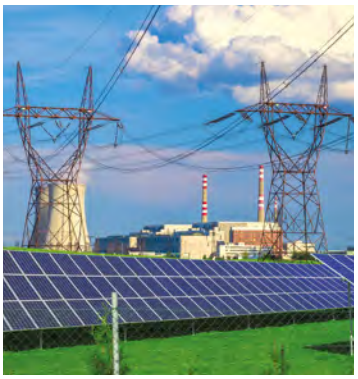
Department of Energy: Vote 26

Annual Report

2015/16



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Part A
GENERAL INFORMATION

1. FOREWORD BY THE MINISTER

On behalf of the South African Government and the management of the Department of Energy (the Department), I am pleased to present the Annual Report for the financial year 2015/16. The purpose of this report is to give Parliament and the public an overview of the resources allocated to the Department and to account for the use of those resources in fulfilling our mandate and the delivery of services.

The Department has continued to focus on its mandate of ensuring the security of supply and pursuing an appropriate energy mix in order to meet the needs of the country's economy which also allows for the growth of the economy. This is done through an integrated energy planning approach while strengthening the regulatory framework within the Energy Sector.

The year under review was characterised by severe shortages in electricity supply resulting in load shedding in various parts of the country. In order to address these challenges, Cabinet adopted the Five Point Plan as a blueprint to mitigate our challenges. The Five Point Plan consisted of supply-side options to encourage Eskom to improve the availability and reliability of the power stations, while increasing power capacity through Independent Power Producers (IPPs). Programmes that were largely earmarked under the IPP Programme related to the renewables, coal technology as well as cogeneration. In this regard, plans have been put in place to ensure that we bring as many megawatts into the system as possible in order to alleviate load shedding. Part of the Five Point Plan included demand-side options whereby South Africans were encouraged to reduce their electricity usage and to become more energy efficient.

Government also recognised that, while this was a short-term challenge, there was a need to accelerate the conclusion of a long-term plan or the Integrated Energy Plan in order to outline our future energy mix and to prioritise key policy interventions within the Energy Sector.

I am happy to indicate that through the IPP Programme, renewable energy, coal, gas and cogeneration has progressed significantly against the target of 17 000 MW by the end of 2022. The Renewable Energy IPP Programme has been very competitive in respect of pricing and time to produce power in the grid and at the same time have made a real socio-economic impact in the communities where these projects are located.

So far, the programme has injected more than R170 billion in capital investment into the South African economy, with South Africans owning an average of over 48% in all IPPs, and with Black South Africans owning an average of at least 28% of these projects. In order to ensure that new generation capacity is increased, I have also promulgated new determinations under the Electricity Regulation Act, 2006 (Act No. 4 of 2006) for an additional 6 000 MW under the Renewable Energy IPP Programme as well as 1 800 MW for cogeneration. This is in line with the existing Integrated Resource Plan (IRP) and the various Request for Proposals (RFP) that were issued during the year under review in order to procure these projects. Side by side with the Renewable IPP Programme, we introduced a small Renewable Energy RFP which targeted smaller projects equal to 5 MW which we provide for a less costly and less complex bidding process. The Small Renewable Energy Programme targets Black Economic Empowerment (BEE) and economic development criteria that have

been introduced in order to ensure that small and medium enterprises owned by Black people are able to participate in the green economy.

As promised in my Annual Plan, the Request for Information for gas power generation was released during the year under review. This is a precursor of the Gas to Power Procurement Programme in respect of which we will be procuring 3 126 MW, with bids expected to be invited in 2016. Furthermore, a proposal in relation to coal technology was also released. Preferred bidders under the Coal Programme were announced during the year under review and approximately 900 MW of project proposals were received and adjudicated.

Negotiations are ongoing with the Democratic Republic of Congo (DRC) to develop the Grand Inga Project, which is the largest hydroelectric power project in the world. This project will be premised on South Africa procuring clean energy from the Southern African Development Community (SADC) region, and the treaty that has been entered into with the DRC provides for preferential procurement status for companies that have a domicile within South Africa and the SADC region. Apart from the Grand Inga Project, we have also encouraged the procurement of small hydro projects under the IPP Programme. This also includes the development of micro-hydro projects.

We have made significant progress in creating regulatory certainty in the Power Generation Sector. In this regard, we have identified the challenges experienced by developers who would like to generate their own power and include transmitting the power to third parties across networks owned by licences. The National Energy Regulator of South Africa (NERSA) has concluded the process of developing the necessary rules for third party access concurrently to the Department putting the necessary policy framework in place.

We have continued to provide access to grid and off grid electricity and in the year under review, R5.6 billion was appropriated to deliver 280 000 grid and off grid connections.

In the liquid field space, we have taken the Biofuels Regulatory Model forward and have concluded addressing concerns about the risk posed by this Programme to the fiscus and to free food security. Through collaboration with National Treasury, the Department of Agriculture, Forestry and Fisheries, the Department of Economic Development and other Government departments, we have provided a framework which we believe will take the Biofuels Industry forward.

During the year, we successfully hosted the South Africa International Renewable Energy Conference (SAIREC) which took place from 3-7 October 2015 in Cape Town. This conference was hosted on African soil for the first time and it was attended by more than 6 000 delegates. A platform was created for various countries to engage with each other on matters related to the Renewable Energy Sector.

> The Department has continued to focus on its mandate of ensuring the security of supply and pursuing an appropriate energy mix in order to meet the needs of the country.

The South African solar water heating market has considerable potential to leverage electricity savings, increase employment opportunities, improve electricity demand management and reduce greenhouse gas emissions. The project seeks to install high pressure, high local content Solar Water Heaters (SWH) in the Domestic Sector. In parallel, the project seeks to facilitate standardising the SWH quality and testing regime, consolidating a widened distribution and maintenance infrastructure, offering attractive financing options and ensuring awareness and involvement on both the supply and the demand side.

To take the opportunities in the green economy further, the SWH Implementation Model was revised and approved by Cabinet for management under the Department. This programme has seen the collaboration of national, provincial and local Government together with private and Public Sector stakeholders. The Department concluded an agreement with the Sector Education and Training Authorities (SETA) responsible for energy and water in terms of which comprehensive and accredited training is a central element of the SWH rollout model. Energy efficiency is recognised as one of the most

cost effective ways of improving energy security and shifting toward low-carbon development. In order to create a “pro-energy efficient” environment, the South African National Energy Efficiency Strategy (NEES) enhances energy efficiency through enabling instruments and interventions.

In accordance with the 2005 National Energy Efficiency Strategy, a national energy efficiency improvement target of 12% reduction in energy intensity was set to be achieved by 2015. This overall national target is divided into sub-targets for each sector, including the Public and Commercial Building Sector of 15%. The Department collaborated with the Department of Public Works to collect energy data in public buildings as part of the pilot phase of the Energy Efficiency Target Monitoring System. Meters were installed to measure and collect electricity consumption data, and to conduct detailed audits of building occupancy, size, electrical appliances used, and potential energy efficiency and renewable energy measures that can be introduced to reduce the energy consumption.

To support the effectiveness of the NEES, regulations have been published for compulsory Energy Management Plans to be developed and put in place by intensive energy end users whose consumption at a contiguous site is above a certain threshold. Such users are required by law to submit energy management plans, so as to assist Government in the planning and monitoring of energy consumption.

With electricity being a premium energy source, we have applied our minds to ways of conserving electricity and to use it for the applications that it is best suited for. Petroleum products are still the lifeblood of the economies throughout Sub-Saharan African countries. They are key fuels used in road transport, power generation and for lighting and cooking in ordinary households.

The traditional use of solid biomass for cooking accounts for the largest part of household energy consumption. Major natural gas potential as well as discoveries in both offshore waters as well as onshore locations (Mozambique, Tanzania and South Africa) are creating high expectations.

Currently, the Department is aware of the pricing structure challenge in terms of the maximum retail Liquefied Petroleum Gas (LPG) price remaining the highest cost fuel alternative to the consumer. We are working on rectifying this aspect of the LPG market in consultation with relevant stakeholders through the development of the Liquid Fuels Master Plan process. Evidence of the drive toward lifting constraints on supply infrastructure in South Africa is that NERSA granted licences for the construction of four major terminal facilities at the ports of Saldanha Bay, Richards Bay and Ngqula, with a combined storage capacity of approximately 65 000 m^3. Although the approvals of additional storage capacity will improve the security of supply of LPG, some risks remain in the Western Cape, specifically the Cape Town metropolitan area where consumption rates are high. Upon completion (most will be operational by 2018), these projects will significantly improve the security of the supply of LPG.

> Government remains committed to ensure energy security for the country through the rollout of the Nuclear New Build Programme.

In May 2015, the Gas to Power Programme commenced with a formal Request for Information, which was intended to solicit information from participants in the gas to power industry. We have indeed received information on a number of interesting LPG-based project options. This information is being used to design the procurement documentation for the Gas to Power Programme.

South Africa’s vision for nuclear power is based on the Nuclear Energy Policy of 2008 that provides a framework within which the following is to take place: prospecting, milling, mining, the use of nuclear materials, and the development and utilisation of nuclear energy for peaceful purposes. Government remains firmly committed to an open, fair and transparent procurement process with due regard to implementing the programme at a scale and pace that our country can afford. The RFP for the Nuclear New Build Programme (NNBP) of 9 600 MW will be released to the market during the 2016/17 financial year in line with the Cabinet decision taken on 9 December 2015. A Section 34 Ministerial Determination in terms of the National Energy Regulator Act (Act No. 40 of 2004) on the NNBP was also gazetted in December 2015.

During the February 2016 State of the Nation Address, President Jacob Zuma directed that:

"We will test the market to ascertain the true cost of building modern nuclear plants. Let me emphasise that we will only procure nuclear on a scale and pace that our country can afford."

As part of procurement preparation for the NNBP, the Department has appointed Transaction Advisors to conduct an independent assessment of the RFP and other pre-procurement activities in order to ensure the state of readiness before testing the market.

In March 2016, Eskom, the owner and operator of the nuclear plants, as part of the regulatory process has submitted a final Environmental Impact Assessment to the Department of Environmental Affairs for approval. In addition, a Nuclear Installation Site Licence Application has been submitted to the National Nuclear Regulator (NNR) for assessment.

Extensive nuclear skills development and training is taking place both in South Africa and in countries abroad to ensure that the country has a sufficient supply of skills and expertise to meet the human resource needs required by the NNBP.

Government remains committed to ensure energy security for the country through the rollout of the NNBP as an integral part of the energy mix to provide reliable and sustainable electricity supply as part of mitigating the risk of carbon emissions. The NNBP will enable the country to create jobs, develop skills, create industries and catapult the country into a knowledge economy.

Allow me the opportunity to express my gratitude to the Deputy Minister, Ambassador Thembisile Majola, the Director-General, Mr Thabane Zulu, Team Energy, State-Owned Entities (SOE) reporting to the Department and all other stakeholders for working together in ensuring that we all contribute to the work mandated to the Department.

Hon. Tina Joemat-Pettersson (MP)
Minister of Energy

2. REPORT OF THE ACCOUNTING OFFICER

2.1 Introduction

It gives me a great pleasure to present to the Minister, the Department of Energy's (Department's) Annual Report for the financial year ending 31 March 2016.

The Department's mandate is to develop and implement policy imperatives that ensure the security of supply and improving access to sustainable energy by all South Africans. This we have done through, amongst other manners, ensuring that we develop and implement appropriate policies that address the gaps in our regulatory framework, keeping the lights on, ensuring that refineries produce adequate supplies and the acceleration of the development of renewable energy resources to achieve a more sustainable energy mix. We are geared towards continuing this in the future.

2.2 Overview of the Department of Energy's Operations

During the 2015/16 financial year, the Department continued to implement its key strategic priorities, which are aligned to the Government's outcomes based-approach and key policy objectives as set out in the National Development Plan (NDP), the New Growth Path (NGP), the Industrial Policy Action Plan 2 (IPAP2) and the Presidential Infrastructure Coordinating Commission (PICC). With the adoption of the Nine Point Plan during the financial year under review, this has set the Energy Sector on an accelerated course to resolving energy challenges for many years to come.

2.3 Energy Planning, Policy and Clean Energy

Although the country has not experienced load shedding or power disruptions since September 2015, we are not out of the proverbial "woods" yet. To this end, the Department has made significant progress and is continuing with the implementation of the Nine Point Plan to resolve energy challenges. The Nine Point Plan prioritises the following: the Gas Infrastructure Plan, National Solar Heating Programme, Municipal Energy Efficiency and Demand Side Management (EEDSM) (0.5 TWh savings), Public Buildings EEDSM, Integrated Resource Plan (IRP) Update, Integrated Energy Plan (IEP), Biofuels Programme and Independent Power Producer (IPP) Programme.

In a rapid changing economy and complex energy challenges, the Department is required to constantly review its legislation to align statutes with the changing demands of economy. Several legislative and policy initiatives were undertaken during the period under review, but because a number of these required wide consultation, none were concluded during the 2015/16 financial year. We are mindful of the importance of these and are working hard with the relevant structures and stakeholders to have these legislations finalised in the next financial year.

2.4 Nuclear Energy

The Nuclear Energy Expansion Programme is a central feature of our future energy mix, given the need to provide base load electricity and also meet the significant greenhouse gas emissions reduction target we have set for our country. We are confident that our Nuclear New Build Programme (NNBP) will

respond to job creation needs by creating employment and fighting poverty. It will also provide assurance to the investors for the security of energy supply for industrial purposes.

The Department has done significant work around the NNBP since the preparatory work has commenced for the deployment of at least 9 600 MW of nuclear power fleet by 2030. This is in line with IRP for 2010 which will ensure that the South African socio-economic vision defined in the NDP up to 2030 is in part realised.

The NDP implored Government to undertake detailed investigations prior to making a final decision on whether to deploy the NNBP. These detailed technical investigations culminated in the various studies and strategies, were considered by Cabinet. Cabinet decided to allow the Department to issue a Request for Proposal (RFP) to test the market appetite for the Nuclear Programme.

The RFP phase establishes precise information to fully appraise Cabinet to be able to take a final decision on the best arrangement to implement the NNBP.

This would inform the price, affordability, pace and scale at which the programme should be implemented. It is therefore important to mention that we will only implement what our country can afford. We will ensure that the process is above board and in line with all applicable laws of the country.

2.5 Petroleum Regulation

In the year under review, we have seen a noticeable improvement in the turnaround time of petroleum licence applications. Significant improvement has also been made in the inspections and enforcement of the Petroleum Licensing Conditions.

The petroleum landscape in Southern Africa is changing and with that change, a number of new challenges and opportunities are emerging. The oil majors no longer find the downstream petroleum sector as an attractive proposition. In line with the NDP, the Department will make definitive decisions on the petroleum refining capacity in South Africa in the next 12 months. The IEP will also inform the decision regarding new refining capacity requirements.

2.6 Electrification Programme

South Africa has a successful electrification programme, with over 250 000 households electrified during the 2015/16 financial year. Through an integrated programme incorporating *inter alia* grid and non-grid technologies, electrification of formal housings has more than doubled from 34% in 1994 to 88% in 2015.

Notwithstanding the successes of our electrification campaign, the Renewable Energy Independent Power Producer Programme (REIPPP) is the Department's flagship electrification programme through which a total of 4 322 MW has been procured in less than four years. The IPP Programme will continue to evolve in order to effectively respond to the planning and development needs within the current energy context.

"The petroleum landscape in Southern Africa is changing and with that change, a number of new challenges and opportunities are emerging.

2.7 State-Owned Enterprises

The State-Owned Enterprises (SOEs) reporting to the Department are instrumental in carrying out the Department's programmes and promoting developmental and transformational objectives. Notwithstanding the governance challenges, the Department continues to provide leadership and strengthen its oversight function over the SOEs in order for them to perform optimally. We are confident that the emphasis on effective oversight and accountability over these institutions will over the medium to long term period make the SOEs respond to the current governance challenges being experienced. Significantly and under the leadership of the Deputy President, we participate in the Inter-Ministerial Committee (IMC) on SOEs championing the turnaround strategies for Government-wide SOEs.

2.8 International Relations Programmes

The Department continued to focus on securing the country's energy security through maintaining and sourcing international agreements with countries of interests. These engagements were in line with the Department's strategic objectives.

During the year under review, there has been a significant increase in the number of international programmes undertaken which focused primarily on exchange programmes around capacity building, creating access to funding and technology between South Africa and other regions (Africa included).

In October 2015, South Africa hosted the first ever South African International Renewable Energy Conference (SAIREC) on the African continent. Attended by over 6 000 delegates from 82 countries, the conference is aimed at advancing renewable energy programmes needed for regulatory frameworks for renewables, and improving energy access, to mention a few.

2.9 Overview of the Financial Performance

During the year under review, the Department received the budget allocation of R7.3 billion. Although the Department has had an upward trend on its workload and encountered challenges, especially with regard to leadership vacancies, we have managed to spend 98% of our budget by the year end.

Owing to the low economic growth of the economy, including the low revenue estimates of the country over the 2016 Medium-Term Expenditure Framework (MTEF) period relative to the estimates contained in the Medium-Term Budget Policy Statement (MTBPS), substantive budget reductions were implemented by National Treasury and this is expected to continue over the outer years of the MTEF period.

2.10 Human Resource Matters

Government is operating within a very tight fiscal position and this has made it difficult to deal and or reduce the vacancy rate within the Department due to the need to manage and keep within the ceiling for compensation of employees. Related to this is the fact that the public sector wage negotiations concluded in 2015 came in higher than planned, adding more strain to the budget for compensation of employees.

At the beginning of the financial year, the Department had planned to achieve a vacancy rate below 10%, however, this target has not been met and instead sits at 11.21% which is 1.21% above the planned target at the beginning of financial year.

Despite the gloomy picture above, we can report that in terms of staffing, the Department has 2% of people with disabilities and 50% of women in Senior Management Service (SMS) positions.

We also contribute immensely to the Government Internship Programme with a total of 54 interns being beneficiaries of this programme during the period under review.

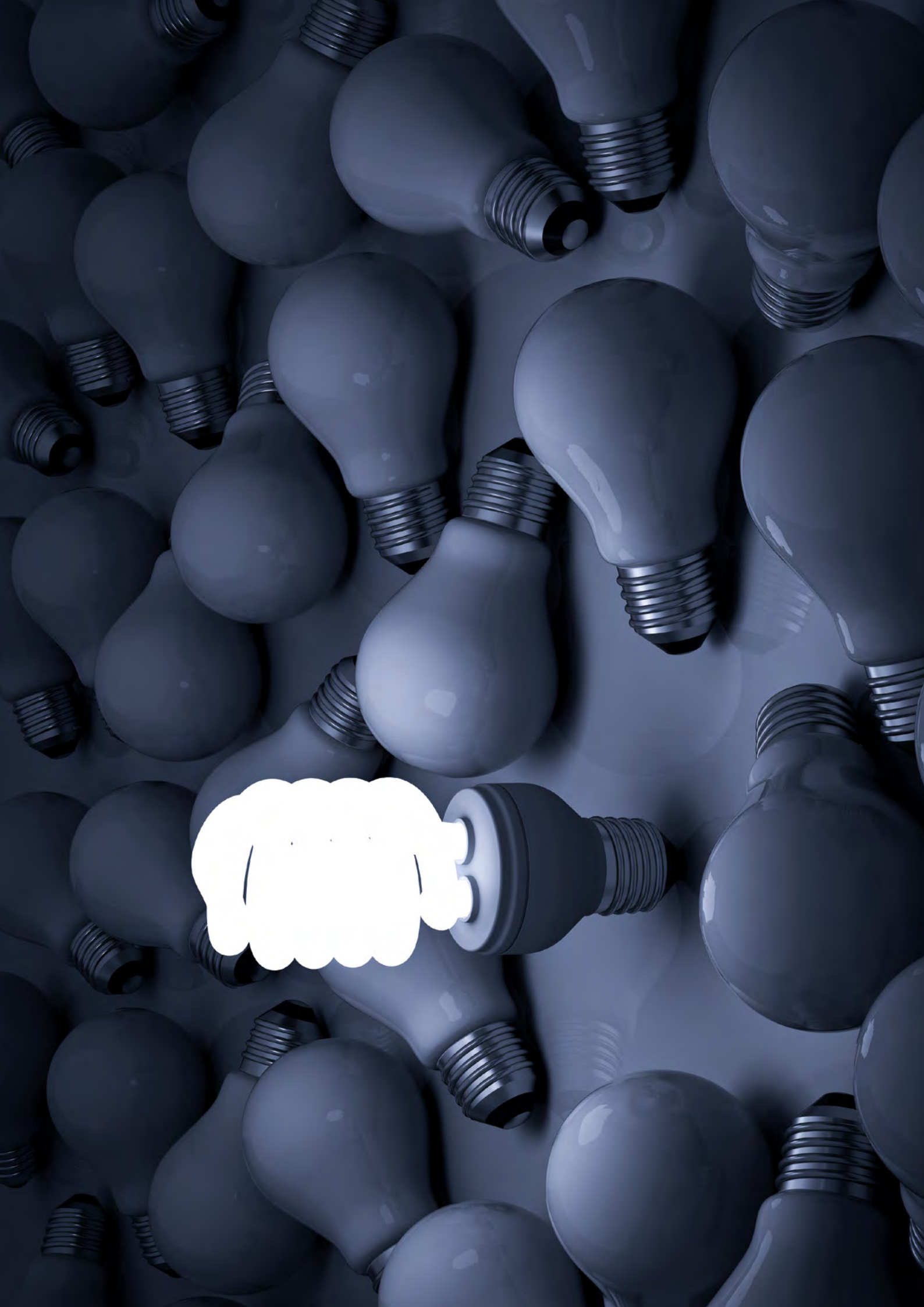
2.11 Conclusion

In conclusion, it is my pleasure to report to Executive Authority of the Department, Minister Tina Joemat-Pettersson and Deputy Minister Thembisile Majola, that the Department has received an unqualified audit report from the Auditor-General.

I would like to thank the Minister, the Deputy Minister and the Chairperson of the Portfolio Committee on Energy for their support and guidance during the year under review. Their leadership has made it possible for the Department to achieve most of the set objectives amid difficult circumstances at times.

I would also like to extend my gratitude to the oversight bodies, in particular the Department Audit Committee, Team Energy, the leadership of our SOEs, my colleagues in other Government departments, and importantly our energy stakeholders for their tireless efforts in making sure that the Department delivers on its mandate of ensuring security of energy supply and improving the quality of life of all South Africans.

Mr Thabane Zulu
Director-General



3. OVERVIEW OF THE FINANCIAL RESULTS

Table 1: Overall performance

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
R'000	R'000	R'000	R'000
7 482 094	7 267 619	7 142 117	125 502
Responsible Minister	Minister of Energy		
Administering Department	Department of Energy		
Accounting Officer	Director-General of Energy		

The Department's budget allocation increased from R7.44 billion in 2014/15 to R7.48 billion in 2015/16. The original indicative allocation of R7.98 billion in 2015/16 was adjusted downward to R7.48 billion by incorporating the following adjustments during the 2015 MTEF budget process:

- Compensation of employees: reduced by R22.1 million
- Goods and services: reduced by R15.59 million
- Payments for capital assets – reduced by R235 000
- Transfer payments: net reduction of R488.43 million made up of:
  - Conditional grants to municipalities: reduced by R86.16 million
  - Departmental agencies (transfers to entities): net-reduction of R47.16 million
  - Public corporations and private enterprises: net reduction of R338.48 million
  - Membership fees to foreign entities – increase of R4.13 million

During the 2015 Adjusted Estimates of National Expenditure process (AENE), the Department's 2015 final budget allocation of R7.48 billion was adjusted downwards to R7.27 billion. The factored adjustments were:

- An additional amount of R35.53 million rolled over from the 2014/15 financial year to the 2015/16 financial year to finalise payments carried over from the previous financial year in respect of the Integrated National Electrification Programme (INEP) Non-Grid Project's implementation.
- A budget reduction of R250 million from the National Solar Water Heater Programme (NSWHP) as savings identified by the National Treasury.

Following the receipt of virement approvals from both the Accounting Officer and the National Treasury to utilise identified savings from certain main divisions of the vote to defray excess expenditure in other main divisions of the vote, the 2015/16 final appropriation is shared by programmes as follows:

- Programme 1: Administration 3.82% including international membership fees (R368 000), Sector Education and Training Authority's (SETA) annual fees (R792 000) and households (R3.63 million)
- Programme 2: Energy Policy and Planning 0.56%
- Programme 3: Petroleum and Petroleum Products Regulation 0.95%
- Programme 4: Electrification and Energy Programme and Project Management 80.14%, including grant payments to Eskom and municipalities in respect of the National Electrification Programme totalling to R5.76 billion
- Programme 5: Nuclear energy 9.01% including transfer payments to Nuclear Energy Corporation of South Africa (Necsa) (R580.35 million), National Nuclear Regulator (NNR) (R21.49 million), and international membership fees (R27.93 million)
- Programme 6: Clean Energy 5.52% including transfer payments for South African National Energy Development Institute (SANEDI) (R64.86 million), the Energy Efficiency and Demand Side Management (EEDSM) Programme (R290.42 million) and international membership fees (R1.33 million)

Table 2: Budget share per programme

2015 Estimates of National Expenditure	Budget (R'000)	Share (%)
Programme 1: Administration	276 738	3.81
Programme 2: Energy Planning & Policy	40 586	0.56
Programme 3: Petroleum & Petroleum Products Registration	69 008	0.95
Programme 4: Electrification & Energy Programme & Projects Management	63 875	0.88
Programme 5: Nuclear Energy	25 346	0.35
Programme 6: Clean Energy	44 351	0.61
South African National Energy Development Institute	64 861	0.89
Generation International Forum	600	0.01
Foreign International Atomic Energy Agency & Renewable Energy Agency	27 325	0.38
Demand Side & Efficiency Programme	290 421	4.00
Nuclear Energy Corporation of South Africa	580 358	7.99
National Nuclear Regulator	21 487	0.30
Integrated National Electrification Programme	5 760 175	79.26
Sector Education & Training Authorities	792	0.01
Households	368	0.01
International Energy Forum	1 328	0.02
International Renewable Energy Agency	276 738	3.81
Total	**7 544 357**	**103.840**

Earmarked transfer payments to public entities, municipalities and other implementing institutions amounted to R6.75 billion or 92.90% of the Department's revised budget of R7.27 billion while current expenditure, composed of compensation of employees and the procurement of goods and services, accounted for 7.04%.

The Department withdrew its entire revised allocation of R7.27 billion during the 2015/16 financial year from the National Revenue Fund in order to fund various departmental operations. From this withdrawn amount, R7.14 billion was utilised resulting in a budget underspending of R125.50 million or 1.73%. The major contributors to this underspending are the transfer payments and the current payments economic classifications with Year-to-Date budget balances of R123 million or 1.82% and R2.29 million or 1.06% respectively.

Table 3: Departmental receipts

Departmental Receipts	2015/16			2014/15		
	Estimated Amount	Actual Amount Collected	(Over)/Under Collection	Estimated Amount	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods & services other than capital assets	2 851	3 885	-1 034	2 591	3 133	-542
Transfers received	513	1 059	-546	-	1 587	-1 587
Interest, dividends & rent on land	28	489	-461	90	47	43
Sales, capital, assets	111	111	-	-	-	-
Transactions in financial assets	447	800 443	-799 996	572	510	62
Total	**3 950**	**805 987**	**-802 037**	**3 253**	**5 277**	**-2 024**

Departmental revenue is mainly derived from the receipt of administration fees for license applications processed in terms of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003). The 2015/16 original collection target for administrative fees or petroleum license fees was a total of R2.51 million, representing 86.62% of the total 2015/16 revenue target of R2.89 million.

Collection targets for departmental receipts were adjusted upwards following a mid-year review of actual receipts during the 2015 AENE process. Total projected departmental receipts were adjusted upwards from R2.89 million to R3.95 million to cater for increases in receipts for administrative fees, interest, transactions in financial assets, sale of capital assets and grants received from affiliated energy SETAs.

During the 2015/16 financial year, an amount of R1.06 million was received by the Department from affiliated energy SETAs. As per the National Treasury's requirements, this amount was surrendered to the National Revenue Fund. The Department is participating in several learner programmes that are funded by SETAs and is used to implement learner and training programmes. Although the funding was surrendered to the National Revenue Fund during the 2015/16 financial year, funding for SETA's learner programmes is appropriated annually as earmarked allocations for learner and training programmes.

During the 2015/16 financial year, departmental revenue increased significantly due to the receipts of the following once-off amounts:

- The auction of redundant departmental vehicles yielded R111 000. This amount was surrendered to the National Revenue Fund in terms of Public Finance Management Act, 1999 (Act No. 1 of 1999) requirements.
- A total of R800 million from Eskom representing unspent funds from its tenure as the implementing agent of the NSWHP. This is following the termination of the DoE-Eskom Memorandum of Agreement (MoA) in respect of the NSWHP's implementation in November 2014 and the approval of a revised contracting model by Cabinet. This receipt was also surrendered to the National Revenue Fund in terms of Public Finance Management Act, 1999 requirements.

Table 4: Departmental expenditure

Departmental Expenditure per Economic Classification	2015/16			
	Final Appropriation	Actual Expenditure	Actual % budget spent	Available
	R'000	R'000	%	R'000
Compensation of employees	296 219	296 009	99.93	210
Goods & services	215 588	213 299	98.94	2 289
Transfers & subsidies	6 751 374	6 628 379	98.18	122 995
Payments for capital assets	4 432	4 424	99.83	8
Payments for financial assets	6	5	90.99	1
Total	**7 267 619**	**7 142 117**	**98.27**	**125 502**

The Department's original appropriation for the 2015/16 financial year was R7.48 billion. Following the conclusion of the mid-year adjustment process for the AENE, this allocation was adjusted downwards from R7.48 billion to R7.27 billion. Although the National Treasury granted approval to roll funds of R35.53 million over from the 2014/15 financial year to the 2015/16 financial year to finalise payments carried over from the previous financial year in respect of the INEP Non-Grid Project, the National Treasury identified savings totalling R250 million from the NSWHP during the 2015 adjusted budget process thereby decreasing this programme's budget allocation.

In 2015/16, the NSWHP was originally appropriated a total budget of R398.32 million, appropriated exclusively for transfer to Eskom, as the implementing agent of the programme. The NSWHP was announced in 2009 with objectives to reduce electricity demand, mitigate the adverse climate change, cushion the poor against high electricity tariffs, facilitate the creation of a local manufacturing industry and create employment opportunities. Since the advent of the NSWHP in 2009, the Department appointed Eskom as the implementing agent through entering into a MoA that specified a framework of funding conditions.

With the emergence and acceleration of South Africa's NNBP, Eskom procurement cycles became lengthy (28.5 weeks at best). As a consequence, Eskom's pace of delivering the programme was negatively affected as impacted by competing priorities within Eskom. In October 2014, Eskom informed the Department that only R500 million of the R1.6 billion appropriated in 2014/15 can be utilised. Eskom's slow delivery of the programme was also attributed to a number of implementation challenges, including, but not limited to:

- Poor quality NSWHP installation workmanship due to lack of training, thus resulting in the programme's reputational damage
- Unreliable verification of the number, functionality status and location of installed systems due to a lack of systematic reporting and independent verification processes
- Lack of full life cycle management of installed systems, etc.

The need to comply with the Solar Water Heater (SWH) designation requirements prompted the Department to launch a Request for Registration and Information (RFRI) process. The RFRI process was concluded in June 2014. This meant that Eskom, despite the operational challenges, could only initiate the procurement process three months into the 2014/15 financial year. On account of the aforementioned challenges, a re-engineering of the programme by the Department was undertaken culminating in the termination of the DoE-Eskom MoA in November 2014. This was followed by the preparation and submission to Cabinet of a request for approval of the Revised Contracting Model. The Revised Contracting Model addresses all the implementation challenges previously faced by the programme. The approval by Cabinet was obtained on 24 June 2015. The Department subsequently implemented corrective measures to implement and manage the programme in-house.

Cabinet further approved that the matter of the transfer of funds be finalised in consultation with the Minister of Finance. Due to the timing of the aforementioned Cabinet approval, the Department could only initiate the process of amending the appropriation of funding for the implementation of the new SWH project and related procurement models following the conclusion of the 2015/16 AENE process. Due to delays in implementing the revised contracting model, a total amount of R250 million was surrendered to the National Revenue Fund through the appropriate channels. This consequently reduced the number of targeted installation of SWH units from 45 141 to 15 000 units in the 2015/16 financial year.

The Department's total expenditure for the year under review was R7.14 billion or 98.27% of the total 2015/16 final appropriation of R7.27 billion. This resulted in an unspent budget of R125.50 million or 1.73%.

The Department submitted a motivation to the National Treasury for approval of roll-over funds for the following:

- INEP Non-Grid Project, transfer payment of R10.41 million that could not be disbursed due to late receipt of invoices from service providers as well as a late uptake of systems from one of the concession areas, i.e. KwaZulu-Natal.
- EEDSM – Transfer payments of R112.52 million relating to the implementation of the NSWHP that could not be finalised before 31 March 2016 due to the technical and complexity of the bid process and subsequent delays in the appointment of services providers.
- Non-personnel current expenditure – A total of R3.83 million that was not paid to service providers before 31 March 2016 in relation to the measurement and verification of energy savings achieved from the implementation of energy saving projects by municipalities participating in the EEDSM Programme.

3.1 Budget Variance per Economic Classification

3.1.1 Compensation of employees

The expenditure in this economic classification is on par with the revised or final appropriation.

3.1.2 Goods and services

The underspending of R2.29 million or 1.06% of the total adjusted budget is mainly attributable to the delayed appointment of service providers, hence the late commencement of projects resulting in incomplete projects at year-end as reflected by the underspending in the consultants and business advisory cost item.
The affected projects are:

- A study and data collection on the energy footprint and energy savings potential in heavy industry
- An independent technical audit, Measurement and Verification (M&V) of energy savings achieved from the implementation of municipal EEDSM programmes.

> A request has been submitted to the National Treasury to roll-over a total of R122.94 million to the 2016/17 financial year to finalise non-grid electrification projects and implement the NSWHP.

3.1.3 Transfers and subsidies

The Department disbursed payments totalling R6.63 billion to public entities, municipalities and implementing agents during the year under review, which resulted in a budget underspending of R123 million or 1.82% at year-end. The underspending is mainly due to:

- A total of R10.41 million budget balance from earmarked funds for transfer to INEP Non-Grid service providers that could not be transferred due to the late uptake of systems in a certain concession area and the late receipt of claims from some service providers.

- A total of R112.52 million earmarked for the implementation of the NSWHP. After the re-engineering of the programme by the Department, the DoE-Eskom MoA for the programme's implementation was terminated. The Department proceeded with the necessary engagements with Cabinet in order to obtain Cabinet's approval for the Revised Contracting Model. The Appropriation Act, 2014 (Act No. 33 of 2014) which listed Eskom as the implementing agent, was amended through the adjustments budgeting process listing the Department as the implementing agent, thereby replacing Eskom. The procurement process was delayed and the evaluation of bids also took longer than anticipated due to the complex technical requirements.

A request has been submitted to the National Treasury to roll-over a total of R122.94 million to the 2016/17 financial year to finalise non-grid electrification projects and implement the NSWHP.

3.1.4 Payment for capital assets

The expenditure in this economic classification is on par with the revised or final appropriation.

3.1.5 Expenditure trend

Spending in the 2015/16 financial year started slowly with expenditure of only 4.25% during April 2016. Expenditure increased during May 2016 resulting in 26.08% of the budget being utilised at the end of the first quarter. Spending increased further during the second quarter to 36.53%, and with a total of 62.60% of the budget being expended by mid-year. Spending decreased in the third and fourth quarters to 22.94% and 12.73% respectively resulting in a total of 35.67% of the budget being disbursed in the second half of the financial year. The spending trend during the last quarter was significantly affected by the non-disbursement of transfer payments to SWHP and non-grid service providers as a result of the challenges experienced in these programmes.

Expenditure was significantly high during the months of May 2016 (16.70% of total budget spent) attributable to transfer payments to Eskom under the INEP Eskom grant which could not be transferred in April 2015 as planned due to the delayed gazetting of the 2015/16 Division of Revenue Act, 2015 (Act No. 1 of 2015). The transfer figures for July 2015 and September 2015 (13.92% and 14.32% respectively of total budget spent) are attributable to transfer payments made to Eskom and municipalities under the INEP.

Table 5: Programme expenditure

Departmental Expenditure per Programme	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Exprnditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	277 898	277 767	131	260 601	257 168	3 433
Energy Policy & Planning	40 586	38 095	2 491	53 053	41 749	11 304
Petroleum and Petroleum Products Regulation	69 008	68 958	50	78 210	64 548	13 662
Electrification and Energy Programme & Project Management	5 824 050	5 820 485	3 565	4 217 327	4 180 973	36 354
Nuclear Energy	655 116	655 029	87	846 529	845 418	1 111
Clean Energy	400 961	281 783	119 178	1 982 074	830 257	1 151 817
Total	**7 267 619**	**7 142 117**	**125 502**	**7 437 794**	**6 220 113**	**1 217 681**

3.2 Budget Variance per Programme

3.2.1 Programme 1: Administration

The expenditure in this programme is on par with the revised or final appropriation.

3.2.2 Programme 2: Energy Policy and Planning

The R2.49 million or 6.14% budget underspending in this area is mainly due to planned projects which were not finalised by year end as anticipated affecting and leading to budget underspending in the item "Consultants and business advisory services" (R2.11 million) attributable to challenges experienced in the project to study and collect data on the energy footprint and energy savings potential in heavy industry. Subsequent to the awarding of the contract, the appointed service provider was liquidated and the Department's process of replacing this provider with another provider, was not successful. A budget saving of (R265 000) is located in various items such as consumables, advertising, catering and communication attributable to cost saving measures while vacancies resulted in an underspending (R115 000) in the compensation of employees' classification.

3.2.3 Programme 3: Petroleum and Petroleum Products Regulation

The expenditure in this programme is on par with the revised or final appropriation.

3.2.4 Programme 4: Electricity and Energy Programme and Project Management

The budget underspending of R3.56 million or 0.06% in this area is mainly due to the underspending in the INEP Non-Grid Project (R10.41 million) for the installation of solar home systems as a result of a late uptake of systems in one of the concession areas as well as late submission of claims by service providers. A request has been submitted to the National Treasury to roll this balance of R10.41 million over to the 2016/17 financial year to enable service providers to complete work in their designated areas and also to allow proper evaluation of work performed prior to final payments. This programme also had a budget shortfall in the current payments area due to budget overspending in travel and subsistence (R2.84 million) related to verification activities linked to completed and unfinished electrification projects and travel for Public Participation Programme (PPP) events, venues and facilities (R2.67 million) and advertising/promotional items (R222 000) related to PPP events; a total of twelve events were conducted during the year under review. The administrative fees (R551 000) and fleet services (R203 000) items also contributed to the overspending due to travel agency costs and consumables linked to the travel undertaken. The balance of the overspending (R360 000) is found in various operational items mainly insurance for subsidised vehicles, leases for photocopy machines, communication etc., due to limited resources within this programme.

