b>Payment for capital assets</b>									
Machinery and equipment	2,955			2,955	512	2,443	17.3%	783	282
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total</b>	<b>60,014</b>	<b>-</b>	<b>-</b>	<b>60,014</b>	<b>47,943</b>	<b>12,071</b>	<b>79.9%</b>	<b>34,025</b>	<b>29,000</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

2: INFORMATION MANAGEMENT	2005/06							2004/05	
Programme 2 per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Information Management</b>									
Current payment	12,545			12,545	12,406	139	98.9%	10,082	7,171
Transfers and subsidies	48			48	5	43	10.4%	-	8
Payment for capital assets	4,249			4,249	2,593	1,656	61.0%	1,174	739
<b>Total</b>	<b>16,842</b>	<b>-</b>	<b>-</b>	<b>16,842</b>	<b>15,004</b>	<b>1,838</b>	<b>89.1%</b>	<b>11,256</b>	<b>7,918</b>

	2005/06							2004/05	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	4,790			4,790	4,687	103	97.8%	4,743	2,221
Goods and services	7,755			7,755	7,719	36	99.5%	5,339	4,950
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	48			48	5	43	10.4%	-	8
<b>Payment for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment	4,249			4,249	1,449	2,800	34.1%	1,174	739
Biological or cultivated assets									
Software and other intangible assets					1,144	(1,144)	0%		
Land and subsoil assets									
<b>Total</b>	<b>16,842</b>			<b>16,842</b>	<b>15,004</b>	<b>1,838</b>	<b>89.1%</b>	<b>11,256</b>	<b>7,918</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

3: ECONOMIC AFFAIRS		2005/06						2004/05	
Programme 3 per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Investment Promotion</b>									
Current payment									
Transfers and subsidies									
Payment for capital assets	10,740			10,740	10,740	-	100.0%	12,531	12,531
<b>3.2 Local Economic Dev</b>									
Current payment	4,359			4,359	2,065	2,294	47.4%	7,480	4,531
Transfers and subsidies	21,797			21,797	21,280	517	97.6%	19,004	2,925
Payment for capital assets	600			600	-	600	0.0%	380	120
<b>3.3 East London Industrial Dev Zone (IDZ)</b>									
Current payment	105,000			105,000	105,000	-	100.0%	120,022	120,022
Transfers and subsidies									
Payment for capital assets									
<b>3.4 Coega Dev Corp</b>									
Current payment	180,000			180,000	180,000	-	100.0%	359,431	359,431
Transfers and subsidies									
Payment for capital assets									
<b>3.5 Promotion of SMME's</b>									
Current payment	4,335			4,335	2,979	1,356	68.7%	7,000	1,274
Transfers and subsidies	62,176			62,176	62,176	-	100.0%	42,000	42,000
Payment for capital assets									
<b>3.6 Trade Development</b>									
Current payment									
Transfers and subsidies	3,150			3,150	3,150	-	100.0%	4,212	4,212
Payment for capital assets									
<b>3.7 DRISA / AIDC</b>									
Current payment									
Transfers and subsidies								25,000	25,000
Payment for capital assets									
<b>3.8 Eastern Cape Liquor Board</b>									
Current payment	53			53	-	53	0.0%	2,674	2,353
Transfers and subsidies	10,170			10,170	10,170	-	100.0%	3	3
Payment for capital assets								96	3
<b>3.9 Eastern Cape Tourism Board</b>									
Current payment									
Transfers and subsidies	20,532			20,532	20,532	-	100.0%	20,645	20,645
Payment for capital assets									
<b>3.10 Eastern Cape Gambling &amp; Betting Board</b>									
Current payment									
Transfers and subsidies	14,364			14,364	14,364	-	100.0%	13,364	13,364
Payment for capital assets									
<b>3.11 Consumer Affairs</b>									
Current payment	15,250			15,250	12,805	2,445	84.0%	11,669	10,291
Transfers and subsidies	111			111	33	78	29.7%	106	53
Payment for capital assets	900			900	233	667	25.9%	568	79
<b>Total</b>	<b>453,537</b>	<b>-</b>	<b>-</b>	<b>453,537</b>	<b>445,527</b>	<b>8,010</b>	<b>98.2%</b>	<b>646,185</b>	<b>618,837</b>



**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

	2005/06							2004/05	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	12,596			12,596	12,399	197	98.4%	11,042	10,573
Goods and services	11,401			11,401	5,451	5,950	47.8%	17,781	7,876
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts	406,132			406,132	406,132	-	100.0%	597,205	597,205
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	21,782			21,782	21,282	500	97.7%	19,113	2,500
Non-profit institutions	126			126	30	96	23.8%	-	481
Households									
<b>Payment for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment	1,500			1,500	233	1,267	15.5%	1,044	202
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total</b>	453,537	-	-	453,537	445,527	8,010	98.2%	646,185	618,837

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
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4: ENVIRONMENTAL AFFAIRS	2005/06							2004/05	
Programme 4 per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Environmental Aff Mgt</b>									
Current payment	41,852			41,852	41,371	481	98.9%	28,277	26,947
Transfers and subsidies	377			377	162	215	43.0%	44,825	44,756
Payment for capital assets	1,000			1,000	316	684	31.6%	583	360
<b>4.2 Biodiversity Management</b>									
Current payment	3,297			3,297	1,769	1,528	53.7%	30,019	29,983
Transfers and subsidies								106	99
Payment for capital assets									
<b>4.3 Environmental Impact Management</b>									
Current payment	1,947			1,947	388	1,559	19.9%	2,011	1,563
Transfers and subsidies									
Payment for capital assets									
<b>4.4 Coastal Management</b>									
Current payment	1,162			1,162	572	590	49.2%	1,379	1,968
Transfers and subsidies									
Payment for capital assets									
<b>4.5 Air Quality &amp; Waste Mgt</b>									
Current payment	811			811	89	722	11.0%	243	156
Transfers and subsidies									
Payment for capital assets									
<b>4.6 Compliance and Enforcement</b>									
Current payment	1,000			1,000	406	594	40.6%	-	-
Transfers and subsidies									
Payment for capital assets									
<b>4.7 Eastern Cape Parks Board</b>									
Current payment	65,000			65,000	65,000	-	100.0%	-	-
Transfers and subsidies									
Payment for capital assets									
<b>Total</b>	<b>116,446</b>	<b>-</b>	<b>-</b>	<b>116,446</b>	<b>110,073</b>	<b>6,373</b>	<b>94.5%</b>	<b>107,443</b>	<b>105,832</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

	2005/06							2004/05	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	37,690			37,690	37,675	15	100.0%	52,386	52,517
Goods and services	12,379			12,379	6,919	5,460	55.9%	9,543	8,100
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts	65,000			65,000	65,000	-	100.0%	44,800	44,734
Non-profit institutions									
Households	377			377	163	214	43.2%	131	121
<b>Payment for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment	1,000			1,000	316	684	31.6%	583	360
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total</b>	116,446	-	-	116,446	110,073	6,373	94.5%	107,443	105,832

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**NOTES TO APPROPRIATION STATEMENT  
for the year ended 31 March 2006**

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

Detail of these transactions can be viewed in note 9 (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 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

The variances are regarded as material when they exceed 5% of the voted amount of a Programme

<b>4.1 Per Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Administration	60,014	48,050	11,964	19.9%
Information Management	16,842	15,004	1,838	10.9%
Economic Affairs	453,537	445,527	8,010	1.8%
Environmental Affairs	116,446	110,073	6,373	5.5%

**Programme 1:** The filling of funded post not on the approved structure, the non submission of invoices by suppliers, despite various requests to supply outstanding invoices for payment thereof, as well as the late implementation of the internship programme resulted in the under expenditure under the various economic classifications.

**Programme 2:** The under expenditure is due to the non-supply of new servers ordered to enhance the information technology capacity of the Department. These servers had to be imported and transport problems were experienced which the service provider could not address sooner, thus resulting in the late arrival of the items.

**Programme 3:** The under expenditure of this programme is 1.8% only and therefore not material.

**Programme 4:** Material under expenditure in this programme was experienced under economic classification goods and services due to the non filling funded post under sub-programmes Air Quality and Waste Management as well as Coastal Management with the resulting under-spending of the operational budget.

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**NOTES TO APPROPRIATION STATEMENT  
for the year ended 31 March 2006**

<b>Per Economic classification</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>Current payment:</b>	123,004	115,519
Compensation of employees	86,201	87,282
Goods and services	36,803	28,237
Interest and rent on land		
Financial transactions in assets and liabilities		
<b>Transfers and subsidies:</b>	493,188	645,170
Provinces and municipalities		
Departmental agencies and accounts	471,132	641,939
Universities and Technikons		
Public corporations and private enterprises		
Foreign governments and international organisations		
Non-profit institutions	21,782	2,500
Households	274	731
<b>Payments for capital assets:</b>	3,654	1,583
Buildings and other fixed structures		
Machinery and equipment	3,654	1,583
Heritage assets		
Biological or cultivated assets		
Software and other intangible assets		
Land and subsoil assets		

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2006**

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	646,839	798,909
Statutory appropriation	2	771	715
Departmental revenue	3	35,758	66,071
Local and foreign aid assistance	4	350	
<b>TOTAL REVENUE</b>		<b>683,718</b>	<b>865,695</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	86,201	87,282
Goods and services	6	36,696	28,237
<b>Total current expenditure</b>		<b>122,897</b>	<b>115,519</b>
<b>Transfers and subsidies</b>	9	492,688	645,170
<b>Expenditure for capital assets</b>			
Machinery and Equipment	10	2,510	1,583
Software and other intangible assets		1,144	-
<b>Total expenditure for capital assets</b>		<b>3,654</b>	<b>1,583</b>
<b>TOTAL EXPENDITURE</b>		<b>619,239</b>	<b>762,272</b>
<b>SURPLUS/(DEFICIT)</b>		<b>64,479</b>	<b>103,423</b>
Add back unauthorised expenditure	11	-	-
Add back fruitless and wasteful expenditure	12	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>64,479</b>	<b>103,423</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds	19	28,371	37,352
Departmental Revenue	20	35,758	66,071
Local and foreign aid assistance	4	350	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>64,479</b>	<b>103,423</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2006**

	<i>Note</i>	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		30,676	3,506
Unauthorised expenditure	11	1,154	654
Fruitless and wasteful expenditure	12	157	-
Cash and cash equivalents	13	28,987	2,552
Prepayments and advances	15	-	12
Receivables	16	378	288
<b>Non-current assets</b>		172,755	133,969
Investments	17	172,755	133,969
<b>TOTAL ASSETS</b>		<u>203,431</u>	<u>137,475</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		30,676	3,506
Voted funds to be surrendered to the Revenue Fund	19	607	2,600
Departmental revenue to be surrendered to the Revenue Fund	20	27,712	873
Payables	22	2,007	33
Local and foreign aid assistance unutilised	4	350	-
<b>TOTAL LIABILITIES</b>		<u>30,676</u>	<u>3,506</u>
<b>NET ASSETS</b>		<u>172,755</u>	<u>133,969</u>
<b>Represented by:</b>			
Capitalisation reserve		172,755	133,969
<b>TOTAL</b>		<u>172,755</u>	<u>133,969</u>



**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 March 2006**

	<i>Note</i>	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
<b>Capitalisation reserve</b>			
Opening balance		133,969	105,067
Transfers:			
Movement in Equity		<u>38,786</u>	<u>28,902</u>
Closing balance		<u>172,755</u>	<u>133,969</u>
<b>TOTAL</b>		<u><u>172,755</u></u>	<u><u>133,969</u></u>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2006**

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		713,464	865,665
Annual appropriated funds received	1.1	618,654	798,909
Statutory appropriated funds received		692	685
Departmental revenue received		93,768	66,071
Local and foreign aid assistance received	4	350	-
Net (increase)/decrease in working capital		1,739	(64,691)
Surrendered to Revenue Fund		(69,529)	(67,839)
Current payments		(122,897)	(115,519)
Transfers and subsidies paid		(492,688)	(645,170)
<b>Net cash flow available from operating activities</b>	<b>24</b>	<b>30,089</b>	<b>(27,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(3,654)	(1,583)
(Increase)/decrease in investments		(38,786)	-
<b>Net cash flows from investing activities</b>		<b>(42,440)</b>	<b>(1,583)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		38,786	28,902
<b>Net cash flows from financing activities</b>		<b>38,786</b>	<b>28,902</b>
Net increase/(decrease) in cash and cash equivalents		26,435	(235)
Cash and cash equivalents at the beginning of the period		2,552	2,787
<b>Cash and cash equivalents at end of period</b>	<b>25</b>	<b>28,987</b>	<b>2,552</b>

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

**1. Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):\*\*

	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Funds not requested/ not received R'000</b>	<b>Appropriation received 2004/05 R'000</b>
Administration Information Management Economic Affairs	60,014	48,050	11,964	34,025
Environmental Affairs	16,842	15,004	1,838	11,256
	453,537	445,527	8,010	646,185
	116,446	110,073	6,373	107,443
<b>Total</b>	<b>646,839</b>	<b>618,654</b>	<b>28,185</b>	<b>798,909</b>

Explanation for funds not requested/not received:

1. Delays in receiving of invoices from suppliers for services rendered.
2. Commitments that were approved and contracted but not yet rendered.
3. Delays in filling of the funded vacant posts due to non-approval of the establishment.
4. The requests for roll-overs for the current year amounts to R5,100,000.00

**2. Statutory Appropriation**

	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Member of executive committee/parliamentary officers	771	715
	<u>771</u>	<u>715</u>

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

	<i>Notes</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Tax revenue		64,318	55,918
Sales of goods and services other than capital assets	3.1	512	539
Fines, penalties and forfeits		-	1
Interest, dividends and rent on land	3.2	161	-
Financial transactions in assets and liabilities	3.4	28,777	9,613
Total revenue collected		93,768	66,071
Less: Departmental Revenue Budgeted	20	58,010	-
<b>Departmental revenue collected</b>		<b>35,758</b>	<b>66,071</b>

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**3.1 Sales of goods and services other than capital assets**

	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
Sales of goods and services produced by the department		
Administrative fees	512	539
<b>Total</b>	<u>512</u>	<u>539</u>

**3.2 Interest, dividends and rent on land**

	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
Interest	161	-
<b>Total</b>	<u>161</u>	<u>-</u>

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

	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
Receivables	28,777	9,613
<b>Total</b>	<u>28,777</u>	<u>9,613</u>

**4. Local and foreign aid assistance**

**4.1 Assistance received in cash from RDP**

**Assistance received in cash: Other**

**Local**

Revenue	350	-
Closing Balance	350	-
Revenue	350	-
Closing Balance	350	-

**Analysis of balance**

Local and foreign aid unutilised	350	-
Closing balance	<u>(350)</u>	<u>-</u>

**5. Compensation of employees**

**5.1 Salaries and Wages**

	<b>2005/06</b> <b>R'000</b>	<b>2004/05</b> <b>R'000</b>
Basic salary	60,686	61,903
Performance award	186	-
Service Based	2,093	1,228
Compensative/circumstantial	358	900
Periodic payments	-	5,498
Other non-pensionable allowances	10,102	4,136
	<u>73,425</u>	<u>73,665</u>