3.2.5 Programme 5: Nuclear Energy

The expenditure in this programme is on par with the revised or final appropriation.

3.2.6 Programme 6: Clean Energy

The R119.18 million or 29.72% budget underspending is in the consultants and business advisory services item (R6.01 million) mainly attributable to a project which could not be finalised before year-end as anticipated for an independent technical audit, M&V of energy savings achieved from the implementation of the municipal EEDSM Programme as well as the late completion of the procurement process for the implementation of the NSWHP (R112.52 million).

After the termination of the DoE-Eskom MoA for the implementation of the NSWHP, Cabinet was consulted in the current financial year for approval of a Revised Contracting Model. This was followed by the amendment of the Appropriation Act, 2014, during the Adjustments period in September 2016, listing the Department as the implementer of the programme replacing Eskom. The start of the procurement process and the evaluation of tenders which took longer than anticipated, negatively affected the project in the year under review. The procurement process was however, completed with the preferred bidders being appointed.

A request has been submitted to National Treasury to roll-over funding for both the M&V of energy savings achieved from the implementation of the municipal EEDSM Programme and the implementation of the NSWHP.

Table 6: Major spending areas

Departmental Expenditure Share	2015/16	
	Actual Expenditure	Expenditure Share
	R'000	%
Compensation of employees	296 009	4.14
Goods & services	213 299	2.99
Transfers & subsidies	6 628 379	92.81
Payments for capital assets	4 424	0.06
Payments for financial assets	5	0.00
Total	**7 142 117**	**100.00**

As can be seen in *Table 6*, current expenditure, consisting of compensation of employees and the procurement of goods and services, accounted for 7.13% of the Department's 2015/16 total expenditure of R7.14 billion.

Earmarked transfer payments to public entities, municipalities and other implementing institutions amounted to R6.63 billion or 92.81% of the Department's total expenditure during the 2015/16 financial year.

Major spending items under the category of goods and services are included in *Table 7.*

Table 7: Major cost drivers

Expenditure Item: Goods & Services	Actual Spending 31 March 2016	Expenditure Share
	R'000	%
Travel & subsistence	65 249	30.59
Operating leases	34 063	15.97
Consultants: Business & advisory services	25 828	12.11
Venues & facilities	15 373	7.21
Advertising	13 785	6.46
Computer services	9 839	4.61
Communication	7 613	3.57
Consumables	5 695	2.67
Administrative fees	5 663	2.65
Operating payments	4 898	2.30
Training & development	4 664	2.19
Audit cost – external	4 233	1.98
Property payments	4 082	1.91
Agency & support/outsourced services	3 305	1.55
Contractors	2 560	1.20
Catering	1 961	0.92
Fleet services	1 586	0.74
Minor assets	1 036	0.49
Legal services	924	0.43
Bursaries (employees)	610	0.29
Transport provided as part of the Departmental activities	238	0.11
Rental & hiring	93	0.04
Entertainment	1	0.00
Total	**213 299**	**100.00**

The top five cost items collectively accounted for 72.34% of the total goods and services expenditure of R213.30 million during the 2015/16 financial year. Comparatively with the previous financial years, the top three costs in the Department are still travel and subsistence, operating leases and consultants/ business, and advisory services. The Department's spending on goods and services is dominated by travel and subsistence costs, accounting for 30.59% of the total goods and services expenditure. This is in relation to certain core functions performed by individual branches such as petroleum license and site inspections by the Petroleum and Petroleum Products Regulation branch, the verification of electricity connections by the Electrification and Energy Programme and Projects Management Branch and international obligations by all branches. Of the total spent on this cost, 76.74% was spent on domestic travel while 23.26% went to foreign travel.

3.3 Virement Approvals

3.3.1 Monetary contribution to the International Atomic Energy Agency for the Renovation of the Nuclear Applications Labaratories Project

The International Atomic Energy Agency (IAEA) serves as the world's foremost international governmental forum for scientific and technical cooperation in the peaceful use of nuclear energy. It was established as an autonomous organisation of the United Nations in 1957. Currently the services, programmes and activities of the IAEA are based on the needs of some 162 member states. The IAEA, in conjunction with member states and multiple partners worldwide promotes safe, secure and peaceful nuclear technologies. South Africa has been a member state since 1957.

The agency assists member states in the development of their nuclear infrastructure through the transfer of relevant data, expertise and technology. The agency's work rests on three pillars namely; nuclear technology, nuclear safety and nuclear non-proliferation. Nuclear non-proliferation is the verification that nuclear technology is being used only for peaceful purposes. A major part of the work focuses on programmes that can be safely applied to everyday life in food, agriculture, health, industry radiation protection and public information.

At the 55th Session of the General Conference, the Secretariat was called upon to modernise the IAEA's Nuclear Applications Laboratories at Seibersdorf, Austria, in order to ensure the maximum benefits to member states, especially developing states. Further resolutions were passed at subsequent conferences requiring the Nuclear Applications Laboratories to be fully fit-for-purpose, complying with health and safety standards.

The 56th Session of the General Conference urged the Secretariat to expedite the planning process for the refurbishment of the laboratories. The General Conference invited member states to make financial commitments and contributions, in-kind contributions and active support for the attainment of the goal of completion of the Renovation of the Nuclear Applications Labaratories (ReNuAL) project. The General Conference also encouraged the Secretariat to fully explore and establish resource mobilisation mechanisms, including the Friends of ReNuAL. The Friends of ReNuAL is a group of member states in support of the project and continues to grow under the co-chairmanship of South Africa and Germany. Current members are South Africa, Germany, Brazil, China, India, the Russian Federation, Kenya, France, Japan, Indonesia, Malaysia, Egypt, Saudi Arabia, Kuwait, South Korea and Austria.

The Minister of Energy granted approval in November 2014 that an amount of R3 million is made available as a monetary contribution for this purpose. In terms of the Treasury Regulation 21.1, the Accounting Officer may approve gifts, donations and sponsorships of state money and other movable property in the interest of the state. However, when such cash amounts exceed R100 000 per case, the approval of the relevant legislature must be sought by including the item separately in the Appropriation Bill. Taking into consideration the timing of the approval granted by the Minister, the Department could only request approval for the once-off monetary contribution of R3 million to the extra-budgetary funds for ReNuAL (IAEA) as a separate item in the 2015/16 Adjustments Appropriation Bill, 2015 (Bill No. 28 of 2015).

National Treasury subsequently granted approval in September 2015 for the creation of a new once-off transfer payment to international organisations, R3 million, for the payment of a monetary contribution to the IAEA during the 2015/16 financial year as per *Table 8.*

Table 8: Reprioritisation of funding

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Goods & Services	3 000	Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Transfers & Subsidies (IAEA)	3 000
Total	**3 000**	**Total**	**3 000**

3.3.2 Finance Committee Recommendations

August 2015 meeting

During a scheduled Finance Committee meeting in August 2015, the financial performance of the Department for the period ended 31 July 2015 was presented to members. The goods and services item reflected the Year-to-Date budget underspending of R16.27 million or 23.50%. The underspending was mainly in the following Branches:

- Programme 2: Energy Policy and Planning – R3.96 million below budget attributable to the outstanding finalisation of processes to activate projects carried over from the 2014/15 financial year
- Programme 3: Petroleum and Petroleum Products Regulation – R4.06 million underspending attributable to an outstanding claim from the service provider for the Fuel Sampling and Testing Project
- Programme 5: Nuclear Energy – R2.81 million underspending attributable to the delayed commencement of planned projects
- Programme 6: Clean Energy – R7.25 million underspending attributable to delayed projects

The Finance Committee recommended the re-allocation of R4 million to the Communications division to fund the existing overspending in that area and provide interim funding for critical operational and project expenditure. This amount was redirected from savings under Programme 2: Energy Policy and Planning (R1 million), Programme 5: Nuclear Energy (R500 thousand), Programme 3: Petroleum and Petroleum Products Regulation (R1 million) and Programme 6: Clean Energy (R1.5 million).

The Accounting Officer subsequently granted preliminary virement approval on the 15 September 2015 in terms of Section 43(1) of the Public Finance Management Act, 1999 (Act No.1 of 1999), to shift funds between main divisions of the vote (programmes) towards the defrayment of excess expenditure within the vote as per *Table 9.*

Table 9: Reprioritisation of funding for goods and services as per the August 2015 meeting

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 2: Energy Policy & Planning, Sub-programme: Energy Planning, Item: Goods & Services	1 000	Programme 1: Administration, Sub-programme: Corporate Services, Responsibility: Communication, Item: Goods & Services	4 000
Programme 3: Petroleum & Petroleum Products Regulation, Sub-programme: Regional Petroleum & Petroleum Products Regulation, Item: Goods & Services	1 000		
Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Goods & Services	250		
Programme 5: Nuclear Energy, Sub-programme: Nuclear Policy, Item: Goods & Services	250		
Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item Goods & Services	1 500		
Total	**4 000**	**Total**	**4 000**

November 2015 Meeting

During a scheduled Finance Committee meeting in November 2015, the financial performance of the Department for the period ended 31 October 2015 was presented to members. The goods and services item reflected the Year-to-Date budget underspending of R15.06 million or 11.98% mainly in the line function. The underspending in Branches, Energy Policy and Planning (R6.07 million), Petroleum and Petroleum Products Regulation (R4.89 million), Nuclear Energy (R8.20 million) and Clean Energy (R4.94 million) is attributable to delayed planned projects.

The committee recommended the re-allocation of R6 million from identified savings to the Ministry to fund the existing overspending and provide interim funding for operational requirements of the Ministry relating to domestic travel, international obligations and parliamentary and related sessional expenditure. This additional allocation to the Ministry was redirected from savings under Programme 2: Energy Policy and Planning (R3 million), Programme 5: Nuclear Energy (R1 million) and Programme 6: Clean Energy (R2 million).

The Accounting Officer subsequently granted preliminary virement approval in terms of Section 43(1) of the Public Finance Management Act, 1999, to shift funds between main divisions of the vote (programmes) towards the defrayment of excess expenditure within the vote as per *Table 10.*

Table 10: Reprioritisation of funding for goods and services as per the November 2015 meeting

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 2: Energy Policy & Planning, Sub-programme: Energy Planning, Item: Goods & Services	3 000	Programme 1: Administration, Sub-programme: Ministry, Responsibility: Minister, Item: Goods & Services	6 000
Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Goods & Services	500		
Programme 5: Nuclear Energy, Sub-programme: Nuclear Policy, Item: Goods & Services	500		
Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item: Goods & Services	2 000		
Total	**6 000**	**Total**	**6 000**

3.3.3 Transfer payments to the Public Service Sector Education and Training Authority

In June 2014, the National Treasury granted approval to the Department to implement new transfer payments to SETAs as determined in Circular Human Resource Development 1 of 2013 issued by the Department of Public Service and Administration in 2013. The Department subsequently incorporated transfer payments to the Energy and Water Sector Education and Training Authority (EWSETA), the Chemical Industries Sector Education and Training Authority (CHIETA) and the Public Service Sector Education and Training Authority (PSETA) in the 2015 Estimates of National Expenditure (ENE) totalling R0.92 million, R0.99 million and R1.05 million in the 2015/16, 2016/17 and 2017/18 financial years, respectively.

The National Treasury subsequently issued a circular to all national departments and provincial treasuries in January 2015 indicating that departments affiliated to the PSETA, are no longer required to implement transfer payments to the PSETA from 2015/16 onwards, as a sustainable mechanism for funding the PSETA over the 2015 MTEF period was established with a single transfer for PSETA through the Public Service and Administration Vote. This necessitated a reclassification of funds, R130 000, appropriated as transfer payments to the PSETA within Programme 1: Administration to the Goods and Services Classification for Departmental Training and Development Requirements as per *Table 11*.

Table 11: Reprioritisation of funding for transfer payments to Departmental agencies

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 1: Administration, Sub-programme: Corporate Services, Item: Transfer payments to departmental agencies (PSETA)	130	Programme 1: Administration, Sub-programme: Corporate Services, Item: Goods and Services (Training & Development)	130
Total	**130**	**Total**	**130**

3.3.4 Reclassification of funding for the implementation of the new framework and procurement models for the National Solar Water Heater Project

Since the advent of the NSWHP in 2009, the Department outsourced the implementation function of the programme to Eskom through entering into a MoA that specified a framework of funding conditions. As a result of competing priorities at Eskom, the pace of delivering the programme was negatively affected as impacted by competing priorities within Eskom.

The need to comply with the SWH designation requirements prompted the Department to launch a RFRI process which was concluded in June 2014. This meant that Eskom, despite the operational challenges, could only initiate the procurement process three months into the 2014/15 financial year. On account of the aforementioned challenges, a re-engineering of the programme became inevitable. This culminated in the termination of the DoE-Eskom MoA in November 2014, and in consultation with National Treasury, was followed by the preparation of the request to Cabinet for approval of the Revised Contracting Model.

Following Cabinet's approval of the Revised Contracting Model, a submission was forwarded to the National Treasury to reclassify the NSWHP's funding enabling the implementation of the programme in Department. Approval was subsequently granted in accordance with Section 43 (4) of the Public Finance Management Act, 1999 and Treasury Regulation 6.3.1 to reclassify funding totalling to R3 98.32 million originally exclusively appropriated as transfer payments to Eskom for the SWH Programme as new transfer payments to private enterprises and goods and services to enable the implementation of the newly approved framework by the Department as as per *Table 12.*

Table 12: Reprioritisation of funding for transfer payments to public corporations

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Transfer Payments to Public Corporation (Eskom Solar Heater Project)	398 315	Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Transfer Payments to Private Enterprises (SWH Manufacturers)	300 000
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Goods and Services (Outsourced Services: &)	10 000
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Transfer Payments to Private Enterprises (SWH Training Service Providers)	13 000
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Transfer Payments to Private Enterprises (SWH Installation Service Providers)	50 000
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Goods & Services (Professional Services: Project Management)	10 315
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Goods & Services (Professional Services: Feasibility Checks)	5 000
		Programme 6: Clean Energy, Sub-programme: Energy Environment & Efficiency, Item: Goods & Services (Professional Services: Communication)	10 000
Total	**398 315**	**Total**	**398 315**

3.3.5 Transfer payments to international organisations for the payment of international membership fees and contributions

The International Energy Forum

South Africa is a member of the International Energy Forum (IEF) which aims to foster greater mutual understanding and awareness of common energy interests among its members. The 74 member countries of the Forum are signatories to the IEF Charter, which outlines the framework of the global energy dialogue through this inter-governmental arrangement.

Covering all six continents and accounting for around 90% of global supply and demand for oil and gas, the IEF is unique in that it comprises not only of consuming and producing countries of the International Energy Agency (IEA) and Organisation of the Petroleum Exporting Countries (OPEC), but also transit states and major players outside of their memberships, including Argentina, China, India, Mexico, Oman, Russia and South Africa. Sitting alongside other important developed and developing economies on the 31 strong IEF executive board, these key nations are active supporters of the global energy dialogue through the IEF.

The IEF is the neutral facilitator of informal, open, informed and continuing global energy dialogue. Recognising their interdependence in the field of energy, the member countries of the IEF cooperate under the neutral framework of the Forum to foster greater mutual understanding and awareness of common energy interests in order to ensure global energy security. The IEF's biennial Ministerial Meetings are the world's largest gathering of Energy Ministers. The magnitude and diversity of this engagement is a testament to the position of the IEF as a neutral facilitator and honest broker of solutions in the common interest.

> South Africa is a member of the International Energy Forum which aims to foster greater mutual understanding and awareness of common energy interests.

International Renewable Energy Agency

South Africa is a member state of the International Renewable Energy Agency (IRENA). IRENA seeks to make an impact in the world of renewable energy by maintaining a clear and independent position, providing a range of reliable and well-understood services that complement those already offered by the renewable energy community and gather existing, but scattered, activities around a central hub.

The international renewable energy community is large, resourceful, and rapidly evolving. IRENA does not duplicate what others are doing, but seeks out, establishes and develops new synergies, facilitates dialogue, and information and best practice sharing. Cooperation at the global, regional and national levels, knowledge sharing, enabling policies and enhanced capacity, as well as the encouragement of investment flows and strengthened technology and innovation, are essential elements in the IRENA's efforts. IRENA is positioning itself as a platform for all-inclusive cooperation where stakeholders can make a positive contribution to the common goals. This cooperation and partnerships are essential underpinning of IRENA's work.

Contribution to the African Regional Cooperation Agreement for Research Development and Training related to Nuclear Science and Technology (Fund)

Southern African countries that are members of the IAEA requested assistance from the IAEA to assist in establishing a regional arrangement for cooperation in the field of nuclear science and technology in Africa that is similar to existing regional cooperation agreements in Asia and Latin America. In April 1990, the African Regional Cooperation Agreement for Research Development and Training related to Nuclear Science and Technology (AFRA) came into existence.

AFRA countries have full ownership of the design, implementation and monitoring of cooperative projects, which submits projects to the IAEA for assistance through the AFRA Field Management Committee (AFRA-FMC). The AFRA – FMC is a regional entity that has been empowered by AFRA member states to conceptualise, plan, coordinate, monitor and evaluate activities and actively participates in fundraising and developing partnerships in the private and public sectors within and outside Africa.

South Africa become an AFRA member state in 1990. The Department administers all issues within the scope of nuclear technology and the AFRA programmes. This function also includes national participation in the IAEA Technical Cooperation Programme (TCP), IAEA and AFRA programmes. This is achieved through the endorsement of applications received from stake holders and relevant institutions to participate in IAEA, TCP and AFRA.

The International Atomic Energy Agency

Per Section 33(1) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999), the Minister of Energy acts as the national authority of the Republic for the purpose of the implementation and application of the Safeguards Agreement and any additional protocols in order to detect and identify nuclear material intended to be used for peaceful nuclear activities. In order to fulfil these responsibilities, Section 33(2) of the Nuclear Energy Act requires the Minister to liaise with the International Atomic Energy Agency (IAEA) on an ongoing basis regarding, amongst others, negotiations on subsidiary arrangements under the Safeguards

Agreement, furnishing and updating of information regarding the design of nuclear installations and sites and the provision of facilities and support to the inspectors of the IAEA. Section 33(5) further requires that the Minister of Energy pay all fees that are from time to time due to the IAEA on behalf of the Republic.

South Africa has been a member of the IAEA for decades and has been both a recipient and provider of services emanating from the agency. As a member state of the IAEA, permanent member of the Board of Directors and actively participating in nuclear energy, safety, technology, security and disarmament, South Africa has contributed to efforts of ensuring that nuclear energy is used for peaceful purposes like power generation as well as medical, industrial and agricultural initiatives. This is even more important now that the country is looking at an expanded nuclear programme, including participation in what is regarded as 'sensitive' activities (uranium enrichment).

The IAEA annual fee is due in January of each year. Each member state is required to pay membership fees as determined every year by the Board of Directors and endorsed by the General Conference of the IAEA. South Africa's 2015 assessment of its contribution was assessed at US$141 068 and €994 842. The full amount for the 2015 financial assessment was subsequently paid in February 2015.

Although a financial provision of funds totalling R16.155 million was made in the 2014/15 ENE under the item transfer payments to international organisations, the increase as a result of the change in foreign currency exchange rates, was not provided for in the 2014/15 budget. This consequently resulted in a deficit of R4.329 million.

Approvals granted by the National Treasury for implementation of new transfer payments for international membership fees

The National Treasury granted approval in accordance with Section 43 (4) of the Public Finance Management Act, 1999 and Treasury Regulation 6.3.1(b) to shift funds between economic classifications within programmes to introduce new transfer payments to international organisations totalling R5.680 million for the payment of annual membership fees during the 2015/16 financial year as per *Table 13.*

Table 13: Reprioritisation of funding for membership fees

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item: Transfers & Subsidies (Private enterprises – NSWHP)	5 680	Programme 1: Administration, Sub-programme: Governance & Compliance, Item: Transfer & subsidies (IEF)	368
		Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Transfer & subsidies (AFRA)	3 984
		Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item: Transfers & Subsidies (IRENA)	1 328
Total	**5 680**	**Total**	**5 680**

The National Treasury further granted approval in accordance with Section 43 (4) of the Public Finance Management Act, 1999 and Treasury Regulation 6.3.1(b) to shift funds between main divisions of the vote to increase transfer payments to the IAEA by R4.329 million for the payment of annual membership fees during the 2014/15 financial year as per *Table 14.*

Table 14: Reprioritisation of funding for membership fees

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item: Transfers & Subsidies (Private enterprises – NSWHP)	4 329	Programme 5: Nuclear Energy, Sub-programme: Nuclear Safety & Technology, Item: Transfer & subsidies (IAEA)	4 329
Total	**4 329**	**Total**	**4 329**

3.3.6 2015/16 Compensation of employees

Following the finalisation of the 2015 MTEF and subsequent publication of the 2015 ENE, the following final allocations were made through the 2015 Appropriation Act for compensation of employees:

Table 15: 2016 MTEF compensation of employee budget allocations

Compensation of Employees	2015/16 R'000	2016/17 R'000	2017/18 R'000
Administration	131 214	140 782	149 390
Energy Policy & Planning	31 735	33 894	35 928
Petroleum & Petroleum Products Regulation	50 926	54 389	57 653
Programme & Project Management	38 864	41 507	43 998
Nuclear Energy	18 479	19 735	20 919
Clean Energy	18 261	19 501	20 672
Total	**289 479**	**309 808**	**328 560**

During the 2014 MTEF process, the Department was allocated an additional budget of R66 million over the three year MTEF period for additional human resources commencing with R20 million in 2014/15, R22 million in 2015/16 and R24 million in 2016/17. Significant progress was made with the filling of vacancies and new posts associated with the additional funding allocated to capacitate the branches with specialised skills during the second quarter of the 2014/15 financial year. Unfortunately, the recruitment process for these positions could not be finalised by the end of the 2014/15 financial year, i.e. by 31 March 2015.

Due to the fact that the recruitment process was at an advanced stage, it had to be continued into the 2015/16 financial year. At the end of March 2015, the Department had 587 filled positions, consisting of 526 permanently filled positions and 61 temporary positions filled additional to the establishment.

At the end of the first period of the 2015/16 financial year, i.e. April 2015, 606 positions were filled consisting of 534 permanently filled positions and 72 temporary positions filled additional to the establishment. The increase in permanently filled positions by 8 positions reflected the progress made in the recruitment process which commenced during the previous financial year.

During the 2015 MTEF process, expenditure reductions were implemented across all programmes within the Department and included amongst others a reduction in compensation of employees totalling R22.1 million in 2015/16, R23.63 million in 2016/17 and R26 million in 2017/18. This effectively cancelled the additional allocations to Department during the 2014 MTEF for additional human resources of R20 million, R22 million and R24 million in 2014/15 2015/16 and 2016/17 respectively.

In responding to the reduced budget allocation, the Finance Committee during a meeting on 29 January 2015, recommended that all branches absorb the shortfall, approximated at R28 million, equally. Branches were then requested to identify positions to be frozen from 2015/16 onwards until a review is enabled by additional allocations from the National Treasury. The consolidation of responses received only yielded 14% of the shortfall. The National Treasury subsequently granted approval in accordance with Section 43 (4) of the Public Finance Management Act, 1999 and Treasury Regulation 6.3.1(b) to shift funds between economic classification categories within programmes to increase compensation of employees during the 2015/16 financial year as per *Table 16.*

Table 16: Reprioritisation of funding for compensation of employees' shortfalls

From Programme		To Programme	
Standard Item & Amount		Standard Item & Amount	
	R'000		R'000
Programme 6: Clean Energy, Sub-programme: Energy Efficiency, Item: Transfers & Subsidies (Private enterprises – NSWHP)	6 740	Programme 1: Administration: Item: Compensation of Employees	6 740
Total	**6 740**	**Total**	**6 740**

3.3.7 Final virement approval – 2015/16

At year-end, all deficits reflected on individual programmes and sub-programmes are cleared as part of the annual financial year-end process and standard practice. These adjustments are authorised by means of a final virement approval to cater for the excess expenditure. To ensure that final budget allocations are aligned with actual expenditure, funds must be shifted from savings within the respective programmes and sub-programmes to cover excess expenditure incurred by individual sub-programmes. Although all programmes reflected a total underspending at year-end, several sub-programmes within main divisions of the vote reflected an overspending at year end.

Several programmes reflected a deficit on the item compensation of employees following the implementation of the virement approval granted by National Treasury to increase compensation of employees by R6.74 million and proposed adjustments to align budgets with actual expenditure included the clearing of the following deficits:

- Programme 1: Administration – R890 000
- Programme 3: Petroleum and Petroleum Products Regulation – R1.59 million
- Programme 4: Electrification and Energy Programme and Project Management R2.95 million

An amount of R3.5 million was redirected from the underspending of R9.94 million within the item goods and services to fund deficits under the following programmes:

- Programme 1: Administration, Item: Transfer Payments to Households (Leave gratuities, post-retirement benefits, bursaries paid to households) – R3.25 million
- Programme 5: Nuclear Energy, Item: Transfer Payments to Households (bursaries paid to households) – R25 000
- A total R5 459.59 written-off as losses against the Department vote. (Programme 1: Administration, Item: Theft and Losses (R1 000)
- Programme 4: Electrification and Energy Programme and Project Management, Item: Theft and Losses (R5 000)
- Programme 1: Administration, Item: Capital Assets – R225 000

Following the implementation of the above mentioned virement approval on the goods and services item, adjustments within the same goods and services classification became necessary in order to align budgets with actual expenditure due to the following results:

- Programme 1: Administration – deficit of R13.83 million
- Programme 4: Electrification and Energy Programme and Project Management – deficit of R7.28 million
- Programme 3: Petroleum and Petroleum Products Regulation – surplus of R5.96 million
- Programme 5: Nuclear Energy – surplus of R4.96 million
- Programme 6: Clean Energy – surplus of R13.54 million

All the above adjustments culminated in the adjustments as reflected in the column "Propose Final virement" which were approved by National Treasury and the Accounting Officer.

Table 17: Appropriation statement as at 31 March 2016

Programmes	Adjusted Appropriation	Virement Approvals After AENE	Proposed Final Virement	Total Virement Approval After AENE	Final Appropriation	Virement After AENE %
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	246 598	13 108	18 192	31 300	277 898	12.69
Programme 2: Energy Policy & Planning	44 096	-3 000	-250	-3 250	40 846	-7.37
Programme 3: Petroleum & Petroleum Products Regulation	73 378	-	-4 370	-4 370	69 008	-5.96
Programme 4: Electrification & Energy Programme & Project Management	5 813 822	-	10 228	10 228	5 824 050	0.18
Programme 5: Nuclear Energy	653 898	7 313	-6 355	958	654 856	0.15
Programme 6: Clean Energy	435 827	-17 421	-17 445	-34 866	400 961	-8.00
Total	**7 267 619**	**-**	**-**	**-**	**7 267 619**	

After the capturing of virements approved by both the National Treasury and the Accounting Officer as mentioned above, claims were received from other Government departments for services rendered to the Department during the 2015/16 financial year. The received claims were as follows:

- Government Communication and Information System (GCIS): R2.148 million for the South African International Renewable Energy Conference (SAIREC) communication services charged to Programme 6: Clean Energy
- GCIS: R489 000 for the campaign to cover the Nuclear New Build Programme (NNBP) and nuclear education on radio stations charged to Programme 5: Nuclear Energy

The processing of these costs increased the Department's total expenditure for the 2015/16 financial year to R7.140 billion and a budget balance of R127.263 billion or 1.75%. The Accounting Officer subsequently granted a second final virement approval for the 2015/16 financial year in terms of Section 43(1) of the Public Finance Management Act, 1999 (Act No.1 of 1999), to utilise savings under programmes towards the defrayment of excess expenditure under other programmes and sub-programmes within the vote and to align budget allocations with actual expenditure for the 2015/16 financial year as per *Table 18.*

Table 18: Final appropriation statements as at 31 March 2016

Programmes	Adjusted Appropriation	Virement Approvals After AENE	Proposed Final Virement	Total Virement Approval After AENE	Final Appropriation	Virement after AENE %
	R'000	R'000	R'000	R'000	R'000	%
Programme 1: Administration	246 598	31 300	-	31 300	277 898	12.69
Programme 2: Energy Policy & Planning	44 096	-3 250	-260	-3 510	40 586	-7.96
Programme 3: Petroleum & Petroleum Products Regulation	73 378	-4 370	-	-4 370	69 008	-5.96
Programme 4: Electrification & Energy Programme & Project Management	5 813 822	10 228	-	10 228	5 824 050	0.18
Programme 5: Nuclear Energy	653 898	958	260	1 218	655 116	0.19
Programme 6: Clean Energy	435 827	-34 866	-	-34 866	400 961	-8.00
Total	**7 267 619**	**-**	**-**		**7 267 619**	

3.4 Roll-over Funds

3.4.1 Roll-over request

In terms of Treasury Regulation 6.4.1, funds appropriated but not spent in a particular financial year, may be rolled over to a subsequent year subject to approval by the National Treasury. Treasury Regulation 6.4.1 also stipulates that a maximum of 5% of a department's payments for goods and services may be rolled over to the following financial year.

The Department's final budget allocation for the 2014/15 financial year under the item goods and services or non-personnel expenditure was R244.08 million which allowed for a maximum of R12.2 million which could be requested as a roll-over to the 2015/16 financial year. However, the Department requested a total of R8.80 million or 3.60% of non-personnel expenditure allocated under the budget item goods and services.

The Department also made an application to roll transfer payments totalling R1.2 billion over to the 2015/16 financial year. The request relates to unutilised funds appropriated as transfers under the INEP Non-Grid Project (R35.5 million) and EEDSM Eskom (R1.1 billion) in the 2014/2015 financial year.

3.4.2 Roll-over outcome

The Department's roll-over request was submitted to the Minister of Finance for approval and an amount of R35.525 million was subsequently approved to allow for the completion of connections, related to the implementation of the Non-Grid Electrification Project under the INEP, which commenced in the 2014/15 financial year.

The mentioned approval meant that only 3% of the Department's total request of R1.2 billion was approved and that expenditure relating to the procurement of goods and services for which a roll-over was not approved should be funded from the 2015/16 budget allocation through reprioritisation.

Mr Thabane Zulu
Director-General

4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the Guidelines On the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.
- In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

Mr Thabane Zulu
Director-General

> In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

5. STRATEGIC OVERVIEW

The overarching purpose of the Department is to ensure that diverse energy resources are available in sustainable quantities and at affordable prices for the growth of the South African economy. In line with the NDP, the Department contributes to the fight against poverty, unemployment, and inequity while taking into account environmental concerns and obligations.

5.1 Mandate

Ensure secure and sustainable provision of energy for socio-economic development.

5.2 Vision 2025

Our vision is to improve our energy mix by having 30% clean energy by 2025 within a transformed and sustainable Energy Sector with universal access to modern energy carriers for all.

5.3 Mission

To regulate and transform the Energy Sector for the provision of secure, sustainable and affordable energy.

5.4 Values

Table 19: Department of Energy's values

Batho Pele (Sotho for "People first")	Represents a Department of Energy that is service orientated, strives for excellence in service delivery & commits to continuous service delivery improvement for the achievement of a better life for all & which seeks to include all citizens through services & programmes
Ethics	Represents our moral principles as reflected by the Code of Conduct for Public Servants, i.e. how we understand, know about & mean when we resolve what is right & what is wrong
Honesty	Represents a facet of moral character & denotes positive, virtuous attributes such as integrity, truthfulness, & straightforwardness along with the absence of lying, cheating, or theft
Integrity	Represents consistency of actions, values, methods, measures, principles, expectations, & outcomes & is regarded as the honesty & truthfulness or accuracy of one's actions
Accountability	Represents the acknowledgment & assumption of responsibility for our actions, decisions, policies, administration & governance
Professionalism	Represents workers who enjoy considerable work autonomy & are commonly engaged in creative & intellectually challenging work that requires impressive competence in a particular activity
Ubuntu	Represents our interconnectedness & our approach that is open, available & affirming of others
My public servant – my future (we belong, we care, we serve)	Represents public servants at the centre of delivering quality services to the country's citizens in line with the dictates of the Constitution of the Republic

6. LEGISLATIVE AND OTHER MANDATES

6.1 Constitutional Mandate

There have been no significant changes to the Department's constitutional mandate.

6.2 Primary Mandate

On 10 May 2009, the President announced the appointment of amongst others, the Minister of Energy in terms of Chapter 5 (The President and National Executive), Section 91(2) and 93(1) of the Constitution of the Republic of South Africa, 1996 (the Constitution). The portfolios of these ministers necessitated a reorganisation of departments, including the renaming of departments and the establishment of new departments, to support, amongst others, the Minister of Energy in executing their respective mandates.

Therefore, the President in terms of Section 7(5)(a) of the Public Service Act, 1994 (Act No. 103 of 1994) as amended, by Proclamation No. 48, 2009, amended the national departments listed in Schedule 1 to that

Act, to accord, amongst others, with the new portfolio of Energy, thereby establishing, amongst others, the new Department of Energy. The Department of Energy was, by extension, established in terms of Chapter 10 (Public Administration), Section 197 (1), of the Constitution, to "loyally execute the lawful policies of the government of the day". The President in terms of Chapter 10 (Public Administration), Section 97 of the Constitution, transferred the administration and powers and functions entrusted by specified legislation to, amongst others, the Minister of Energy by Proclamation No. 44, 2009. The Department's implied mandate in terms of the Constitution is therefore to govern the Energy Portfolio using reasonable legislative and other measures. This mandate is limited by Part B of Schedule 4 of the Constitution, 1996, which specifies "electricity and gas reticulation" as functional areas of concurrent legislative competence. Chapter 7 (Local Government), Section 156(1) specifies that a "municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5".

Section 155(7) of Chapter 7 (Local Government), however, specifies that "… national government has the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in Section 156(1)". The Department's mission, vision and mandate statements as well as its Strategic Outcomes-Orientated Goals (SOOGS) directly relate to this mandate.

6.3 Secondary mandate

The Department has a secondary role to play in the following areas:

6.3.1 National Energy Act, 2008 (Act No. 34 of 2008)

The National Energy Act, 2008 (Act No. 34 of 2008) is the enabling legislation that empowers the Minister of Energy to ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while also taking into account environmental considerations. In addition, the Act provides for energy planning; the increased generation and consumption of renewable energy; contingency energy supply; the holding of strategic energy feedstock and carriers; adequate investment in appropriate upkeep and access to energy infrastructure; measures for the furnishing of certain data and information regarding energy demand, supply and generation; and the establishment of an institution responsible for the promotion of efficient generation and consumption of energy, energy research and all matters connected therewith.

6.3.2 Electricity Regulation Act, 2006 (Act No. 4 of 2006), as amended

The Electricity Regulation Act, 2006 (Act No. 4 of 2006) establishes a national regulatory framework for the electricity supply industry and makes the National Energy Regulator of South Africa (NERSA) the custodian and enforcer of the national electricity regulatory framework. The Act provides for licences and registration as the manner in which generation, transmission, distribution, trading and the import and export of electricity, are regulated. The Minister of Energy, in terms of Section 34 (1), is empowered to make determinations for the establishment of IPPs for the purpose of greater competition in the Electricity Generation Sector so as to increase the supply of electricity.

In addition, pre-certification from the Office of the Chief State Law Advisor was obtained during the period under review to introduce the Electricity Regulation Amendment Bill.

6.3.3 Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended

The Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended, provides for measures in the saving of petroleum products and economy in the cost of distribution thereof; the maintenance and control of the price thereof; the furnishing of certain information regarding petroleum products, for the rendering of service of a particular kind or standard in connection with petroleum products; the licensing of persons involved in the manufacturing, wholesaling and retailing of prescribed petroleum products; promoting the transformation of the South African petroleum and liquid fuels industry; and the promulgation of regulations relating to licences and matters incidental thereto.

In addition, the consultation process with regard to the Petroleum Products Bill is underway.

6.3.4 Central Energy Fund Act, 1977 (Act No. 38 of 1977), as amended

The Central Energy Fund Act, 1977 (Act No. 38 of 1977), as amended, provides for the payment of certain moneys into the Central Energy Fund (CEF) and for the utilisation and investment thereof; the imposition of a levy on fuel and the utilisation and investment thereof; the control of the affairs of the Central Energy Fund (Proprietary) Limited by a Board of Directors; the keeping of records of all transactions entered into for the account of the CEF or the Equalisation Fund and of certain other transactions; the investigation, examination and auditing of the books, accounts and statements kept and prepared in connection with the said transactions; and for the submission to Parliament of a report relating to the said investigation, examination and auditing. It also provides for matters connected with the Act.

6.3.5 Nuclear Energy Act, 1999 (Act No. 46 of 1999)

The Nuclear Energy Act, 1999 (Act No. 46 of 1999) provides for the establishment of the Necsa, a public company wholly owned by the State. It defines its functions, powers and its financial and operational accountability; its governance and management by a Board of Directors; the composition of the Board and appointment of a chief executive officer; its responsibilities for the implementation and application of the Safeguards Agreement and additional protocols entered into by the Republic and the IAEA in support of the Nuclear Non-Proliferation Treaty acceded to by the Republic; regulates the acquisition and possession of nuclear fuel, certain nuclear and related material and equipment, as well as the importation and exportation thereof, together with certain other acts and activities relating to that fuel, material and equipment in order to comply with the international obligations of the Republic; and prescribes measures regarding the disposal of radioactive waste and the storage of irradiated nuclear fuel.

6.3.6 National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)

The National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) provides for the establishment of the National Nuclear Regulator (NNR) in order to regulate nuclear activities. It also provides for its objectives and functions; the manner in which it is to be managed and staffed; safety standards and regulatory practices; and the protection of persons, property and the environment against nuclear damage and matters connected therewith.

6.3.7 National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008)

The National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008) provides for the establishment of the National Radioactive Waste Disposal Institute (NRWDI) in order to manage radioactive waste disposal on a national basis. It provides for its functions; the manner in which it is to be managed; and regulation of its staff including matters connected therewith.

6.3.8 Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)

The Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) provides for the establishment of a national regulatory framework for petroleum pipelines; a Petroleum Pipelines Regulatory Authority as the custodian and enforcer of the National Regulatory Framework; and matters connected therewith.

6.3.9 Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)

The Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004) provides for imposition of levies by the Petroleum Pipelines Regulatory Authority and matters connected therewith.

6.3.10 Gas Act, 2001 (Act No. 48 of 2001)

The Gas Act, 2001 (Act No. 48 of 2001) provides for the orderly development of the piped-gas industry; establishes a national regulatory framework; and provides for a National Gas Regulator as the custodian and enforcer of the National Regulatory Framework and matters connected therewith.

6.3.11 The Gas Regulator Levies Act, 2002 (Act No. 75 of 2002)

The Gas Regulator Levies Act, 2002 (Act No. 75 of 2002) provides for the imposition of levies by the National Gas Regulator and matters connected therewith.

6.3.12 National Energy Regulator Act, 2004 (Act No. 40 of 2004)

The National Energy Regulator Act, 2004 (Act No. 40 of 2004) provides for the establishment of a single regulator to regulate the electricity, piped-gas and petroleum pipeline industries and matters connected therewith.