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<b>5.2 Social contributions</b>		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.2.1 Employer contributions</b>			
Pension		7,541	9,462
Medical		5,203	4,127
Bargaining council		32	28
		<u>12,776</u>	<u>13,617</u>
<b>Total compensation of employees</b>		<u>86,201</u>	<u>87,282</u>
Average number of employees		<u>856</u>	<u>910</u>
<b>6. Goods and services</b>			
	<i>Note</i>	<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Advertising		155	217
Attendance fees (including registration fees)		313	226
Bank charges and card fees		15	40
Communication		3,700	4,783
Computer services		9,594	4,236
Consultants, contractors and special services		916	1,505
Courier and delivery services		-	1
Entertainment		516	662
External audit fees	6.1	2,664	1,589
Equipment less than R5000		262	175
Inventory	6.2	5,525	1,408
Legal fees		1,715	457
Medical Services		18	-
Maintenance, repairs and running cost		129	247
Operating leases		1,428	1,549
Printing and publications		1	4
Professional bodies and membership fees		-	78
Resettlement cost		180	1,251
Subscriptions		-	1
Owned leasehold property expenditure		139	100
Travel and subsistence	6.3	8,220	8,392
Venues and facilities		165	38
Protective, special clothing & uniforms		126	136
Training & staff development		915	626
		<u>36,696</u>	<u>28,237</u>
<b>6.1 External audit fees</b>			
Regulatory audits		2,664	1,589
<b>Total external audit fees</b>		<u>2,664</u>	<u>1,589</u>

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<b>6.2 Inventory</b>		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Domestic consumables		152	78
Food and Food supplies		51	105
Fuel, oil and gas		2	8
Laboratory consumables		-	2
Other consumables		4,440	37
Parts and other maintenance material		3	-
Stationery and printing		875	1,177
Medical supplies		2	1
		<u>5,525</u>	<u>1,408</u>
<b>6.3 Travel and subsistence</b>			
Local		8,002	8,221
Foreign		218	171
<b>Total travel and subsistence</b>		<u>8,220</u>	<u>8,392</u>
<b>7. Transfers and subsidies</b>		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Departmental agencies and accounts	<i>Annex 1G</i>	471,132	641,939
Non-profit institutions	<i>Annex 1K</i>	21,282	2,500
Households	<i>Annex 1L</i>	274	731
		<u>492,688</u>	<u>645,170</u>
<b>8. Expenditure for capital assets</b>		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Machinery and equipment	<i>Annex 4</i>	2,510	1,583
Software and Other Intangible Assets	<i>Annex 5</i>	1,144	-
<b>Total</b>		<u>3,654</u>	<u>1,583</u>
<b>9. Unauthorised expenditure</b>		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
<b>9.1. Reconciliation of unauthorised expenditure</b>			
Opening balance		654	654
Current expenditure		<u>500</u>	<u>654</u>
Unauthorised expenditure awaiting authorisation		<u>1,154</u>	<u>654</u>

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**10. Fruitless and wasteful expenditure**

<b>10.1 Reconciliation of fruitless and wasteful expenditure</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Opening balance	50	
Fruitless and wasteful expenditure – current year	107	50
Current	107	50
Transfer to receivables for recovery		
Fruitless and wasteful expenditure awaiting condonement	157	50

**11. Cash and cash equivalents**

<b>Domestic</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Consolidated Paymaster General Account	28,994	2,531
Cash receipts	(7)	21
	28,987	2,552

**12. Prepayments and advances**

<b>Description</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Prepayments	-	12
	-	12

**13. Receivables**

				<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
		<b>Less than one year</b>	<b>One to three years</b>	<b>Older than three years</b>	
				<b>Total</b>	<b>Total</b>
Staff debt	16.3	7	306	313	221
Other Debtors	16.4	65	-	65	67
		72	306	378	288

**13.1 Staff Debt**

Sal: Disallowance Acc, Pension debt, Debt Acc, Debt Receivable Income, Debt Receivable Interest	313	221
	313	221

**13.2 Other debtors**

Pension Recoverable Acc	11	17
Claims Rec CL: SA Citizens	54	50
<b>Total</b>	65	67

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<b>14. Investments</b>					
<b>Non-Current</b>				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
<b>Shares and other equity</b>				172,755	133,969
(List investments at cost)				172,755	133,969
				<u>172,755</u>	<u>133,969</u>
<b>Total non-current</b>				<u>172,755</u>	<u>133,969</u>
<b>Analysis of balance</b>					
Opening balance				133,969	105,067
Non-cash movements				38,786	28,902
Closing balance				<u>172,755</u>	<u>133,969</u>
<b>15. Voted funds to be surrendered to the Revenue Fund</b>				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
Opening balance				2,600	6,814
Transfer from Statement of Financial Performance				28,371	37,352
Voted funds not requested/not received	15.1			(27,764)	(41,566)
Paid during the year				<u>(2,600)</u>	<u></u>
Closing balance				<u>607</u>	<u>2,600</u>
<b>15.1 Voted funds not requested/not received</b>					
Funds to be rolled over				(5,100)	(4,214)
Funds not to be requested				<u>(22,664)</u>	<u>(37,352)</u>
				<u>(27,764)</u>	<u>(41,566)</u>
<b>16. Departmental revenue to be surrendered to the Revenue Fund</b>				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
Opening balance				873	2,641
Transfer from Statement of Financial Performance				35,758	66,071
Departmental revenue budgeted	3			58,010	
Paid during the year				<u>(66,929)</u>	<u>(67,839)</u>
Closing balance				<u>27,712</u>	<u>873</u>
<b>17. Payables – current</b>					
<b>Description</b>	<b>Notes</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
Amounts owing to other entities	Annex 7				
Advances received	17.1				
Clearing accounts	17.2		99	99	(17)
Other payables	17.3		1,908	1,908	50
			<u>2,007</u>	<u>2,007</u>	<u>33</u>



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<b>17.1 Clearing accounts</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Description		
Sal:Reg Serv Council, Sal:Pension Fund; Sal:Medical Aid; Sal:Income Tax; Sal:Official Unions; Sal:Garnishee Order; Sal:Fin Institut Study; Sal:Insur Deduct; Sal:Bargaining Council	99	(17)
	<u>99</u>	<u>(17)</u>
<b>17.2 Other payables</b>		
Description		
Exchequer payables to Provincial Treasury	(1,908)	50
	<u>(1,908)</u>	<u>50</u>
<b>18. Net cash flow available from operating activities</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance	64,479	103,423
(Increase)/decrease in receivables – current	(90)	6,611
(Increase)/decrease in prepayments and advances	12	(12)
Proceeds from sale of investments	(657)	(28,902)
Proceeds from sale of other financial assets	1,974	(852)
Surrenders to Revenue Fund	(69,529)	(67,839)
Expenditure on capital assets	3,654	1,583
Voted funds not requested/not received	(27,764)	(41,566)
Other non-cash items	58,010	-
<b>Net cash flow generated by operating activities</b>	<u>30,089</u>	<u>(27,554)</u>
<b>19. Reconciliation of cash and cash equivalents for cash flow Purposes</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Consolidated Paymaster General account	28,994	2,531
Cash and cash receipts	(7)	21
	<u>28,987</u>	<u>2,552</u>

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<b>20.</b>	<b>Contingent liabilities</b>	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
	<b>Liable to</b>	<b>Nature</b>		
	Housing loan guarantees	Employees	6,781	4,231
		<i>Annex 3A</i>		
	Other guarantees		-	-
		<i>Annex 3A</i>		
	Other departments (interdepartmental unconfirmed balances)	<i>Annex 7</i>	-	477
			<u>6,781</u>	<u>4,708</u>
<b>21.</b>	<b>Commitments</b>		<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
	<b>Current expenditure</b>			
	Approved and contracted		-	-
			-	-
	<b>Capital expenditure</b>			
	Approved and contracted		2,377	91
			<u>2,377</u>	<u>91</u>
	<b>Total Commitments</b>		<u>2,377</u>	<u>91</u>
<b>22.</b>	<b>Accruals</b>			
	Listed by Economic Classification	<b>30 Days</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
		<b>30 + Days</b>		
	Goods and services	3,231	3,231	1,863
	Machinery and Equipment			
			<u>3,231</u>	<u>1,863</u>
	<b>Confirmed balances with other departments</b>	<i>Annex 7</i>	<u>38</u>	<u>29</u>
			<u>38</u>	<u>29</u>
<b>23.</b>	<b>Employee benefits</b>		<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
	Leave entitlement		24,035	26,758
	Thirteenth cheque		2,778	-
	Performance bonus		887	-
			<u>27,700</u>	<u>26,758</u>
<b>24.</b>	<b>Lease Commitments</b>			
	<b>24.1 Operating leases</b>	<b>Machinery and equipment R'000</b>	<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
	Not later than 1 year	897	897	3,826
	Later than 1 year and not later than 5 years	3,759	3,759	3,774
	Later than five years			
	Total present value of lease liabilities	<u>4,656</u>	<u>4,656</u>	<u>7,600</u>