6.3.13 Abolition of the National Energy Council Act, 1991 (Act 95 of 1991)

The Abolition of the National Energy Council Act, 1991 (Act No. 95 of 1991) provided for the abolition of the National Energy Council; and the transfer of powers, assets, liabilities, rights, duties, obligations and staff of the Council to the Minister and for matters incidental thereto.

6.4 Acts Not Transferred to the Minister of Energy

The following Acts were not transferred to the Minister of Energy by Proclamation 44 of 2009 (presumably by oversight) but are administered by the Department and/or entrust certain powers and functions to the Minister of Energy, the Department and/or the State-Owned Entities/Companies (SOE/Cs) of the Department:

6.4.1 Electricity Act, 1987 (Act No. 41 of 1987), as amended

The Electricity Act, 1987 (Act No. 41 of 1987), as amended, was repealed by the Electricity Regulation Act, 2006, with the exception of Section 5B that provides for the funds of the Energy Regulator for the purposes of regulation of the electricity industry.

6.4.2 Liquid Fuel and Oil Act Repeal Act, 1993 (Act No. 20 of 1993)

The Liquid Fuel and Oil Act Repeal Act, 1993 (Act No. 20 of 1993) repealed the Liquid Fuel and Oil Act, 1947 (Act No. 49 of 1947) and the Liquid Fuel and Oil Amendment Act, 1960 (Act No. 17 of 1960).

6.4.3 Coal Act Repeal Act, 1991 (Act No. 124 of 1991)

The Coal Act Repeal Act, 1991 (Act No. 124 of 1991) provided for the repeal of the Coal Act, 1983 (Act No. 30 of 1983).

6.5 Acts Considered as Obsolete Which Need to be Repealed

The following Acts are considered obsolete and need to be repealed:

- The Electricity Amendment Acts, 1989 (Act No. 58 of 1989) and 1994 (Act No. 46 of 1994)
- The Nuclear Energy Act, 1993 (Act No.131 of 1993)
- The Coal Resources Act Repeal Act, 1992 (Act No. 6 of 1992)

6.6 Other Legislation Impacting on the Department

In addition to the aforementioned Acts, the Department is mandated by, amongst others, the following legislation:

6.6.1 National Environmental Management Act, 1999 (Act No. 107 of 1999)

The National Environmental Management Act, 1999 (Act No. 107 of 1999) has a direct impact on legislative and other measures to reduce carbon emissions, energy efficiency and mitigation of the impact of the generation/refinement and use of energy on the environment.

6.6.2 Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)

The Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) makes provision for access to and sustainable development of mineral and petroleum resources and matters connected therewith.

7. ORGANISATIONAL STRUCTURE

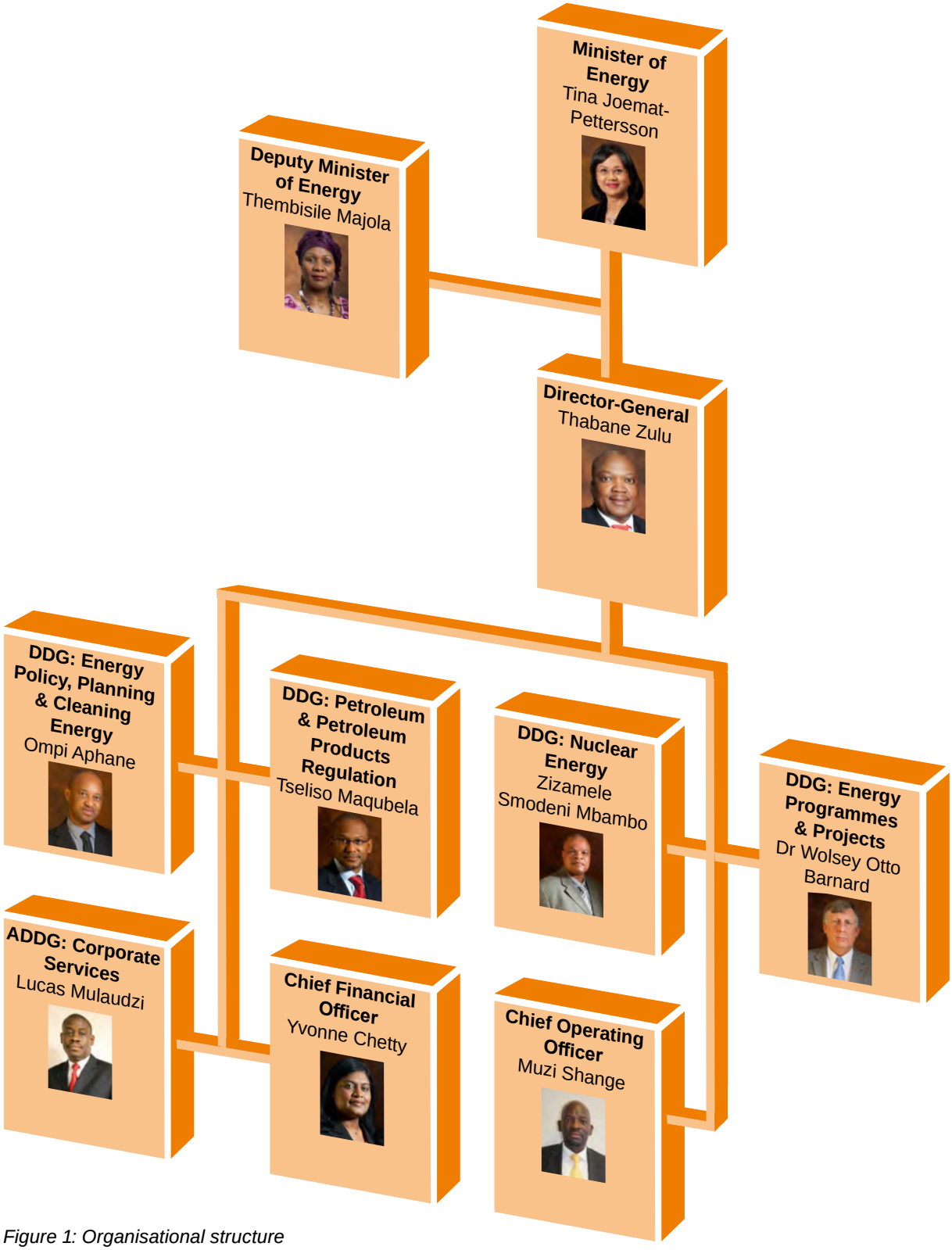


Figure 1: Organisational structure

8. ENTITIES REPORTING TO THE MINISTER OF ENERGY

Table 20: Entities reporting to the Minister of Energy

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
NNR	The NNR is established in terms of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) The Act establishes the regulator as a competent authority for nuclear regulation in South Africa The purpose of the NNR, as outlined in Section 5 of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) is to essentially provide for the protection of persons, property & environment against nuclear damage through the establishment of safety environment standards & regulatory practices	Government grant (transfer payment) for 2015/16 financial year amounted to R21 874 million Revenue is also generated through authorisation fees levies on nuclear authorisation holders The total revenue inclusive of the Government grant for the 2015/16 financial year amounted to R169 374 million	Providing for the protection of persons, property & the environment against nuclear damage by: - Exercising regulatory control over the sitting, design, construction, operation, decontamination, decommissioning & closure of nuclear installation, as well as the manufacturing of component parts - Exercising regulatory control over the actions to which the Act applies, through the granting of nuclear authorisations - Providing assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections - Fulfilling national obligations in respect of international legal instruments concerning nuclear safety - Ensuring that provisions for nuclear emergency planning are in place
CEF (SOC) Ltd	To finance & promote the acquisition of, research into & exploitation of oil, gas & renewable/clean energy-related products & technology	CEF Group generates its revenue from commercial activities undertaken by its various subsidiaries Government, from time to time, provides financial guarantees in support of the Group's activities as & when they are required The CEF Group total revenue amounted to R19 085 649 billion The total revenue is made up of revenue from these subsidiaries: - PetroSA R18 455 865 billion - Strategic Fuel Fund R324 680 million - African Exploration R288 618 million - PASA R16 486 million	Undertakings include: - Involvement in the search for appropriate energy solutions to meet the future energy needs of South Africa, the SADC & sub-Saharan region, including oil, gas electricity, solar energy, low smoke fuels, biomass, wind & renewable energy sources - Management of the operation & development of the oil & gas assets & operation of the South African Government - Finance & promotion of the acquisition of coal, the exploitation of deposits & the manufacture of liquid fuel, oil and other products from coal - Marketing of said products & any matter connected with the acquisition, exploitation, manufacturing & marketing thereof - Management of the Equalisation Fund, which collects levies from the retail sales of petroleum products to eliminate unnecessary fluctuations in the retail price of liquid fuel & give tariff protection to the synthetic fuel industry - Acquisition, generation, manufacture, marketing or distribution of any other forms of energy & research connected wherewith

Table 20: Entities that report to the Minister of Energy (continued)

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Necsa	Necsa is established in terms of Section 3(1) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999) The Act provides for the commercialisation of nuclear & related products & services, & delegates specific responsibilities to the corporation, including the implementation & execution of national safeguards & other international obligations The Nuclear Energy Policy of 2008 reinforced Necsa's mandate relating to R&D & NFC responsibilities	Government grants (transfer payments) for mandated activities during 2015/16 financial year amounted to R580 368 million Necsa also generates income from various commercial activities undertaken by its subsidiaries The total revenue including the Government grant for the 2015/16 financial year amounted to R2364 billion	Operations include: - Undertaking & promoting research & development in the field of nuclear science - Processing source material, including uranium, & cooperating with other institution on nuclear-related matters - Growing outputs of new technology, products & services
NRWDI	NRWDI is a nuclear waste disposal institute established in terms of Section 3 of the National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008) The Act provides for the establishment of an NRWDI in order to manage radioactive waste disposal on a national basis & to provide for its functions & for how it is to be managed	Government grant (roll-over) for 2015/16 financial year amounted to R18 015 million NRWDI utilised the funds to finalise establishment of the organisation & meet committed activities	Operations include: - Designing & implementing disposal solutions for all classes of radioactive waste - Developing radioactive waste acceptance & disposal criteria in compliance with applicable regulatory health, safety & environmental requirements & any other technical & operational requirements - Assessing & inspecting the acceptability of radioactive waste disposal facilities, including related storage & predisposal management of radioactive waste at disposal sites - Managing, operating & monitoring operational radioactive waste disposal facilities, including related storage & predisposal management of radioactive waste at disposal sites - Managing & monitoring closed radioactive waste disposal facilities - Investigating the need for new radioactive waste disposal facilities & site selection, design & construction of such new facilities as may be required - Conducting research & developing plans for the long-term management of radioactive waste storage & disposal - Maintaining a national radioactive waste database & publishing a report on the inventory & location of all radioactive waste in the Republic at a frequency determined by the Board - Managing the disposal of any ownerless radioactive waste on behalf of the state, including the development of radioactive waste management plans for such waste - Assisting generators of small quantities of radioactive waste in all technical aspects relating to the disposal of such waste - Implementing any assignments or directives from the Minister regarding radioactive waste disposal

Table 20: Entities that report to the Minister of Energy (continued)

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
NRWDI (continued)			- Providing information on all aspects of radioactive waste disposal to the public in general, & particularly those living in the vicinity of radioactive waste disposal facilities - Cooperating with any person or institute on matters relating to the performance of any duty falling within the above functions
NERSA	NERSA is a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) NERSA's mandate is to regulate the electricity, piped-gas & petroleum pipeline industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Gas Act, 2001 (Act No. 48 of 2001) & the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)	Revenue is generated from tariffs & levies paid by the regulated industries The total revenue for the 2015/16 financial year amounted to R315 692 722 million The total income is made up of: - Levies from Electricity Industry R179 665 887 million - Levies from Pipe-Gas Industry R57 701 785 million - Levies from petroleum pipeline industry R71 577 104 million - Interest received R6 693 359 million - Other income R54 587 million	Ensuring the development & sustainability of the electricity, piped-gas & petroleum pipelines industries by: - Setting & approval of tariffs & prices - Setting of rules, guidelines & codes for the regulation of the 3 industries - Compliance monitoring & enforcement
SANEDI	SANEDI is an applied energy research institute established in terms of Section 7(1) of the National Energy Act, 2008 (Act No. 34 of 2008)	The total income for the 2015/16 financial year amounted to R403 550 056 The total income comprises of: - Government grant of R69 861 000 - MTEF Allocation R64 861 million - DST grant R5 million - Partnership Agreements & Donor Funded Programme income R333 689 056 - Working for Energy Project R20 137 000 million - Carbon Capture & Storage Pilot Project R141 164 056 - EU Smart Metering Funding R94 000 000 - Danish Renewable Energy R45 804 000 million - CESAR R5 714 000 - REEEP R130 000 - GIZ-SAIREC R26 740 000 million	Operations includes: - Undertaking measures to promote energy efficiency throughout the economy - Ensuring uninterrupted supply of energy to the country - Promoting diversity of supply of energy sources - Facilitating effective management of energy demand & its conservation - Promoting energy research - Promoting appropriate standards & specifications for the equipment, system & processes used to produce, consume & supply energy - Providing for certain safety, health & environmental matters that pertain to energy - Facilitating energy access to improve the quality of life of the people of the Republic - Commercialising energy – related technologies - Ensuring effective planning of energy, supply, transportation & consumption, & contributing to the sustainability of development of the South African economy

Part B
PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on Other Legal and Regulatory Requirements* section of the auditor's report.

Refer to the *Report of the Auditor-General,* published in Part E: Annual Financial Statements.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

2.1.1 Electricity and electrification

The Department's Integrated National Electrification Programme (INEP) continues to be one of the Department's flagship programmes in the delivery of services to the citizens of South Africa. The programme was allocated R5.6 billion during the 2015/16 financial year. The INEP and its implementing agencies (Eskom, municipalities and non-grid service providers) have made remarkable progress in increasing access to electricity in South Africa and connected over 6.7 million households between 1994 and March 2016. Access to electricity is at 88% since 1994.

Renewable energy

Having completed the feasibility study for the solar park concept, the Minister of Energy made a determination under Section 34 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), as amended for 1 500 MW of solar power generation in the Northern Cape. The solar power generation technologies are to be implemented in a designated corridor in the Northern Cape and the concept involves technical, environmental and financial assessments that assist in defining the most viable model for building the solar park.

The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has been a flagship programme of the Department. New generation capacity determinations made by the Minister of Energy under Section 34 of the Electricity Regulation Act, 2006 include:

- 13 225 MW of renewable energy (comprising of solar photovoltaic [PV]: 4 725 MW, wind: 6 360 MW, CSP: 1 200 MW, small hydro: 195 MW, landfill gas: 25 MW, biomass: 210 MW, biogas: 110 MW and the Small-Scale Renewable Energy Programme: 400 MW)
- 2 609 MW of hydroelectric power imports

The Small-Scale Renewable Energy Programme procured renewable energy from small-scale Independent Power Producers (IPP), with projects that are between 1 and 5 MW in size. Since the inception of the REIPPP, the Department has been successful in:

- Increasing the contribution of clean energy from 0% in 2010 to over 4.5% within five years
- Creating 24 965 job-years of employment opportunities for South African citizens, where a job-year is defined as the equivalent of a full time employment opportunity for one person for one year. To date, a total of R53 million has been contributed to enterprise development by operating IPPs. The programme has also broadened Broad-Based Black Economic Empowerment (B-BBEE), as Black South Africans own, on average, 30% of these projects

The SAIREC (South Africa International Renewable Energy Conference) was successfully hosted in October 2015 in Cape Town. About 6 000 visitors, including Government ministers, academics, investors and the general public attended the conference.

3. SERVICE DELIVERY IMPROVEMENT PLAN

3.1 Main Services and Standards

Table 21: Main services and standards

Main Services	Beneficiaries	Current/Desired Standard of Service	Actual Achievement	Key Challenges	How Challenges Will Be Addressed
Petroleum licensing	The South African public Manufacturers, wholesalers & retailers Industry associations across the value chain Oil companies Parliament & various Government departments Independent consultants/ lawyers/attorneys representing applicants	95% compliance rate by the Controller on finalising all applications within 90 days, excluding site & retail NTI applications 90% compliance rate by the Controller on finalising site & retail NTI applications within 60 days	Not achieved: - 317 out of 588 (54%) applications were processed within the 90-day turnaround time period Partially achieved: - 33 out of 177 (19%) applications lodged for the annual period were processed within the 60-day turnaround time period	Currently the PPALS system does not subtract the time period the applicant takes to provide information requested by the Controller, this therefore extends calculated turnaround times on the PPALS system & reports The low compliance in this regard is due to the complexity of NTI applications & the prolonged periods to obtain information from applicants. Currently the system cannot subtract the time period it takes applicants to provide information from the 60-day compliance period. Therefore, this target has been partially achieved	Training in the regional offices has been conducted & operation & processes have been improved accordingly
Compliance with the Petroleum Product Act, 1977 (Act No. 120 of 1977)	The South African public Manufacturers, wholesalers & retailers Industry associations across the value chain Oil companies Parliament & various Government departments Independent consultants/ lawyers/attorneys representing applicants	100 retail site compliance inspections conducted 750 fuel samples tested	Achieved: - 1 956 compliance inspections were conducted which exceeded the target by 1 856 inspections Achieved: - 1 847 samples were tested in 2015/16. 500 samples were collected in March 2015 as part of the SLA for 2015/16 project	N/A	N/A

Table 21: Main services and standards (continued)

Main Services	Beneficiaries	Current/Desired Standard of Service	Actual Achievement	Key Challenges	How Challenges Will Be Addressed
Fuel stock levels & corrective actions	Petroleum Industry, Transnet, NERSA Parliament	Fuels stock levels monitored & corrective action taken to avoid distribution shortages coordinated	Achieved: - Proper monitoring of fuel stocks is conducted by the Department in collaboration with oil companies through heads of supply meetings & logistics planning meetings, 2 which are held once in every 2 months & weekly, respectively	N/A	N/A
Nuclear safeguards compliance inspections, audits & investigations	Nuclear industry & energy users	4 nuclear safeguards compliance inspections & one audit conducted	Achieved: - 8 audits conducted - 4 nuclear security inspections conducted	N/A	N/A
Nuclear radiation security	Nuclear industry stakeholders	Facilitation of installation of RPMs Conducting nuclear radiation security training courses/ workshops Enhance security measures at strategic points	Achieved: - 8 events were achieved in the year due to interest from stakeholders on nuclear matters	N/A	N/A
Energy efficiency incentive scheme	Energy industry	5 TWh of energy savings realised & verified from EEDSM projects	Partially achieved	Municipalities have only achieved a verified savings of 0.6 TWh to date	M&V service providers have been appointed for energy savings verification The verification of 2015/16 municipal EEDSM projects has commenced
Solar Water Heating Units in Residential & Commercial Sectors	The general South African public, but in particular poorer communities in South Africa that currently do not have electricity	485 000 SWH units installed in residential & commercial sectors	Not achieved	Programme was moved from Eskom in July 2015 The Department has concluded the procurement of the first batch of 8 095 locally produced baseline solar water heater systems	Installation service providers to be procured in the new financial year so that the training of local installers can maximise the skills development & job opportunities for designated groups, particularly the youth

Table 21: Main services and standards (continued)

Main Services	Beneficiaries	Current/Desired Standard of Service	Actual Achievement	Key Challenges	How Challenges Will Be Addressed
CDM projects	Energy industry, municipalities & organisations	Promote the CDM & negotiation of the UNFCCC position	Achieved	CDM project registration under the designated national authority continues The draft CDM Status Review Report has been completed	N/A
Universal access to energy	Eskom & municipalities The general South African public, but in particular poorer communities in South Africa that currently do not have electricity	To electrify 260 000 households through grid connections & 20 000 households through non-grid connections throughout the country To build 6 new substations throughout the country To upgrade 10 substations throughout the country	Partially achieved: - Municipalities electrified 72 399 additional households & Eskom electrified 158 613 additional households (including rollovers) Total = 231 012 Partially achieved: - 2 new bulk substations built Partially achieved: - 6 additional substations upgraded	Electrifying more households in deep rural areas, required new infrastructure to be built, in addition to challenges with road access & weather conditions Eskom's programme experienced material management & resource challenges Both Eskom & municipality programmes have a large number of connections that have been completed, but not energised, hence connected to the main grid networks Construction of new & upgraded substations has been very slow due to operational constraints	Connections that have not been connected to the grid are being addressed through a process of prioritisation in Eskom's delivery plans, including making municipalities pay for these connections Eskom & the Department have established a recovery strategy & committee
		2 IECs established & operational	Achieved	N/A	N/A This programme is implemented in collaboration with petroleum companies, local municipalities, as well as local communities

3.2 *Batho Pele* Arrangements with Beneficiaries (Consultation, Access etc.)

Table 22: Batho Pele *Arrangements*

Access Strategy	Actual Achievement
Regional offices exist to support beneficiaries with information, resolution of queries & general electrification assistance; access to the head office is also possible at all times	All the queries are being addressed, either by Department, Eskom &/or municipalities & they report on performance on a monthly basis
Department website Regional representation at Department workshops/road shows & provision of mobile services	Department website on a daily basis with information on new & revised policies, legislation, programmes & media statements Branches to respond on Department workshops & mobile services in line with APPs
Contact with the Department is currently made via the website, email, telephonically or physical consultation Email	Website management has been enhanced to optimise timeous information updates Goals achieved & reports of contacts made with the Department are available from the website, & emailed enquiries to the Energy Knowledge Resource Centre is available at info@energy.gov.za No telephonic enquiries reports are available due to the lack of appropriate electronic tracking systems Physical consultation through helpdesk services

3.3 Service Delivery Information Tool

Table 23: Service delivery information tools

Types of Information Tools	Actual Achievement
Pamphlets & workshops on the licensing process (including local languages) Regional representation, more collaboration with stakeholders, helpdesk Website & seminars	18 regional workshops were conducted Ongoing website updates of policies, legislation & programmes maintained

3.4 Complaints Mechanism

Table 24: Complaints mechanism

Complaints Mechanism	Actual Achievement
Email Telephonic	Emails received via info@energy.gov.za managed by the Energy Knowledge Resource Centre Telephonic complaints received via switchboard & Energy Knowledge Resource Centre In terms of the current process, complaints are received via these 2 channels & referred to the appropriate branches for responses Upon receipt of an emailed or telephonic complaint, the Energy Knowledge Resource Centre sends an email of acknowledgement to the client concerned. Branches are required to copy the Energy Knowledge Resource Centre on all direct responses The Energy Knowledge Resource Centre reports on the status of all such complaints in the weekly reports & at the monthly MANCO meetings

4. ORGANISATIONAL ENVIRONMENT

The Department has filled the position of the Director-General in October 2015. Of the two Deputy Director-General posts which were vacant, one has been filled through secondment whereas the other one has been advertised and will be filled soon. As at the end of the year under review, the Department had a staff complement of 610 employees, with 541 full-time employees and 69 contract employees. During the year under review, the Department operated with a staff complement of 583, this is the figure as the end of the year. The Department has commenced with the process of reviewing the functionality of its operational structure in order to accurately respond to its mandate and the challenges facing the Energy Sector. Specific changes were effected during the year under review, which amongst others, include the relocation of the Communications and Knowledge Management Chief Directorate from the Corporate Services Branch to the Office of the Director-General. The Department is striving to ensure that the organisational structure responds to its mandate.

4.1 Training and Development

The challenge of technical skills required in the Energy Sector has continued to be of concern to the Department. In response to this challenge, the Department has developed a Workplace Skills Development Plan (WSP), based on the training needs of individual employees and their managers. As part of the implementation of the WSP, a number of training and development interventions have been identified for implementation. The Department has also offered 32 new bursaries to serving employees of the Department. The Department has also contributed to the implemented of youth development intervention programmes, such as the provision of bursaries to external applicants. Eleven external applicants within the Youth Programme were offered bursaries sponsored by the Chemical Industries Education and Training Authority (CHIETA) including four integrated learners, 32 interns and 15 people on learnership programmes.

In preparation for the roll-out of the Nuclear New Build Programme, the Nuclear Skills Development and Training Programme is also under way with various countries including China, the Russian Federation and South Korea.

4.2 Regional Offices

In its quest to improve and bring service delivery closer to the people, the Department has managed to secure permanent office space for its regional offices in Mpumalanga, KwaZulu-Natal, North West, Eastern Cape and Limpopo provinces. The procurement of permanent office space in the Western Cape, Free State and Gauteng is underway and in an advanced stage. The process of procuring permanent office space in the Northern Cape and Free State provinces will be advertised and it is anticipated that it will be finalised before the end of the financial year.

5. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

While there were several legislative initiatives during the period under review, none were promulgated into law during the period under review.

5.1 Bills

5.1.1 Electricity Regulation Amendment Bill

This bill aims to amend the Electricity Regulation Act, 2006, including:

- Providing for the licensing of electricity dispatch
- Allowing for the pre-approval of tariffs and license conditions
- Allowing the Minister to expropriate land or right in, over or in respect of land on behalf of a licensee
- Allowing the National Energy Regulator of South Africa (NERSA) to act as an arbitrator in order to resolve disputes between licensees
- Setting out the procedure to be followed when developing the Integrated Resource Plan (IRP)
- Providing a framework for the procurement of new generation capacity
- Extending the Minister's power to delegate
- Providing for matters connected therewith

5.1.2 National Energy Regulator Amendment Bill

This bill aims to amend the National Energy Regulator Act, 2004 (Act No. 40 of 2004) including:

- The deletion of certain obsolete definitions
- Extension of the objects of the act
- Amendments to the provisions relating to the functions of the Energy Regulator
- Amendments to the composition of the Energy Regulator
- Amendments to the disqualification and requirements for membership of the Energy Regulator
- Provision for the Minister to remove a member of the Energy Regulator
- The establishment of an energy review board to review the decisions of the Energy Regulator
- Provision for the review panel and procedure
- Provision for transitional provisions
- Provision for the Minister to make regulations and to provide for matters connected therewith

5.1.3 National Nuclear Regulator Amendment Act

This bill aims to amend the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) including:

- The proposed amendments are *inter alia* to strengthen legislation since the country is embarking on the Nuclear New Build Programme
- To clarify the scope of areas regulated by the Energy Regulator
- To set out the powers of the Energy Regulator
- To empower the Energy Regulator in enforcing the act
- Substitute and insert certain definitions
- Establish legislative measures to enable the regulator to deal with nuclear security
- Harmonise the nuclear safety regulatory framework with regard to radioactive sources
- Include the provisions of the Nuclear Liability Conventions
- Make provisions for an integrated dose register
- Ensure alignment with international practices

5.1.4 Nuclear Energy Act Amendment Bill

This bill aims to amend the Nuclear Energy Act, 1999 (Act No. 46 of 1999). It will enhance the governance of the nuclear energy industry with regard to safety, security and technology matters. The bill supports the 2008 Nuclear Energy Policy and the IRP 2010-30, amongst relevant policies.

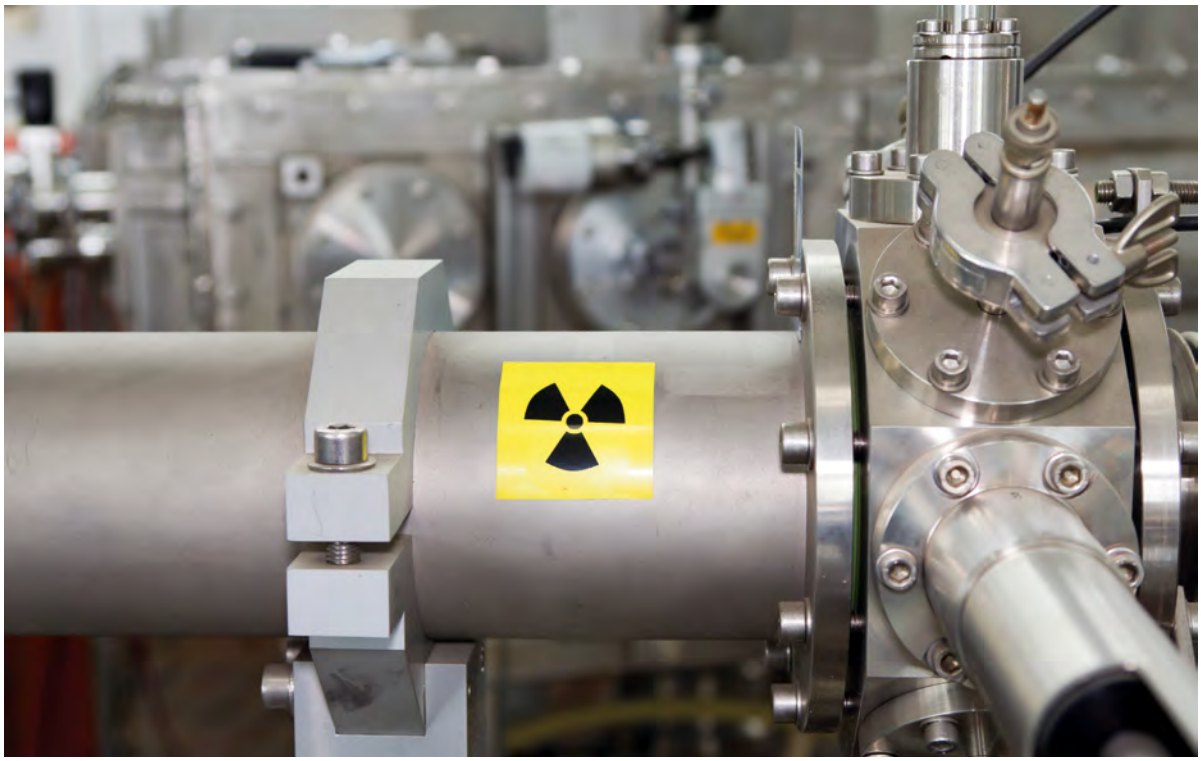
5.1.5 National Radioactive Waste Management Fund Bill

This bill aims to provide for:

- The establishment of a national radioactive waste management fund
- The funding of the functions and activities of the National Radioactive Waste Disposal Institute
- The manner in which the Fund is to be governed, managed, administered and controlled
- Matters incidental thereto

5.1.6 Strategic Fuel Fund Bill

This bill aims to provide for the establishment of the national petroleum reserve organisation to manage the strategic stock of petroleum and gas. Legislation was abandoned due to the need to align with outcomes of Presidential Review Commission on State-Owned Companies (SOC).



6. STRATEGIC OUTCOMES-ORIENTATED GOALS

Table 25: Departmental strategic outcomes-orientated goals

Strategic Outcomes-Orientated Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014-2019) (outcomes)	Departmental Programme & performance indicators
1. Security of supply To ensure that energy supply is secure & demand is well managed	SO 2.1 To Improve Energy Security SO 2.2 To Improve Liquid Fuels Energy Security by Development & Implementation of the Liquid Fuels 20-Year Infrastructure Plan SO 2.11 To Ensure the Security of Supply through Additional Power Generation Capacity	Enable exploratory drilling to identify economically recoverable coal seam & shale gas reserves, while environmental investigations will continue to ascertain whether sustainable exploitation of these resources is possible. If gas reserves are proven & environmental concerns alleviated, then development of these resources & gas-to-power projects will be fast-tracked Invest in a new heavy-haul rail corridor to the Waterberg Coalfield, upgrade the central basin coal network & expand export capacity in the line to Richards Bay Ensure domestic security of coal supply for existing power stations through industry compact, more comprehensive coal field planning & opening up the Waterberg Coalfield for coal mining Fast track development of off-shore West Coast gas coupled with incremental power generation units Develop infrastructure for the import of liquefied natural gas, mainly for power production Upgrade refineries to ensure they meet new fuel quality standards & insist on strategic fuel stocks to ensure security of supply Continue to import refined fuels, ensuring that the growing deficit in petroleum products is met & defer decision on a new refinery	Outcome 10 Annual energy balances provided to support compilation of the GHG inventory Outcome 6 Publication of approved IEP Outcome 6 Take a decision on expanding oil refining capacity Outcome 6 Develop a National Coal Policy with regulations that will include a strategy to secure coal supply & that aligns with mining beneficiation Outcome 6 Develop & implement a Gas Infrastructure Master Plan Outcome 6 Develop a funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards Outcome 6 Refine, update & implement the IRP Outcome 6 PSP Framework: Rands private investment & market share of private ownership in baseload, renewable energy, fuels & gas	Sub-programme 2.1: Energy Planning: - Annual energy balances provided to support compilation of the GHG inventory - Numbers of studies to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles & price elasticity of fuel demand for the IEP Sub-programme 2.3: Hydrocarbon Policy Finalised 20YRLFMP: - Draft Position Paper on the Coal for Energy Policy - Developed draft GUMP & its Implementation Plan Sub-programme 2.1: Energy Planning Programme: - Study to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles - Study to determine the price elasticity of fuel demand Sub-programme 2.4: Electricity, Energy Efficiency & Environment Policy: - IRP - Additional power generation capacity as per the IRP

Table 25: Strategic Outcomes-Orientated Goals (continued)

Strategic Outcomes-Orientated Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014-2019) (outcomes)	Departmental Programme & performance indicators
2. Infrastructure To facilitate an efficient, competitive & responsive energy infrastructure network	SO 2.9 To Review the Bulk Electrical Infrastructure Required for the Universal Access to Electricity SO 4.3 To Monitor Energy Infrastructure Development SO 4.2 To Enhance Programmes & Projects Management	Ringfence the electricity distribution business of the 12 largest municipalities, resolve maintenance & refurbishment backlogs & develop a financing plan, alongside investment in human capital	Outcome 6 Ringfence the electricity distribution business of the 12 largest municipalities & resolve their maintenance & refurbishment Outcome 6 - SIP 6 Integrated Municipal Infrastructure Project - SIP 8 Green Energy in Support of the South African Economy - SIP 10: Electricity Transmission & Distribution for all - SIP 17 Regional Integration for African Cooperation & Development, Over The Next 5 Years, South Africa Number of IECs	Sub-programme 2.4: Electricity, Energy Efficiency & Environmental Policy: - Norms & standards for municipal electricity infrastructure asset management Sub-programme 4.4: Electricity Infrastructure/Industry Transformation: - Number of SIP quarterly reports submitted to EXCO & MANCO & the PICC Secretariat on all SIPs Sub-programme 4.3: Community Upliftment Programmes & Projects: - Number of reports on the progress made with regard to development of rural IECs
3. Regulation & competition To ensure that there is improved energy regulation & competition	SO 2.8 Review Policy & Regulations to Ensure Security of Supply SO 3.1 Audit of B-BBEE Participation in the Petroleum Retail Sector SO 3.2 Promoted the Transformation of the South African Petroleum & Liquid Fuels Industry through Issuing of Licences	Move Eskom's system operator, planning, power procurement, power purchasing & power contracting functions to the independent system & market operator & accelerated procurement of IPPs (ISMO)	Outcome 6 Amend the National Energy Regulator Act, 2004 (Act No. 40 of 2004) & the Electricity Regulator Act, 2006 (Act No. 4 of 2006) – legislative amendments Outcome 6 Independent system operator in place	Sub-programme 2.4: Electricity, Energy Efficiency & Environmental Policy: - Amend National Energy Regulator Act, 2004 (Act No. 40 of 2004) - Amend Electricity Regulator Act, 2006 (Act No. 4 of 2006) - Electricity Industry Structure Bill

Table 25: Strategic Outcomes-Orientated Goals (continued)

Strategic Outcomes-Orientated Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014-2019) (outcomes)	Departmental Programme & performance indicators
4. Universal access & transformation To ensure that there is an efficient & diverse energy mix for universal access within a transformed Energy Sector	SO 2.9 To Review the Bulk Electrical Infrastructure Required for the Universal Access to Electricity SO 2.10 Establish Mechanisms to Prefund Capital & Create Smooth Price Path Over Long Term SO 4.1 To Ensure Access to Electricity by Households	Revise National Electrification Plan & ensure 90% coverage *"…more than 90 percent of the population should enjoy access to grid-connected or off-grid electricity within 20 years"* *& NDP Energy Proposals "Revise National Electrification Plan & ensure 90 percent access to grid-connected or off-grid electricity."* *(Energy Vision, published 2012)*	Outcome 6 Reviewed Electricity Pricing Policy issued Outcome 7 Number of rural households linked to grid or micro scheme (electricity) Number of rural households connected with off-grid technology Outcome 9 1.4 million additional households connected to grid by 2019, 105 000 additional households connected on non-grid by 2019	Sub-programme 2.4: Electricity, Energy Efficiency & Environmental Policy: - Electricity Pricing Policy Sub-programme 4.1: Integrated National Electrification Programme: - Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with grid electrification per year in comparison to the Electrification Plan - Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with non-grid electrification per year in comparison to the electrification plan
5. Environmental assets To ensure that environmental assets & natural resources are protected & continually enhanced by cleaner energy technologies	SO 4.4 Renewable Energy SO 6.2 To Coordinate & Monitor the Implementation of the EEDSM Measures Across all Sectors	Move to less carbon-intensive electricity production through procuring up to 20 000 MW of renewable energy, increased hydroelectric imports from the region & increased demand-side measures, including SWH	Outcome 10 % of new build that is renewable power generation (429 or 17 800 MW) by 2030 for renewable energy developed Outcome 6 Measure demand savings in MW in line with the National Energy Efficiency Strategy & Action Plan	Sub-programme 4.4: Community Upliftment Programmes & Projects: - Number of SWH units installed in residential & commercial sectors per year

Table 25: Strategic Outcomes-Orientated Goals (continued)

Strategic Outcomes-Orientated Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014-2019) (outcomes)	Departmental Programme & performance indicators
6. Climate change To implement policies that adapt to & mitigate the effects of climate change	SO 5.3 To Improve Security of Energy Supply SO 6.1 To Coordinate & Monitor the Implementation of Energy-Related Climate Change Response Measures & Environmental Compliance	Thorough investigation of the implications of the greater use of nuclear energy, including its potential costs, safety, environmental benefits, localisation & employment opportunities, uranium enrichment, fuel fabrication & the dangers of weapons proliferation	Review alternative generation options, including coal 3 & nuclear, to evaluate financing & construction risks & submit realistic options to Cabinet (included in Outcome 4) Outcome 10 % of new build that is renewable power generation (to incorporate off-grid energy with a target of 42 (or 17 800 MW) by 2030 for renewable energy developed) 6% (or 2 600 MW) by 2030 for the import of hydro power developed	Sub-programme 5.1 Nuclear & Technology: - Number of quarterly monitoring reports on the localisation & industrialisation strategy implemented Sub-programme 4.1: Integrated National Electrification Programme: - Number of quarterly reports on the allocation of funding & monitoring of the progress on the number of additional households electrified with non-grid electrification of households projects per year in comparison to the Electrification Plan

7. PERFORMANCE INFORMATION BY PROGRAMME

7.1 Programme 1: Administration

7.1.1 Purpose

To provide strategic support and management services to the Ministry and the Department.

7.1.2 Sub-programmes

Sub-programme 1.1: Ministry

This sub-programme provides executive support to the Minister and Deputy Minister and provides a parliamentary service to the Minister, Deputy Minister, the Department and Energy Sector. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-programme 1.2: Departmental Management (Chief Directorate: Office of the Director-General and Offices of Deputy Directors-General)

This sub-programme provides executive support to the Director-General and Deputy Directors-General. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-programme 1.3: Governance and Compliance Branch

This sub-programme provides strategic direction and guidance on strategic planning, risk management, reporting, monitoring and evaluation, State-Owned Enterprise (SOE) oversight as well as international coordination.