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<b>24.2</b>	<b>Finance leases</b>	<b>Machinery and equipment R'000</b>	<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
	Not later than 1 year	-	-	-
	Later than 1 year and not later than 5 Years	-	-	-
	Later than five years	105	105	-
	Total present value of lease liabilities	105	105	-
<b>25.</b>	<b>Receivables for departmental revenue</b>		<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
	Tax revenue		64,318	55,918
	Sales of goods and services other than capital assets		512	539
	Fines, penalties and forfeits		-	1
	Interest, dividends and rent on land		161	-
	Financial transactions in assets and liabilities		28,777	9,613
			93,768	66,071
<b>26.</b>	<b>Irregular expenditure</b>		<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>26.1</b>	<b>Reconciliation of irregular expenditure</b>			
	Opening balance		189,075	107,575
	Irregular expenditure – current year		17	77,334
	Transfer to receivables for recovery (not condoned)		-	4,166
	Irregular expenditure awaiting condonement		189,092	189,075
	<b>Analysis</b>			
	Current		17	81,500
			17	81,500
<b>27.</b>	<b>Key management personnel</b>			
The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category for the current period and the comparative period.				
		<b>No. of Individuals</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
	Political office bearers	1	504	475
	Officials			
	Level 15 to 16	2	773	747
	Level 14	2	670	7,833
	Family members of key management personnel		-	
			1,947	9,055

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<b>28. Inventory at year end</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Other inventory	43	-
Domestic consumables	3	-
Food and food supplies	16	-
Other consumables	22	-
Stationery and printing	298	-
Medical supplies	5	-
Weapons and armaments	11	-
	<hr/>	<hr/>
	398	-
	<hr/>	<hr/>

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**ANNEXURE 1G**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
ECTB	20,532			20,532	20,532	100.0%	20,645
ECGBB	14,364			14,364	14,364	100.0%	13,364
COEGA DEV CORP	180,000			180,000	180,000	100.0%	359,431
EL IDZ	105,000			105,000	105,000	100.0%	120,022
ECPB	65,000			65,000	65,000	100.0%	44,734
ECDC	76,066			76,066	76,066	100.0%	83,743
ECLB	10,170			10,170	10,170	100.0%	-
	471,132			471,132	471,132		641,939

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**ANNEXURE 1K  
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2004/05
	Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
AMATHOLE	1,000	960		1,960	1,960	100%	1,000
CACADU	1,000	1,040		2,040	2,040	100%	1,300
ALFRED NZO	500	2,100		2,600	2,600	100%	3,100
UKHAHLAMBA	1,000	-		1,000	1,000	100%	1,000
CHRIS HANI	1,000	2,400		3,400	3,400	100%	4,400
OR TAMBO	500	3,500		4,000	4,000	100%	7,050
NELSON	282	6,000		6,282	6,282	100%	1,150
MANDELA							
	5,282	16,000	-	21,282	21,282		19,000
<b>Subsidies</b>							
<b>Total</b>	5,282	16,000	-	21,282	21,282		19,000

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**ANNEXURE 1L  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
RSCL	888			888	274	30.9%	731
	888			888	274		731
<b>Subsidies</b>							
<b>Total</b>							731

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**ANNEXURE 1M**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in kind	Towards Provincial Growth and Development Job Summit (detailed information available	1,035	
		1,035	



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**ANNEXURE 1N**

**STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED**

NAME OF ORGANISATION	PURPOSE	2005/06	2004/05
		R'000	R'000
Received in cash DEAT - GAUTENG	Processing of the applications in terms of Section 24 G of NEMA, 1998 as amended.	350	-
		350	-
Received in kind			

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**ANNEXURE 10**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS,  
REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH  
2006**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Paid in cash			
Made in kind			
ECPB	Transfer of assets	-	1,769
		-	<b>1,769</b>
Remissions, refunds, and payments made as an act of grace			
<b>TOTAL</b>		-	<b>1,769</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 2A**

**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2006**

Name of Public Entities	Nature of business	Relevant Act	State Entity's PFMA Schedule type (schedule) year end if not 31 March	% Held 05/06	% Held 04/05	Number of shares		Cost of investment		Profit/(Loss) for the year		Are the losses Guaranteed
						05/06	04/05	05/06 R'000	04/05 R'000	05/06 R'000	04/05 R'000	
												Yes/No

**Controlled entities**

ECDC	Act 2 of 1997 (E.C.)	Schedule 3(d)	100%	100%	38,786	28,902	172,755	133,969
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172,755    133,969

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**Non-controlled entities**

Associates

Joint ventures

Other non controlled entities

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172,755    133,969

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**TOTAL**

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 3**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles							
	Housing							
ABSA	Housing Loan	2,804	1,390	417	-	597	2,404	
African Bank	Housing Loan	-	23	-	-	-	23	
Allied Bank	Housing Loan	-	-	-	-	-	-	
Boland Bank	Housing Loan	-	40	-	-	-	40	
FBC	Housing Loan	201	60	36	-	-	96	
FNB	Housing Loan	1,850	901	116	-	457	1,474	
Future Bank	Housing Loan	-	-	-	-	-	-	
Ithala Limited	Housing Loan	-	31	-	-	-	31	
Meeg Bank	Housing Loan	-	158	-	-	-	158	
NBS	Housing Loan	-	76	-	-	-	76	
Nedbank	Housing Loan	68	113	30	-	44	187	
Old Mutual	Housing Loan	649	388	106	-	130	624	
Peoples Bank	Housing Loan	272	238	138	-	54	430	
Perm	Housing Loan	-	427	-	-	-	427	
Saambou	Housing Loan	-	49	-	-	-	49	
Standard Bank	Housing Loan	1,296	321	88	-	259	668	
TNBS	Housing Loan	322	16	26	-	52	94	
		7,462	4,231	957	-	1,593	6,781	-
	Other							
	<b>Total</b>	7,462	4,231	957	-	1,593	6,781	-

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

**ANNEXURE 4**

**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>				
Dwellings [2056888]				
Non-residential buildings [2057888]				
Other fixed structures [2058888]				
Heritage assets [2384888]				
<b>MACHINERY AND EQUIPMENT</b>	6,650	2,510	-	9,160
Transport assets [2088888]	22	-	-	22
Specialised military assets [2383888]	-	-	-	-
Other machinery and equipment [2068888]	6,628	2,510	-	9,138
<b>LAND AND SUBSOIL ASSETS</b>	4,350			4,350
Land [101888]	4,350	-	-	4,350
Mineral and similar non regenerative resources [2444888]	-	-	-	-
<b>INVESTMENT PROPERTY</b>				
Investment property [2532888]				
<b>CULTIVATED ASSETS</b>				
Cultivated assets [999888]				
<b>TOTAL CAPITAL ASSETS</b>	11,000	2,510	-	13,510
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

- 1** Opening balance per the asset register of a department on 1 April 2005. These figures will not agree to the prior year figures reported in the 2004/05 AFS.  
Where a department included assets in the asset register that was owned but only captured during 2005/06 the value is included in the opening balance column  
The additions column **only** includes assets that the department purchased or obtained ownership during the 2005/06 financial year.
- 2** Actual additions per the asset register for the 2005/06 financial year.
- 3** Total disposals per the asset register for the 2005/06 financial year. This is the actual 'cost' of the asset disposed of, i.e. the value of the asset included in the opening balance which is either at R1 or the invoice price.
- 4** Per asset register

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 4.1**

**ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash	Capital WIP	In-Kind	Total
	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>				
Dwellings [2056888]				
Non-residential buildings [2057888]				
Other fixed structures [2058888]				
Heritage assets [2384888]				
<b>MACHINERY AND EQUIPMENT</b>	2,510			2,510
Transport assets [2088888]	-			-
Specialised military assets [2383888]	-			-
Other machinery and equipment [2068888]	2,510			2,510
<b>LAND AND SUBSOIL ASSETS</b>				
Land [101888]				
Mineral and similar non regenerative resources				
<b>INVESTMENT PROPERTY</b>				
Investment property [2532888]				
<b>CULTIVATED ASSETS</b>				
Cultivated assets [999888]				
<b>TOTAL CAPITAL ASSETS</b>	2,510	-	-	2,510
	5	6	7	

- 5** Total cash paid for asset acquired during the 2005/06 financial year.  
This column also includes cash paid in an exchange transaction with another government entity, i.e. where computer equipment was donated from another department and a small cash sum was paid to the transferring department.