Sub-programme 1.4: Finance Administration Branch

This sub-programme provides financial management, accounting, and Supply Chain Management (SCM) services to the Department.

Sub-programme 1.5: Audit Services (Directorate: Audit Services)

This sub-programme provides an audit and support service to the Department. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-programme 1.6: Corporate Services Branch

This sub-programme provides corporate support to the Department, and ensures good corporate governance and compliance by the Department.

7.1.3 Strategic objectives, performance indicators, planned targets and actual achievements

Financial Management Services Branch

The Financial Management Services Branch had two targets:

- To achieve an unqualified audit report by the Auditor-General of South Africa for 2015/16 - the Financial Accounting and Reporting directorate is currently preparing the Annual Financial Statement the first draft was due for submission to National Treasury and AGSA on the 31 May 2016 and the outcome of the AGSA audit was made available on 31 July 2016
- To ensure that 100% of approved invoices are paid within 30 days of receipt – the Financial Management Services achieved the target and the report on 30-day payments compliance, and exceptions were also submitted to National Treasury for 12 periods in the current financial year. For the period under review, the Financial Management Services Branch had 26 Institutional Operational Plan (IOP) targets, of which 19 were achieved, 1 partially achieved, 4 not achieved and 2 are still in progress. The results of these targets were made available on 31 July 2016

Corporate Services Branch

One of the branch's targets was to reduce the vacancy rate to 10%. The target was not met since the vacancy rate as at 31 March 2016 was on 11.2%, resulting in a variance of -1.21%; this was due to new posts being added to the establishment. As a result, more effort will be concentrated in maintaining the vacancy rate below 10%. Another target was 100% implementation of training programmes. This target was exceeded since, over and above the trainings reflected in the WSP, a total of 63 training programmes was implemented during the year under review. All four Departmental Bargaining Chamber (DBC) and Task Team meetings were held as per the plan and a total of 10 policy presentations were conducted for the year.

Finalisation of the support and the regions structures was, however, not met because there was a change in leadership and it was necessary to get the strategic direction before the project could be concluded. The target has been carried over to the 2016/2017 performance year and plans are afoot to deliver on the target.

Governance and Compliance Branch

The Department scored an average of 2.5 on the Management Performance Assessment Tool (MPAT) – a variance of 1 against a target of 3.5. Although the target was not achieved, there were great areas of improvement, such as promotion of access to information, integration of performance monitoring and strategic management, service delivery charter, standards and service delivery improvement plans. The following has maintained a perfect score for the past three years: strategic management, organisational design and implementation, delegations in terms of the Public Service Act, 1994 (Act No. 103 of 1994), and management of cash flow and expenditure versus budget. However, there are areas that also need improvement such as fraud prevention, risk management, management of diversity, implementation of a Senior Management Service (SMS) Performance Management and Development System (PMDS) for the head of department. The Department has already embarked on the process of developing an improvement plan to address areas of underperformance.

State-owned entities

The SOE Oversight Unit worked with the relevant line function branches to ensure that the SOE/C's corporate plans, strategic plans and APPs were aligned with the objectives of the Department and broader Government priorities. The SOE/C's performance was monitored through performance reports submitted on a quarterly basis and these quarterly performance reports were reviewed and submitted to the Minister, with recommendations for improvements to performance where necessary.

During the last financial year, the SOE/C's which report to the Minister of Energy experienced difficulties across the board, with National Treasury indicating that it intends to decrease their budgeted baseline government grants for the 2015/16 and 2016/17 financial years. This was proposed by National Treasury in line with the President's 2014 State of the Nation Address (SoNA) which indicated that various austerity measures may be put in place throughout government and its entities to address various government financial shortfalls. It is against this background that the Central Energy Fund (CEF) Group continues to streamline the finalisation of the restructuring of its various entities, including PetroSA and the Strategic Fuel Fund's (SFF) business processes, systems and human resource requirements in a manner that shall further assist the group to achieve its mandate.

During March 2015, the then NERSA CEO tendered her resignation, thus initiating a comprehensive recruitment process, which is currently still underway, which shall culminate in the appointment of a suitably qualified successor to lead the regulator through this challenging period in the country's Energy Sector.

The Nuclear Regulator continues to capacitate itself in various key positions that will give it the necessary human resource capacity to successfully oversee the country's imminent Nuclear New Build Programme. In this regard, during March 2015, Nuclear Energy Corporation of South Africa (Necsa) celebrated the 50th anniversary of its SAFARI-1 Nuclear Research Reactor. Commissioned in 1965, it still remains the country's only research reactor. This is a significant milestone in the nuclear sector.

> The SOE Oversight Unit worked with the relevant line function branches to ensure that the SOE/C's corporate plans, strategic plans and APPs were aligned with the Department's objectives.

International relations

The Department conducted several international multilateral and bilateral engagements covering clean energy, energy planning, hydrocarbons, electricity and nuclear. These engagements were in line with the strategic objectives of the Department with a special focus on capacity building, enhancing security of energy supply, and creating access to funding, technology and information. The Department, through its bilateral engagement with the international community to diversify South Africa's energy mix, received both financial and technical assistance from a number of countries, including Denmark, United Kingdom, Germany (funded the 2015 South African International Renewable Energy Conference and various clean energy projects), USA, France and Switzerland. The assistance related mainly to renewable energy and energy efficiency. The Norwegians offered technical assistance on hydrocarbons (carbon capture and storage) and China has offered financial assistance on diverse energy mix.

South Africa sent students, officials and representatives of SOCs for training and skills development to countries such as China (50 engineering students were sent to China in 2015 to study nuclear technology) and the USA (shale gas study tour conducted in the USA in March 2015 and the Shale Gas Regulation was held in the USA in July 2015). Scholarships were received from France and the Russian Federation to study energy-related subjects including nuclear. The Department also conducted vendor parades to seven leading nuclear vendor countries, namely the Russian Federation, France, South Korea, Japan, USA, China and Canada. The outcomes of the vendor parades enabled the Department to gain insight into issues relating to capacity building, localisation and industry development in preparation for the Nuclear Expansion Programme. The scope of cooperation was expanded through bilateral nuclear agreements signed with China, Russia and France in 2015.

South Africa's world class project, Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has yielded investment of R194 billion, wind and solar PV have attracted main interest from the developers. To date, over 6 GW procured and 102 projects are in various stages of post preferred bidders and some investment has come from foreign investors due to the enabling environment. Countries that participated in REIPPPP included France, China, Spain, Japan, Saudi Arabia (ACWA Power) and USA. South Africa is actively involved with Sweden to negotiate a memorandum of understanding on energy. Saudi Arabia is currently South Africa's major supplier of oil. In 2015, from January to December, South Africa imported approximately 142.6 million barrels of crude oil, 37% was from Nigeria, followed by 25% from Saudi Arabia, 17% from Angola, 7% from United Arab Emirates and other 14% from various producers. Since April 2015 there have been various engagements with Iran in the Energy Sector. The Department needs to put more effort and emphasis toward the conclusion of the outstanding cooperation agreements in the Energy Sector, especially as a means of paving a way for PetroSA and the strategic fuel fund to derive commercial benefit from the cordial relations between the two countries.

The Department also provided support, especially to African countries. It hosted the delegation from the board of the Electricity Regulatory Authority of Uganda for capacity building and information sharing. With regard to the Democratic Republic of Congo (DRC), the Department played a leading role in the negotiation of the Grand Inga Hydropower Project between the South African Government and the DRC. In terms of the signed treaty, South Africa became a principal partner and buyer of the hydropower generated from the Grand Inga Hydropower Project in the DRC. The project is in line with the target of 6% of imported electricity generated from hydropower, as envisaged in the IRP 2010-30. Through the established bilateral relations, PetroSA has been able to successfully acquire producing assets in the Republic of Ghana. Active bilateral negotiations are ongoing with Mozambique, Zambia, Botswana, Equatorial Guinea and Zimbabwe. South Africa, to access technology and skills development, pays annual membership fees to various multilateral organisations such as the African Petroleum Producer Association (APPA), International Partnership in Energy Efficiency (IPEEC), International Renewable Energy Agency (IRENA), International Energy Forum (IEF) and International Atomic Energy Agency (IAEA). Other important multilateral engagements conducted during the course of the year included the Southern African Development Community (SADC) Energy Ministerial, African Union (AU), the European Union (EU), International Energy Agency, the International Gas Union (IGU), the Clean Energy Ministerial (CEM), BRICS (Brazil, Russia, India, China and South Africa), the Group of Twenty (G20), the United Nations Sustainable Energy for All (SE4ALL) and the Post-2015 development agenda. The Department participates in the IAEA Annual General Meeting and attended the IAEA 2015. As part of advancing the developmental energy agenda and regional integration in SADC and the African continent, the Department hosted the SADC Energy Ministers in July 2015.

Table 26: Programme 1 Administration performance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
Unqualified audit report by the Auditor-General achieved for 2013/14	Unqualified audit report by the Auditor-General achieved for 2013/14	Result of the annual audit	None	Unqualified audit report by the Auditor-General achieved for 2014/15	None	Achieved: - Unqualified audit report by the Auditor-General achieved for 2014/15	No deviation	None
100% approved invoices paid within 30 days of receipt	Achieved Reports on 30-day payments compliance & exceptions were submitted to National Treasury for all 12 periods in the financial year	% of approved invoices paid within 30 days of receipt	None	100% approved invoices paid within 30 days of receipt	None	Achieved: - 100% approved invoices paid within 30 days	None	Report on 30-day payment compliance & exceptions were submitted to National Treasury for 12 periods in the financial year
Vacancy rate below 10% at least maintained	Vacancy rate stands at 10.26%	% of vacancy rate	None	Vacancy rate below 10% maintained	None	Partially achieved: - 11.21% vacancy rate was achieved	1.21 % under achieved	Delays on turnaround time with regard to the filling of vacant posts
No target	N/A	Number of Human Resources Plans reviewed	None	Human Resource Plan reviewed	None	Achieved: - Human Resource Plan has been reviewed	None	None
1.8% of people with disabilities employed	2.2% of people with disabilities as of 31 March 2015	% of people with disabilities employed	None	2% of people with disabilities employed	None	Not achieved: - 1.96% has been achieved	0.04% under achieved	Not enough people with disability & required competencies are available in the labour market
42.5% of women in SMS positions	38.55% as at 1 December 2014	% of women in SMS positions	None	50% of women in SMS positions	None	Partially achieved: - 36.14% of women are in SMS position	13.86% under achieved	Remaining % of SMS positions to be prioritised & filled by women

Table 26: Programme 1 Administration performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	% of employees in the Department trained on the Nuclear Skills Development Programme	None	70% of employees in the Department trained on the Nuclear Skills Development Programme	None	Achieved: - 70% of employees in the Nuclear Branch were trained on the Nuclear Skills Development Programme	None	Attendance registers
20 Izimbizo PPPs conducted	36 Izimbizo	Number of Izimbizo PPPs conducted	None	20 Izimbizo PPPs conducted	None	Partly achieved 12 Imbizos PPPs were conducted	8 Izimbizos PPPs could not be conducted	Capacity & resource constraints
Average MPAT score of at least 3.1 achieved for moderated assessment of 2014/15; with at least the following sub-scores: - KPA 1 – 3.3 - KPA 2 – 3.2 - KPA 3 – 3.1 - KPA 4 – 2.9	Overall score of 2.64 comprised of: - KPA 1 – 2.67 - KPA 2 – 2.2 - KPA 3 – 2.45 - KPA 4 – 3.22	Average score on the MPAT	None	Average MPAT score of at least 3.5 achieved for moderated assessment of 2014/15 with at least the following sub-scores: - KPA 1 – 3.5 - KPA 2– 3.5 - KPA 3 – 3.5 - KPA 4 – 3.5	None	Partially achieved: - KPA 1 – 3 - KPA 2 – 2 - KPA 3 – 4 - KPA 4 – 1	The Department obtained an average MPAT score of 2.5, resulting in a variance of 1 point from the target	Inadequate maturity level to meet the required standard of MPAT to be improved
No target	N/A	Number of bilateral intergovernmental engagements or visits hosted in the Energy Sector, excluding Africa (inbound & outbound)	None	18 bilateral intergovernmental engagements or visits hosted in the Energy Sector, excluding Africa (inbound & outbound)	None	Achieved: - 23 bilateral intergovernmental engagements/ visits hosted in the Energy Sector, excluding Africa (inbound & outbound)	Over achieved by 5 bilateral intergovernmental engagements	Department received additional invitations over & above the planned target

Table 26: Programme 1 Administration performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Number of bilateral intergovernmental engagements or visits hosted in the Energy Sector, with African states (inbound & outbound)	None	10 bilateral intergovernmental engagements or visits hosted in the Energy Sector, with African states (inbound & outbound)	None	Achieved: - 12 bilateral intergovernmental engagements/ visits hosted in the Energy Sector, with African states (inbound & outbound)	Over achieved by 2 bilateral intergovernmental engagements	Department received additional invitations over & above the planned target
No target	N/A	Number of Institutional operational plans produced	None	1 Institutional Operational Plan produced	None	Achieved: - 1 Institutional Operational Plan was produced	None	None
No target	N/A	Number of annual reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8 & 10 signed by the Minister	None	4 quarterly reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8 & 10 signed by the Minister	None	Not achieved	9 annual reports were done but they were not signed by the Minister	Other reports were not submitted on time or not submitted at all due to lack of progress

Table 27: Strategy to overcome areas of underperformance for Programme 1

Area of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
Vacancy rate below 10% maintained	Partially achieved: - 1.21% over	The Department has already embarked on the process of developing an Improvement Plan to address areas of underperformance
2% of people with disabilities employed	Not achieved: - 1.96% has been achieved	Focus to be placed on recruiting & attracting people with disabilities from the labour market & other agencies
50% of women in SMS positions	Partially achieved: - 36.14% of women are in SMS position	Majority of vacant SMS positions to be prioritised & to be filled by women
Average MPAT score of at least 3.5 achieved for moderated assessment of 2015/16; with at least the following sub-scores: - KPA 1 – 3.5 - KPA 2 – 3.5 - KPA 3 – 3.5 - KPA 4 – 3.5	Partially achieved: - KPA 1 – 3 - KPA 2 – 2 - KPA 3 – 4 - KPA 4 – 1	Department will draft an effective Implementation Plan that seeks to improve management practices across all key performance areas

7.1.4 Changes to planned targets

None.

7.1.5 Linking performance with budgets

Table 28: Programme 1 financial performance at 31 March 2016

Administration Sub-programmes	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	42 308	42 298	10	41 778	41 767	11
Departmental management	52 636	52 619	17	46 104	45 787	317
Finance administration	33 327	33 294	33	31 101	29 390	1 711
Audit services	6 767	6 698	69	6 918	6 754	164
Corporate services	110 758	110 758	0	110 192	109 053	1 139
Office accommodation	32 102	32 100	2	24 508	24 417	91
Total	**277 898**	**277 767**	**131**	**260 601**	**257 168**	**3 433**

7.2 Programme 2: Energy Policy and Planning

7.2.1 Purpose

Ensure evidence-based planning, policy setting and investment decisions in the Energy Sector to improve energy security through supply- and demand-side options, and increase competition through regulation.

7.2.2 Sub-programmes

Sub-programme 2.1: Policy Analysis and Research (Chief Directorate: Policy Analysis and Research)
This sub-programme develops key indicators and monitors the impact of Energy Sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and on the security of energy supply; conducts research and analyses policies in relation to other countries; and carries out research and analyses national and international trends or developments that impact on the demand and supply of energy.

Sub-programme 2.2: Energy Planning (Chief Directorate: Energy Planning)
This sub-programme develops and maintains various energy modelling tools to estimate future energy demand and explore alternative energy supply options; identifies energy supply constraints and addresses them through the Integrated Energy Plan; and manages the collection and maintenance of energy data and the dissemination of quality energy statistics and information.

Sub-programme 2.3: Hydrocarbon Policy (Chief Directorate: Hydrocarbon Policy)
This sub-programme ensures a secure energy supply; well managed demand; enhanced access to hydrocarbons; a transformed Energy Sector; and ensures that energy regulation and competition is improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.

Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy (Chief Directorate: Electricity, Energy Efficiency and Environmental Policy).
This sub-programme ensures secure energy supply; well managed demand and a transformed Energy Sector; and energy regulation and competition that is improved through the development, promulgation and maintenance of a statutory framework for electricity over the medium term.

7.2.3 Strategic objectives, performance indicators, planned targets and actual achievements

Integrated Energy Plan
The IEP represents our energy policy and strategy statement that has been under development since 2012, when Cabinet approved the commencement of the public consultation process. The consultation sought to achieve agreement on the purpose of the IEP, stakeholder consensus on the minimum content of the IEP, the requisite quantitative baselines and assumptions, assessment of the gaps between the expected content and existing content and data, the scenarios and pathways to be tested and the associated timelines, integration of various sector plans for electricity, gas, liquid fuels and after the Public Participation process, the adoption of the IEP.

> The IEP will provide answers to various questions our country has been grappling with regarding our energy future.

The IEP development process has advanced and it has now been tabled before the Economic Sectors and Infrastructure Development Cluster, a platform prescribed as the last step before submission in Cabinet. The IEP will provide answers to various questions our country has been grappling with regarding our energy future, including alignment with our objectives for the Energy Sector. The objectives for the Energy Sector include energy security, reducing energy costs, increasing access to modern energy carriers, reducing GHG emissions, reducing water consumption, increasing localisation, improving energy efficiency, and diversification of our energy sources through an energy mix. Some of the questions answered through the IEP include:

- What are our primary energy requirements in the period up to 2050, in respect of coal, oil, gas and other energy minerals; but also to what extent do we rely on our sun, wind and regional hydropower resources in the same period? The IEP will assist us to make the appropriate decisions regarding securing these energy sources in the required quantities.

- What are the energy conversion technologies plus the logistical infrastructure requirements, including power generation plants, refineries, pipelines, transmission wires and storage facilities for oil and gas?
- What are the enablers for this infrastructure, particularly legislative and institutional arrangements that will open up these sectors?
- Insofar as the recommendation of the National Development Plan (NDP) to conclude a decision on new refinery capacity, the IEP will provide insights regarding the implications of the refinery as against not proceeding with its development. The decision on new refining capacity will be finalised in 2016 as recommended by the NDP.
- The IEP provides an agenda of energy technology topics; these topics include technologies for storage, biofuels development, fuel cells utilisation exploiting our platinum resource base, PV and Concentrating Solar Power (CSP).
- What is the recommended pathway for meeting the energy demand through electricity, gas and liquid fuels and what are the anticipated price implications?

Update on the Integrated Resource Plan and the Gas Infrastructure Plan

Arising out of the process for developing the IEP will be the infrastructure plans in respect of the electricity, gas and liquid fuels sectors in more detail than the pathway recommended by the IEP. Starting with the electricity sector, the base case for the updated IRP has been developed. The IRP update is premised on the pathway defined through the IEP process, thus ensuring the integration of this sector plan.

Similarly, the Gas Infrastructure Plan is premised on the pathway defined through the IEP, in regard to the gas pipelines, storage and other infrastructure that is necessary for meeting the energy demand through gas supply.

Historically, the planning process was in silos where the electricity supply dominated any other demand for energy due to the argument about cheap coal-based electricity. Going forward, it is becoming more and more apparent that the future energy demand will be competed for by electricity, gas and liquid fuels and that depending on the relative cost competitiveness of each of these carriers, the appropriate carrier will prevail over the others for that end-use.

Municipal distribution asset management

Municipal electricity distribution infrastructure requires urgent refurbishment if it is expected to provide reliable service. The estimated backlog of R80 billion needs a funding model that entails revamped institutional, regulatory and structural adjustments to the status quo. In this regard the Approach to Distribution Asset Management (ADAM) Programme was initiated, targeting the metropolitan and suburban areas of the country for piloting. The development of norms and standards relating to, amongst others, maintenance and tariff design is necessary for adoption as a regulatory mechanism for municipalities to normalise their electricity distribution businesses. These norms and standards are to be informed by the pilot ADAM Programme that was initiated in the year under review.

Policy research and analysis

All targets that have been set pursuant to policy research and analysis are reported as “not achieved” in the year under review because they have been incorporated elsewhere in the activities of the Department. The GUMP, the IRP and the National Energy Efficiency Strategy and Action Plan (NEES) have been developed instead to address the research topics relating to gas, electricity and energy efficiency, respectively. This is logical given the extent of research that goes into the development of these plans and strategies. The same applies to the collection and collation of energy statistics to support the development of the IEP, which is reported as “no target set”. In this regard, the Department has instead promulgated regulations regarding the mandatory provision of energy data and the development of energy management plans.

Hydropower resource

The Department has continued to lead discussions with our neighbouring countries on hydroelectric power development, notably with the DRC, Zambia, Zimbabwe and Botswana to advance the provisions of the Treaty on the Grand Inga Hydropower Project. South Africa has entered into a treaty with the Democratic Republic of the Congo to offtake 2 500 MW in the first phase of the project. The transmission solution to evacuate power to South Africa has been agreed at the technical level between all the affected utilities, being Eskom, Société Nationale d’Électricité (SNEL), Botswana Power Corporation, Zimbabwe Electricity Supply Authority (ZESA) and Zambia Electricity Supply Company (ZESCO). The next steps involve securing political ratification of the technical solution. Once this has been resolved, the Grand Inga Hydropower Project will proceed through to the commercial negotiation of the electricity tariff and the risk sharing between the power concession company and the South African off-taker.

Table 29: Programme 2 Energy Policy and Planning performance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Draft GUMP submitted to Cabinet	None	Submission of GUMP & its Implementation Plan for Cabinet approval	None	Partially achieved: - Draft GUMP Report including the Implementation Plan has been developed	GUMP not presented to Cabinet	Forms part of the IEP development process GUMP inter-government consultation processes is still on-going
No target	N/A	Draft Gas Amendment Bill submitted to Cabinet	None	Submission of the Draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	None	Partially achieved	Ministerial approval not yet obtained	None The Draft Gas Amendment Bill is aligned with the Gas-to Power Programme Further alignment with the Upstream Gas Legislation is being negotiated with the DMR
Draft 20YRLFMP submitted to Cabinet for approval	Draft 20YRLFMP completed	Finalised 20YRLFMP submitted to Cabinet for approval	None	Publish 20YRLFMP for external consultation	None	Achieved: - 20YRLFMP was incorporated as part of IEP tabled at the Director-General's Cluster in February 2016	None	20YRLFMP was incorporated into the IEP
No target	N/A	Annual energy balances provided to support compilation of the GHG inventory	None	Annual energy balance (2013) published by March 2016	None	Achieved: - Annual energy balance (2013) was published by March 2016	None	None

Table 29: Programme 2 Energy Policy and Planning performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Biofuels Regulatory Framework in place	None	Biofuels Regulatory Framework implemented	None	Achieved: - As per the framework, financing/ subsidy scheme agreed with National Treasury, feedstock protocol completed with DRDLR - Final Biofuels Regulatory Framework completed internally	None	None
No target	N/A	Draft Petroleum Products Bill	None	Draft Petroleum Products Bill submitted for Ministerial approval	None	Partially achieved: - The Draft Petroleum Products Bill together with the Concept Document was sent to the SLA for legal opinion	Not submitted for Ministerial approval	The SLA suggested that the Petroleum Products Bill should rather be amended instead of being repealed – this means that the Memorandum of Objects would be the one that accompanies the Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended, not the Petroleum Products Bill

Table 29: Programme 2 Energy Policy and Planning performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Draft Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)	None	Submission of the concept document for the amendment of the Petroleum Pipelines Act for ministerial approval	None	Partially achieved: - Petroleum Pipelines Act, 2003 (Act No 60 of 2003) review drafted for ministerial approval	Not submitted to the Minister for approval	Submission to appraise the Minister on the approval
No target	N/A	Draft SFF Legislation	None	Ministerial approval of the Concept Document for the SFF-related legislation	None	Partially achieved: - Submission to appraise the Minister on the status of the SFF legislation drafted for ministerial approval	Not submitted to the Minister for approval	Legislation abandoned due to the need to align with outcomes of Presidential Review Commission on SOCs
No target	N/A	Draft Position Paper on Coal for Energy Policy approved	None	Draft Position Paper on Coal for Energy Policy developed (based on duly considered comments) & submitted for Ministerial approval	None	Partially achieved: - Coal for Energy Pathway is included in the IEP which was tabled at Director-General's Cluster in February 2016	Not submitted to the Minister	The coal requirements for power generation & liquid fuels production are determined in the IEP
No target	N/A	Recommendation identified	None	Infrastructure needs for Energy Sector identified & recommendations made	None	Achieved: - Included in the IEP which was tabled at Director-Generals Cluster in February 2016	None	None

Table 29: Programme 2 Energy Policy and Planning performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Amend National Energy Regulator Act, 2004 (Act No. 40 of 2004)	None	Introduce the National Energy Regulator Bill for consideration & support by Cabinet & by Parliament	None	Achieved: - National Energy Regulator Bill was introduced to the Cabinet in July 2015	None	National Energy Regulator Amendment Bill approved by Cabinet with conditions relating to proposed Review Board (these are being attended to)
No target	N/A	Amend Electricity Regulator Act, 2006 (Act No. 4 of 2006)	None	Introduce the Electricity Amendment Bill for consideration & support by Cabinet & by Parliament	None	Achieved: - Electricity Amendment Bill was submitted to Cabinet in Jul 2015	None	The Electricity Regulator Amendment Bill was tabled at the IMC on Energy & referred back to conclude the electricity end-state first
No target	N/A	Review the electricity sector in line with Cabinet decision to strengthen SOCs	None	Introduce improved electricity industry structure for consideration & support by stakeholders before introduction to Cabinet & Parliament	None	Partially achieved: - Presentation on industry end state made to EXCO, Minister & informally to key stakeholders	Improved electricity industry structure not formally introduced to stakeholders	None
Norms & standards for municipal asset management set with the concurrence of the energy regulator	Norms & standards relating to tariff design were developed	Develop & integrate the major Distribution Infrastructure Plan for the Metro Municipalities (ADAM)	None	Develop Integrated Distribution Infrastructure Plan for the Metro Municipalities (ADAM)	None	Partially achieved: - Report presented to EXCO in Nov 2015	Report not introduced to Cabinet	Consultation with stakeholders in progress

Table 29: Programme 2 Energy Policy and Planning performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Develop & integrate the major Distribution Infrastructure Plan for the Metro Municipalities (ADAM)	None	Develop norms & standards for municipal asset management in concurrence of the energy regulator	None	Not achieved	Work in progress	Finalising the pilot report on ADAM
No target	N/A	Update Electricity Pricing Policy	None	Develop the electricity price path in line with the IRP, ADAM & Transmission Plan Obtain approval & amend the Electricity Pricing Policy accordingly for introduction to Cabinet for approval	None	Partially achieved: - IEP outlines the electricity price path under various scenarios & included in the IEP Report which was tabled at the Director-General's Cluster in Feb 2015	Not introduced to Cabinet for approval	Currently addressing recommendations from Director-General's Cluster
No target	N/A	Update & implement IRP	None	Introduce the updated IRP for consideration & support by Cabinet & by Parliament	None	Partially achieved: - Base case for the updated IRP has been developed but not yet submitted for Cabinet approval, pending approval of IEP	Not introduced to Cabinet	Update studies ongoing

Table 29: Programme 2 Energy Policy and Planning performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target (from 2015/16 APP)	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Introduce additional power generation capacity as per the IRP	None	Introduce bidding rounds for renewable energy, cogeneration, coal & gas programmes in line with IRP	None	Partially achieved: - Cogeneration & Coal completed	Gas delayed	The evaluation process (additional coal, renewable energy) is ongoing & is intended for completion by the end of the first quarter of the 2016/17 financial year
No target	N/A	Develop Southern Africa's hydroelectric resources to enhance the inter-regional electricity trade	None	Negotiate Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended & resolve the transmission solution associated with power delivery from Inga	None	Partially achieved: - Transmission solution agreed with Eskom & is being negotiated with other affected utilities in Zambia, Zimbabwe & Botswana	Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended discussion not commenced	Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended discussion can only commence once ADEPI is established
No target	N/A	Number of Technical War Room Reports regarding immediate- (90-day plan), medium- (supply interventions) & long-term (demand management) solutions	None	Contributing to & monitoring progress on the interventions identified under the War Room	None	Achieved: - Monthly reports were submitted	None	None

Table 30: Strategy to overcome areas of underperformance for Programme 2

Area of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
IEP & related sector plans	The IRP Update, the GUMP & the 20YRLFMP have been delayed due to the delay in finalising the IEP	The IEP process will incorporate the IRP, Gas Infrastructure Plan & their related logistical infrastructure elements, i.e. transmission lines for the IRP & pipelines for the Gas Infrastructure Plan. This new approach was necessary after recognising the shortcomings of the disparate planning process for each sector. Going forward once the IEP has been adopted by Cabinet, the IRP Update (for electricity) & the Gas Infrastructure Plan will follow, utilising the IEP as the platform In regard to the 20YRLFMP, the IEP already outlines the petroleum pathway, thus doing away with the need for a separate Liquid Fuels Masterplan. Effectively the IEP will represent the umbrella Energy Sector Plan The IEP has been completed & was presented for Cabinet consideration, with the expected approval date of 2016 Quarter 2
ADAM Programme	The ADAM Pilot Programme was implemented in select municipalities but the close out report has not yet been finalised; the norms & standards for municipal asset management have not been developed	A close-out report will inform the Rehabilitation Plan for Municipal Infrastructure, including the policy, financing & regulatory issues, taking into account the lessons from the ADAM Pilot Programme
Coal for energy	There is no coal for energy policy framework under development, given the reliance on external stakeholders including the DMR	The IEP includes the primary energy requirements for each sector (electricity, gas & petroleum) in the period up to 2050. As such, the coal requirements for purposes of power & liquid fuels production have been determined under the IEP process
Development of hydropower resources	Despite signing a treaty with the DRC, relating to the Grand Inga Hydropower Project, the project to offtake 2 500 MW has been delayed, & South Africa has to resolve the transmission infrastructure problem to evacuate the power from the border between DRC & Zambia	The transmission solution to evacuate power to South Africa has been agreed at the technical level between all the affected utilities, being Eskom, SNEL, Botswana Power Corporation, ZESA & ZESCO. The next steps involve securing political ratification of the technical solution Once this has been resolved, the Grand Inga Hydropower Project will proceed through to the commercial negotiation of the electricity tariff & the risk sharing between the power concession company & the South African offtaker. The DRC is responsible for appointing the concession company that will generate the power, as part of their obligation under the Treaty

7.2.4 Changes to planned targets

None.

7.2.5 Linking performance with budget

Table 31: Programme 2 financial performance at 31 March 2016

Energy Policy & Planning Sub-programmes	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy Analysis & Research	2 240	1 570	670	2 286	475	1 811
Energy Planning	19 154	18 429	725	29 812	23 134	6 678
Hydrocarbon Policy	11 710	11 428	282	12 900	11 695	1 205
Electricity, Energy Efficiency & Environmental Policy	7 482	6 667	815	8 055	6 445	1 610
Total	**40 586**	**38 095**	**2 491**	**53 053**	**41 749**	**11 304**

7.3 Programme 3: Petroleum and Petroleum Products Regulation

7.3.1 Purpose

The purpose of the Petroleum and Petroleum Products Regulation Programme is to regulate petroleum and petroleum products to ensure optimum and orderly functioning of the petroleum industry to achieve government's developmental goals.

7.3.2 Sub-programmes

Petroleum Compliance, Monitoring and Enforcement
This sub-programme monitors compliance with the petroleum legislation, the Liquid Fuels Charter, and technical, legal and commercial licensing conditions. This includes compliance with import and export conditions, as well as enforcement of the submission of data by industry. This sub-programme also processes arbitration requests, promotes access to information requests on behalf of the Controller of Petroleum Products.

Petroleum Licensing and Fuel Supply
This sub-programme manages petroleum licensing processes, regulates the permits for the export and import of petroleum products, monitors fuel stock levels and coordinates corrective actions to avoid fuel shortages. This entails conducting license analyses and ensuring the supply of hydrocarbons, and compliance with permits and the charter.

Fuel Price Regulation
This sub-programme regulates the pricing of petroleum products in accordance with legislation. This entails the determining, reviewing, updating and maintaining fuel levies and margins and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring price models; updating elements of the Basic Fuel Price (BFP); and ensuring secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products to enable investment in the sector.

Regional Petroleum Regulation Offices
This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all information by license holders is captured and analysed.

7.3.3 Strategic objectives, performance indicators, planned and actual achievements

The Department continues to make the process of applying for petroleum licences easier and more accessible by sharing information and educating applicants and potential applicants on the licensing process through regional awareness campaigns. The benefits of this approach were seen in the large number of applications that were lodged during the financial year with all the required information provided. Furthermore, the Department had regular interactions with the majority of oil companies, which facilitated the speedy resolution of License application challenges.

However, the Department still experiences cases where inadequate information is provided in applications. This causes unnecessary delays, since additional information has to be requested from the applicants and their response is awaited.

The Department continued to conduct retail site inspections and fuel tests. These are conducted to monitor and enforce compliance with the conditions of licenses and fuel specifications, respectively. A number of notices were issued to those who were found to be in contravention. In some instances, licence holders were ordered to correct the contravention on the spot, for example, where an incorrect fuel price was being charged to the public.

Compliance
For the period under review, 1 500 planned retail site compliance inspections were undertaken. The Branch managed to conduct 1 956 compliance inspections, which exceeded the target by 456 compliance inspections. Enforcement notices were issued in 90% of cases where non-compliance was identified during routine compliance inspections. Out of the 1 956 retail site compliance inspections conducted, 194 cases of non-compliance were identified and notices were issued where appropriate.

As an alternative dispute resolution mechanism to promote the right to access to courts, the Petroleum Products Act, 1977 (Act No. 120 of 1997) provides for arbitration in terms of Section 12B. The Branch had planned to finalise all arbitration requests as provided for in the Petroleum Products Act, 1977 and achieved target. The initial set target of 21 working days has no basis, hence the Department has reviewed the target to 90 days from date of receipt of all parties' representations. The reviewed target was benchmarked against other legislations administered

by the Department, and further considering the following; legal complexities, voluminous nature of requests, delayed submission of representations and limited human resources.

In terms of Section 12C (1)(e) of the Petroleum Products Act, as amended, the Minister of Energy is mandated to make regulations regarding the specifications and standards of petroleum products. The Department is required to monitor and enforce compliance with these regulations by all manufacturers, wholesalers and retailers. Sampling and testing of petroleum products is therefore a critical part of meeting quality standards.

As at 31 March 2016 a total of 1 847, instead of a target of 1 892, fuel samples were collected from retail sites and tested. However, the number excludes an additional 500 samples collected and tested in March 2015 as per signed SLA and the cash flow projections over a period of 24 months, ending in February 2017. It is thus appropriate to acknowledge that the target has been exceeded by 455, which was not accounted for in the previous financial year (2014/15) project.

Table 32: Fuel samples collected and tested per province

Provinces	Diesel Samples Collected & Tested	Petrol Samples Collected & Tested	Total Samples
Eastern Cape	93	90	183
Free State	101	100	201
Gauteng	157	170	327
KwaZulu-Natal	96	98	194
Limpopo	95	93	188
Mpumalanga	125	125	250
North West	113	114	227
Northern Cape	69	62	131
Western Cape	75	71	146
Grand total	**924**	**923**	**1 847**

Enforcement notices were issued in 95% of cases where non-compliance is identified during routine fuel samples testing. Out of 1 847 samples tested, 175 samples failed the petroleum products specifications and standards, and notices were issued to the identified non-compliances. The Liquid Fuels Charter requires the Department to consult, monitor, evaluate and report on economic transformation initiatives. Stakeholder consultations were conducted with oil majors and industry associations to establish progress made post the Liquid Fuels Charter Audit Report. The Department continued to strengthen partnerships with the National Empowerment Fund (NEF) in order to enhance Black participation in the retail space in light of challenges to access funding from financial institutions.

Licensing

The Department received 842 petroleum products licence applications during the period under review. A total of 19.4% compliance within a 60-day turnaround time to finalise New to Industry (NTI) applications against a target of 90% compliance was achieved. It should be noted that the legislated timeframe is 90 days. The 60-day timeframe was a stretch target and is proving difficult to achieve due to insufficient information from applicants. Furthermore, the Department partially achieved 54% compliance within the 90-day turnaround time for final decisions on all other licence applications during the period under review against a target of 95% compliance. The Department also achieved 75% compliance with the 50% target for Historically Disadvantaged South African (HDSA) participation in all licence applications. The Department has continued its effort to improve the collection and recovery of outstanding petroleum licensing revenue. The Department has also made the payment of outstanding licence fees a condition of any new license where there are changes in ownership.
Furthermore, the Department conducted 17 public awareness campaigns across the country. During these campaigns, the Department shared information on the petroleum licence application process, opportunities in the sector, obligations of licence holders, and information on fuel pricing. These awareness campaigns have proved very useful in encouraging licence holders to comply with the conditions of their licences as well as those who intend to apply for licences.

Fuel supply

During the period under review, the Department continued to coordinate and monitor fuel supply in the country to ensure the security of petroleum products supply. The Department coordinates the refining schedules and processes, recommends applications for import and export to the International Trade Administration Commission of South Africa (ITAC), and chairs the supply managers meetings to coordinate logistics. The Department also participates in various industry forums that facilitate the efficient distribution of petroleum products in the country. The petroleum products supply situation in the country remains very tight, especially with regard to Liquefied Petroleum Products (LPG). The age of the refining and supply logistics infrastructure contributes to the current supply challenges, which are compounded by an increase in demand for petroleum products. *Table 33* compares crude oil imports for 2015.

Table 33: Crude oil imports for 2015

Country	Quantity (bbl)	R (billions)	% of Total Quantity
Nigeria	53 350 761	37.4	37
Saudi Arabia	35 798 793	23.7	25
Angola	24 747 960	17.0	17
United Arab Emirates	9 284 172	6.7	7
Qatar	6 354 861	4.1	4
Kuwait	4 439 765	2.6	3
Iraq	3 003 005	2.0	2
Equatorial Guinea	2 638 294	1.9	2
Colombia	2 129 815	1.4	1
Oman	971 241	0.62	1
Total	**142 656 897**	**97. 7**	**100**

Source: South African Revenue Services

A significant amount of crude oil was sourced from African countries; however, Middle Eastern countries are still an important source of crude oil to South Africa. About 54% of South African crude oil requirements were met by African countries, mainly from Nigeria and Angola. Imports from these countries were 37% and 17%, respectively. This can be translated to about 78 million barrels that were sourced from within the continent.

The crude oil imported by the major oil companies from January to December 2015 amounted to R119 million. The crude oil imported by the major oil companies was 84% of the total crude oil imported. It can be concluded that the remaining 16% of the crude oil imports were sourced by independent wholesalers and other crude oil distributors.

Refined products imports

Table 34 below represents the petroleum products imported for 2015.