**The total should agree to the general ledger - 'PURCHASES OF CAPITAL ASSETS'**

- 6** Total spent on own account construction during the 2005/06 financial year.
- 7** The total assets received/donated during the 2005/06 financial year at the value included in the asset register

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 4.2**

**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	1,583		1,583
Transport assets <a href="#">[2088888]</a>			
Specialised military assets <a href="#">[2383888]</a>			
Other machinery and equipment <a href="#">[2068888]</a>	1,583		1,583
<b>TOTAL CAPITAL ASSETS</b>	1,583		1,583
	10	11	

**10** Additions per the 2004/05 AFS

**11** Disposals per the 2004/05 AFS

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 5**

**CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Computer Software		1,144		1,144
<b>TOTAL CAPITAL ASSETS</b>		<b>1,144</b>		<b>1,144</b>

**ANNEXURE 5.1**

**ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash	In-Kind	Total
	R'000	R'000	R'000
Computer software	1,144		1,144
<b>TOTAL</b>	<b>1,144</b>		<b>1,144</b>



**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM**  
**VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

**ANNEXURE 6**  
**INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
<b>Departments</b>				
DEPT OF JUSTICE	209	-	-	130
OFFICE OF THE PREMIER	-	-	11	8
DEPT OF AGRIC – NORTH WEST	23	-	-	-
	232	-	11	138
<b>Other government entities</b>				
ECLB	1,324			2,519
ECPB	3,006			7,399
ECDC	439			4,166
ECGBB	4,897			50
	9,666	-	11	14,134
<b>TOTAL</b>	9,898	-	11	14,272

**DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT & TOURISM  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**ANNEXURE 7  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000

**Department**

Amounts not included in Statement  
of financial position

Current

Provincial Treasury	36	29	-	477
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South African Police Service	2		-	
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Non-current

Total	38	29	-	477
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# 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	85% of vacant funded posts were filled within the time frames. 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	85% 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;	19 learners and 14 interns taken while bursaries were only offered to internal applicants (6 approved) due to budgetary constraints. Challenges around transversal

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				training were experienced especially training provided by FHIG. 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 set EE targets	All programs	Department of Labour; OTP; DPSA	Improved representation of all designated groups	There is an improvement on black women and youth representation especially in management positions. Another challenge in representation of coloured racial group in the department while there is an oversupply of Africans and whites generally compared to provincial targets.
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	95% compliant
Persal system	100% 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
Designated employees	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, 2005/06**

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	47,943	30,748	560,800	65%	24
Programme 2	15,004	4,687	63,033	31%	2
Programme 3	445,527	12,399	5,660	3%	12
Programme 4	110,073	37,675	32,507	34%	57
Total	619,239	85,509	662,000	14%	94

**Table 2.2 – Personnel costs by salary bands, 2005/06**

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (Rand)
Lower skilled (Levels 1-2)	20,595	26.6	56,130
Skilled (Levels 3-5)	15,302	15.8	57,543
Highly skilled production (Levels 6-8)	25,147	29.1	140,886
Highly skilled supervision (Levels 9-12)	13,373	14.6	237,091
Senior management	9,126	9.6	476,944

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (Rand)
(Levels 13-16)			
Contract (Levels 6-8)	326	0.4	163,000
Contract (Levels 9-12)	823	0.9	274,333
Contract (Levels 13-16)	817	0.9	408,500
<b>Total</b>	<b>85,509</b>	<b>97.2</b>	<b>98,041</b>

**Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06**

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	17,074	69	-	-	383	1.5	1,024	4.1
Programme 2	1,164	66	-	-	19	1.1	97	5.5
Programme 3	7,075	67	-	-	164	1.6	390	3.7
Programme 4	37,217	73	18	0	414	0.8	3,252	6.4
<b>Total</b>	<b>62,530</b>	<b>71.1</b>	<b>18</b>	<b>0</b>	<b>980</b>	<b>1.1</b>	<b>4,763</b>	<b>5.4</b>

**Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06**

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)	15,512	75.1	1	0	151	0.7	1,587	7.7
Skilled (Levels 3-5)	11,584	75.3	13	0.1	193	1.3	977	6.3
Highly skilled production (Levels 6-8)	18,919	72.9	4	0	375	1.4	1,355	5.2
Highly skilled supervision (Levels 9-12)	9,766	69.3	-	-	142	1	555	3.9
Senior management (Levels 13-16)	5,548	56	-	-	119	1.2	276	2.8

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
Contract (Levels 6-8)	195	59.3	-	-	-	-	3	0.9
Contract (Levels 9-12)	538	64.5	-	-	-	-	10	1.2
Contract (Levels 13-16)	468	57.2	-	-	-	-	-	-
<b>Total</b>	<b>62,530</b>	<b>71.1</b>	<b>18</b>	<b>0</b>	<b>980</b>	<b>1.1</b>	<b>4,763</b>	<b>5.4</b>

### 3. EMPLOYMENT AND VACANCIES

**Table 3.1 – Employment and vacancies by programme, 31 March 2006**

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	187	24.2	3
Programme 2	22	13	25	-
Programme 3	71	59	18.8	1
Programme 4	745	620	17	27
<b>Total</b>	<b>1069</b>	<b>879</b>	<b>18.6</b>	<b>31</b>

**Table 3.2 – Employment and vacancies by salary bands, 31 March 2006**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	476	428	10	28
Skilled (Levels 3-5)	264	216	5	-
Highly skilled production (Levels 6-8)	240	156	35	2
Highly skilled supervision (Levels 9-12)	66	62	0.4	-
Senior management (Levels 13-16)	23	17	0.6	1
<b>Total</b>	<b>1069</b>	<b>879</b>	<b>17.7</b>	<b>31</b>



**Table 3.3 – Employment and vacancies by critical occupation, 31 March 2006**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related	44	36	18.2	-
Forestry & other	6	4	33.3	-
Agricultural related	13	10	23.7	-
Bio, zoology	141	119	15.6	27
Heavy vehicle driver	1	1	-	-
Cleaners in offices	103	79	23.3	-
Client info clerk	3	3	-	-
Conservation labourers	133	107	19.5	-
Farm hands labourers	198	152	23.2	1
Forestry advisors/ farm managers	14	5	64.2	-
Finance and economic	9	7	22.2	-
Financial and related professionals	12	11	8.3	-
Financial clerk	19	19	-	-
Food service aid	3	3	-	-
Head of department1	1	1	-	1
HR & org development	10	8	20	-
Human resource clerks	15	9	40	-
Human resource related	1	1	-	-
Identification experts	3	1	66.6	-
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	128	115	10	-
Other admin related clerks	62	53	14.5	1
Admin policy rel off	27	24	11.1	-
Other occupations	1	1	-	-
Regulatory inspectors	10	6	40	-
Secretaries/other keyboard operating cl	52	49	5.7	1
Security guards	15	13	13.3	-
Security officers	4	4	-	-
Senior managers	23	20	13	-
Trade/industry advisors	7	6	14.2	-
<b>TOTAL</b>	<b>1069</b>	<b>879</b>	<b>17.7</b>	<b>31</b>



## 4. JOB EVALUATION

**Table 4.1 – Job Evaluation, 1 April 2005 to 31 March 2006**

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)	476	-	-	-	-	-	-
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	-	-	-	-	-	-
Senior Management Service Band B	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
<b>Total</b>	<b>1069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006**