Table 34: Petroleum products imports for 2015

Product	Volume (ℓ)	R (billions)	% of Total
Diesel	6 443 371 229	38.2	74
Petrol	1 869 643 863	10.9	21
Kerosene*	275 033 110	1.5	3
LPG	128 375 626	0.45	1
Total	**8 716 423 898**	**51.1**	**100**

** Jet fuel & illuminating paraffin*
Source: South African Revenue Services

A total of 8.7 billion litres of refined products were imported from January to December 2015; 6.4 billion litres were of diesel which is 74% of the total products imported.

Fuel pricing

The Department regulates the pricing of petroleum products in accordance with the legislative framework. This entails the determination, review, update and maintenance of fuel levies and margins and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring pricing models, updating elements of the BFP; and ensuring that the fuel prices are audited before implementation. The Department determines industry margins using the Regulatory Accounting System (RAS) methodology and the replacement costs principle to ensure that investors in the petroleum sector can receive appropriate returns on their investments.

In order to ensure transparency and strengthen the fuel pricing process and provide regulatory certainty to stakeholders, the Department undertook the following studies:

- Review of Magisterial District Zones (MDZ) to determine the primary transport costs of delivering fuel in the country
- Valuation of the secondary storage and benchmark service station asset base to ascertain the actual capital costs of building these facilities.
- Survey to determine the operational expenses of a Benchmark Service Station (BSS)

The main purpose of these studies was to determine and update the actual costs for: transporting fuel in the country, building storage and services stations, and operating a service station. These costs are included in the pump price of petrol. The Department has received final reports from consultants and concluded the stakeholders' engagements to solicit inputs and comments from all the affected and concerned parties. The outcomes of these projects will be implemented once the Department has concluded its internal approval processes.

The Department continued to adjust the fuel prices every last Friday of the month. The crude oil prices stayed below the US$40 per barrel during the period under review. This was mainly due to the oversupply of crude oil in the market and was exacerbated by the fact that members of the Organisation of Petroleum Exporting Country (OPEC) refused to reduce their production quotas. The motorists paid at least R2.00 less per litre of petrol compared to the previous year.

Fuel price administration includes developing, evaluating and monitoring pricing models, updating elements of the BFP; and ensuring that the fuel prices are audited before implementation.

In December of each year, the Minister of Energy adjusts the industry margins in terms of the fuel pricing regulatory framework. Last December, margins at retail, wholesale, storage and distribution were adjusted overall by 5.8%. The Minister of Energy, Hon. Tina Joemat-Pettersson (MP), approved the annual adjustment of the fuel margins with effect from 3 December 2015. The retail margin of petrol was increased by 6.0 c/ℓ which equated to a 3.8% increase. Both the secondary storage and secondary distribution margin for petrol, diesel and illuminating paraffin were increased by 1.1 c/ℓ respectively. The wholesale margin remained unchanged.

Table 35: Programme 3 Petroleum and Petroleum Products Regulation performance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
Enforcement notices issued in 85% of cases where non-compliance is identified during routine compliance inspections	Enforcement notices issued in 100% of cases where non-compliance is identified during routine compliance inspections	% of cases where enforcement notices are issued in cases where non-compliance is identified during routine compliance inspections	None	Enforcement notices issued in 90% of cases where non-compliance is identified during routine compliance inspections	None	Achieved: 100%	Target exceeded by 10%	Enforcement notices issued in 100% of cases where non-compliance is identified during routine compliance inspections
Enforcement notices issued in 95% of cases where non-compliance is identified during routine fuel sample testing	No enforcement notices were issued	% of cases where enforcement notices are issued in cases where non-compliance is identified during fuel sample testing	None	Enforcement notices issued in 95% of cases where non-compliance is identified during routine fuel sample testing (target 1 892 fuel samples tested)	None	Achieved: 100%	Target exceeded by 5%	Enforcement notices issued in 100% of cases where non-compliance is identified during routine fuel sample testing
30% of licence applications approved have 50% BEE ownership	The relevant licence application data in support of this target is yet to be collected & analysed	% of licence applications approved where BEE ownership is at least 50%	None	40% of license applications approved have 50% BEE ownership	None	Achieved	555 out of 740 (75%) licence applications approved had at least 50% BEE ownership	Most of the wholesale applicants are HDSA
Progress reports on RAS implementation	Margin adjustments were implemented in terms of the RAS as required	Report on the implementation of the RAS	None	Monitoring of RAS implementation Report on the fuel price & margin adjustments using the RAS model	None	Not achieved	Progress Report not produced as envisaged Submission to adjust the industry margins using RAS was approved	The Report on Implementation was not produced as envisaged due to suspension of consultation with industry as a result of a legal challenge by one of the stakeholders. This legal challenge did not have a detrimental impact on the overall implementation of RAS

Table 36: Strategy to overcome areas of underperformance for Programme 3

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
Monitoring of RAS implementation. Report on the fuel price & margin adjustments using the RAS model	Partially achieved	Submission to adjust the industry margins using RAS was approved & proposed interventions will be implemented

7.3.4 Changes to planned target

None.

7.3.5 Linking performance with budgets

Table 37: Programme 3 financial performance at 31 March 2016

Petroleum & Petroleum Products Regulation Sub-programmes	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Petroleum Compliance, Monitoring & Enforcement	13 858	13 848	10	18 147	13 541	4 606
Petroleum Licensing & Fuel Supply	20 686	20 740	-54	21 013	19 400	1 613
Fuel Price Regulation	6 901	6 839	62	14 874	9 158	5 716
Regional Petroleum Regulation Offices	27 563	27 532	31	24 176	22 449	1 727
Total	**69 008**	**68 958**	**50**	**78 210**	**64 548**	**13 662**

7.4 Programme 4: Electrification and Energy Programme and Project Management

7.4.1 Purpose

To manage, coordinate and monitor programmes and projects focused on access to energy.

7.4.2 Sub-programmes

Sub-programme 4.1: Integrated National Electrification Programme

This sub-programme oversees and manages the finance and implementation processes for the Electrification Programme, manages the annual planning processes including electrification infrastructure plans, and manages and coordinates technical audits for the programme.

Sub-programme 4.2: Energy Regional Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and coordinates regional electrification planning, and ensures economic and technical compliance with relevant legislation.

Sub-programme 4.3: Programme and Projects Management Office

This sub-programme provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects.

Sub-programme 4.4: Energy Infrastructure/ Industry Transformation

This sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and IPPs.

Sub-programme 4.5: Community Upliftment Programmes and Projects

This sub-programme fulfils Government's priorities for broad transformation in the work of the Department and the Energy Sector, and supports departmental special programmes and projects.

7.4.3 Strategic objectives, performance indicators, planned and actual achievement

Integrated National Electrification Programme

INEP and its implementing agencies – Eskom, municipalities and non-grid service providers – have made remarkable progress in increasing access to electricity in South Africa and have connected over 6.7 million households between 1994 to March 2016. Access to electricity is at 88% since 1994. R5.6 billion has been appropriated by 2015/16 financial year on the Electrification Programme, to delivering 260 000 connections utilising both grid and non-grid technologies. At the end of March 2016, INEP achieved 231 012 (grid) and 25 076 (non-grid) connections. This results in a total of 256 088 new connections as part of the 2015/16 financial year allocations.

The Non-Grid Electrification Programme has progressed well in the last financial year and has over achieved its target by achieving 25 076 connections. Since the inception of Non-Grid Electrification Programme, INEP achieved more than 123 379 installations of non-grid systems mainly in the Eastern Cape, KwaZulu-Natal, Northern Cape and Limpopo. Non-grid systems consisting of solar cells converting sun energy into electrical energy are now also being considered for implementation in urban areas of the country with a view of increasing the basic electricity services in the informal settlements. The EU is also assisting the Department to develop a sustainable delivery model and sustainable non-grid entities around the country. INEP has also developed the first draft of the Electrification Master Plan (EMP) to ensure better cooperation between the different implementing entities, as well as different technologies, and grid and non-grid roll-out in un-serviced areas, to ensure that universal access is reached by 2025/26.

Renewable Energy Independent Power Producer Procurement Programme

In line with the national commitment to transition to a low carbon economy, and the IRP, it is expected that 17 800 MW of the 2030 target will be generated from renewable energy sources, with 5 000 MW to be operational by 2019 and a further 2 000 MW (combined 7000 MW) operational by 2020.

In order to adhere to these targets and the power invested in the Department, the following new capacity determinations have been made:

- 13 225 MW of renewable energy (comprising of solar PV: 4725 MW, wind: 6 360 MW, CSP: 1200 MW, small hydro: 195 MW, landfill gas: 25 MW, biomass: 210 MW, biogas: 110 MW and the small-scale renewable energy programme: 400 MW)
- 2 500 MW designated from coal-fired plants (excluding cross-border projects)
- 1 800 MW of cogeneration
- 3 126 MW of gas-fired power plants
- 2 609 MW of imported hydro

Over the past four years, REIPPPP has successfully connected 43 REIPP to the grid, which has added an additional 2 350 MW capacity to the national grid. The total projects costs invested in the Windows currently been announced is R192.6 billion. A minimum ownership by local communities in an IPP of 2.5% is required as a procurement condition. In this way, a substantial portion of the investments has been structured and secured as local community equity. An individual community's dividends earned will depend on the terms of each transaction corresponding with the relevant equity share. To date, all shareholding for local communities has been structured through the establishment of community trusts. For projects in Bid Window (BW) BW1 to BW4 and 1S2, qualifying communities will receive R29.2 billion net income over the life of the projects, which is 20 years. The R30.7 billion spent on B-BBEE during construction for BW1 and BW2 already exceeded the R26.6 billion that had originally been anticipated by IPPs.

Even though BW3 projects have only just started construction, employment opportunities are 111% of the planned numbers during the construction phase (i.e.19 523 job years), with 23 projects still in construction and employing people. The number of employment opportunities should, therefore, continue to grow beyond original expectations. These IPPs that have been completed had planned to deliver 8 451 job years during the construction phase, but only achieved 14 334 new jobs. This is 70% more than planned.

It is also of importance to note that even though renewable energy production does not align directly with the demand peaks of the national system, the current renewable energy operational portfolio is contributing an increasing percentage buffer between the available supply and projected demand on the electricity system. A 16% contribution has already been made of the total energy produced during the morning and evening system peak periods in a

24-hour profile. As the energy mix diversifies with the inclusion of CSP with storage, biomass and landfill gas, the share of energy available during peak periods should increase.

The Department has procured private peaker stations to the capacity of about 1 000 MW that can be used when there are larger demands than what the Eskom generators can produce. The plant in the Eastern Cape was completed in September 2015 and can produce 330 MW, while the plant in KwaZulu-Natal, when completed by the end of 2016, will be able to produce 630 MW. Total projects costs were R8 billion, while 210 permanent jobs and 6 190 temporary jobs were created at both plants.

Community upliftment

> Over the past four years, REIPPPP has successfully connected 43 REIPP to the grid, which has added an additional 2 350 MW capacity to the national grid.

In the past year, the Department has completed five energy awareness campaigns, focused on the youth, in five provinces: Piet Retief in Mpumalanga, Cullinan in Gauteng, Petersburg in the Free State, Jozini in KwaZulu-Natal and Khayelistha in the Western Cape. The campaigns focused on interacting with learners with regard to careers in the energy environment. During these campaigns, a total of 6 550 learners were reached.

In addition, the Department in partnership with Women in Oil and Energy South Africa (WOESA) have also conducted five business opportunities in the Energy Sector Workshop for Women. These were held in Northern Cape, Limpopo, North West, Eastern Cape and Free State provinces and more than 1 000 women were empowered at this workshop during the previous financial year. The main purposes of the workshops were the following:

- To provide information on the business opportunities in the Energy Sector across the value chain
- To encourage professionals to invest in the sector through such organisations as WOESA
- To take active interest in the sector and provide information on opportunities to women and young people who want to own, control and develop their businesses in the Energy Sector

Integrated Energy Centres

The Department, in collaboration with oil companies, have since 2002 been establishing the IECs in poverty nodal areas around the country as part of the Department's mandate to promote access to energy services, such as petroleum products in rural areas where the volumes of sales are too low for a normal commercial operation to be established.

The objectives of the IEC Programme are:

- Provide access to safe and affordable energy resources to poor households
- Provide information regarding the safe, efficient and environmentally-sustainable use of energy sources and available energy options such as renewable and non-grid energy
- A strong social responsibility aimed at poverty alleviation, job creation and capacity building
- Stimulate rural economy

There are seven operating IECs, and the construction of two new IECs in Bushbuckridge and Qamatha will be completed in the second quarter of 2016/2017.

Table 38: Programme 4 Electrification and Energy Programme and Project Management perforomance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
1 annual report on the allocation of funding and monitoring of progress on the number of additional households electrified with grid electrification towards the 2013/14 target of 200 000 in the Electrification Plan	This target is reported on under the next target relating to 11 monthly reports	Plan & facilitate the transfer of funding & monitor the implementation of electrification in line with the allocated budget (grid connection)	Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with grid electrification of households projects per in-year comparison to the Electrification Plan	Number of additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan	4 quarterly reports on allocation of funding & monitoring of the progress on the additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan	Achieved: - 4 reports submitted	None	None

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
3 quarterly reports on the allocation of funding and monitoring of progress on the building/upgrading of electrification infrastructure projects towards the 2014/15 target of: - 14 new bulk substations built - 10 additional substations upgraded - 350 km new MV power lines constructed - 220 km of existing MV power lines upgraded	4 quarterly reports submitted highlighting the following: - 5 new bulk substations built - 15 substations upgraded - 440.56 km new MV power lines constructed - 12.3 km existing MV power lines upgraded	Plan & facilitate the transfer of funding & monitor the building/upgrading of electrification infrastructure projects per year	Number of quarterly reports on allocation of funding & monitoring of the progress on the building/upgrading of electrification infrastructure projects per year	Building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 100 km new MV power lines constructed - 90 km of existing MV power lines upgraded	4 quarterly reports on building/ electrification infrastructure projects planned towards the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 100 km new MV power lines constructed - 90 km of existing medium voltage power lines upgraded	Partially achieved: - 2 new bulk substations built - 6 additional substations upgraded - 224 km new MV power lines constructed - 0 km existing MV power lines upgraded	- 2 new substations - 0 additional substations - 124 new MV power lines - 90 existing MV power lines	Construction of new & upgraded substation has been very slow due to operational constraints. These ranged from delays in finalising project designs, delays in delivery of material, land issues & delays in issuing of budget quotations Project progress for new & existing MV lines has been very slow & this was mainly due to administrative & procurement delays. There were also delays due to finalisation of project designs. Some projects were cancelled due to reprioritisation & shortage of funds

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
Number of reports on the allocation of funding & monitoring of progress on the number of additional households electrified with grid electrification per year in comparison to the electrification plan	This target is reported on under the next target relating to 11 monthly reports on the allocation of funding	Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with non-grid electrification	Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan Non-grid electrification achieved more connections. The target was 20 000 but exceeded by 5 076 total of 25 076	4 quarterly reports on allocation of funding & monitoring of the progress on the additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	Achieved: - 4 reports submitted	None	None
No target	N/A	National EMP	Approved National EMP for 2016/17	Implementation of the 2015/16 National EMP & refine & update the 2016/17 National EMP, pending the availability of resources	National EMP for 2016/17 developed	Partially achieved: - EMP was developed for 6 provinces	3 provinces still outstanding	Received information from 6 provinces (Eskom) which assists in updating the EMP partially
1 annual report on progress made in 2013/14 with regard to the establishment of 2 IECs	This target is reported on under the next target relating to 4 quarterly IEC reports	Number of reports on the progress made with regard to the establishment of new operational IECs per year	Number of quarterly reports with regard to development of rural IECs	Annual report on the progress made in 2014/15 with regard to the energy centres & development of the draft strategy on rural energy centres	4 quarterly reports on the progress made in 2015/16 with regard to the energy centres	Achieved: 4 reports were produced	None	None

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
3 quarterly reports on progress made in 2014/15 with regard to the establishment of 2 IECs	4 quarterly reports submitted relating to the completion of IEC	Number of reports on IEC site visits	None	12 site visit reports on the monitoring & management of the IECs	None	Achieved: - 12 site visits reports were produced	None	None
No target	N/A	Contracts for the INEP Municipalities Programme prepared & signed	Number of report on the municipalities' contracts concluded through Division of Revenue Act, 2014 (Act No. 10 of 2014) for funding in 2016/17	Signed municipalities' contracts for funded 2015/16 INEP	Report of municipalities' contracts concluded through Division of Revenue Act, 2014 (Act No. 10 of 2014) for funding 2016/17	Achieved: - All concluded	None	None
No target	N/A	Provincial reports on the performance of the Municipality Programme	Number of quarterly regional reports on the performance of the municipalities in implementation of INEP projects	Provincial reports on the performance of the municipalities for the 2015/16 INEP	27 quarterly regional reports on the performance of the municipalities in implementation of INEP projects	Achieved	None	None
No target	N/A	Conducting site & technical audit visits during the implementation of INEP projects	Number of quarterly reports on the technical site visit conducted during the implementation of INEP projects	4 quarterly reports on conducted site & technical audits during INEP projects implementations & the monitoring of projects for 2014/15	4 quarterly reports on the technical site visit conducted during the implementation of INEP projects for 2015/16	Partially achieved: - 2 reports submitted	2 reports not submitted	Partially achieved: - 2 reports submitted
No target	N/A	Development of a project management business process	Development & implementation of a project management business process	Project management business process approved & implemented	Implementation of project management business process	Achieved	None	None

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
3 quarterly reports on progress made with regard to the construction & operation phases of IPP projects	4 quarterly reports on progress of IPP projects submitted	Reporting on the REIPPP monitoring system & compliance with the Implementation Agreement of IPPs	Number of annual reports on progress made with regard to the construction & operation phases of IPP projects	An updated report highlighting achievements of the implementation of the programme	4 quarterly reports on progress made with regard to the construction & operation phases of IPP projects	Partially achieved: - 3 quarterly progress reports completed	Internal process to be concluded before the programme can be implemented	Last quarter report not completed in time since the information on the construction & operation from IPP projects was received 6 weeks after the end of the financial year end
No target	N/A	Project progress update (Quarterly Projects Dashboard)	Number of Projects Dashboards per year	Implement customising methodology based on directorates' needs	Implementation of 12 dashboards for each projects (internal/external	Not achieved	12 dashboards for each project not submitted	Internal process to be concluded before the programme can be implemented
No target	N/A	Monthly projects' progress reports (covering challenges, mitigation plans & interventions)	Number of reports on energy infrastructure development (covering changes, mitigation plans & interventions)	1 monthly report covering INEP	12 monthly reports covering INEP	Achieved: - 12 monthly reports covering INEP submitted	None	None
No target	N/A	Number of SWH units installed in residential & commercial sectors per year	None	Installation in residential & commercial sectors	None (Moved to Programme 6: Clean Energy)	N/A	N/A	Internal process to be concluded before the programme can be implemented. Programme move to Clean Energy Chief Directorate

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Reporting on infrastructure monitoring & compliance with the implementation of non-REIPPP Generation Programme – peaker stations, cogenerators, Coal 3, Inga, etc.	Number of annual reports on infrastructure monitoring & compliance with the implementation of non-REIPPP Generation Programme – peaker stations, cogenerators, Coal 3, Inga, etc.	An annual report on non-REIPPP	1 annual report on infrastructure monitoring & compliance with the implementation of non-REIPPP Generation Programme – peaker stations, cogenerators, Coal 3, Inga, etc.	Not achieved	No report submitted	Report will be available end of June 2016 due to the time lack in receiving all reports from IPPs, as well as verifications to be completed
No target	N/A	Provide mini-ADAM projects report	None	Provide a sustainable Electricity Distribution Intervention Plan (including the effect on tariffs) & start with the implementation to deal with the electricity infrastructure backlog in mining town municipalities, municipalities mentioned in the SoNA & the so-called hot spot areas to receive assistance	None	Partially achieved: - 6 municipality projects completed	3 municipality projects were not done	Finalisation of Msunduzi Local Municipality & Kind Sabata Dalityebo Municipality projects outstanding
No target	N/A	Monitoring the implementation of the NSWHP	Moved to Programme 6: Clean Energy	Internal process to be concluded before the programme can be implemented	None (Moved to Programme 6 Clean Energy)	N/A	N/A	Moved to Programme 6 Clean Energy

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Monitoring the implementation of energy efficiency interventions & programmes	Monitoring & reporting on energy efficiency projects initiated by municipalities through the Division of Revenue Act, 2014 (Act No. 10 of 2014) allocations & other entities with the amount of energy saved & detail of energy efficiency interventions, pending availability of resources	None	None (Moved to Programme 6: Clean Energy)	N/A	N/A	Moved to Programme 6: Clean Energy Chief Directorate
No target	N/A	Monitoring the implementation of the Biofuels Programme	None	Finalise the development of a monitoring system to oversee the production, "feed-in-subsidies" & SED implementation of the Biofuels Programme, pending availability of resources Initiate the monitoring & reporting system on the implementation of the Biofuels Programme	None (Moved to Programme 2: Energy Policy & Planning)	N/A	N/A	Moved to Programme 2: Energy Policy & Planning

Table 38: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Number of SIP reports submitted to EXCO & MANCO & the PICC Secretariat on all SIPs	Number of SIP reports submitted to EXCO & MANCO & the PICC Secretariat on 8 & 9 SIPs	Provide energy inputs to all the SIPs where energy is the major component	1 Mid-year Report on SIP submitted to EXCO & MANCO the PICC Secretariat about 8 & 9 SIPs	Achieved	None	None
No target	N/A	Project progress Update (Quarterly Projects Dashboard)	Project progress Update (Quarterly Projects Dashboard)	Implement 3 dashboards	None	Achieved	None	None

Table 39: Strategy to overcome areas of underperformance for Programme 4

Area of Underperformance	Extent of Underperformance	Strategies to Overcome the Areas of Underperformance
Number of additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the INEP	Partially achieved	Electrifying more households in deep rural areas required new infrastructure to be built, in addition to challenges with road access & weather conditions Eskom programme experienced material management & resource challenges Both Eskom & municipality programmes have a large number of connections to be completed, but not energised, hence connection to the main grid networks Eskom & Department has established a recovery strategy & monitoring process in place to ensure that the backlog connections are completed by August 2016
Implementation of the 2015/16 National EMP, & refine & update the 2016/17 National EMP, pending the availability of resources	Partially achieved	All outstanding necessary information to completed The EMP has been received in May 2016, hence the EMP can be completed in the beginning of the 2nd quarter of 2016. Completion is necessary due to delays in obtaining Eskom regional information
Building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 100 km new MV power lines constructed - 90 km of existing MV power lines upgraded	Partially achieved	Construction of new & upgraded substation has been very slow due to operational constraints. These ranged from delays in finalising project designs, delays in delivery of material, land issues & delays in issuing of budget quotations Project progress for new & existing MV lines have been very slow & this was mainly due to administrative & procurement delays. There were also delays due to finalisation of project designs. Monitoring of infrastructure projects to be improved by being involved more intensively in the planning stage of the projects
4 quarterly reports on conducted site & technical audits during INEP projects implementations & the monitoring of projects for 2014/15	Partially achieved	The technical audit unit experienced coordination difficulties with Eskom as well as implementation challenges with Eskom Eastern Cape Operation Unit in the 4th quarter. This was a once-off challenge & will be rectified in the next financial year
An annual report on non- REIPPP	Partially achieved	Information on 4th quarter was received after year end; hence, it was impossible to finalise & verify the information before the end of the financial year. Will have to change the target number of reports in a specific financial year to 3, as well as the previous financial year annual report
Provide a sustainable Electricity Distribution Intervention Plan (including the effect on tariffs) & start with the implementation to deal with the electricity infrastructure backlog in mining town municipalities, municipalities mentioned in the SoNA & the so-called hot spot areas to receive assistance	Partially achieved	The programme is almost complete – two municipalities are currently finalising their projects & the planned completion of these projects will be in the 2nd quarter of 2016

Table 40: Changes to planned targets for Programme 4

Performance Indicator	Revised Indicators	Planned Target 2015/16	Revised Targets
Plan & facilitate the transfer of funding & monitor the implementation of electrification in line with the allocated budget (grid connection)	Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with grid electrification of households projects per year in comparison to the Electrification Plan	Number of additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan	4 quarterly reports on allocation of funding & monitoring of the progress on the additional households to be electrified with grid electrification toward the 2015/16 target of 260 000 in the National Electrification Plan
National EMP	Approved National EMP for 2016/17	Implementation of the 2015/16 National EMP & refine & update the 2016/17 National EMP, pending the availability of resources	National EMP for 2016/17 developed
Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	Number of quarterly reports on allocation of funding & monitoring of the progress on the number of additional households electrified with non-grid electrification of households projects per year in comparison to the National Electrification Plan	Number of additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan	4 quarterly reports on allocation of funding & monitoring of the progress on the additional households electrified with non-grid electrification toward the 2015/16 target of 20 000 in the National Electrification Plan
Plan & facilitate the transfer of funding & monitor the building/upgrading of electrification infrastructure projects per year	Number of quarterly reports on allocation of funding & monitoring of the progress on the building/upgrading of electrification infrastructure projects per year	Building/upgrading of electrification infrastructure projects toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 100 km new MV power lines - Constructed - 90 km of existing MV power lines upgraded	4 quarterly reports on electrification infrastructure projects planned/built toward the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgrade - 100 km new MV power lines constructed - 90 km of existing MV power lines upgraded
Number of reports on the progress made with regard to the establishment of new operational IECs per year	Number of quarterly reports with regard to development of rural IECs	Annual report on the progress made in 2014/15 with regard to the IECs & development of the draft strategy on rural energy centres	4 quarterly reports on the progress made in 2015/16 with regard to the IECs
Number of reports on IEC site visits	Number of reports on IEC site visits	12 site visit reports on the monitoring & management of the IECs	12 site visits reports on the monitoring & management of the IECs
Contracts for the INEP Municipalities Programme prepared & signed	Number of reports on the municipalities' contracts concluded through Division of Revenue Act, 2014 (Act No. 10 of 2014) for funding in 2016/17	Signed municipalities' contracts for funded 2015/16 INEP	Report of municipalities' contracts concluded through the Division of Revenue Act, 2014 (Act No. 10 of 2014) for funding in 2016/17
Reporting on the REIPPP monitoring system & compliance with the Implementation Agreement of IPPs	Number of annual reports on progress made with regard to the construction & operation phases of IPP projects	An updated report highlighting achievements of the implementation of the programme	4 quarterly reports on progress made with regard to the construction & operation phases of IPP projects
Provincial reports on the performance of the Municipality Programme	Number of quarterly regional reports on the performance of the municipalities in implementation of INEP projects	Provincial reports on the performance of the municipalities for the 2015/16 INEP	28 quarterly regional reports on the performance of the municipalities in Implementation of INEP projects

Table 40: Changes to planned targets for Programme 4 (continued)

Performance Indicator	Revised Indicators	Planned Target 2015/16	Revised Targets
Conducting site & technical audit visits during the implementation of INEP projects	Number of quarterly reports on the technical site visit conducted during the implementation of INEP projects	4 quarterly reports on conducted site & technical audits during INEP projects implementations & the monitoring of projects for 2014/15	4 quarterly reports on the technical site visits conducted during the implementation of INEP projects for 2015/16
Development of a project management business process	Develop implementation of a project management business process	Project management business process approved & implemented	Implement project management business process
Project progress update (Quarterly Projects Dashboard)	Number of project dashboards	Implement customising methodology based on directorates' needs	4 project dashboards per year

7.4.4 Linking performance with budgets

Table 41: Programme 4 financial performance at 31 March 2016

Electrification & Energy Programme & Project Management Sub-programmes	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Integrated National Electrification Programme	5 781 098	5 775 682	5 416	4 178 147	4 142 550	35 597
Energy Regional Offices	18 388	20 271	-1 883	17 921	17 581	340
Programmes & Projects Management Office	9 106	9 095	11	7 568	7 245	323
Electricity Infrastructure/Industry Transformation	8 610	8 593	17	6 581	6 575	6
Community Upliftment Programmes & Projects	6 848	6 844	4	7 110	7 022	88
Total	**5 824 050**	**5 820 485**	**3 565**	**4 217 327**	**4 180 973**	**36 354**

7.5 Programme 5: Nuclear Energy

7.5.1 Purpose

Manage the South African nuclear energy sector and control nuclear material in terms of international obligations, nuclear legislation and policies to ensure the safe and peaceful use of nuclear energy.

7.5.2 Sub-Programmes

Sub-programme 5.1: Nuclear Safety and Technology (Chief Directorate, Nuclear Safety and Technology
This sub-programme manages and implements all matters related to nuclear safety and technology as required by legislation and international agreements; implements the Nuclear Energy Policy, which was approved in 2008 as a national nuclear programme in line with the IRP requirements; and administers all matters related to nuclear safety, liability and emergency management with the aim of improving the governance of the nuclear energy sector, specifically in relation to nuclear safety and nuclear technology.

Sub-programme 5.2: Nuclear Non-proliferation and Radiation Security (Chief Directorate: Nuclear Non-proliferation and Radiation Security)
This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements.

Sub-programme 5.3: Nuclear Policy
This sub-programme develops and reviews policies as required by international agreements and governance of the nuclear sector in South Africa; undertakes research and development; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies, and provides advice accordingly.

7.5.3 Strategic objectives, performance indicators, planned and actual achievements

In December 2015, Cabinet approved the start of the procurement process, and that the Department must issue a Request for Proposals (RFP) to test the market appetite to ascertain the price of modern nuclear power plants. The RFP was completed in January 2016 and was currently under independent review before issuing in the new financial year.

To take the procurement process forward, funding of R200 million was secured in the MTEF for 2016/17 for the appointment of the Transaction Advisors with international nuclear programme experience to provide advice on nuclear procurement. The Transactional Advisors will consist of various experts including supply chain experts, financial management experts, contract management experts, and Nuclear New Build Programme development and structuring specialists.

In December 2015, Cabinet approved the start of the procurement process, and that the Department must issue a Request for Proposals (RFP) to test the market appetite to ascertain the price of modern nuclear power plants.

The supply chain process to appoint the Transactional Advisors is underway for the new financial year 2016/17. Efforts to establish the Programme Management Office (PMO) to execute the programme are well underway, with a senior procurement specialist and nuclear specialist appointed in November 2015. Further implementation initiatives anticipate securing additional capacity through interdepartmental and government nuclear sector experts on a short- to long-term basis. The Section 34 Determination for 9 600 MW nuclear programme to pave way for the procurement of the Nuclear New Build Programme was gazetted. The concluded inter-governmental agreements with various nuclear vendor countries were tabled in Parliament. The Department has established a Steering Committee to address transitional arrangements from the South African Nuclear Energy Corporation SOC Limited (Necsa) to the National Radioactive Waste Disposal Institute (NRWDI) as per Section 30 of National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008).

Following the IAEA's emergency preparedness review mission, the Department has developed a plan of action to address the recommendations of the mission and commenced with an amendment of the 2005 National Nuclear Disaster Management Plan. The amended plan will later be shared with relevant stakeholders prior to its approval in the 2016/17 financial year.

Eight public awareness campaigns and community outreach events were held to demystify nuclear energy, which was double the target of four, and was driven mainly by demand for such from various stakeholders.

The Nuclear Non-Proliferation and Radiation Security Sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements. The Department issues authorisations or denials, conducts inspections in terms of Sections 34, 35, 37 38 and 39 of the Nuclear Energy Act, 1999 (Act 46 of 1999). The international obligations include: Non-Proliferation Treaty, Pelindaba Treaty, Safeguards Agreement, and Convention on the Physical Protection of Nuclear Material.

During the 2015/16 financial year, a total number of 102 authorisations were received, 62 applications met the turnaround time of six to eight weeks and the overall achievement was 61%. A total of 40 Nuclear Compliance Inspections were conducted, eight nuclear safeguards compliance audits were conducted and four companies were visited to ensure compliance in terms of the implementation of nuclear security measures. The annual targets for inspections and audits were over achieved (inspections: 40 conducted with planned target of eight; audits: eight conducted with a planned target of four). The objective of increasing inspections and audits was due to optimisation of the resources to strengthen control measures and ensure compliance by authorisation holders.

Table 42: Programme 5 Nuclear Energy performance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	National Nuclear Disaster Management Plan updated	None	Draft updated National Nuclear Disaster Management Plan completed	None	Achieved	None	None
Implementation of procurement process (if approved)	Procurement process not commenced	Develop Nuclear New Build Programme Roadmap based on IRP 2010-30	None	Programme plan completed & implementation commenced	None	Achieved	None	None
Implementation of procurement process (if approved)	Procurement process not commenced	Commission & supply an additional 9 600 MW of nuclear energy onto the grid by 2031	None	Procurement of the nuclear power reactor as per the procurement process launched	None	Achieved	None	None
No target	N/A	Transactional Advisor appointed to provide necessary advice on the Nuclear New Build Programme	None	Transactional advisors motivation completed	None	Achieved	None	None
No target	N/A	Established Nuclear PMO to expedite the roll-out of the Nuclear New Build Programme	None	PMO established & operational	None	Partially achieved: - Director-Genral's PMO submission approved	No appointments have been made	Director-General's submission
8 nuclear safeguards compliance reports submitted to the relevant decision-making structures	11 nuclear safeguards compliance reports submitted to the Director-General & were approved	Number of nuclear safeguard compliance reports submitted to the relevant decision-making structures	None	8 nuclear safeguard compliance reports submitted to the relevant decision-making structures	None	Achieved: - 40 reports submitted	Overachievement by 32 reports compliance submitted	Overachieved, to enhance compliance

Table 42: Programme 5 Nuclear Energy performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Number of nuclear power reactors constructed	None	Procurement of the NFC facilities as per the implementation plan launched	None	Not achieved	Procurement of the NFC facilities as per the implementation plan was not launched	Strategy awaiting approval by the NEWG
4 nuclear safeguards compliance audit submitted to the relevant decision-making structures	4 safeguard compliance audit reports were submitted to the Director-General & were approved	Number of nuclear safeguard compliance audit reports submitted to the relevant decision-making structures	None	4 nuclear safeguard compliance audits submitted to the relevant decision-making structures	None	Achieved: - 8 audits conducted	Overachieved by 4 audit conducted	
2 nuclear security compliance reports submitted to the relevant decision-making structures	2 security compliance reports were submitted to the Director-General & were approved	Number of nuclear security compliance reports submitted to the relevant decision-making structures	None	4 nuclear security compliance reports submitted to the relevant decision-making structures	None	Achieved: - 4 nuclear security compliance reports submitted to the relevant decision-making structures	None	None
100% of authorisation applications considered within the 8-week time period	50% of applications for authorisation were processed within the 8-week time period	Accounting & control of possession, acquisition, transportation, importation & exportation of nuclear material through consideration of 100% of authorisation applications within 8 weeks	None	70% of authorisation applications processed within the 8-week time period	None	Partially achieved by 61%	9% negative deviation	Deviation due to delays during approval processes

Table 42: Programme 5 Nuclear Energy performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
Submission to Cabinet for public consultation (if approved by the FOSAD Cluster)	Not submitted to Cabinet	Promulgated National Nuclear Regulator Amendment Act	None	Submission to Cabinet for public consultation (if approved by the FOSAD Cluster)	None	Not achieved	N/A	Stakeholder consultation done The draft bill & SEIAS template updated
Submission to FOSAD Cluster	Draft Radioactive Waste Management Fund Bill submitted to National Treasury	Funding provisions legislated for Radioactive Waste Management	None	Radioactive Waste Management Fund Bill sent to the Chief State Law Advisor & submitted to Cabinet for public comment	None	Partially achieved	NNR Bill presented to FOSAD	Stakeholder consultation done The draft bill & SEIAS template updated
Submission to Cabinet for public consultation (if approved by the FOSAD Cluster)	Not submitted to Cabinet	Promulgated Nuclear Energy Amendment Act	None	Submission to the Chief SLA	None	Partially achieved: - Draft Bill in place	Nuclear Energy Amendment Bill not submitted to Chief State Law Advisor	Reprioritisation of the legislation - National Nuclear Regulator Act, 1999 (Act No. 47) instead of Nuclear Energy Act,1999 (Act No. 46 of 1999) Consultation with the necessary stakeholders delayed

Table 42: Programme 5 Nuclear Energy performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Performance Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
5 public awareness campaigns & community outreach events held	4 public awareness campaigns & community outreach events were held	Demystifying nuclear energy through the number of public awareness campaigns & the number of community outreach events per annum	None	5 public awareness campaigns & community outreach events held	None	Achieved: - 8 events were conducted	Overachievement by 3 events	Overachievement due to interest from stakeholders on nuclear matters
Submission to Cabinet for approval of implementation plan to support NFC Strategy	Draft strategy has not been completed & not submitted	Localisation & industrialisation strategy developed	None	Implementation of the nuclear localisation & industrialisation strategy (if approved)	None	Not achieved	Draft strategy in place	Strategy pending approval by the Energy Security Subcommittee

7.5.4 Strategy to overcome areas of underperformance

The strategy to overcome the underperformance on the procurement of the Nuclear New Build Programme involves the establishment of the Programme Management Office (PMO) with capacity dedicated full time to execute the programme. The Department will also appoint the Transactional Advisors to advise with nuclear procurement. This strategy includes the issuing of the RFP to ascertain the cost of the nuclear power plants and funding model, affordability and pace of implementation. The market response to the RFP will contribute to information required to determine the funding and financing mechanism for implementation of programme. The Department has set up a Steering Committee to overcome the challenges of slow progress in the functional shift to move resources from Necsa to the NRWDI. In addition, the NRWDI has started recruitment of key management staff on a contract basis while process of functional shift is undergoing consultation with National Treasury.

Table 43: Programme strategy to overcome areas of underperformance for Programme 5

Area of Underperformance	Extent of Underperformance	Strategies to Overcome the Areas of Underperformance
Programme plan completed & implementation commenced	Not achieved	Procurement process approved by Cabinet in June 2015 on provision that the Department & National Treasury finalises on a Funding model. In December 2015, Cabinet instructed the Department to issue an RFP. The Draft RFP is undergoing review. & will be expedited on the consultation process.
Procurement of the nuclear power reactor as per the procurement process launched	Partially achieved	Procurement process approved by Cabinet in June 2015 on provision that Department and National Treasury finalise on funding model. In December 2015, Cabinet instructed Department to issue an RFP. Draft RFP undergoing review. Expedite on the consultation process.
PMO established & operational	Partially achieved	The PMO submission has been approved by the Director-General & the PMO has been established. The process to operationalise the PMO has commenced with the appointment of dedicated resources, including a Senior Procurement Specialist & a Senior Nuclear Specialist. The transactional advisors have been appointed to work with PMO to advise the Department on the nuclear procurement of Nuclear New Build Programme. The Programme Management System Steering Committee has been appointed as part of operationalising the PMO. Additional capacity will be brought in the PMO following the outcome of the RFP for the Nuclear New Build Programme.
Procurement of the NFC facilities as per the implementation plan launched	Not achieved	Inputs on the NFC strategy from stakeholders provided & approval by NEWG pending. Also pending to the implementation of the procurement process. The Department has established the PMO & Transactional Advisors to focus on Nuclear New Build Programme.
70% of authorisation applications processed within the 8-week time period	Partially achieved	The Department will investigate the implementation of an electronic system to optimise the turnaround time for processing applications for authorisation of nuclear material & related equipment.
Submission to Cabinet for public consultation (if approved by the FOSAD Cluster)	Not achieved	The key stakeholder consultation has been done & the draft bill & SEIAS template updated. During this consultation process a submission was made to DPME. The comments from DPME on the SEIAS template are currently being addressed. In addition, the Department has strengthened the capacity in this area by appointing the Chief Director to focus on the Nuclear Policy & secondment of resources to fast track the review of legislation has been done.
Submission of Radioactive Waste Management Fund Bill to the Chief State Law Advisor	Partially achieved	The Draft Bill is under review. Further stakeholder consultation will be undertaken to fast track the legislation. In addition, the Department strengthened the capacity in these areas by appointing the Chief Director to focus on the Nuclear Policy & secondment of resources to fast track the review of legislation has been done.
Submission of the Draft Nuclear Energy Amendment Act to the Chief State Law Advisor	Partially achieved	The Draft Bill is under review. Further stakeholder consultation will be undertaken to fast track the legislation. In addition, the Department strengthened the capacity in these areas by appointing the Chief Director to focus on the Nuclear Policy & secondment of resources to fast track the review of legislation has been done.

7.5.5 Changes to planned targets

None.

7.5.6 Linking performance with budgets

Table 44: Programme 5 financial performance at 31 March 2016

Nuclear Energy	2015/16			2014/15		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Nuclear Safety & Technology	641 542	641 492	50	832 939	832 274	665
Nuclear Non-Proliferation & Radiation Security	7 185	7 168	17	6 169	6 156	13
Nuclear Policy	6 389	6 369	20	7 421	6 988	433
Total	**655 116**	**655 029**	**87**	**846 529**	**845 418**	**1 111**

7.6 Programme 6: Clean Energy

7.6.1 Purpose

Manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as energy efficiency and demand side management initiatives.

7.6.2 Sub-Programmes

Sub-programme 6.1: Energy Efficiency
This sub-programme advances Energy Efficiency (EE) in South Africa by planning and coordinating initiatives and interventions focused on developing and improving the EE market and ensures integration and coordination of EE initiatives and interventions with relevant associated institutions.

Sub-programme 6.2: Renewable Energy
This sub-programme ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and coordinating initiatives; interventions focused on the development and improvement of the renewable energy market; and the integration and coordination of renewable energy initiatives and interventions with relevant associated institutions.

Sub-programme 6.3: Climate Change and Designated National Authority
This sub-programme ensures that climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the Energy Sector.

7.6.3 Strategic objectives, performance indicators, planned targets and actual achievements

Energy Efficiency Mandatory Labelling of Appliances
The Department has made great strides in diversifying our energy mix by introducing clean energy technologies into our energy mix. On the supply side, significant progress has been made in introducing utility scale renewable energy technologies through the IPP programme; the success of the renewable energy programme in introducing clean energy has been complemented by more work to improve energy efficiency in the residential sector. With the inception of regulations regarding the labelling of appliances, South African energy consumers will henceforth be provided with information about the energy usage of their appliances. By labelling our appliances to indicate their energy usage, users can make the correct choices insofar as the relative energy consumption of fridges, washing machines, ovens and other kitchen appliances. Over the life of any appliance, its energy consumption is the most critical cost parameter upon which its cost effectiveness should be measured. It is for this reason that information about the energy usage of our appliances should therefore be displayed prominently to educate the public about the choices they make. The Department has accordingly accelerated the introduction of mandatory labelling of the energy rating of 12 appliances as a starting point.

> The Energy Efficiency and Demand Side Management (EEDSM) Programme continues to make energy efficiency improvements in various municipalities.

Municipal Energy Efficiency and Demand Side Management Programme
The Energy Efficiency and Demand Side Management (EEDSM) Programme continues to make energy efficiency improvements in various municipalities, through efficient technology deployment in lighting, heating, ventilation and cooling systems, street-lighting and the use of smart technologies for managing energy. In the year under consideration, the programme achieved 23 GWh of savings at 17 municipalities, adding to the accumulated savings to date of 499 GWh under the municipal EEDSM programme.

Solar Water Heaters
The objectives of this programme include reducing electricity demand, job creation and skills development through localisation. The revised implementation model has been developed in order to align the programme with the set objectives and to accelerate the pace of implementation. Bids were invited and contracts concluded with suppliers in respect of the manufacture of baseline systems that meet the local content requirements, social facilitation, and technical assessments relating to the targeted installation areas. A budget of R65.8 million was spent to procure 8 950 baseline solar water systems to be delivered by 30 April 2016 in the first batch of locally-produced systems.

Table 45: Programme 6 Clean Energy performance indicators

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
1.5 TWh of energy savings realised & verified from EEDSM projects	0.5 TWh of savings have been achieved from the municipal EEDSM programme	Number of TWh per hour of energy savings realised from EEDSM projects	Number of TWh of energy savings realised & verified from EEDSM projects	Planning & developing projects to achieve 0.5 TWh of energy savings per annum	None	Partially achieved: - Planning & developments of projects to achieve 0.5 TWh was done	Savings can only be reported a year later after measurement and verification	This lag in reporting the savings is inherent in EEDSM programmes
Developed energy consumption baselines for additional 30 municipalities	Baseline projects initiated at 25 municipalities	Number of additional municipalities for which energy consumption baselines have been developed annually	None	Developed energy consumption baselines for an additional 20 municipalities	None	Partially achieved: - Only 10 municipalities submitted baseline reports	10 municipalities did not submit their baseline reports	13 additional baseline reports from other municipalities were still in draft prior to final approval. Overall 26 municipalities participated in the EEDSM programme
Promulgation of NEE Strategy document (if approved by Cabinet)	NEE strategy & action plan completed	Development of Renewable Energy Implementation Report	None	Renewable Energy Implementation Report	None	Achieved	None	None
485 000 SWH units installed in residential & commercial sectors	412 959 SWH units have been installed to date. 31 190 SWH units were installed during year under review	Number of SWH units installed in residential & commercial sectors per year	None	45 141 SWH units installed in residential & commercial sectors	None	Not Achieved: - Eskom was allowed to install about 5 000 units	40 000	Approval for the new implementation model granted in July 2015
No target	N/A	Draft National Biogas Strategy	None	Draft National Biogas Strategy	None	Achieved: - National Biogas Strategy drafted	None	None
No target	N/A	SAIREC hosted	None	SAIREC Conference Report	None	Achieved	None	None

Table 45: Programme 6 Clean Energy performance indicators (continued)

Planned Target 2014/15 (from 2014/15 APP)	Actual Achievement 2014/15 (from 2014/15 AR)	APP Performance Indicator (from 2015/16 APP)	Revised Indicator	Planned Target 2015/16 (from 2015/16 APP)	Revised Target	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement 2015/16	Comment on Deviations
No target	N/A	Approved Energy & Climate Change Strategy	None	Energy & Climate Change Strategy for public building sector approved	None	Partially achieved: Energy & Climate Change Strategy for public building sector has been developed	Energy & Climate Change Strategy for public building sector not yet approved	The project will be focusing on the revised scope, i.e. consolidation of buildings/schools; smart grids; PV roof top; etc. in the 2016/17 financial year

Table 46: Strategy to overcome areas of under performance for Programme 6

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
Planning & developing projects to achieve 0.5 TWh of energy savings per annum	Savings have not been verified & also lag the reporting period due misalignment of municipal & national financial year-ends	The verification of achieved savings is dependent on the M&V service providers. More service providers to be appointed
Developed energy consumption baselines for an additional 20 municipalities	The verified savings under the EEDSM programme are limited to a few municipalities due to the lack of energy consumption baselines in most municipalities	More municipal energy consumption baselines will be undertaken (including under the smart grid programme)
Number of solar water heaters installed	Only 8 950 systems have been procured due to budget cuts & the delay in the procurement process	The procurement strategy for the manufacture of baseline systems has been implemented for the period over the next 3 years, covering up to 100 000 systems in line with the approved budget. The installation agreements will similarly be placed over a 3-year period to eliminate future delays due to procurement process
Energy & climate change strategy for buildings	The programme has not commenced due to the lack of alignment with other complementary programmes (smart meter programme)	Alignment has been achieved by integrating this programme with the donor funded smart grid programme – this will achieve the desired energy efficiency gains in buildings

Table 47: Changes to planned targets for Programme 6

Performance Indicator	Revised Performance Indicator	Planned Target 2015/16	Revised Planned Target 2015/16
Number of TWh per hour of energy savings realised from EEDSM projects	Number of TWh of energy savings realised & verified from EEDSM projects	Planning & developing projects to achieve 0.5 TWh of energy savings per annum	Quantified energy savings realised & verified from municipal EEDSM projects
Number of additional municipalities for which energy consumption baselines have been developed annually	Number of additional municipalities for which energy consumption baselines have been developed annually	Developed energy consumption baselines for an additional 20 municipalities	20 additional municipalities for which energy consumption baselines have been developed annually

7.6.4 Linking performance with budgets

Table 48: Programme 6 financial performance as at 31 March 2016

Clean Energy	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/under Expenditure	Final Appropriation	Actual Expenditure	(Over)/under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Energy Efficiency	325 321	271 072	54 249	1 806 757	658 657	1 148 100
Renewable Energy	69 823	4 913	64 910	168 788	167 419	1 369
Climate Change & Designated National Authority	5 817	5 798	19	6 529	4 181	2 348
Total	**400 961**	**281 783**	**119 178**	**1 982 074**	**830 257**	**1 151 817**

Table 49: Department financial performance as at 31 March 2016

Total for the Department	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/under Expenditure	Final Appropriation	Actual Expenditure	(Over)/under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	277 898	277 767	131	260 601	257168	3 433
Energy Policy & Planning	40 586	38 095	2 491	53 053	41 749	11 304
Petroleum & Petroleum Products Regulation	69 008	68 958	50	78 210	64 548	13 662
Electrification & Energy Programme and Project Management	5 824 050	5 820 485	3 565	4 217 327	4 180 973	36 354
Nuclear Energy	655 116	655 029	87	846 529	845 418	1 111
Clean Energy	400 961	281 783	119 178	1 982 074	830 257	1 151 817
Total	**7 267 619**	**7 142 117**	**125 502**	**7 437 794**	**6 220 113**	**1 217 681**

8. TRANSFER PAYMENTS

The transfer of payments to municipalities has been made in accordance with the approved annual Division of Revenue Act of South Africa (DoRA) transfer requirements (Refer to Note 9 to the Annual Financial Statements).

8.1 Transfers and Subsidies

The Department disbursed payments amounting to R6.63 billion to public entities, municipalities and implementing agents during the year under review which resulted in a budget under-spending of R123 million or 1.82% at year-end. This is mainly attributable to the non-disbursement of payments in the following projects:

- INEP – Non-grid Electrification Programme: R10.41 million or 6.25% below budget. This is in relation to the installation of solar home systems and the budget balance is attributable to a late uptake of systems in one of the concession areas as well as late submission of claims by service providers. A request has been submitted to the National Treasury to roll this balance of R10.41 million over to the 2016/17 financial year to enable service providers to complete work in their designated areas and also to allow proper evaluation of work performed prior to final payments.
- EEDM Programme – SWHP: R112.52 million or 100% below budget. The 2015/16 year was the first year of this programme being implemented by the Department after the termination of the MoA with Eskom in the previous financial year. Due to the technical complexity of the evaluation process, the procurement process took longer than anticipated. The procurement process was, however, concluded by year-end with preferred bidders being appointed. A roll-over motivation for the unspent amount has been submitted for consideration and approval by the National Treasury.

Table 50: Major transfer payments

Transfer Payments	Adjusted Budget	Year to Date Transfer Payments up to March 2016	Available Balance	Actual Spending for the Year as % of Total Budget Allocation
	2015/16	2015/16	31 March 2016	
	R'000	R'000	R'000	
SANEDI	64 861	64 861	-	100.00
International Membership Fees	29 621	29 563	58	99.80
EEDSM – NSWHP	112 522	-	112 522	0.00
EEDSM – Municipalities	177 899	177 899	-	100.00
NESCA	580 358	580 358	-	100.00
NNR	21 487	21 487	-	100.00
INEP – Eskom	3 613 243	3 613 243	-	100.00
INEP – Municipalities	1 980 340	1 980 340	-	100.00
INEP – Non-Grid	166 592	156 179	10 413	93.75
Households	3 659	3 656	3	99.92
SETAs	792	792	-	100.00
Total transfer payments	**6 751 374**	**6 628 379**	**122 995**	**98.18**

Transfers and subsidies are included under *Annexures 1A to 1G to the Annual Financial Statements*.

Table 51: Transfer payments to public entities

Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
		R'000	R'000	
Necsa	Necsa is responsible for the following core functions: - Undertaking & promoting research & the development in the field of nuclear science - Processing source material, including uranium - Cooperating with other institutions on nuclear-related matters	580 358		
NNR	Responsible for: - Providing for the protection of persons, property & the environment against nuclear damage - Exercising regulatory control related to the siting, design, construction, operation, manufacture of component parts, & decontamination, decommissioning & closure of nuclear installations - Exercising regulatory control over the actions, to which the Act applies, through the granting of nuclear authorisations - Providing assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections - Fulfilling national obligations in respect of international legal instruments concerning nuclear safety - Ensuring that provisions for nuclear emergency planning are in place	21 487		
SANEDI	SANEDI's core functions: - Directing, monitoring & conducting energy research & development - Undertaking measures to promote energy efficiency throughout the economy	64 861		

Table 52: Transfer payments to all organisations other than public entities

Name of Transferee	Purpose for Which the Funds Were Used	Amount Budgeted For	Amount Transferred	Reasons Why Funds Were Not Transferred
		R'000	R'000	
Non-grid service providers	Non-grid electricity connections	166 592	156 179	A total amount of R10.41 million could not be disbursed mainly due to a late uptake of systems in one of the concession areas as well as late submission of claims by service providers
Households	Leave gratuities and retirement benefits, bursaries paid to non-employees (learner programme)	3 659	3 656	
SETAs	Annual contributions to SETAs in accordance with DPSA's Circular HRD 1 of 2013	792	792	
IAEA fees	2016 International membership fees	20 484	20 484	
IAEA voluntary contribution	Monetary contribution to the IAEA for the ReNuAL project	3 000	3 000	
GIF	2014 International membership fees	457	457	
AFRA fund	2015 International membership fees	3 984	3 943	Exchange rate for foreign currency less than anticipated
IRENA	2016 International membership fees	1 328	1 313	Exchange rate for foreign currency less than anticipated
IEF	2016 International membership fees	368	365	Exchange rate for foreign currency less than anticipated

9. CONDITIONAL GRANTS

9.1 Conditional Grants and Earmarked Funds Paid

Table 53: Conditional Grant 1: Integrated National Electrification Programme (equitable share)

Department/Municipality to Whom the Grant Has Been Transferred	Several Municipalities
Purpose of the grant	Electricity connections
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DoRA (R'000)	1 980 340
Amount transferred (R'000)	1 980 340
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the Department	Technical audits and monthly reports

Table 54: Conditional Grant 2: Integrated National Electrification Programme (Eskom)

Department/Municipality to Whom the Grant Has Been Transferred	Eskom
Purpose of the grant	Electricity connections
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DoRA (R'000)	3 613 243
Amount transferred (R'000)	3 613 243
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the Department	Eskom

Table 55: Conditional Grant 3: Energy Efficiency and Demand Side Management Programme (equitable share)

Department/Municipality to Whom the Grant Has Been Transferred	Several Municipalities
Purpose of the grant	Implementation of energy efficiency technologies
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DoRA (R'000)	177 899
Amount transferred (R'000)	177 899
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	
Reasons for the funds unspent by the entity	Municipal financial year end is in June
Monitoring mechanism by the Department	The Department developed a monitoring and evaluation tool indicating the pay-back period to achieve kWh savings; energy savings (kWh) achieved by each municipality & R(million)/kWh. The Department annually undertakes an independent technical audit, M&V of energy savings achieved by implementing municipalities

Table 56: Conditional Grant 4: Energy Efficiency and Demand Side Management Programme (NSWHP)

Department/Municipality to Whom the Grant Has Been Transferred	SWH Service Providers
Purpose of the grant	Implementation of the NSWHP
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DoRA (R'000)	112 522
Amount transferred (R'000)	0
Reasons if amount as per DoRA not transferred	Following the termination of the Department-Eskom MoA for the implementation of the programme, Cabinet's approval of the Revised Contracting Model was obtained during the year under review, paving the way for the amendment of the Appropriation listing the Department as the implementer and not Eskom. The start of the procurement process and the evaluation of tenders which took longer than anticipated negatively affected the project resulting in the budget underspending of R112.52 million.
Amount spent by the Department/municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N./A
Monitoring mechanism by the Department	N/A

9.2 Conditional Grants and Earmarked Funds Received

In 2015/16, the Department participated in several training and development projects and learnership programmes. These programmes included the following:

- The Service Training Programme funded by the Energy and Water Sector Education and Training Authority (EWSETA) for electrical engineers which is aimed at ensuring that opportunities are created and promoted for unemployed students who have N6 or N4 qualifications to gain practical experience in the workplace in order to obtain their qualifications
- Several projects and programmes funded by the Chemical Industries Sector Education and Training Authority (CHIETA) including a project management learnership programme, Public Administration, Internal Audit, Petroleum Engineering Programme and skills programme

The Skills Development Act, 1998 (Act No. 97 of 1998) established Sectorial Education and Training Authorities (SETAs) across various sectors, to coordinate training and learnership programmes in terms of the National Skills Development Strategy. SETAs have been established in terms of the Skills Development Act to:

- Develop sector skills plans
- Implement sector skills plans
- Promote and register learnership
- Collect and disburse skills development levies in the sector

Government departments are required to prepare, submit (to their relevant SETAs) and implement WSPs as part of the Skills Strategy, indicating government's commitment, as the largest employer, towards skills development and training in South Africa. For this purpose, the Department developed and submitted its WSP for the 2015/16 financial year.

During the 2015/16 financial year an amount of R1.59 million was received by the Department from affiliated Energy–related SETAs. As per National Treasury's requirements, this amount was surrendered to the National Revenue Fund. The Department is participating in several learner programmes that are funded by SETA's and are used to implement learner and training programmes. Although the funding was surrendered to the National Revenue Fund during the 2015/16 financial year, funding surrendered for the learner programmes, which are funded by SETAs, are appropriated annually as earmarked allocations for learner and training programmes.

10. DONOR FUNDS

10.1 Donor Funds Received

Table 57: Donor Fund 1: Energy Efficiency Monitoring and Implementation Project (Swiss Donor Fund)

Name of Donor	Swiss Federation
Full amount of the funding	R13.9 million
Period of the commitment	August 2010 to June 2016
Purpose of the funding	Contribute towards the Energy Efficiency Monitoring & Implementation Project. The project's objective is to build capacity in energy efficiency monitoring & implementation both at national & municipal levels in South Africa
Expected outputs	- Release the 2nd Energy Efficiency Target Monitoring Report - Establish an online Energy Efficiency Monitoring System - Support the development of data collection methodologies, for industry, mining, transport, commercial & government buildings - Establish an energy efficiency information management system that will be used to share energy efficiency related matters with all interested & affected stakeholders
Actual outputs achieved	The 2nd Energy Efficiency Target Monitoring Report was completed based on the end use energy data received from industries through the established an online Energy Efficiency Monitoring System. In addition, the project supported the development of data collection methodologies for industry, mining, transport, commercial & Government buildings, & the establishment of an Energy Efficiency Information Management System to disseminate information
Amount received in current period (R'000)	2 865
Amount spent by the Department (R'000)	2 865
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	A Project Steering Committee was established to monitor progress. In addition, monthly, quarterly & bi-annual progress reports are compiled as part of the project monitoring & evaluation process

The Energy Efficiency Monitoring and Implementation Project had intended to come to an end in December 2014. The project was, however, extended to June 2016. The inclusion of the transport sector in addition to those sectors that are already part of the development (industrial, mining, commercial project, public buildings and residential sector) necessitated the extension of this project. The project aims to establish a mechanism by which data for the transport sector can be collected in order to monitor the effect of policy, structural and activity changes on the transport sector. The final transfer payment of R2.86 million was made to SANEDI during the 2015/16 financial year.

Table 58: Donor Fund 2: Implementation of "Smart Metering" in South Africa

Name of Donor	EU Commission
Full amount of the funding	R179.5 million
Period of the commitment	April 2013 to March 2016
Purpose of the funding	Implementation of smart metering in the South African electricity industry
Expected outputs	Draft smart grid national policy document
Actual outputs achieved	Currently still piloting projects to test certain policy priorities. 9 pilot projects are still underway
Amount received in current period (R'000)	151 592
Amount spent by the department (R'000)	151 592
Reasons for the funds unspent	Significant time was spent aligning the Smart Metering Programme proposal from SANEDI to the objectives of the Department leading to the business plan only being signed on in September 2014 Delays were also experienced with the signing of all Collaboration Agreements between SANEDI and the participating municipalities as this entailed both legal departments and local councils working through the technicalities of the agreement as co-funding was also built in them Due to lack of skills capacity in some municipalities, SANEDI had to close that gap by designing implementation guidelines to create uniformity and guide project's implementation The individual projects at municipality level are not part of any KPA of the project managers, therefore, the project never received the required level of attention The procurement of goods and services at municipalities is a great complexity. Time, specifications and supply chain management processes have their life cycle that are designed to function in a particular order; our projects required fast tracking processes but had to keep within the limits of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
Monitoring mechanism by the donor	PFT chaired by Department Programme management team (SANEDI) Quarterly Report by participating municipalities Financial structure of programme to pay in percentages of completion Site visits

The Smart Metering Implementation Programme's funding is governed by the Reconstruction and Development Programme (RDP) Fund Act, 1994 (Act No. 7 of 1994), as amended. Section 5 of this Act requires that, in the absence of any provision to the contrary in a technical assistance agreement, all funding not spent by the end of a financial year must be paid back into the RDP Fund. The General Budget Support Technical Assistance Agreement with the EU does not make provision for the roll-over of funding. A total of R151.59 million was transferred to the SANEDI during the 2015/16 financial year of which an amount of R68.46 million remained unspent by 31 March 2016. The mentioned funds, plus interest earned of R5.49 million were subsequently surrendered to the RDP Fund during May 2016.

The initial programme timeline of two years became unrealistic, as the complexity of aligning principal objects, close legal/council buy-in and maturity of participating municipalities was never factored in. A period extension will be requested from the National Treasury to allow the finalisation and achievement of the project's output/objective.

Table 59: Donor Fund 3: Renewable Energy Development Programme

Name of Donor	Government of the Kingdom of Denmark
Full amount of the funding	R31.08 million
Period of the commitment	April 2013 to December 2016
Purpose of the funding	Technical assistance to the Department, further development of the WASA and technical assistance to Eskom for renewable energy integration in electricity supply
Expected outputs	Increased deployment of low carbon technologies in the Energy Sector: 1. (a) Energy Efficiency subcomponent - NEES; Energy Efficiency Campaign (Standards & Labelling); Energy Efficient Schools Pilot Project (b) Renewable Energy sub-component – MoA between Department, SANEDI & SARETEC; Renewable Energy Data Statistics system; Grid codes for REIPP; SWH for carbon offset 2. Wind Atlas for South Africa extended to rest of Eastern Cape and parts of Free State and KwaZulu-Natal 3. Report on Eskom's System Adequacy and Reserves study
Actual outputs achieved	In progress: 1. (a) Draft NEES completed & circulated on 01 April 2016; Minister of Energy launched Energy Efficiency Campaign during Africa Utility Week in May 2016; procurement for the energy efficient schools pilot project is underway (b) A consultant to help SARETEC refine its activities has been appointed; technical advisor on energy data and statistics began work in February 2016 and has finalised the inception report, and is building the infrastructure for the system; a technical advisor on grid codes has begun work; procurement process for SWH project has commenced. 2. Wind measurement masts have been installed in Rhodes Eastern Cape, Jozini, Eston KwaZulu-Natal and Memel Free State and are now live/online. 3. Workshops conducted on stochastic methods, i.e. the SISYFOS model. A report is being prepared.
Amount received in current period (R'000)	31 080
Amount spent by the department (R'000)	31 080
Reasons for the funds unspent	Delays in approval of implementation agreements and procurement requests
Monitoring mechanism by the donor	Component Managers, Management Committee and Advisory Board

The Renewable Energy Development Programme's funding is governed by the RDP Fund Act, as amended. Section 5 of this act requires that all funding not spent by the end of a financial year, must be paid back into the RDP Fund. A total of R31.08 million was transferred to the SANEDI during the 2015/16 financial year of which an amount of R22.36 million remained unspent by 31 March 2016. The mentioned funds plus an interest earned of R1.14 million were subsequently surrendered to the RDP Fund during May 2016.

10.2 Utilisation of Donor Funds

10.2.1 Energy Efficiency Monitoring and Implementation Project

The Government of South Africa and the Government of Switzerland recognise climate change as a fundamental risk to future development and livelihood. Based on the Long-Term Mitigation Scenarios for South Africa, the options for climate change reductions have been assessed and it is acknowledged that energy efficiency is one of the most cost-effective options. South Africa launched its Energy Efficiency Strategy in 2005 but full implementation is constrained by lack of capacity at national, municipal and sector practitioner levels. An agreement was signed between the South African Government and the Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs and acting through the Swiss Agency for Development and Cooperation. During the 2013/14 financial year, the Department did not receive donor funding from the Swiss Confederation. The project continued during the 2014/15 financial year as the Energy Efficiency Monitoring and Implementation Project was extended to June 2016 due to the inclusion of the transport sector to those sectors that are already part of the development (industrial, mining, commercial, public buildings, residential sector). The project aims to establish a mechanism by which data for the transport sector can be collected in order to monitor the effect of policy, structural and activity changes on the sector.

10.2.2 Implementation of Smart Metering in South Africa

During the 2012/13 financial year, a total of R179.5 million, for disbursement over a three-year period, was made available through the EU Commission financing agreement and the National Development Policy Support Programme for the implementation of smart metering in the South African electricity industry. The project was anticipated to comprise of two phases:

- The establishment of a vision and standards for smart grid technology for South Africa
- The implementation of smart grid technologies

The programme was effectively implemented in the 2014/15 financial year. The programme scope included policy objectives of the smart grid pilot project. These policy objectives are broadly defined within the following areas:

- Supporting the small-scale IPP Programme through a net-metering pilot
- Support improved implementation of current policies, such as free basic electricity
- Support electricity distributors (municipalities/ Eskom) to fully implement tariff structures, including inclining block tariff and time of use tariff which would ultimately lead to improved financial viability

The programme is largely implemented through Collaboration Agreements with various municipalities.

10.2.3 Renewable Energy Development Programme

The bilateral agreement for the programme was signed by the Minister of Energy of South Africa and the Danish Ambassador on behalf of the Danish Minister of Climate Energy and Buildings during the Danish Prime Minister's visit in April 2013. The management of the programme resides jointly with the South Africa's Department and the Danish Ministry for Climate, Energy and Buildings, supported by the Embassy of Denmark.

The development objective of the programme is to decouple economic growth in the Republic of South Africa from the growth in overall Greenhouse Gas (GHG) emissions. The intermediate objective is to increase the deployment of low carbon technology in the Energy Sector.

The programme is divided into three components:

- Technical Assistance to the Department
- Further development of the WASA
- Technical Assistance to Eskom, the South African electricity supplier, for renewable energy integration into electricity supply

Part C
GOVERNANCE

1. INTRODUCTION

The Department of Energy (Department) has put governance structures in place to ensure good governance, and effective, efficient and economical utilisation of the state resources in the following areas:

- Risk management
- Anti-fraud and corruption
- Minimising conflict of interest
- Code of conduct
- Health, safety and environmental issues
- Internal control
- Internal audit
- State-Owned Entities (SOE) oversight

2. RISK MANAGEMENT

2.1 Nature of Risk Management

Risk management is an integral part of the Department's strategic management. It is the process whereby the risk exposures attached to the activities of the Department are addressed, both methodically and intuitively, by way of risk identification, risk assessment and the development of mitigation strategies to enhance the control environment.

A Risk Management Committee has been established. The committee's membership comprises of branch heads and is chaired by a non-executive external chairperson. The Risk Management Committee convenes on a quarterly basis to review and evaluate the risk management maturity, the status of risk management activities, the risk register including fraud and corruption, significant risks and emerging risks facing the Department.

Risk management reports are presented to the Executive Management Committee, Risk Management Committee and the Audit Committee for oversight, monitoring and evaluation of the risk management system. Risk assessments are conducted on an annual basis to identify risk exposures against the goals and objectives of the Department as set out in the Annual Performance Plan (APP), Institutional Operational Plan and to develop mitigation strategies to improve the control environment.

Risk Management Committee meetings for the 2015/16 fiscal year were held on 7 July 2015, 22 October 2015, 26 January 2016 and 7 April 2016 to consider and evaluate among others, a register of key risks, the risk profile of various branches, material changes to the risk profile, risk maturity level of the Department and the implementation of the Anti-Fraud and Corruption Strategy.

2.2 Risk Management Strategies

The Department has developed the Risk Management Strategy, Risk Management Standard Operating Procedures, Risk Assessment Handbook, Risk Identification and Assessment Methodologies Manual, Risk Management Committee Charter, Risk Management Framework, Risk Management Strategic Plan, Risk Management Policy, Fraud Prevention Plan, Fraud Implementation Plan and Fraud Prevention Strategy, each to serve as a guideline in educating and training managers and other officials of the Department about their roles and responsibilities in risk management as well as how to integrate the principle risk management into their day-to-day activities.

2.3 Progress on Risk Mitigation

A Global Risk Register reflecting relevant risk owners and mitigation strategies (to address residual risk exposures, and to review and update risk registers on a continuous basis) is in place. Progress reports to monitor and evaluate the implementation of risk mitigation strategies are presented to the Audit Committee, Risk Management Committee and Management Committee on a regular basis. The Departmental Risk Management System has been audited by the Internal Audit as well as Auditor-General of South Africa to provide an independent and objective assurance on the effectiveness of the risk management function. Internal Audit and Auditor-General findings are implemented by way of putting mitigation strategies in the control environment, testing their effectiveness by various management structures on a quarterly basis.

3. FRAUD AND CORRUPTION

3.1 Fraud Prevention Plan

The Department has developed a Fraud Prevention Plan, which sets out actions to prevent fraud and corruption. The Fraud Prevention Plan is intended to set down the stance of the Department to fraud and corruption, and to reinforce existing systems, policies and procedures aimed at deterring, preventing, detecting, reacting to, and reducing the impact of fraud and corruption. The Risk Management Implementation Plan is in place to give effect to the implementation of the Risk Management Policy, Risk Management Strategy and Anti-Fraud and Corruption Strategy.

3.2 Reporting on Fraud and Corruption

Employees and members of the public are encouraged to report allegations of maladministration, irregularities and fraudulent practices for investigation and resolution. Managers are responsible for the detection, prevention and investigation of fraud and corruption and must report incidents and allegations of fraud and corruption to the Accounting Officer. Cases of alleged irregular or fraudulent practices received from the Presidential Hotline, members of the public and media are investigated, responded to and resolved within the prescribed time. Management, other officials of the Department and members of the public are encouraged to report all suspected irregular and fraudulent practices to the National Public Service Anti-Corruption Hotline Number (0800 701 701). Anti-fraud and corruption posters have been posted in visible areas within the Department to encourage staff and members of the public to report fraud and corruption.

Presentations to educate and train new and existing employees are conducted during induction and orientation programmes. Risk management workshops are conducted within various branches of the Department to inculcate and embed a culture of risk management in their day-to-day activities. The following is being conducted during the risk assessment workshops: training, education and awareness, and focusing on risk management, anti-fraud and corruption.

3.3 Fraud and Corruption Cases

The Fraud Prevention Plan, covering all basic mechanisms of preventing fraud and corruption, is in place. The plan takes into account the risks of fraud and corruption, as reported by the members of the public, the National Presidential Hotline and employees of the Department. Mechanisms to report suspected and or alleged fraud and corruption practices are in place, i.e. whistle blowing, vetting of officials and service providers, internal audit function, Audit Committee and disclosure of conflict of interest by Senior Management Service (SMS) members. Reported cases are investigated and resolved by way of disciplinary action, criminal action, civil action, improving controls, prevention measures and referring high profile cases to external law enforcement agencies. Cases of fraud and corruption are captured in the Fraud and Corruption Case Register, which is regularly updated and respectively reported to the Audit Committee, Risk Management Committee, Office of the Public Service Commission and the Department of Public Service and Administration (DPSA).

> Risk management workshops are conducted within various branches of the Department to inculcate and embed a culture of risk management in their day-to-day activities.

4. MINIMISING CONFLICT OF INTEREST

In order to minimise the conflict of interest, the following mechanisms are in place:

- Senior managers are required to disclose their financial interest annually as required by the financial disclosure framework
- Sanctions and or disciplinary action are taken with regard to non-compliance
- A conflict of interest disclosure form is signed by all attendees in various management structures

5. CODE OF CONDUCT

A Departmental code of conduct, together with other policies and prescripts, is in place to serve as a guideline to employees as to what is expected of them from an ethical point of view – both in their individual conduct, and in their relationship with others. Education, training and awareness in relation to the code of conduct are conducted during the induction and orientation programmes. The Office of the Public Service Commission is also assisting with the provisioning of education and distribution of pamphlets of the code of conduct to the employees of the Department.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department is committed to providing a safe and secure working environment for all by implementing provisions of the Occupational Health & Safety Act, 1993 (Act No. 85 of 1993). The Occupational Health and Safety Committee has been appointed in order to ensure the development and implementation of the Occupational Health and Safety Policy and procedures as well as to ensure that adequate resources and signage are in place in all the buildings occupied by officials.

Occupational health and safety marshals, fire fighters and first aiders have been adequately trained in order to attend to emergency situations in the Department buildings. The Department is in a process of training staff on how to evacuate the premises during emergency situations in accordance with the provisions of the approved Departmental Contingency Plan. The latter training will be rolled out to the regional offices until officials comply with the turnaround time for evacuating the building during an evacuation drill.

7. PORTFOLIO COMMITTEE

The schedule of the briefing sessions held with the Portfolio Committee on Energy is as follows:

Table 60: Schedule of briefing sessions

Date	Meeting
14 Apr 2015	2nd & 3rd quarter 2014/15 Performance Reports *Briefing to the Portfolio Committee on Energy*
14 Apr 2015	Update on the Matatiele Task Team & its Activities *Briefing to the Portfolio Committee on Energy*
15 Apr 2015	Financial Performance as at 31 December 2014 *Standing Committee on Appropriations*
4 Aug 2015	4th quarter 2014/15 & 1st quarter 2015/16 Performance Reports *Briefing to the Portfolio Committee on Energy*
12 Aug 2015	Briefing on progress made on the implementation of the 30% procurement policy for SMMEs & cooperatives
18 Aug 2015	The strategic stocks policy

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS

During the 2010/11 financial year, R14.8 million was disbursed from the incorrect vote. A request for condonation has been submitted to National Treasury for consideration. The Department received a letter of condonation from National Treasury on 9 November 2012, however, it was not clear from the approval letter received whether the condonation was granted with funding or without funding. The Department requested clarity in this regard from National Treasury to enable the Department to derecognise the unauthorised expenditure and was informed that the matter must be presented to the Standing Committee on Public Accounts (SCOPA) for consideration. The matter was subsequently presented to SCOPA on 12 November 2014 and the Department is awaiting the committee's resolution. No unauthorised expenditure was incurred in the 2015/16 financial year.

9. PRIOR MODIFICATION TO AUDIT REPORT

None.

10. INTERNAL CONTROL AND REPORTING UNIT

The Internal Control and Reporting Unit ensures that internal controls are in place in order to provide reasonable assurance that the Department has accounted for all the financial transactions in terms of accuracy, validity and completeness, and in compliance with applicable laws and regulations to ensure reliable financial reporting. In the year under review, 12 compliance certificates and three mandatory interim Annual Financial Statements were submitted to National Treasury.

10.1 Capital Investment

Asset verifications were performed in the 2015/16 financial year at head office and all regional offices in line with the Assets Verification Plan. The Asset Register complies with the minimum requirements for an asset register, including all assets procured during the 2015/16 financial year. As part of the Asset Management Programme, unusable, damaged and redundant, moveable and tangible assets with a book value of R601 000 were disposed. This was recommended by the Asset Disposal Committee. The Department procured assets to the value of R5.5 million whilst assets with a value at R38 000 were transferred from the DPSA to the Department.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

The Audit Committee plays an important role in ensuring that an entity functions according to good governance, accounting and audit standards. It also monitors the adoption of appropriate risk management arrangements.

11.1 Internal Audit

The Accounting Officer has, in terms of Section 38 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), put in place a system of Internal Audit under the control and direction of the Audit Committee that complies with and operates in accordance with regulations and instructions prescribed in terms of Sections 76 and 77 of the Public Finance Management Act, 1999.

The primary objective of Internal Audit is to provide an independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. A risk-based annual audit plan for 2015/16 was compiled and approved by the Audit Committee. A total of 24 audits were conducted in the 2015/16 financial year and these included regularity audits, compliance audits, IT and *ad-hoc* audits.

Internal Audit continuously follows-up on the audit findings raised to establish the extent to which management resolves the findings raised by both Internal Audit and the Auditor-General. Internal Audit has evaluated and contributed to the improvement of risk management, control and governance systems of the Department through the performance of adequate assurance and consulting activities in key areas identified in the risk assessment and by conducting audits in areas mandated by the Public Finance Management Act, 1999 and National Treasury regulations.

11.2 Audit Committee

The Audit Committee provides an oversight function on governance, control and risk management processes by reviewing Annual Financial Statements, reports from the Internal and External Auditors, status of internal control and risk management.

The Audit Committee, amongst others, reviews the following:

- Effectiveness of the internal control system including information technology security controls
- Effectiveness of the Internal Audit function
- Risk areas of the Department's operations to be covered in the scope of internal audits
- Effectiveness of the monitoring systems pertaining to fraud-related risks and the results of management's investigation, and follow-up of alleged fraud and related matters
- Compliance with legal and regulatory provisions
- Adequacy and effectiveness of the risk management process
- Quality of in-year financial reports
- Completeness, accuracy and reliability of the performance information reports
- Any accounting and auditing concerns identified as a result of internal or external audits

11.3 Attendance of Audit Committee Meetings by Audit Committee Members

The Audit Committee consists of the members listed below. These Audit Committee members are independent of the Department. The committee should meet at least four times per annum as per its approved terms of reference. During the financial year under review, six meetings were held. The table that follows discloses relevant information on the Audit Committee members.