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	Nil
Male	-	-	-	-	Nil
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Nil</b>
Employees with a disability					<b>Nil</b>

**Table 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (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 2004/05				-
Percentage of total employment				-

**Table 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (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 2005 to 31 March 2006**

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	417	0	27	6.4
Skilled (Levels 3-5)	245	2	13	5.3
Highly skilled production(Levels 6-8)	181	9	12	6.6
Highly skilled supervision(Levels 9-12)	52	1	2	3.8
Senior Management Service Band A	14	1	2	14.3
Senior Management Service Band B	2	-	1	50
Senior Management Service Band C	3	0	1	33.3
Senior Management Service Band D	-	-	-	-
Contract (Levels 1-2)	1	0	0	0
Contract (Levels 6-8)	2	0	0	0
Contract (Levels 9-12)	3	1	1	33.3
Contract (SMS Band B)	1	0	0	0
Contract (SMS Band C)	0	0	1	0
Total	925	15	59	6.4

**Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006**

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	29	2	0	0
Forestry & other	14	2	2	100
Agricultural related	4	-	-	-
Building caretaker	19	0	1	5.3
Heavy vehicle driver	1	-	-	-
Related technical	1	-	-	-
Client info clerk	7	-	-	-
Conservation labourers	266	-	20	7.5
Farm hands labourers	231	-	17	7.4
Finance and economic	11	0	2	18.2
Financial and related professionals	9	1	1	11.1
Financial clerk	18	1	-	-
Food service aid	2	-	-	-
HR & org development	3	2	-	-
Human resource clerks	17	-	1	5.9
Human resource related	3	-	-	-
Communication	1	1	-	-
Library related	6	-	-	-
Light vehicle driver	3	-	-	-
Logistical support	1	-	-	-
Transport clerk	6	-	-	-
Safety inspectors	1	-	-	-
Nature conservation	67	1	7	10.4
Other admin related clerks	45	-	-	-
Admin policy rel off	30	-	1	3.3
Other occupations	63	-	2	3.2
Regulatory inspectors	4	-	-	-
Secretaries/other keyboard operating cl	37	3	1	2.7
Security guards	7	-	-	-
Water plant related	4	-	-	-
Senior managers	15	2	4	26.7
Trade/industry advisors	3	-	1	33.3
<b>TOTAL</b>	<b>925</b>	<b>15</b>	<b>59</b>	<b>6.4</b>

**Table 5.3 – Reasons why staff are leaving the department**

Termination Type	Number	% of total
Death	14	18
Resignation	14	18
Expiry of contract	6	8
Dismissal – operational changes	-	-
Dismissal – misconduct	1	1
Dismissal – inefficiency	-	-
Discharged due to ill-health	8	10.5
Retirement	8	10.5
Transfers to other Public Service Departments	7	9
Other: Transfers to ECLB & SANParks	19	25
<b>Total</b>	<b>77</b>	<b>100</b>
Total number of employees who left as a % of the total employment		8%

**Table 5.4 – Promotions by critical occupation**

Occupation	Employees as at 1 April 2005	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	29	4	13.8	6	20.7
Forestry & other	14	-	-	3	23.1
Agricultural related	4	-	-	3	75
Building caretaker	19	-	-	2	10.5
Heavy vehicle driver	1	-	-	-	-
Related technical	1	-	-	-	-
Client info clerk	7	-	-	1	14.3
Conservation labourers	266	-	-	20	7.5
Farm hands labourers	231	-	-	28	12.1
Finance and economic	11	-	-	3	27.3
Financial and related professionals	9	-	-	1	11.1
Financial clerk	18	-	-	6	33.3
Food service aid	2	-	-	-	-
HR & org development	3	1	33.3	1	33.3
Human resource clerks	17	-	-	3	17.6
Human resource related	3	-	-	-	-
Communication	1	-	-	-	-
Library related	6	-	-	1	16.7
Light vehicle driver	3	-	-	-	-
Logistical support	1	1	100	-	-
Transport clerk	6	-	-	2	33.3
Safety inspectors	1	-	-	-	-

Occupation	Employees as at 1 April 2005	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
Nature conservation	67	-	-	5	7.5
Other admin related clerks	46	-	-	4	8.9
Admin policy rel off	30	2	6.7	4	13.3
Other occupations	63	2	3.2	14	22.2
Regulatory inspectors	4	3	75	1	25
Secretaries/other keyboard operating cl	37	-	-	5	13.5
Security guards	7	-	-	-	-
Water plant related	3	-	-	-	-
Senior managers	15	-	-	-	-
Trade/industry advisors	3	-	-	-	-
<b>TOTAL</b>	<b>925</b>	<b>13</b>	<b>1.4</b>	<b>113</b>	<b>12.2</b>

**Table 5.5 – Promotions by salary band**

Salary Band	Employees 1 April 2005	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)	421	-	-	42	10
Skilled (Levels 3-5)	245	-	-	30	12.2
Highly skilled production (Levels 6-8)	181	5	2.8	25	13.8
Highly skilled supervision (Levels 9-12)	52	6	11.5	14	26.9
Senior management (Levels 13-16)	19	2	10.5	1	26.9
Contract (Levels 1-2)	1	-	-	-	-
Contract (Levels 6-8)	2	-	-	-	-
Contract (Levels 9-12)	3	-	-	1	33.3
Contract (Levels 13-16)	1	-	-	-	-
<b>Total</b>	<b>925</b>	<b>13</b>	<b>1.4</b>	<b>113</b>	<b>12.2</b>

## 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 2006**

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	-	-	4	5	-	-	-	14
Professionals	83	-	1	22	62	1	2	7	178
Clerks	33	1	-	-	85	4	-	13	136
Service and sales workers	5	-	-	-	2	-	-	-	7
Plant and machine operators and assemblers	6	1	-	-	-	-	-	-	7
Elementary occupations	319	44	-	6	163	2	-	2	537
<b>Total</b>	<b>452</b>	<b>46</b>	<b>1</b>	<b>32</b>	<b>317</b>	<b>7</b>	<b>2</b>	<b>22</b>	<b>879</b>

**Table 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	1	2	-	-	-	4
Senior Management	7	-	-	3	4	-	-	-	14
Professionally qualified and experienced specialists and mid-management	23	-	1	11	19	-	2	3	59
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	70	-	-	16	72	5	-	15	178
Semi-skilled and discretionary decision making	129	17	-	1	77	1	-	3	228



Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	219	29	-	-	142	1	-	-	391
Contract (Top Management)	-	-	-	1	-	-	-	-	1
Contract (Snr Management)	-	-	-	-	1	-	-	-	1
Contract (Professional)	1	-	-	-	1	-	-	1	3
Contract (Skilled Tech)	1	-	-	-	1	-	-	-	2
<b>Total</b>	<b>451</b>	<b>46</b>	<b>1</b>	<b>32</b>	<b>318</b>	<b>7</b>	<b>2</b>	<b>22</b>	<b>879</b>

**Table 6.3 – Recruitment for the period 1 April 2005 to 31 March 2006**

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	7	-	-	-	3	-	-	-	10
Semi-skilled and discretionary decision making	-	-	-	-	2	-	-	-	2
Contract (Top Management)	-	-	-	1	-	-	-	-	1
Contract (Professional)	-	-	-	-	-	-	-	1	1
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>17</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.4 – Promotions for the period 1 April 2005 to 31 March 2006**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	1	2	-	-	-	3
Professionally qualified and experienced specialists and mid-management	6	-	1	4	3	-	1	5	20
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	-	-	2	15	2	-	1	32
Semi-skilled and discretionary decision making	15	2	-	-	13	-	-	-	30
Unskilled and defined decision making	22	1	-	-	19	-	-	-	42
Contract (Professional)	1	-	-	-	-	-	-	-	1
<b>Total</b>	<b>56</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>52</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>128</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.5 – Terminations for the period 1 April 2005 to 31 March 2006**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	1	-	-	2	-	-	-	-	3
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	1	2
Skilled technical and academically qualified workers, junior management,	6	-	-	2	5	-	-	1	14



Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	3	11	-	-	2	-	-	-	16
Unskilled and defined decision making	19	3	-	-	5	-	-	-	27
Contract (Professional)	1	-	-	-	-	-	-	-	1
Total	32	14	-	4	12	-	-	2	64
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.6 – Disciplinary action for the period 1 April 2005 to 31 March 2006**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissals	1								1
Demotion	1	-	-	-	-	-	-	-	1
Final written warning & counselling	9	-	-	-	1	-	-	-	10
Suspension without pay	1	-	-	-	1	-	-	-	2
Verbal warning	1	-	-	-	-	-	-	-	1
TOTAL	13	-	-	-	2	-	-	-	15

**Table 6.7 – Skills development for the period 1 April 2005 to 31 March 2006**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	-	1	2	4	-	-	1	13
Professionals	13	1	-	1	6	-	-	1	22
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	9	-	-	1	30	3	-	2	42
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	2	-	-	-	2	-	-	-	4
<b>Total</b>	<b>29</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>42</b>	<b>3</b>	<b>-</b>	<b>4</b>	<b>83</b>
Employees with disabilities	1	-	-	-	-	-	-	-	-

## 7. PERFORMANCE REWARDS

**Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006**

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	<b>125</b>	<b>769</b>	<b>16</b>	<b>63</b>	<b>504</b>
Male	77	451	17	40	519
Female	48	318	15	23	479
<b>Asian</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Male	-	1	-	-	-
Female	-	2	-	-	-
<b>Coloured</b>	<b>3</b>	<b>53</b>	<b>6</b>	<b>2,4</b>	<b>800</b>
Male	2	46	4	1,7	850
Female	1	7	14	0,7	700
<b>White</b>	<b>5</b>	<b>54</b>	<b>9</b>	<b>2,6</b>	<b>520</b>
Male	3	32	9	1,9	633
Female	2	22	9	0,7	350
Employees with a disability	-	-	-	-	-
<b>Total</b>	<b>133</b>	<b>879</b>	<b>15</b>	<b>68</b>	<b>511</b>

**Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006**

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	52	428	12	15	288.46
Skilled (Levels 3-5)	39	216	18	11	282.05
Highly skilled production	35	156	22	30	857.14

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
(Levels 6-8)					
Highly skilled supervision (Levels 9-12)	7	62	11	12	1714.28
Total	133	862	Nil	Nil	Nil

**Table 7.3 – 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	-	14	-	-	-	-
Band B	-	2	-	-	-	-
Band C	-	1	-	-	-	-
Band D	-	-	-	-	-	-
Total	Nil	17	Nil	Nil	Nil	Nil

## 8. FOREIGN WORKERS

**Table 8.1 – Foreign Workers, 1 April 2005 to 31 March 2006, 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 2005 to 31 March 2006, 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 2005 TO 31 DECEMBER 2005

**Table 9.1 – Sick leave, 1 January 2005 to 31 December 2005**

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)	2228	89.8	238	42.3	9	335
Skilled (Levels 3-5)	1186	88.6	138	24.6	9	221
Highly skilled production (Levels 6-8)	1108	83.5	133	23.7	8	422
Highly skilled supervision (Levels 9-12)	308	84.1	38	6.8	8	197
Senior management (Levels 13-16)	45	97.8	10	1.8	5	79
Contract (Levels 6-8)	1	100	1	0.2	1	0
Contract (Levels 9-12)	18	77.8	3	0.5	6	14
Contract (Levels 13-16)	14	100	1	0.2	14	25
<b>Total</b>	<b>4908</b>	<b>87.9</b>	<b>562</b>	<b>100</b>	<b>9</b>	<b>1293</b>

**Table 9.2 – Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005**

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)	174	100	3	37.5	58	26
Skilled (Levels 3-5)	11	100	2	25	6	2
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	74	100	2	25	38	39
Senior management (Levels 13-16)	-	-	-	-	-	-
Contract (Levels 13-16)	13	100	1	12.5	13	23
<b>Total</b>	<b>254</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>42</b>	<b>90</b>

**Table 9.3 – Annual Leave, 1 January 2005 to 31 December 2005**

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	9027.24	25
Skilled Levels 3-5)	5811.16	26
Highly skilled production (Levels 6-8)	4205	23
Highly skilled supervision(Levels 9-12)	1420	24
Senior management (Levels 13-16)	369	22
Contract (Levels 6-8)	25	13
Contract (Levels 9-12)	52	17
Contract (Levels 13-16)	33	17
<b>Total</b>	<b>20942.4</b>	<b>24</b>

**Table 9.4 – Capped leave, 1 January 2005 to 31 December 2005**

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)	787	11	80
Skilled Levels 3-5)	261	7	99
Highly skilled production (Levels 6-8)	233	7	112
Highly skilled supervision(Levels 9-12)	43	4	113
Senior management (Levels 13-16)	-	-	-
<b>Total</b>	<b>1324</b>	<b>9</b>	<b>93</b>

**Table 9.5 – Leave payouts for the period 1 April 2005 to 31 March 2006**

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	Nil	Nil	Nil
Capped leave payouts on termination of service for 2005/06	424	21	20,190.48
Current leave payout on termination of service for 2005/06	11	5	2,200
<b>Total</b>	<b>435</b>	<b>26</b>	<b>12,428.57</b>

## 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, EWP coordinator and 15 trained peer educators. The budget is R250 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of 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
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 2005 to 31 March 2006**

<b>Total collective agreements</b>	<b>Two</b>
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**Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006**

<b>Outcomes of disciplinary hearings</b>	<b>Number</b>	<b>% of total</b>
Verbal warning	1	6.7
Written warning	-	-
Final written warning & Correctional counselling	9	60
Suspended without pay	2	13.2
Fine	-	-
Demotion	1	6.7
Dismissal	1	6.7
Not guilty	-	-
Case withdrawn	1	6.7
<b>Total</b>	<b>15</b>	<b>100</b>

**Table 11.3 – Types of misconduct addressed at disciplinary hearings**

<b>Type of misconduct</b>	<b>Number</b>	<b>% of total</b>
Drunk on duty	-	-
Negligence to government vehicles	-	-
Unacceptable conduct	-	-
Misappropriation of funds	1	5.5
Theft of state property	-	-
Misuse of government vehicle	2	11.1
Unauthorised absence	11	61.1
Fraud	1	5.5
Unauthorised use of state property	1	5.5
Other	2	11.1
<b>Total</b>	<b>18</b>	<b>100</b>

**Table 11.4 – Grievances lodged for the period 1 April 2005 to 31 March 2006**

	<b>Number</b>	<b>% of Total</b>
Number of grievances resolved	10	52.6
Number of grievances not resolved	9	47.4
<b>Total number of grievances lodged</b>	<b>19</b>	<b>100</b>

**Table 11.5 – Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006**

	<b>Number</b>	<b>% of Total</b>
Number of disputes upheld	-	-
Number of disputes dismissed	-	-
Number of disputes pending	2	100
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100</b>

**Table 11.6 – Strike actions for the period 1 April 2005 to 31 March 2006**

<b>Total number of person working days lost</b>	<b>4</b>
Total cost (R'000) of working days lost	869.62
Amount (R'000) recovered as a result of no work no pay	869.62

**Table 11.7 – Precautionary suspensions for the period 1 April 2005 to 31 March 2006**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	52
Cost (R'000) of suspensions	81

## 12. SKILLS DEVELOPMENT

**Table 12.1 – Training needs identified 1 April 2005 to 31 March 2006**

Occupational Categories	Gender	Number of employees as at 1 April 2005	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	25	12	10	5	27
	Male	44	9	18	11	38
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	96	-	30	23	53
	Male	93	-	18	15	33
Clerks	Female	81	20	23	19	62
	Male	149	13	35	30	78
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	143	10	-	-	10
	Male	248	15	-	-	15
Sub Total	Female	345	42	63	47	152
	Male	534	37	71	56	164
<b>Total</b>		<b>879</b>	<b>79</b>	<b>134</b>	<b>103</b>	<b>316</b>



**Table 12.2 – Training provided 1 April 2005 to 31 March 2006**

Occupational Categories	Gender	Number of employees as at 1 April 2005	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	25	6	6	-	12
	Male	44	3	10	5	18
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	96	-	15	3	18
	Male	93	-	10	5	15
Clerks	Female	81	12	30	11	53
	Male	149	3	55	14	72
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	143	2	3	-	5
	Male	248	2	3	-	5
Sub Total	Female	345	13	89	5	107
	Male	534	-	15	8	23
<b>Total</b>		<b>879</b>	<b>28</b>	<b>132</b>	<b>38</b>	<b>198</b>

### 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	3	33
Temporary Total Disablement	5	56
Permanent Disablement	1	11
Fatal	-	-
<b>Total</b>	<b>9</b>	<b>100</b>

## 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
Training for women manager	1	5	Not known
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
1	1	5	Not known

**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

## **LIST OF ABBREVIATIONS**

AFS	ANNUAL FINANCIAL STATEMENTS
AIDC	AUTOMOTIVE INDUSTRY DEVELOPMENT CENTRE
AQMA	AIR QUALITY MANAGEMENT ACT
ARS	ACTION REQUEST SYSTEM
ASGI-SA	ACCELERATED SHARED GROWTH INITIATIVE OF SOUTH AFRICA
BAS	BASIC ACCOUNTING SYSTEM
C.A.P.E	CAPE ACTION PLAN FOR PEOPLE AND ENVIRONMENT
CAMS	CASH MANAGEMENT SYSTEMS
CEC	COMMITTEE FOR ENVIRONMENTAL CO-ORDINATION
CFO	CHIEF FINANCIAL OFFICER
CITES	CONVENTION ON INTERNATIONAL TRADE AND ENDANGERED SPECIES OF WILD FLORA AND FAUNA
CMS	COUNCIL FOR MEDICAL SCHEMES
CORE	CODE OF REMUNERATION
CSIR	COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH
CZM	COASTAL ZONE MANAGEMENT
DEAET	DEPARTMENT OF ECONOMIC AFFAIRS, ENVIRONMENT &
DEAT	DEPARTMENT OF ECONOMIC AFFAIRS & TOURISM
DGITO	DEPARTMENTAL GOVERNMENT INFORMATION OFFICER
DPLG	DEPARTMENT OF PROVINCIAL & LOCAL GOVERNMENT
DRISA	DIGITISATION AND REMANUFACATURING INSTITUTE OF SOUTH AFRICA
DTI	DEPARTMENT OF TRADE & INDUSTRY
DWAF SEA	DEPARTMENT OF WATER AFFAIRS AND FORESTRY STRATEGIC ENVIRONMENTAL ASSESSMENT
EC SFRA LAAC	EASTERN CAPE STREAM FLOW REDUCTION ACTIVITIES LICENSING ASSESSMENT ADVISORY COMMITTEE
EC	EASTERN CAPE
ECDC	EASTERN CAPE DEVELOPMENT CORPORATION
ECGBB	EASTERN CAPE GAMBLING AND BETTING BOARD
ECI – AFRICA	ENVIRONMENTAL CHANGE INSTITUTE - AFRICA
ECIC	EASTERN CAPE IMPLEMENTATION COMMITTEE
ECL ACT	EASTERN CAPE LIQUOR ACT
ECLB	EASTERN CAPE LIQUOR BOARD
ECPB	EASTERN CAPE PARKS BOARD
ECTB	EASTERN CAPE TOURISM BOARD
EDMS	ELECTRONIC DOCUMENT MANAGEMENT SYSTEM
EG & I CLUSTER	ECONOMIC GROWTH AND INFRASTRUCUTRE CLUSTER
EMI	ENVIRONMENTAL MANAGEMENT INSPECTORS
EU-LED	EUROPEAN UNION - LOCAL ECONOMIC DEVELOPMENT
FSB	FINANCIAL SERVICES BOARD
GCCN	GOVERNMENT COMMON CORE NETWORK
GIS	GEOGRAPHIC INFORMATION SYSTEM
GTZ	GERMAN TECHNICAL CO-OPERATION
HDI	HISTORICAL DISADVANTAGE INDIVIDUAL
HRD	HUMAN RESOURCE DEVELOPMENT
IDP	INTEGRATED DEVELOPMENT PLANS
IDZ	INDUSTRIAL DEVELOPMENT ZONE
IEM	INTEGRATED ENVIRONMENTAL MANAGEMENT
ISS	INFORMATION SYSTEM SECURITY
IT	INFORMATION TECHNOLOGY
IWMP	INTEGRATED WASTE MANAGEMENT PLAN

IYM	IN-YEAR MONITORING
JICA	JAPANESE INTERNATIONAL CO-OPERATION AGENCY
KZN	KWA-ZULU NATAL
LAN	LOCAL AREA NETWORK
LAAC	LICENSING ASSESSMENT ADVISORY COMMITTEE
MDTP	MALUTI DRAKENSBERG TRANSFRONTIER PROJECT
MEC	MEMBER OF THE EXECUTIVE COUNCIL
MFRC	MICRO FINANCE REGULATORY COUNCIL
MINMEC	MINISTER AND MEMBER OF EXECUTIVE COUNCIL
MIPTech	MINISTERIAL INTER-PROVINCIAL TECHNICAL COMMITTEE
MOU	MEMORANDUM OF UNDERSTANDING
MS EA	MICROSOFT ENTERPRISE AGREEMENT
MSNIS	MICROSOFT NETWORK INFRASTRUCTURE SOLUTION
MSP	MASTER SYSTEMS PLAN
MSP	MUNICIPAL SUPPORT PROGRAMME
MTREF	MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK
NAFCOC	NATIONAL FEDERATED CHAMBER OF COMMERCE
NEAS	NATIONAL ENVIRONMENTAL AUTHORIZATION SYSTEM
NEMA	NATIONAL ENVIRONMENTAL MANAGEMENT ACT
NEPAD	NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
NGBP	NATIONAL GRASSLANDS BIODIVERSITY PROGRAMME
NIMR	NATIONAL INFORMATION MINIMUM REQUIREMENTS
NMMM	NELSON MANDELA METROPOLITAN MUNICIPALITY
NSDP	NATIONAL SPATIAL DEVELOPMENT PLAN
NSSD	NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT
ORV	OFF ROAD VEHICLE
OTP	OFFICE OF THE PREMIER
PCC	PROVINCIAL CO-ORDINATING COMMITTEE
PEAC	PROVINCIAL ENVIRONMENTAL ADVISORY COMMITTEE
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PGDP	PROVINCIAL GROWTH & DEVELOPMENT PLAN
PMDS	PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEMS
PMS	PERFORMANCE MANAGEMENT SYSTEMS
PMU	PROJECT MANAGEMENT UNIT
PYDP	PROVINCIAL YOUTH DEVELOPMENT PLAN
RoD	RECORD OF DECISION
SABS	SOUTH AFRICAN BUREAU OF STATISTICS
SANBI	SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE
SARS	SOUTH AFRICAN REVENUE SERVICE
SAS	STATISTICAL ANALYSIS SYSTEM
SCM	SUPPLY CHAIN MANAGEMENT
SCOA	STANDARD CHART OF ACCOUNTS
SCOPA	STANDING COMMITTEE ON PUBLIC ACCOUNTS
SEDA	SMALL ENTERPRISE DEVELOPMENT AGENCY
SEDA	SMALL ENTERPRISE DEVELOPMENT AGENCY
SIAS	SHARED INTERNAL AUDIT SERVICES
SITA	STATE INFORMATION TECHNOLOGY AGENCY
SLA	SERVICE LEVEL AGREEMENT
SMME	SMALL, MEDIUM AND MICRO ENTERPRISES
SoER	STATE OF ENVIRONMENT REPORT
SPU	SPECIAL PROGRAMME UNIT
STATS – SA	STATISTICS SOUTH AFRICA
TRC	TRUTH AND RECONCILIATION COMMISSION