Table 61: Audit Committee members

Meeting	Dates	N. Swana CA (SA)	Y. Gordhan CA (SA), Msc (Bus Admin)	T. Sihlaba BCom, BCompt (Hons), MCom, ACCA, CIA	A. Amod CD (SA), BCom, MBA, CIA, CGAP, CRMA	G. Lourens CA (SA)
Special AC meeting draft AFS 201415	29 May 2015	✓	✓	✓	✓	✓
Special AC meeting audited AFS 2014/15	23 Jul 2015	✓	✓	✓	✓	✓
1st ordinary meeting 2015/16	1 Sep 2015	Resigned	✓	✓	✓	✓
2nd ordinary meeting 2015/16	2 Dec 2015	Resigned	✓	✓	✓	✓
3rd ordinary meeting 2015/16	18 Feb 2016	Resigned	✓	✓	✓	✓
4th ordinary meeting 2015/16	27 May 2016	Resigned	✓	✓	✓	✓

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

12.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act, 1999 and National Treasury Regulation 3.1. 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 this charter and has discharged all of its responsibilities as contained therein.

12.2 The Effectiveness of Internal Control

The system of controls within the Department is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the Public Finance Management Act, 1999 and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

From our review of the reports of the Internal Auditors, the *Audit Report* on the Annual Financial Statements and the *Management Report* of the Auditor-General of South Africa, we can conclude that the system of internal control as applied over financial and non-financial matters and enterprise risk management at the Department is satisfactory. The Committee has noted management's commitment to address the lack of control effectiveness, where they exist. The Committee will be monitoring management's progress in resolving these issues on a regular basis.

12.3 Internal Audit

We are satisfied that the internal audit function has operated effectively, that it has addressed the risks pertinent to the Department in its audits and has assisted the Department with value-adding services to ensure that both financial and operational objectives are achieved.

The areas of concern identified by the Audit Committee are:

- SOE oversight
- Enterprise risk management maturity
- Achievement of predetermined objectives

12.4 In-Year Management and Monthly/ Quarterly Report

The Accounting Officer has tabled the In-Year Management and monthly/quarterly reports to the Minister and to the Committee, as required by the National Treasury regulations. The Committee is satisfied with the content and quality of the In-Year Management reports.

13. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has undertaken the following, relating to the evaluation of the Annual Financial Statements:

- Reviewed and discussed the audited Annual Financial Statements to be included in the *Annual Report* with the Auditor-General of South Africa and the Accounting Officer
- Reviewed the Auditor-General of South Africa's *Management Report* and management's response thereto
- Reviewed accounting policies and practices as reported in the Annual Financial Statements
- Reviewed the Department's processes for compliance with legal and regulatory provisions
- Reviewed the information on predetermined objectives as reported in the *Annual Report*
- Reviewed adjustments resulting from the audit of the Department
- Reviewed, and where appropriate, recommended changes to the Annual Financial Statements as presented by the Department for the year ending 31 March 2016

14. REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA

We have, on a quarterly basis, reviewed the Department's Implementation Plan for audit issues raised in the prior year. The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the Auditor-General of South Africa will continue to be monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the conclusions of the Auditor-General of South Africa 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 of South Africa.

We congratulate the Department on achieving a clean audit.

15. APPRECIATION

The Audit Committee wishes to acknowledge the dedication and work performed by the Accounting Officer, management and officials of the Department. The Audit Committee wishes to express its appreciation to management, the Auditor-General of South Africa and the Internal Audit Unit for the cooperation and information they have provided to enable us to discharge our responsibilities.

Ameen Amod
Chairperson of the Audit Committee
31 July 2016

Part D
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister of Public Service and Administration for all Departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The Department of Energy (Department) values its human capital as one of the most important factors contributing to the successful implementation of its strategy. During the period under review, the Human Resources Unit implemented Phase 3 of the 2013–2018 Integrated Human Resources Plan. Through the implementation of the plan, the Department aims to ensure that the right people with the right mix of skills are placed in the right positions. It further seeks to ensure that employees display the right attitudes and behaviour, and that their skills are developed in line with Departmental needs.

2.1 The Status of Human Resources in the Department

- The Human Resources Unit, as established in 2010, now requires a review. It is envisaged that the review will enable the Human Resources Unit to be more responsive and positioned to enable the Department to effectively deliver on its mandate and strategic objectives.
- With regard to organisational structure, the process of restructuring is still underway and due to leadership changes, some of the activities could not be finalised in the last financial year. Such activities were carried over to the 2016/17 financial year.
- The developed competency framework for the Department is being implemented. The framework will be revised once the review of the organisational structures has been completed and will be updated once new positions are added to the structure.
- The Human Resources Unit developed a Workplace Skills Plan (WSP) for the Department, following the skills audit conducted through the submission of Personal Development Plans. As part of the implementation of the WSP, a number of training and development interventions were identified and 579 officials were trained during 2015/16. The Department also offered 37 new bursaries to serving employees, with effect from the beginning of the 2016 academic year. This brings the total number of employees studying part-time at various institutions to 61.
- The Human Resources Unit continued to maintain and review its systems, processes and policies in line with the Departmental objectives, and performed well in maintaining a healthy staff turnover of 6.2% (excluding interns and contracts), which is well within the accepted norm, but the vacancy rate increased to 11.2%. The employee health and wellness programmes were implemented for the financial year with in-house wellness clinics being held more regularly.

> The Department values its human capital as one of the most important factors contributing to the successful implementation of its strategy.

2.2 Human Resource Priorities for the Year Under Review

- Review of the support, clean energy and regional office structures in support of the newly-revised line function structure and streamline the line-function structure
- Develop and implement a talent management strategy (which focuses on a framework for occupations, career pathing, scarce skills and retention)
- Implement the Human Resource Development Strategy and Plan
- Enhance the recruitment process
- Achieve representation of women in management and employ people with disabilities
- Review the Performance Management and Development System (PMDS) process, dependent on the Department of Public Service and Administration (DPSA) review process
- Develop, implement and maintain systems, delegations, policies and processes
- Maintain a job evaluation plan

- Values, ethics and organisational culture: implement culture survey recommendations
- Implement the Employee Health and Wellness Programme

2.3 Workforce Planning and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

- Align the Department's organisational structure with the strategy
- Develop and implement a talent management strategy (which focuses on a framework for occupations, career pathing, scarce skills and retention)
- Implement the Human Resource Development Strategy and Plan
- Reduce the vacancy rate to below 10%
- Values, ethics and organisational culture: revisit Culture Survey Initiative Plan
- Implement the Employee Health and Wellness Programme
- Review the PMDS process which is dependent on the DPSA review process
- Achieve representation of women in management and employ people with disabilities
- Develop, implement and maintain systems, delegations, policies and processes
- Maintain a job evaluation plan
- Enhance the recruitment process (investigate in-house assessments of new appointments)
- Ensure effective employee relations management
- Marketing of the human resource function

2.4 Employee Performance Management

- The compliance rate for the submission of performance agreements has increased to 86%. The 2014/15 performance reviews for level 1-14 were completed within the required timeframes and performance rewards were paid within budget
- PMDS workshops were conducted in all regions and were well-attended by staff up to Senior Management Service (SMS) level
- The DPSA PMDS review process commenced in 2014/15 and this affected the review of the PMDS process for the Department, which will be concluded following the DPSA process
- Employee health and wellness activities were implemented throughout the year with wellness clinics happening twice a month
- Employee Assistance Programme (EAP) contract was managed successfully

2.5 Achievements

- 86% compliance rate for performance agreement submission
- 87% compliance rate for SMS performance agreement submission
- Female employment stands at 51.4%

2.6 Challenges

- Female employment at SMS level and the employment of people with disabilities still remain well below the desired target
- The vacancy rate is above the 10% target and currently stands at 11.2%
- Medium-Term Expenditure Framework (MTEF) funding still remains a challenge for the full implementation of the strategies and structures as envisaged in the Integrated Human Resources Plan for the Department

2.7 Future Plans

The Human Resources Unit will continue with the implementation of Phase 4 of the Integrated Human Resources Plan in the next financial year.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Expenditure

Table 62: Personnel expenditure by programme for the period 1 April 2015 to 31 March 2016

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure R'000	Professional and Special Services Expenditure	Personnel Expenditure of Total Expenditure	Average Personnel Cost per Employee
	R'000	R'000	R'000	R'000	%	R'000
Programme 1: Administration	277 767	138 750	4 643	4 025	50.0	467
Programme 2: Energy Policy & Planning	38 095	31 519	0	341	82.7	573
Programme 3: Petroleum Products Regulation	68 958	52 568	0	10 023	76.2	442
Programme 4: Electricity & Energy Programme & Project Management	5 820 485	41 797	21	19	0.7	486
Programme 5: Nuclear Energy	655 029	17 039	0	752	2.6	568
Programme 6: Clean Energy	281 783	14 336	0	10 668	5.1	623
Total as on Financial Systems (BAS)	**7 142 117**	**296 009**	**4 664**	**25 828**	**4.1%**	**485**

Table 63: Personnel costs by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Personnel Expenditure	Total Personnel Cost	No. of Employees	Average Personnel Cost Per Employee
	R'000	%		R'000
Skilled (Levels 3-5)	18 352	6	99	185 374
Highly-skilled production (Levels 6-8)	45 721	14.9	138	331 312
Highly-skilled supervision (Levels 9-12)	127 768	41.7	228	560 386
Senior management (Levels 13-16)	80 715	26.3	77	1 048 247
Contract (Levels 1-2)	2 503	0.8	28	89 393
Contract (Levels 3-5)	2 695	0.9	14	192 500
Contract (Levels 6-8)	1 623	0.5	6	270 500
Contract (Levels 9-12)	2 894	0.9	12	241 167
Contract (Levels 13-16)	12 233	4	8	1 529 125
Periodical remuneration	576	0.2	6	96 000
Abnormal appointment	963	0.3	79	12 190
Total	**296 043**	**96.6**	**695**	**425 961**

Table 64: Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2015 to 31 March 2016

Programme	Salaries		Overtime		HOA		Medical Ass.	
	Amount	Salaries Personnel Cost	Amount	Overtime Personnel Cost	Amount	HOA Personnel Cost	Amount	Medical Ass. Personnel Cost
	R'000	%	R'000	%	R'000	%	R'000	%
Programme 1: Administration	10 2920	71.8	3 930	2.7	3 753	2.6	4 764	3.3
Programme 2: Energy Policy & Planning	25 037	79.4	68	0.2	989	3.1	743	2.4
Programme 3: Petroleum Products	38 714	73.6	452	0.9	2 228	4.2	2 306	4.4
Programme 4: Electricity & Energy Programme & Project Management	32 097	76.8	100	0.2	1 082	2.6	1 367	3.3
Programme 5: Nuclear Energy	13 373	78.5	157	0.9	889	5.2	231	1.4
Programme 6: Clean Energy	11 236	78.4	98	0.7	428	3.0	351	2.4
Total	**223 377**	**74.3**	**4 805**	**1.6**	**9 369**	**3.1**	**9 762**	**3.2**

Table 65: Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2015 to 31 March 2016

Salary band	Salaries		Overtime		HOA		Medical Aid	
	Amount	Salaries personnel costs	Amount	Overtime personnel costs	Amount	HOA personnel costs	Amount	Medical Ass. personnel costs
	R'000	%	R'000	%	R'000	%	R'000	%
Skilled (Levels 3-5)	11 762	61.8	1 549	8.1	986	5.2	1 298	6.8
Highly-skilled production (Levels 6-8)	31 756	68	1 838	3.9	1 746	3.7	2 184	4.7
Highly-skilled supervision (Levels 9-12)	95 106	71.3	1 241	0.9	4 186	3.1	3 426	2.6
Senior management (Levels 13-16)	66 400	79.8	0	0	2 122	2.5	919	1.1
Contract (Levels 1-2)	2 477	95.2	26	1	0	0	0	0
Contract (Levels 3-5)	1 967	71.4	110	4	97	3.5	88	3.2
Contract (Levels 6-8)	1 309	74.9	0	0	38	2.2	7	0.4
Contract (Levels 9-12)	2 259	75.9	0	0	194	6.5	6	0.2
Contract (Levels 13-16)	10 740	86.1	0	0	0	0	60	0.5
Periodical remuneration	0	0	0	0	0	0	0	0
Abnormal appointment	900	90.5	0	0	0	0	0	0
Total	**22 4676**	**73.3**	**4 764**	**1.6**	**9 369**	**3.1**	**7 988**	**2.6**

3.2 Employment and Vacancies

The tables in this section summarise the Department's position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:
- Programme
- Salary band
- Critical occupations (see definition in notes hereafter)

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 66: Employment and vacancies by programme as on 31 March 2016

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Programme 1: Administration	338	297	12.1	40
Prgramme 2: Energy Policy & Planning	63	55	12.7	4
Programme 3: Petroleum Products Regulation	127	119	6.3	5
Programme 4: Electricity & Energy Programme & Project Management	94	86	8.5	17
Programme 5: Nuclear Energy	35	30	14.3	2
Programme 6: Clean Energy	30	23	23.3	0
Total	**687**	**610**	**11.2**	**68**

Table 67: Employment and vacancies by salary band as on 31 March 2016

Salary Band	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Skilled (Levels 3-5)	104	99	4.8	0
Highly-skilled production (Levels 6-8)	158	138	12.7	0
Highly-skilled supervision (Levels 9-12)	258	228	11.6	0
Senior management (Levels 13-16)	99	77	22.2	0
Contract (Levels 1-2)	28	28	0	28
Contract (Levels 3-5)	14	14	0	14
Contract (Levels 6-8)	6	6	0	6
Contract (Levels 9-12)	12	12	0	12
Contract (Levels 13-16)	8	8	0	8
Total	**687**	**610**	**11.2**	**68**

Table 68: Employment and vacancies by critical occupations as on 31 March 2016

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Administrative related	121	107	11.6	13
Client information clerks (switchboard reception information clerks)	17	16	5.9	0
Communication & information related	14	11	21.4	1
Community development workers	1	1	0	0
Economists	6	4	33.3	0
Finance & economics related	10	9	10	0
Financial & related professionals	24	21	12.5	0
Financial clerks & credit controllers	19	18	5.3	1
Food services aids & waiters	2	1	50	1
Head of department/chief executive officer	1	1	0	0
Historians & political scientists	1	0	100	0
Human resources & organisat developm & relate prof	27	26	3.7	0
Human resources clerks	12	12	0	2
Human resources related	6	5	16.7	0
Information technology related	1	1	0	0
Language practitioners, interpreters & other common	5	5	0	2
Legal related	6	3	50	0
Library, mail & related clerks	10	9	10	3
Logistical support personnel	7	6	14.3	0
Material-recording & transport clerks	16	16	0	3
Messengers, porters & deliverers	3	3	0	0
Meteorologist	2	1	50	0
Natural sciences related	75	64	14.7	3
Nature conservation & oceanographical rel. techni	3	0	100	0
Other administrat & related clerks & organisers	12	10	16.7	4
Other administrative policy & related officers	35	32	8.6	0
Other information technology personnel	13	10	23.1	0
Other occupations	2	2	0	0
Risk management & security services	14	13	7.1	0
Interns	28	28	0	28
Secretaries & other keyboard operating clerks	51	49	3.9	1
Security officers	41	39	4.9	0
Senior managers	82	68	17.1	5
Social sciences related	2	2	0	0
Statisticians & related professionals	10	10	0	1
Trade/industry advisers & other related profession	7	6	14.3	0
Youth workers	1	1	0	0
Total	**687**	**610**	**11.2**	**68**

3.3 Filling of Senior Management Service Posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 69: SMS post information as on 31 March 2016

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant	Total Number of Additional Filled SMS Posts
Director-General/ Head of Department	1	1	100	0	0	0
Salary Level 16	2	2	100	0	0	2
Salary Level 15	7	5	71	2	29	2
Salary Level 14	22	17	77	5	23	1
Salary Level 13	67	52	78	8	12	3
Total	**99**	**77**	**78**	**15**	**15**	**8**

Table 70: SMS post information as on 30 September 2015

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant	Total Number of Additional Filled SMS Posts
Director-General/ Head of Department	1	0	0	1	100	0
Salary Level 16	2	2	0	0	0	2
Salary Level 15	7	5	0	2	29	0
Salary Level 14	20	15	81	5	25	2
Salary Level 13	62	57	89	5	8	3
Total	**92**	**79**	**86**	**13**	**14**	**7**

Table 71: Advertising and filling of SMS posts for the period 1 April 2015 to 31 March 2016

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies Per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies Per Level Filled in 6 Months of Becoming Vacant	Number of Vacancies Per Level Not Filled in 6 Months but Filled in 12 Months
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	1	-	-
Salary Level 13	4	-	-
Total	**5**	**-**	**-**

Table 72: Reasons for not having complied with the filling of funded vacant SMS – Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2015 to 31 March 2016

Reasons for Vacancies not Advertised Within 6 Months
Alignment to the proposed structure (restructuring)

Reasons for Vacancies not Filled Within 12 Months
Alignment to the proposed structure (restructuring)

Table 73: Disciplinary steps taken for not complying with the prescribed timeframes for SMS posts advertised within six months and filled within 12 months for the period 1 April 2015 and 31 March 2016

Reasons for Vacancies not Advertised Within 6 Months
None

Reasons for Vacancies not Filled Within 12 Months
None

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations, all vacancies on Salary Level 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 74: Job evaluation by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Contract (Levels 1-2)	28	0	0	0	0	0	0
Contract (Levels 3-5)	14	0	0	0	0	0	0
Contract (Levels 6-8)	6	0	0	0	0	0	0
Contract (Levels 9-12)	12	0	0	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Contract (Band C)	2	0	0	0	0	0	0
Contract (Band D)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	104	9	8.7	0	0	0	0
Highly-skilled production (Levels 6-8)	158	3	1.9	0	0	0	0
Highly-skilled supervision (Levels 9-12)	258	1	0.4	0	0	0	0
Senior Management Service Band A	67	2	3	0	0	0	0
Senior Management Service Band B	22	0	0	0	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Total	**687**	**15**	**2.2**	**0**	**0**	**0**	**0**

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 75: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	1	0	0	0	1
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 76: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 to 31 March 2016

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
None	0	0	0	
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**
% of total employment				**0**

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

Table 77: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 to 31 March 2016

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 78: Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Number of Employees at Beginning of Period 1 April 2015	Appointments & Transfers into the Department	Terminations & Transfers out of the Department	Turnover Rate
Skilled (Levels 3-5)	83	9	1	1.2
Highly-skilled production (Levels 6-8)	148	11	10	6.8
Highly-skilled supervision (Levels 9-12)	227	20	10	4.4
Senior Management Service Band A	51	6	3	5.9
Senior Management Service Band B	16	2	2	12.5
Senior Management Service Band C	7	0	1	14.3
Senior Management Service Band D	2	0	0	0
Contract (Levels 1-2)	4	33	8	200
Contract (Levels 3-5)	17	2	6	35.3
Contract (Levels 6-8)	5	1	1	20
Contract (Levels 9-12)	3	0	0	0
Contract (Band A)	3	2	0	0
Contract (Band B)	0	2	0	0
Contract (Band D)	2	2	1	50
Total	**568**	**90**	**43**	**7.6**

Table 79: Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

Critical Occupation	Number of Employees at Beginning of Period 1 April 2015	Appointments & Transfers into the Department	Terminations & Transfers out of the Department	Turnover Rate
Administrative related	105	11	6	5.7
Biologists, botanists, zoologists & rel professional	5	0	0	0
Client information clerks (switchboard reception information clerks)	7	1	0	0
Communication & information related	12	1	1	8.3
Economists	1	2	0	0
Engineering sciences related	4	0	0	0
Finance & economics related	8	0	1	12.5
Financial & related professionals	17	3	2	11.8
Financial clerks & credit controllers	13	2	0	0
Food services aids & waiters	1	0	0	0
Head of department/chief executive officer	0	1	0	0
Human resources & organisat developm & relate prof	21	2	2	9.5
Human resources clerks	13	3	0	0
Human resources related	10	0	1	10
Information technology related	7	0	0	0
Language practitioners, interpreters & other commun	3	0	0	0
Legal related	4	0	0	0
Library, mail & related clerks	24	1	2	8.3

Table 79: Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016 (continued)

Critical Occupation	Number of Employees at Beginning of Period 1 April 2015	Appointments & Transfers into the Department	Terminations & Transfers out of the Department	Turnover Rate
Logistical support personnel	8	0	0	0
Material-recording & transport clerks	14	1	1	7.1
Messengers, porters & deliverers	3	0	0	0
Meteorologists	2	0	0	0
Natural sciences related	84	10	4	4.8
Other administrat & related clerks & organisers	15	2	5	33.3
Other administrative policy & related officers	4	0	0	0
Other information technology personnel	4	0	0	0
Other occupations	2	0	0	0
Risk management & security services	14	1	2	14.3
Safety health & quality inspectors	4	0	0	0
Interns	4	33	8	200
Secretaries & other keyboard operating clerks	43	3	2	4.7
Security officers	34	4	0	0
Senior managers	63	6	6	9.5
Social sciences related	2	0	0	0
Statisticians & related professionals	10	0	0	0
Trade/industry advisers & other related profession	2	3	0	0
Youth workers	1	0	0	0
Total	**568**	**90**	**43**	**7.6**

The table below identifies the major reasons why staff left the Department.

Table 80: Reasons why staff left the Department for the period 1 April 2015 to 31 March 2016

Termination Type	Number	% of Total Resignations
Resignation	17	39.5
Expiry of contract	8	18.6
Retirement	1	2.3
Transfers out	17	39.5
Total	**43**	**100**
Total number of employees who left as a % of total employment	43	7.6

Table 81: Promotions by critical occupation for the period 1 April 2015 to 31 March 2016

Occupation	Employment at Beginning of Period (April 2015)	Promotions to Another Salary Level	Salary Level Promotions as a % of Employment	Progressions to Another Notch Within Salary Level	Notch Progressions as a % of Employment
Administrative related	105	3	2.9	64	61
Biologists, botanists, zoologists & related professional	5	0	0	2	40
Client information clerks (switchboard reception information clerks)	7	0	0	2	28.6
Communication & information related	12	0	0	8	66.7
Economists	1	0	0	0	0
Engineering sciences related	4	0	0	0	0
Finance & economics related	8	0	0	5	62.5
Financial & related professionals	17	5	29.4	11	64.7
Financial clerks & credit controllers	13	0	0	7	53.8
Food services aids & waiters	1	0	0	0	0
Human resources & organisat developm & relate prof	21	1	4.8	17	81
Human resources clerks	13	2	15.4	5	38.5
Human resources related	10	0	0	5	50
Information technology related	7	0	0	3	42.9
Language practitioners, interpreters & other communication	3	0	0	3	100
Legal related	4	0	0	2	50
Library, mail & related clerks	24	0	0	4	16.7
Logistical support personnel	8	0	0	4	50
Material-recording & transport clerks	14	0	0	8	57.1
Messengers, porters & deliverers	3	0	0	0	0
Meteorologists	2	1	50	1	50
Natural sciences related	84	5	6	39	46.4
Other administrat & related clerks & organisers	15	0	0	6	40
Other administrative policy & related officers	4	2	50	27	675
Other information technology personnel.	4	0	0	7	175
Other occupations	2	0	0	0	0
Risk management & security services	14	0	0	5	35.7
Interns	4	0	0	0	0
Safety health & quality inspectors	4	0	0	0	0
Secretaries & other keyboard operating clerks	43	0	0	34	79.1
Security officers	34	1	2.9	1	2.9
Senior managers	63	4	6.3	38	60.3
Social sciences related	2	0	0	0	0
Statisticians & related professionals	10	0	0	7	70
Trade/industry advisers & other related profession	2	1	50	0	0
Youth workers	1	0	0	0	0
Total	**568**	**25**	**4.4**	**315**	**55.5**

Table 82: Promotions by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Employees 1 April 2015	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch Within Salary Level	Notch Progressions as a % of Employees by Occupation
Skilled (Levels 3-5)	83	1	1.2	19	22.9
Highly-skilled production (Levels 6-8)	148	5	3.4	96	64.9
Highly-skilled supervision (Levels 9-12)	227	11	4.8	156	68.7
Senior management (Levels 13-16)	76	6	7.9	44	57.9
Contract (Levels 1-2)	4	0	0	0	0
Contract (Levels 3-5)	17	0	0	0	0
Contract (Levels 6-8)	5	1	20	0	0
Contract (Levels 9-12)	3	0	0	0	0
Contract (Levels 13-16)	5	1	20	0	0
Total	**568**	**25**	**4.4**	**315**	**55.5**

3.6 Employment Equity

Table 83: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

Occupational Categories (Permanent)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	33	3	1	4	24	1	2	2	70
Professionals	54	0	1	3	52	1	2	3	116
Technicians & associate professionals	109	0	2	2	122	2	0	0	237
Clerks	38	1	0	0	86	2	0	5	132
Service & sales workers	42	0	0	0	9	0	0	0	51
Elementary occupations	2	1	0	0	1	0	0	0	4
Total	**278**	**5**	**4**	**9**	**294**	**6**	**4**	**10**	**610**
Employees with disabilities	2	0	0	2	7	0	0	1	12

Table 84: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational Bands (Permanent)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	1	0	1	1	1	1	0	8
Senior management	36	2	3	2	22	0	1	2	68
Professionally qualified & experienced specialists & mid-management	109	0	1	4	116	1	2	2	235
Skilled technical & academically qualified workers, junior management, supervisors, foremen	46	1	0	0	92	1	0	5	145
Semi-skilled & discretionary decision making	54	0	0	0	33	1	0	1	89
Contract (top management)	4	0	0	1	0	0	0	0	5
Contract (senior management)	3	0	0	0	2	2	0	0	7
Contract (professionally qualified)	1	0	0	1	3	0	0	0	5
Contract (skilled technical)	2	0	0	0	4	0	0	0	6
Contract (semi-skilled)	6	1	0	0	7	0	0	0	14
Contract (unskilled)	14	0	0	0	14	0	0	0	28
Total	**278**	**5**	**4**	**9**	**294**	**6**	**4**	**10**	**610**
Employees with disabilities	2	0	0	2	7	0	0	1	12

Table 85: Recruitment for the period 1 April 2015 to 31 March 2016

Occupational Bands (Permanent)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	5	0	1	0	2	0	0	0	8
Professionally qualified & experienced specialists & mid-management	9	0	1	0	10	0	0	0	20
Skilled technical & academically-qualified workers, junior management, supervisors, foremen	5	0	0	0	6	0	0	0	11
Semi-skilled & discretionary decision making	6	0	0	0	3	0	0	0	9
Contract (top management)	3	0	0	1	0	0	0	0	4
Contract (senior management)	2	0	0	0	0	0	0	0	2
Contract (skilled technical)	0	0	0	0	1	0	0	0	1
Contract (semi-skilled)	1	0	0	0	1	0	0	0	2
Contract (unskilled)	17	0	0	0	16	0	0	0	33
Total	**48**	**0**	**2**	**1**	**39**	**0**	**0**	**0**	**90**
Employees with disabilities	1	0	0	0	1	0	0	0	2

Table 86: Promotions for the period 1 April 2015 to 31 March 2016

Occupational Bands (Permanent)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	1	0	0	0	1
Senior management	22	2	2	3	17	0	1	2	49
Professionally qualified & experienced specialists & mid-management	77	0	0	2	85	1	0	2	167
Skilled technical & academically qualified workers, junior management, supervisors, foremen	24	1	0	1	69	1	0	5	101
Semi-skilled & discretionary decision making	9	0	0	0	10	0	0	1	20
Contract (senior management)	1	0	0	0	0	0	0	0	1
Contract (skilled technical)	0	0	0	0	1	0	0	0	1
Total	**133**	**3**	**2**	**6**	**183**	**2**	**1**	**10**	**340**
Employees with disabilities	0	0	0	2	4	0	0	1	7

Table 87: Terminations and transfers out for the period 1 April 2015 to 31 March 2016

Occupational Bands (Permanent)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	1	0	0	0	1
Senior management	2	0	1	0	2	0	0	0	5
Professionally qualified & experienced specialists & mid-management	6	0	0	0	4	0	0	0	10
Skilled technical & academically qualified workers, junior management, supervisors, foremen	4	0	0	0	6	0	0	0	10
Semi-skilled & discretionary decision making	1	0	0	0	0	0	0	0	1
Contract (top management)	1	0	0	0	0	0	0	0	1
Contract (skilled technical)	0	0	0	0	0	0	0	1	1
Contract (semi-skilled)	2	0	0	0	4	0	0	0	6
Contract (unskilled)	4	0	0	0	4	0	0	0	8
Total	**20**	**0**	**1**	**0**	**21**	**0**	**0**	**1**	**43**
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 88: Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	0	0	0	0	1
Total	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**

Table 89: Skills development for the period 1 April 2015 to 31 March 2016

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	10	0	5	1	10	0	1	1	28
Professionals	45	0	1	2	51	0	0	0	99
Technicians & associate professionals	41	0	0	0	38	0	0	0	79
Clerks	27	0	0	0	77	2	0	3	109
Service & sales workers	23	1	0	0	6	0	0	0	30
Skilled agriculture & fishery workers	0	0	0	0	0	0	0	0	0
Craft & related trades workers	0	0	0	0	0	0	0	0	0
Plant & machine operators & assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	11	0	0	0	23	0	0	0	34
Total	**157**	**1**	**6**	**3**	**205**	**2**	**1**	**4**	**379**
Employees with disabilities	1	0	0	0	7	0	0	1	9

3.7 Signing of Performance Agreements by Senior Management Service Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding signing performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and the disciplinary steps taken, are presented here.

Table 90: Signing of performance agreements by SMS members as on 31 May 2015

SMS Level	Total Number of Funded SMS Posts as at 1 April 2015	Total Number of SMS Members as at 1 April 2015	Total Number of Signed Performance Agreements as at 31 May 2015	Signed Performance Agreements as % of Total Number of SMS Members
Director-General/Head of Department	1	0	0	0
Salary Level 16	0	2	0	0
Salary Level 15	7	7	4	57
Salary Level 14	19	16	14	88
Salary Level 13	59	54	51	94
Total	**86**	**79**	**69**	**87**

Table 91: Reasons for not having concluded performance agreements for all SMS members as on 31 May 2015

Reasons
Due to service termination, promotion & transfers

Table 92: Disciplinary steps taken against SMS for not having concluded performance agreements as on 31 May 2015

Reasons
None

3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 93: Performance rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

Race & Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African	**207**	**563**	**73.3**	**3 840**	**37 577**
Female	122	286	42.7	2 131	17 467
Male	85	277	30.7	1 709	20 110
Asian	**1**	**8**	**25.0**	**42**	**42 194**
Female	1	4	25.0	42	42 194
Male	0	4	0.0	0	0
Coloured	**3**	**11**	**53.3**	**43**	**28 507**
Female	2	6	33.3	30	15 189
Male	1	5	20.0	13	13 318
White	**8**	**16**	**95.2**	**155**	**43 921**
Female	6	9	66.7	101	16 763
Male	2	7	28.6	54	27 158
Employees with disabilities	6	12	50.0	79	13 242
Total	**225**	**610**	**36.9**	**4 160**	**18 491**

Table 94: Performance rewards by salary band for personnel below SMS for the period 1 April 2015 to 31 March 2016

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total Within Salary Bands	Total Cost (R'000)	Average Cost per Beneficiary (R)	
Skilled (Levels 3-5)	19	89	21.3	154	8 105	0.1
Highly-skilled production (Levels 6-8)	82	145	56.6	1 042	12 707	0.3
Highly-skilled supervision (Levels 9-12)	119	234	51.1	2 798	23 513	0.5
Contract (Levels 1-2)	0	28	0	0	0	0
Contract (Levels 3-5)	0	14	0	0	0	0
Contract (Levels 6-8)	0	5	0	0	0	0
Contract (Levels 9-12)	0	6	0	0	0	0
Total	**220**	**521**	**38.5**	**3 994**	**18 155**	**0.9**
Periodical remuneration	0	6	0	0	0	0
Abnormal appointment	0	79	0	0	0	0

Table 95: Performance rewards by critical occupation for the period 1 April 2015 to 31 March 2016

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total Within Occupation	Total Cost R'000	Average Cost per Beneficiary (R)
Administrative related	39	117	33.3	852	21 846
Biologists, botanists, zoologists & rel professional	1	2	50	27	27 000
Client information clerks (switchboard reception information clerks)	2	15	13.3	16	8 000
Communication & information related	7	11	63.6	187	26 714
Economists	0	3	0	0	0
Engineering sciences related	0	1	0	0	0
Finance & economics related	7	8	87.5	187	26 714
Financial & related professionals	14	20	70	251	17 929
Financial clerks & credit controllers	6	18	33.3	55	9 167
Food services aids & waiters	0	1	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisat developm & relate prof	16	25	64	323	20 188
Human resources clerks	6	13	46.2	62	10 333
Human resources related	5	5	100	115	23 000
Information technology related	2	2	100	58	29 000
Language practitioners, interpreters & other commun	4	5	80	60	15 000
Legal related	2	3	66.7	45	22 500
Library, mail & related clerks	5	11	45.5	51	10 200
Logistical support personnel	3	6	50	39	13 000
Material-recording & transport clerks	9	16	56.3	84	9 333
Messengers, porters & deliverers	0	3	0	0	0
Meteorologists	0	2	0	0	0
Natural sciences related	19	54	35.2	415	21 842
Other administrat & related clerks & organisers	5	10	50	40	8 000
Other administrative policy & related officers	19	32	59.4	376	19 789
Other information technology personnel	8	9	88.9	163	20 375
Other occupations	0	2	0	0	0
Risk management & security services	5	13	38.5	109	21 800
Interns	0	28	0	0	0
Secretaries & other keyboard operating clerks	32	49	65.3	405	12 656
Security officers	1	38	2.6	8	8 000
Senior managers	4	67	6	138	34 500
Social sciences related	0	3	0	0	0
Statisticians & related professionals	3	10	30	74	24 667
Trade/industry advisers & other related profession	1	6	16.7	21	21 000
Youth workers	0	1	0	0	0
Total	**225**	**610**	**36.9**	**4 161**	**18 493**

Table 96: Performance related rewards (cash bonus) by salary band for SMS for the period 1 April 2015 to 31 March 2016

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total Within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)	
Band A	5	58	8.6	166	33 200	0.3
Band B	0	18	0	0	0	0
Band C	0	8	0	0	0	0
Band D	0	5	0	0	0	0
Total	**5**	**89**	**5.6**	**166**	**33 200**	**0.3**

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 97: Foreign workers by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	1 April 2015		31 March 2016		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Senior management (Levels 13-16)	3	100	2	100	-1	100
Contract (Levels 9-12)	1	100	1	100	0	0
Total	**4**	**100**	**3**	**100**	**-1**	**100**

Table 98: Foreign workers by major occupation for the period 1 April 2015 to 31 March 2016

Major Occupation	1 April 2015		31 March 2016		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Professionals & managers	4	100	3	100	-1	100
Total	**4**	**100**	**3**	**100**	**-1**	**100**

3.10 Leave Utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 99: Sick leave for the period 1 January 2015 to 31 December 2015

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)
Skilled (Levels 3-5)	416	78.4	64	13.4	7	284
Highly-skilled production (Levels 6-8)	864	77.7	129	26.9	7	943
Highly-skilled supervision (Levels 9-12)	1 325	77	186	38.8	7	2 661
Senior management (Levels 13-16)	281	76.9	55	11.5	5	963
Contract (Levels 1-2)	58	65.5	22	4.6	3	23
Contract (Levels 3-5)	55	69.1	13	2.7	4	36
Contract (Levels 6-8)	24	83.3	3	0.6	8	26
Contract (Levels 9-12)	15	73.3	3	0.6	5	32
Contract (Levels 13-16)	22	81.8	4	0.8	6	79
Total	**3 060**	**77.1**	**479**	**100**	**6**	**5 047**

Table 100: Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Disability Leave	% of Total Employees Using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	3	100	1	4.3	3	2
Highly-skilled production (Levels 6-8)	111	100	7	30.4	16	112
Highly-skilled supervision (Levels 9-12)	143	100	13	56.5	11	286
Senior management (Levels 13-16)	1	100	1	4.3	1	4
Contract (Levels 3-5)	17	100	1	4.3	17	11
Total	**275**	**100**	**23**	**100**	**12**	**415**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 101: Annual leave for the period 1 January 2015 to 31 December 2015

Salary Band	Total Days Taken	Number of Employees who Took Leave	Average Days per Employee
Skilled (Levels 3-5)	1 708	90	19
Highly-skilled production (Levels 6-8)	3 297	154	21
Highly-skilled supervision (Levels 9-12)	5 327	244	22
Senior management (Levels 13-16)	1 790	84	21
Contract (Levels 1-2)	412	53	8
Contract (Levels 3-5)	289	19	15
Contract (Levels 6-8)	100	7	14
Contract (Levels 9-12)	121	6	20
Contract (Levels 13-16)	120	12	10
Total	**13 164**	**669**	**20**

Table 102: Capped leave for the period 1 January 2015 to 31 December 2015

Salary Band	Total Days of Capped Leave Taken	Number of Employees Using Capped Leave	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2015
Highly-skilled production (Levels 6-8)	9	1	9	17
Highly-skilled supervision (Levels 9-12)	21	2	11	20
Senior management (Levels 13-16)	1	1	1	43
Total	**31**	**4**	**8**	**26**

The following table summarises payments made to employees as a result of leave that was not taken.

Table 103: Leave payouts for the period 1 April 2015 and 31 March 2016

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	138	10	13 800
Capped leave payouts on termination of service for 2015/16	7	1	7 000
Current leave payout on termination of service for 2015/16	292	17	17 176
Total	**437**	**28**	**15 607**

3.11 HIV/AIDS and Health Promotion Programmes

Table 104: 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
N/A	

Table 105: Details of health promotion and HIV/AIDS programmes

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 & position.	X		Mr Edzisani Ndou. Director: HRM&D
2. Does the Department have a dedicated unit or are there designated staff members to promote health & wellbeing of employees? If so, indicate the number of employees who are involved in this task & the annual budget that is available for this purpose.	X		We have 4 staff in the unit. There is, however, no specific budget allocated for the services
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/ services of the programme.	X		The programme offers psychosocial & support services, voluntary counselling & testing, health education, promotion of human rights & fair labour practices
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 & the stakeholder(s) that they represent.	X		EHWP Steering Committee Members: 1. Mpho Ndebele - Community Upliftment (HQ) 2. Mr Daniel Ndou - HRM&D (HQ) 3. Ms Xolile Mtwa - Petroleum Licensing (KZN) 4. Mr Gibson Tshisikawe - Petroleum Licensing (PLK) 5. Mr Lloyd Ganta - Governance & Compliance (HQ) 6. Ms Nohlanhla Tshabalala - FPMA (HQ) 7. Katse Maphoto - Nuclear Saftey & Technology (HQ) 8. Thebe Mamakoko - Climate Change & Environmental Compliance (HQ) 9. Mr Tobatsi Segele - ER:EHWP (HQ) 10. Ms Mikateko Mabunda - EHWP Coordinator (HQ) Peer Educators/EHWP Committee Members: 1. Patrick Nojila - Western Cape 2. Nthabiseng Mahlaku - Northern Cape 3. Mawande Zibi - Eastern Cape 4. Cyril Khoza - Mpumalanga 5. Margaret Ramagoma - Limpopo 6. Doris Moyake - Free State 7. Charlene Phakathi – KwaZulu-Natal 8. Veni Ntshaba - Northwest 9. Victoria Mafafo - Legal Services (HQ) 10. Dikeledi Maepa - Auxiliary Support Services (HQ) 11. Thilivhali Mabusha - Transport (HQ) 12. Bernet Makhura - Petroleum Licensing (HQ) 13. Boitumelo Muyengwa - Petroleum Licensing (HQ) 14. Lydia Modiba - HRM & D (HQ) 15. Sibongile Rapopo - Monitoring, Evaluation & SOE Oversight (HQ) 16. Tshidi Petlele - EM (HQ) 17. Refilwe Petja - EM (HQ) 18. Lerato Mashamaite - Petroleum Licensing (HQ) 19. Mikateko Mabunda - EHWP Coordinator (HQ) 20. Veronica Mohai Pretoria - OHS (HQ) 21. Gaugelo Mphela Pretoria - Employee Relations (HQ) 22. Matshediso Mahlaku - Petroleum Licensing (HQ)
5. Has the Department reviewed the employment policies & 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.	X		Integrated Employee Health & Wellness Policy, Labour Relations Regulations & the DPSA EHWP Legal Framework

Table 105: Details of health promotion and HIV/AIDS programmes (continued)

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Aggrieved employees can report matters at the employee relations office for intervention & support
7. Does the Department encourage its employees to undergo voluntary counselling & testing? If so, list the results that you have achieved.	X		Total participation for 2014/2015 is at 223 & total tested is at 123, meaning that only 21% (Per 591 total Department staff complement) of Department staff tested
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Monitoring & evaluation is done through analysis of reports The EHWP Steering Committee also serves as a monitoring & evaluation platform.

3.12 Labour Relations

Table 106: Collective agreements for the period 1 April 2015 to 31 March 2016

Subject Matter	Date
Performance rewards 2014/2015	10-Nov-15
Security vetting policy	08-Mar-16

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 107: Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016

Outcomes of Disciplinary Hearings	Number	% of Total	Total
1-month suspension without pay	1	100	1
Total	**1**	**100**	**1**

Table 108: Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

Type of misconduct	Number	% of Total	Total
Unethical conduct	2	12.50	2
Abuse of state vehicle	2	12.50	2
Irregular expenditure	9	56.25	9
Absenteeism	3	18.75	3
Total	**16**	**100.00**	**16**

Table 109: Grievances lodged for the period 1 April 2015 and 31 March 2016

Number of Grievances Addressed	% of Total	Total
Number of grievances resolved	18	82
Number of grievances not resolved	4	18
Total	**22**	**100**

Table 110: Disputes lodged with councils for the period 1 April 2015 to 31 March 2016

Number of Disputes Addressed	Number	% of total
Number of disputes upheld	1	50
Number of disputes dismissed	0	0
Number of disputes settled	1	50
Total	**2**	**100**

Table 111: Strike actions for the period 1 April 2015 to 31 March 2016

Strike Actions	Amount
Total number of person working days lost	0
Total cost of working days lost (R'000)	0
Amount recovered as a result of no work no pay (R'000)	0

Table 112: Precautionary suspensions for the period 1 April 2015 to 31 March 2016

Precautionary Suspensions	Amount
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	275
Cost of suspensions (R'000)	783

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 113: Training needs identified for the period 1 April 2015 to 31 March 2016

Occupational Categories	Gender	Employment as at 1 April 2015	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials & managers	Female	26	0	21	1	22
	Male	39	0	18	1	19
Professionals	Female	61	1	35	6	42
	Male	52	0	30	5	35
Technicians & associate professionals	Female	106	0	53	2	55
	Male	98	0	40	8	48
Clerks	Female	94	1	35	12	48
	Male	37	3	17	4	24
Service & sales workers	Female	8	0	4	0	4
	Male	40	0	19	1	20
Skilled agriculture & fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft & related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant & machine operators & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Table 113: Training needs identified for the period 1 April 2015 to 31 March 2016 (continued)

Occupational Categories	Gender	Employment as at 1 April 2015	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Elementary occupations	Female	1	0	0	0	0
	Male	3	0	0	0	0
Interns	Female	2	0	0	23	23
	Male	1	0	0	11	11
Learnerships	Female	0	8	0	0	8
	Male	0	7	0	0	7
Gender subtotals	Female	308	2	148	44	194
	Male	268	10	124	19	153
Total		**568**	**20**	**272**	**74**	**366**

Table 114: Training provided for the period 1 April 2015 to 31 March 2016

Occupational Categories	Gender	Employment as at 1 April 2015	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials & managers	Female	26	0	11	1	12
	Male	39	0	16	0	16
Professionals	Female	61	0	46	2	48
	Male	52	0	49	2	51
Technicians & associate professionals	Female	106	0	35	3	38
	Male	98	0	39	2	41
Clerks	Female	94	1	67	14	82
	Male	37	3	21	3	27
Service & sales workers	Female	8	0	6	0	6
	Male	40	0	22	2	24
Skilled agriculture & fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft & related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant & machine operators & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	3	0	0	0	0
Interns	Female	2	0	0	23	23
	Male	1	0	0	11	11
Learnerships	Female	0	8	0	0	8
	Male	0	7	0	0	7
Gender subtotals	Female	308	1	165	43	209
	Male	268	10	147	20	166
Total		**568**	**19**	**312**	**63**	**394**

3.14 Injury on Duty

The following tables provide basic information on injury on duty.

Table 115: Injury on duty for the period 1 April 2015 to 31 March 2016

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	**0**	**0**

3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the Department. In terms of the Public Service Regulations, 2001, "consultant' means a natural or juristic person or a partnership providing, in terms of a specific contract on an *ad hoc* basis, any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice
- The drafting of proposals for the execution of specific tasks
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department

Table 116: Report on consultant appointments using appropriated funds for the period 1 April 2015 to 31 March 2016

Project Title	Total Number of Consultants who Worked on the Project	Duration: Work Days	Contract Value (R)
Appointment of consultant for label design & development of label guidelines for a period of three months	3	25	182 400.00
Appointment of a service provider to conduct a study to address requirements, considerations, & necessary arrangements by Government in order for South Africa to accede to one of the IAEA nuclear liability conventions, for a period of 4 weeks	1	20	469 752.00
Appointment of a service provider for the proofreading/layout/ design & production of the 2014/15 Annual Report	4	20	113 772.00
Appointment of a service provider for the co-sourcing with internal audit for the approved selected internal audits assignment as per the approved audit plan for 2015/16 financial year (by 3 service providers)	12	60	1 679 460.06
Appointment of a service provider for the services of proofreading, layout/design & production of the 2016/17 Annual Performance Plan	4	30	260 328.12
Procurement of application system maintenance & support service for a period of 24 months	4	720	2 078 664.00
Procurement of Petroleum Products Licensing System Phase 3 development, maintenance & support services for a period of 3 years	1	1 080	4 123 699.20
Total Number of Projects	**Total Individual Consultants**	**Total Duration: Work Days**	**Total Contract Value (R)**
7	29	1 955	8 908 075.38

Table 117: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals for the period 1 April 2015 to 31 March 2016

Project Title	B-BBEE Status	Number of Consultants from B-BBEE Groups that Work on the Project
Appointment of consultant for label design & development of label guidelines for a period of 3 months	4	3
Appointment of a service provider to conduct a study to address requirements, considerations, & necessary arrangements by Government in order for South Africa to accede to one of the IAEA nuclear liability conventions for a period of 4 weeks	3	1
Appointment of a service provider for the proofreading, layout/design & production of the 2014/15 Annual Report	3	4
Appointment of a service provider for the co-sourcing with internal audit for the approved selected internal audits assignment as per the approved audit plan for 2015/16 financial year (by 3 service providers)	Company 1=2 Company 2=2 Company 3=1	12
Appointment of a service provider for the services of proofreading, layout/design & production of the 2016/17 Annual Performance Plan	0	4
Procurement of application system maintenance & support service for a period of 24 months	0	4
Procurement of Petroleum Products Licensing System Phase 3 development, maintenance & support services for a period of 3 years	2	1

Notes:

The Historically Disadvantaged Individuals (HDI) status of consultants are no longer applicable to any legislation, since the amendment of the B-BBEE Framework and the B-BBEE Codes of Good Practice. The current practice is that all service providers submit a BEE Certificate, which indicates on which level they have been audited and certified/rated. This is called the B-BBEE Status Level of Contributor. The certificate thus contains only the status level and no HDI status is required or provided. Hence HDI status Information is unknown.

Table 118: Report on consultant appointments using donor funds for the period 1 April 2015 to 31 March 2016

Project Title	Total Number of Consultants who Worked on the Project	Total Duration: Work Days	Total Donor & Contract Value (R)
None			
Total Number of Projects	**Total Individual Consultants**	**Total Duration: Work Days**	**Total Contract Value (R)**
None			

Table 119: Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals for the period 1 April 2015 to 31 March 2016

Project Title	% Ownership by HDI Groups	% Management by HDI Groups	Number of Consultants from HDI groups Who Work on the Project
None			

3.16 Severance Packages

Table 120: Granting of employee initiated severance packages for the period 1 April 2015 to 31 March 2016

Category	Applications Received	Applications Referred to the MPSA	Applications Supported by MPSA	Packages Approved by Department
Lower skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly-skilled production (Salary Level 6-8)	0	0	0	0
Highly-skilled production (Salary Level 9-12)	0	0	0	0
Senior management (Salary Level 13 & higher)	0	0	0	0
Total	**0**	**0**	**0**	**0**

Part E
ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 26: DEPARTMENT OF ENERGY

Report on the Financial Statements

Introduction

1. I have audited the Annual Financial Statements of the Department of Energy set out on pages 150 to 249, which comprise the Appropriation Statements, Statements of Financial Position as at 31 March 2016, Statement of Financial Performance, Statement of Changes in Net Assets, and Cash Flow Statement for the year then ended, as well as the Notes comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Financial Management Act, 1999 (Act No. 1 of 1999), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of the Department of Energy as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the PFMA.

Additional matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 250 to 260 does not form part of the Financial Statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on Other Legal and Regulatory Requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each sub-heading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the Annual Performance Report of the Department for the year ended 31 March 2016:
    - Programme 4: Energy Programmes and Projects Management on page 74 to 87
    - Programme 6: Clean Energy on page 96 to 99

11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by National Treasury's *Framework for Managing Programme Performance Information* (FMPPI).

12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

13. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
    - Programme 4: Energy Programmes and Projects Management
    - Programme 6: Clean Energy

Additional matter

14. I draw attention to the matter below.

Achievement of planned targets

15. Refer to the Annual Performance Report on page 40 to 99 for information on the achievement of the planned targets for the year.

Compliance with legislation

16. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notices issued in terms of the PPA.

Internal control

17. I considered internal control relevant to my audit of the Financial Statements, information on predetermined objectives and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
31 July 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENTS

for the year ended 31 March 2016

Table 121: Appropriation per programme

Programme	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	246 598	-	31 300	277 898	277 767	131	100.0	260 601	257 168
2. Energy Policy and Planning	44 096	-	(3 510)	40 586	38 095	2 491	93.9	53 053	41 749
3. Petroleum and Petroleum Products Regulation	73 378	-	(4 370)	69 008	68 958	50	99.9	78 210	64 548
4. Electrification and Energy Programme and Project Management	5 813 822	-	10 228	5 824 050	5 820 485	3 565	99.9	4 217 327	4 180 973
5. Nuclear Energy	653 898	-	1 218	655 116	655 029	87	100.0	846 529	845 418
6. Clean Energy	435 827	-	(34 866)	400 961	281 783	119 178	70.3	1 982 074	830 257
Total	**7 267 619**	**-**	**-**	**7 267 619**	**7 142 117**	**125 502**	**98.3**	**7 437 794**	**6 220 113**

Table 122: Statement of financial performance

	2015/16		2014/15	
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000
Total (brought forward)				
Reconciliation with statement of financial performance	**7 267 619**	**7 142 117**	**7 437 794**	**6 220 113**
Add				
Departmental receipts	805 987		5 277	
Aid assistance	291 222		139 371	
Actual amounts per statement of financial performance (total revenue)	**8 364 828**		**7 582 442**	
Add				
Aid assistance		185 537		135 072
Actual amounts per statement of financial performance (total expenditure)		**7 327 654**		**6 355 185**

Table 123: Appropriation per economic classification

Economic Classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**508 769**	**(330)**	**3 368**	**511 807**	**509 309**	**2 498**	**99.5**	**517 327**	**473 607**
Compensation of employees	**289 479**	**-**	**6 740**	**296 219**	**296 009**	**210**	**99.9**	**273 246**	**264 266**
Salaries and wages	259 040	(2 397)	5 716	262 359	261 008	1 351	99.5	239 413	234 156
Social contributions	30 439	2 397	1 024	33 860	35 001	(1 141)	103.4	33 833	30 110
Goods and services	**219 290**	**(330)**	**(3 372)**	**215 588**	**213 299**	**2 289**	**98.9**	**244 081**	**209 341**
Administrative fees	3 971	463	789	5 223	5 663	(440)	108.4	4 849	4 453
Advertising	9 561	1 658	3 489	14 708	13 785	923	93.7	11 958	8 652
Minor assets	3 241	(623)	(1 507)	1 111	1 036	75	93.2	1 581	367
Audit costs: External	3 552	(221)	912	4 243	4 233	10	99.8	3 586	3 578
Bursaries: Employees	853	-	(239)	614	610	4	99.4	771	761
Catering: Departmental activities	2 153	(571)	733	2 315	1 961	354	84.7	1 625	1 032
Communication	6 677	(397)	1 356	7 636	7 613	23	99.7	9 259	7 846
Computer services	10 469	(94)	(500)	9 875	9 839	36	99.6	11 213	10 264
Consultants: Business and advisory services	58 477	1 146	(25 737)	33 886	25 828	8 058	76.2	59 890	43 780
Legal services	450	203	81	734	924	(190)	125.9	651	846
Contractors	3 012	103	(371)	2 744	2 560	184	93.3	2 231	1 743
Agency and support/ outsourced services	5 170	(2 324)	(687)	2 159	3 305	(1 146)	153.1	510	270
Entertainment	139	(82)	(34)	23	1	22	6.3	89	22
Fleet services	648	282	510	1 440	1 586	(146)	110.2	1 318	1 130
Consumable supplies	1 815	(313)	(270)	1 232	1 042	190	84.5	1 817	1 582
Consumable: Stationery, printing and office supplies	6 185	(470)	(779)	4 936	4 653	283	94.3	5 476	4 119
Operating leases	29 058	(2 384)	7 319	33 993	34 063	(70)	100.2	27 198	27 145
Property payments	5 129	573	(1 608)	4 094	4 082	12	99.7	3 889	3 849

Table 123: Appropriation per economic classification (continued)

Economic Classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	292	(48)	(5)	239	238	1	99.4	221	1
Travel and subsistence	45 367	5 222	11 779	62 368	65 249	(2 881)	104.6	64 917	56 344
Training and development	4 406	(70)	325	4 661	4 664	(3)	100.1	5 735	5 665
Operating payments	6 593	(529)	(943)	5 121	4 898	223	95.7	6 092	6 171
Venues and facilities	11 855	(1 725)	2 081	12 211	15 373	(3 162)	125.9	19 120	19 706
Rental and hiring	217	(129)	(66)	22	93	(71)	422.6	85	15
Transfers and subsidies	**6 754 843**	**130**	**(3 599)**	**6 751 374**	**6 628 379**	**122 995**	**98.2**	**6 915 239**	**5 742 710**
Provinces and municipalities	**2 158 239**	**-**	**-**	**2 158 239**	**2 158 239**	**-**	**100.0**	**1 241 563**	**1 241 563**
Municipalities	2 158 239	-	-	2 158 239	2 158 239	-	100.0	1 241 563	1 241 563
Municipal bank accounts	2 158 239	-	-	2 158 239	2 158 239	-	100.0	1 241 563	1 241 563
Departmental agencies and accounts	87 140	130	(130)	87 140	87 140	-	100.0	197 257	197 194
Departmental agencies and accounts	87 140	130	(130)	87 140	87 140	-	100.0	197 257	197 194
Foreign governments and international organisations	**19 612**	**-**	**10 009**	**29 621**	**29 563**	**58**	**99.8**	**21 814**	**21 275**
Public corporations and private enterprises	**4 489 464**	**-**	**(16 749)**	**4 472 715**	**4 349 780**	**122 935**	**97.3**	**5 450 640**	**4 278 715**
Public corporations	4 193 601	-	-	4 193 601	4 193 601	-	100.0	5 345 115	4 208 715
Subsidies on products and production	4 193 601	-	-	4 193 601	4 193 601	-	100.0	5 345 115	4 208 715
Private enterprises	**295 863**	**-**	**(16 749)**	**279 114**	**156 179**	**122 935**	**56.0**	**105 525**	**70 000**
Subsidies on products and production (pe)	295 863	-	(16 749)	279 114	-	279 114	-	105 525	70 000
Other transfers to private enterprises	-	-	-	-	156 179	(156 179)	-	-	-

Table 123: Appropriation per economic classification (continued)

Economic Classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	**388**	**-**	**3 271**	**3 659**	**3 656**	**3**	**99.9**	**3 965**	**3 963**
Social benefits	333	-	2 615	2 948	2 945	3	99.9	3 254	3 253
Other transfers to households	55	-	656	711	711	-	100.0	711	710
Payments for capital assets	**4 007**	**200**	**225**	**4 432**	**4 424**	**8**	**99.8**	**5 195**	**3 763**
Machinery and equipment	4 007	200	225	4 432	4 424	8	99.8	5 195	3 763
Transport equipment			-	-	-	-	-	-	-
Other machinery and equipment	4 007	200	225	4 432	4 424	8	99.8	5 195	3 763
Payments for financial assets	-	-	6	6	5	1	91.0	33	33
Total	**7 267 619**	**-**	**-**	**7 267 619**	**7 142 117**	**125 502**	**98.3**	**7 437 794**	**6 220 113**

Table 124: Appropriation for Programme 1: Administration

Programme 1: Administration	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Ministry	27 308	-	15 000	42 308	42 298	10	100.0	41 778	41 767
2. Departmental Management	52 092	(3 105)	3 649	52 636	52 619	17	100.0	46 104	45 787
3. Finance Administration	34 292	-	(965)	33 327	33 294	33	99.9	31 101	29 390
4. Audit Services	7 727	-	(960)	6 767	6 698	69	99.0	6 918	6 754
5. Corporate Services	94 678	6 014	10 066	110 758	110 758	-	100.0	110 192	109 053
6. Office Accommodation	30 501	(2 909)	4 510	32 102	32 100	2	100.0	24 508	24 417
Total for sub-programmes	**246 598**	**-**	**31 300**	**277 898**	**277 767**	**131**	**100.0**	**260 601**	**257 168**

Table 124: Appropriation for Programme 1: Administration (continued)

Programme 1: Administration	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic Classification									
Current payments	**241 411**	**(330)**	**27 590**	**268 671**	**268 554**	**117**	**100.0**	**250 336**	**248 394**
Compensation of employees	**131 214**	**-**	**7 630**	**138 844**	**138 750**	**94**	**99.9**	**132 127**	**131 521**
Salaries and wages	118 090	(1 428)	7 202	123 864	122 580	1 284	99.0	116 932	116 920
Social contributions	13 124	1 428	428	14 980	16 170	(1 190)	107.9	15 195	14 601
Goods and services	**110 197**	**(330)**	**19 960**	**129 827**	**129 804**	**23**	**100.0**	**118 209**	**116 873**
Administrative fees	1 809	27	1 015	2 851	2 954	(103)	103.6	2 258	2 111
Advertising	4 077	897	1 363	6 337	6 212	125	98.0	6 162	6 062
Minor assets	1 757	(363)	(369)	1 025	1 005	20	98.1	456	360
Audit costs: External	3 552	(221)	912	4 243	4 233	10	99.8	3 586	3 578
Bursaries: Employees	853	-	(239)	614	610	4	99.4	771	761
Catering: Departmental activities	575	(151)	137	561	287	274	51.2	503	392
Communication	4 105	(132)	1 910	5 883	5 852	31	99.5	6 370	6 352
Computer services	10 208	65	(440)	9 833	9 808	25	99.7	10 171	10 204
Consultants: Business and advisory services	4 327	(401)	273	4 199	4 025	174	95.9	5 293	5 103
Legal services	450	153	30	633	824	(191)	130.1	651	647
Contractors	2 913	75	(311)	2 677	2 514	163	93.9	1 774	1 461
Agency and support/ outsourced services	2 156	181	(284)	2 053	2 200	(147)	107.2	502	270
Entertainment	131	(77)	(32)	22	1	21	6.6	84	22
Fleet services	459	293	550	1 302	1 277	25	98.1	1 012	951
Consumable supplies	1 378	(516)	59	921	843	78	91.5	1 273	1 219
Consumable: Stationery, printing and office supplies	4 768	59	(324)	4 503	4 380	123	97.3	3 833	3 542

Table 124: Appropriation for Programme 1: Administration (continued)

Programme 1: Administration	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	29 004	(2 399)	6 587	33 192	33 165	27	99.9	26 964	26 737
Property payments	5 100	588	(1 632)	4 056	4 050	6	99.9	3 859	3 849
Transport provided: Departmental activity	-	-	-	-	-	-	-	5	1
Travel and subsistence	21 803	1 860	8 933	32 596	32 466	130	99.6	28 033	27 842
Training and development	4 399	(70)	325	4 654	4 643	11	99.8	5 664	5 636
Operating payments	3 103	770	(639)	3 234	3 279	(45)	101.4	2 039	2 212
Venues and facilities	3 125	(862)	2 175	4 438	5 103	(665)	115.0	6 944	7 561
Rental and hiring	145	(106)	(39)	-	72	(72)	-	2	-
Transfers and subsidies	1 180	130	3 484	4 794	4 788	6	99.9	5 066	5 007
Departmental agencies and accounts	792	130	(130)	792	792	-	100.0	875	812
Departmental agencies (non-business entities)	792	130	(130)	792	792	-	100.0	875	812
Foreign governments and international organisations	-	-	368	368	365	3	99.1	278	282
Households	**388**	**-**	**3 246**	**3 634**	**3 631**	**3**	**99.9**	**3 913**	**3 913**
Social benefits	333	-	2 615	2 948	2 945	3	99.9	3 212	3 212
Other transfers to households	55		631	686	686	-	100.0	701	701
Payments for capital assets	4 007	200	225	4 432	4 424	8	99.8	5 195	3 763
Machinery and equipment	4 007	200	225	4 432	4 424	8	99.8	5 195	3 763
Other machinery and equipment	4 007	200	225	4 432	4 424	8	99.8	5 195	3 763
Payments for financial assets	**-**	**-**	**1**	**1**	**1**	**-**	**70 2**	**4**	**4**
Total	**246 598**	**-**	**31 300**	**277 898**	**277 767**	**131**	**100.0**	**260 601**	**257 168**

Table 125: Appropriation for Sub-programme 1.1: Ministry

Sub-programme 1.1: Ministry	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**27 308**	**-**	**15 000**	**42 308**	**42 298**	**10**	**100.0**	**41 778**	**41 767**
Compensation of employees	**15 242**	**-**	**7 400**	**22 642**	**22 638**	**4**	**100.0**	**20 921**	**20 920**
Salaries and wages	13 825	(30)	7 177	20 972	20 739	233	98.9	19 210	19 254
Social contributions	1 417	30	223	1 670	1 900	(230)	113.7	1 711	1 666
Goods and services	**12 066**	**-**	**7 600**	**19 666**	**19 659**	**7**	**100.0**	**20 857**	**20 847**
Administrative fees	665	(59)	237	843	823	20	97.6	670	666
Advertising	5	359	-	364	364	0	99.9	310	305
Minor assets	59	(38)	(5)	16	-	16	-	28	-
Catering: Departmental activities	55	(10)	(4)	41	40	1	96.7	57	51
Communication	797	(19)	735	1 513	1 509	4	99.7	1 628	1 624
Contractors	94	(61)	(17)	16	3	13	20.4	62	33
Agency and support/ outsourced services		-	54	54	53	1	98.2	-	-
Entertainment	81	(50)	(15)	16	1	15	9.1	40	22
Fleet services	233	37	420	690	668	22	96.8	584	620
Consumable supplies	113	(46)	14	81	57	24	70.4	55	106
Consumable: Stationery, printing and office supplies	71	(7)	(18)	46	44	2	95.9	87	67
Operating leases	139	118	738	995	994	1	99.9	636	634
Property payments	-	9	-	9	4	5	46.6	-	-
Travel and subsistence	9 473	(220)	5 327	14 580	14 722	(142)	101.0	16 367	16 359
Operating payments	207	(23)	(55)	129	113	16	87.9	221	170
Venues and facilities	74	10	189	273	265	8	96.9	112	190
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**27 308**	**-**	**15 000**	**42 308**	**42 298**	**10**	**100.0%**	**41 778**	**41 767**

Table 126: Appropriation for Sub-programme 1.2: Departmental Management

Sub-programme 1.2: Departmental Management	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**52 092**	**(3 105)**	**3 280**	**52 267**	**52 254**	**13**	**100.0**	**45 826**	**45 505**
Compensation of employees	**38 862**	**(3 105)**	**(2 150)**	**33 607**	**33 604**	**3**	**100.0**	**34 293**	**34 140**
Salaries and wages	34 920	(3 006)	(1 992)	29 922	29 862	60	99.8	30 184	30 510
Social contributions	3 942	(99)	(158)	3 685	3 742	(57)	101.5	4 109	3 630
Goods and services	**13 230**	**-**	**5 430**	**18 660**	**18 650**	**10**	**99.9**	**11 533**	**11 365**
Administrative fees	389	44	422	855	979	(124)	114.5	413	328
Advertising	414	334	16	764	820	(56)	107.3	410	345
Minor assets	48	(12)	(6)	30	-	30	-	13	2
Catering: Departmental activities	239	(26)	184	397	145	252	36.6	208	140
Communication	874	82	32	988	924	64	93.6	879	856
Computer services	188	(103)	-	85	72	13	84.2	50	-
Consultants: Business and advisory services	595	(122)	(14)	459	288	171	62.8	205	60
Legal services	-	91	30	121	120	1	98.8	-	-
Contractors	44	(13)	(22)	9	1	8	14.4	93	35
Agency and support/ outsourced services	532	-	277	809	960	(151)	118.6	238	80
Entertainment	32	(15)	(17)	-	-	-	-	27	-
Fleet services	105	59	74	238	234	4	98.1	161	96
Consumable supplies	84	5	176	265	74	191	28.1	126	71
Consumable: Stationery, printing and office supplies	217	(107)	10	120	56	64	46.7	240	52
Operating leases	7	175	159	341	319	22	93.6	207	141
Transport provided: Departmental activity	-	-	-	-	-	-	-	2	1
Travel and subsistence	6 581	223	2 454	9 258	8 947	311	96.6	5 370	5 336
Training and development	-	60	-	60	50	10	82.5	-	-

Table 126: Appropriation for Sub-programme 1.2: Departmental Management (continued)

Sub-programme 1.2: Departmental Management	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Operating payments	771	(55)	(293)	423	431	(8)	101.9	801	1 118
Venues and facilities	2 110	(620)	1 948	3 438	4 157	(719)	120.9	2 090	2 704
Rental and hiring	-	-	-	-	72	(72)	-	-	-
Transfers and subsidies	-	-	368	368	365	3	99.1	278	282
Foreign governments and international organisations	-	-	368	368	365	3	99.1	278	282
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**1**	**1**	**-**	**1**	**34.5**	**-**	**-**
Total	**52 092**	**(3 105)**	**3 649**	**52 636**	**52 619**	**17**	**100**	**46 104**	**45 787**

Table 127: Appropriation for Sub-programme 1.3: Finance Administration

Sub-programme 1.3: Finance Administration	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**32 952**	**-**	**(1 290)**	**31 662**	**31 634**	**28**	**99.9**	**29 179**	**28 322**
Compensation of employees	**21 155**	**-**	**-**	**21 155**	**21 132**	**23**	**99.9**	**20 295**	**20 040**
Salaries and wages	18 886	(252)	(87)	18 547	18 407	140	99.2	17 733	17 541
Social contributions	2 269	252	87	2 608	2 725	(117)	104.5	2 562	2 499
Goods and services	**11 797**	**-**	**(1 290)**	**10 507**	**10 502**	**5**	**100.0**	**8 884**	**8 282**
Administrative fees	227	11	23	261	256	5	98.2	251	207
Advertising	468	(91)	(211)	166	162	4	97.5	115	98
Minor assets	928	(46)	69	951	987	(36)	103.8	211	205
Audit costs: External	3 544	(221)	912	4 235	4 233	2	100.0	3 578	3 578

Table 127: Appropriation for Sub-programme 1.3: Finance Administration (continued)

Sub-programme 1.3: Finance Administration	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Catering: Departmental activities	81	(29)	(20)	32	28	4	86.6	57	21
Communication	363	(241)	(43)	79	81	(2)	102.1	154	95
Computer services	113	(50)	(25)	38	42	(4)	110.9	11	-
Consultants: Business and advisory services	46	-	(46)	-		-	-	48	-
Contractors	45	(8)	(26)	11	12	(1)	105.8	73	16
Agency and support/ outsourced services	10	(5)	(5)	-		-	-	11	-
Fleet services	7	11	(2)	16	13	3	78.6	10	3
Consumable supplies	749	(603)	(91)	55	49	6	89.1	83	58
Consumable: Stationery, printing and office supplies	3 141	390	(435)	3 096	3 083	13	99.6	2 766	2 692
Operating leases	807	194	(559)	442	440	2	99.6	569	502
Travel and subsistence	1 016	53	(177)	892	877	15	98.3	734	664
Operating payments	127	705	(626)	206	213	(7)	103.6	48	4
Venues and facilities	125	(70)	(28)	27	26	1	96.9	165	139
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**1 340**	**-**	**325**	**1 665**	**1 660**	**5**	**99.7**	**1 922**	**1 068**
Machinery and equipment	1 340	-	325	1 665	1 660	5	99.7	1 922	1 068
Other Machinery and equipment	1 340	-	325	1 665	1 660	5	99.7	1 922	1 068
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**34 292**	**-**	**(965)**	**33 327**	**33 294**	**33**	**99.9**	**31 101**	**29 390**

Table 128: Appropriation for Sub-programme 1.4: Audit services

Sub-programme 1.4: Audit services	2015/16							2014/15	
Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	**7 727**	**-**	**(960)**	**6 767**	**6 698**	**69**	**99.0**	**6 892**	**6 728**
Compensation of employees	**4 601**	**-**	**(540)**	**4,061**	**4 002**	**59**	**98.5**	**3 806**	**3 679**
Salaries and wages	4 102	(17)	(488)	3 597	3 539	58	98.4	3 312	3 236
Social contributions	499	17	(52)	464	463	1	99.7	494	443
Goods and services	**3 126**	**-**	**(420)**	**2 706**	**2 697**	**9**	**99.6**	**3 086**	**3 049**
Administrative fees	65	-	(11)	54	53	1	99.0	23	17
Advertising	31	21	-	52	51	1	98.4	66	66
Minor assets	2	-	(2)	-	-	-	-	2	-
Catering: Departmental activities	17	5	(6)	16	15	1	94.6	17	16
Communication	23	-	2	25	25	-	101.8	34	19
Consultants: Business and advisory services	2 508	(195)	(125)	2 188	2 187	1	100.0	2 603	2 609
Fleet services	-	7	-	7	6	1	88.8		3
Consumable supplies	6	-	-	6	5	1	90.4	16	4
Consumable: Stationery, printing and office supplies	19	(14)	(5)	-	-	-	-	-	-
Operating leases	-	5	-	5	5	-	99.4	5	5
Travel and subsistence	439	165	(279)	325	320	5	98.6	264	263
Training and development	-	-	-	-	-	-	-	5	2
Operating payments	16	(13)	6	9	9	-	95.7	31	30
Venues and facilities	-	19	-	19	18	1	96.4	20	15
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26**	**26**
Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26**	**26**
Social benefits	-	-	-	-	-	-	-	26	26
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7 727**	**-**	**(960)**	**6 767**	**6 698**	**69**	**99.0**	**6 918**	**6 754**

Table 129: Appropriation for Sub-programme 1.5: Corporate Services

Sub-programme 1.5: Corporate Services	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**90 831**	**5 684**	**7 050**	**103 565**	**103 571**	**(6)**	**100.0**	**102 153**	**101 655**
Compensation of employees	**51 354**	**3 105**	**2 920**	**57 379**	**57 374**	**5**	**100.0**	**52 812**	**52 742**
Salaries and wages	46 357	1 877	2 592	50 826	50 033	793	98.4	46 493	46 379
Social contributions	4 997	1 228	328	6 553	7 340	(787)	112.0	6 319	6 363
Goods and services	**39 477**	**2 579**	**4 130**	**46 186**	**46 197**	**(11)**	**100.0**	**49 341**	**48 913**
Administrative fees	463	31	344	838	842	(4)	100.5	901	893
Advertising	3 159	274	1 558	4 991	4 815	176	96.5	5 261	5 248
Minor assets	720	(267)	(425)	28	18	10	65.1	202	153
Audit costs: External	8	-	-	8	-	8	-	8	-
Bursaries: Employees	853	-	(239)	614	610	4	99.4	771	761
Catering: Departmental activities	183	(91)	(17)	75	60	15	79.5	164	164
Communication	2 048	46	1 184	3 278	3 313	(35)	101.1	3 675	3 758
Computer services	9 907	218	(415)	9 710	9 694	16	99.8	10 110	10 204
Consultants: Business and advisory services	1 178	(84)	458	1 552	1 550	2	99.8	2 437	2 434
Legal services	450	62	-	512	704	(192)	137.5	651	647
Contractors	2 730	157	(246)	2 641	2 497	144	94.6	1 546	1 377
Agency and support/ outsourced services	1 614	186	(610)	1 190	1 188	2	99.8	253	190
Entertainment	18	(12)	-	6	-	6	-	17	-
Fleet services	114	179	58	351	357	(6)	101.8	257	229
Consumable supplies	426	128	(40)	514	657	(143)	127.8	993	980
Consumable: Stationery, printing and office supplies	1 320	(203)	124	1 241	1 196	45	96.4	740	731
Operating leases	2 050	18	221	2 289	2 288	1	99.9	1 869	1,862
Property payments	600	579	(114)	1 065	1 065	-	100.0	3 029	3 025

Table 129: Appropriation for Sub-programme 1.5: Corporate Services (continued)

Sub-programme 1.5: Corporate Services	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transport provided: Departmental activity	-	-	-	-		-	-	3	-
Travel and subsistence	4 294	1 639	1 608	7 541	7 600	(59)	100.8	5 298	5 220
Training and development	4 399	(130)	325	4 594	4 593	1	100.0	5 659	5 634
Operating payments	1 982	156	329	2 467	2 512	(45)	101.8	938	890
Venues and facilities	816	(201)	66	681	637	44	93.5	4 557	4 513
Rental and hiring	145	(106)	(39)	-		-	-	2	-
Transfers and subsidies	**1 180**	**130**	**3 116**	**4 426**	**4 423**	**3**	**99.9**	**4 762**	**4 699**
Departmental agencies	792	130	(130)	792	792	-	100.0	875	812
Departmental agencies (non-business entities)	792	130	(130)	792	792	-	100.0	875	812
Households	**388**	**-**	**3 246**	**3 634**	**3 631**	**3**	**99.9**	**3 887**	**3 887**
Social benefits	333	-	2 615	2 948	2 945	3	99.9	3 186	3 186
Other transfers to households	55		631	686	686	-	100.0	701	701
Payments for capital assets	**2 667**	**200**	**(100)**	**2 767**	**2 764**	**3**	**99.9**	**3 273**	**2 695**
Machinery and equipment	2 667	200	(100)	2 767	2 764	3	99.9	3 273	2 695
Other machinery and equipment	2 667	200	(100)	2 767	2 764	3	99.9	3 273	2 695
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**4**
Total	**94 678**	**6 014**	**10 066**	**110 758**	**110 758**	**(0)**	**100**	**110 192**	**109 053**

Table 130: Appropriation for Sub-programme 1.6: Office Accommodation

Sub-Programme: 1.6 Office Accommodation	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**30 501**	**(2 909)**	**4 510**	**32 102**	**32 100**	**2**	**100.0**	**24 508**	**24 417**
Goods and services	**30 501**	**(2 909)**	**4 510**	**32 102**	**32 100**	**2**	**100.0**	**24 508**	**24 417**
Operating leases	26 001	(2 909)	6 028	29 120	29 119	1	100.0	23 678	23 593
Property payments	4 500	-	(1 518)	2 982	2 981	1	100.0	830	824
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**30 501**	**(2 909)**	**4 510**	**32 102**	**32 100**	**2**	**100**	**24 508**	**24 417**

Table 131: Appropriation for Programme 2: Energy Policy and Planning

Programme 2: Energy Policy and Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Policy Analysis and Research	1 450	-	790	2 240	1 570	670	70.1	2 286	475
2. Energy Planning	22 004	-	(2 850)	19 154	18 429	725	96.2	29 812	23 134
3. Hydrocarbon Policy	12 860	-	(1 150)	11 710	11 428	282	97.6	12 900	11 695
4. Electricity, Energy Efficiency and Environmental Policy	7 782	-	(300)	7 482	6 667	815	89.1	8 055	6 445
Total for sub-programmes	**44 096**	**-**	**(3 510)**	**40 586**	**38 095**	**2 491**	**93.9**	**53 053**	**41 749**
Economic Classification									
Current payments	**44 096**	**-**	**(3 510)**	**40 586**	**38 095**	**2 491**	**93.9**	**53 011**	**41 708**
Compensation of employees	**31 735**	**-**	**(100)**	**31 635**	**31 520**	**115**	**99.6**	**30 406**	**28 754**
Salaries and wages	28 228	58	(261)	28 025	27 958	67	99.8	26 577	25 523
Social contributions	3 507	(58)	161	3 610	3 562	48	98.7	3 829	3 231
Goods and services	**12 361**	**-**	**(3 410)**	**8 951**	**6 574**	**2 377**	**73.4**	**22 605**	**12 954**
Administrative fees	503	(35)	(8)	460	222	238	48.3	514	233
Advertising	248	63	(98)	213	146	67	68.8	266	111
Minor assets	27	(8)	(16)	3	-	3	-	26	-
Catering: Departmental activities	186	(16)	(61)	109	37	72	34.1	155	30
Communication	578	36	(266)	348	266	82	76.4	786	408
Computer services	26	-	(20)	6	-	6	-	25	-
Consultants: Business and advisory services	4 992	(37)	(2 502)	2 453	341	2 112	13.9	13 101	8 144
Contractors	71	(45)	(9)	17	-	17	-	87	15
Fleet services	-	1	1	2	-	2	22.0	-	-

Table 131: Appropriation for Programme 2: Energy Policy and Planning (continued)

Programme 2: Energy Policy and Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	100	8	(11)	97	49	48	50.2	40	19
Consumable: Stationery, printing and office supplies	313	(103)	(62)	148	14	134	9.5	285	8
Operating leases	-	1	-	1	-	1	49.3	1	-
Travel and subsistence	4 160	74	(491)	3 743	4 063	(320)	108.5	6 581	2 941
Training and development	7	-	-	7	-	7	-	-	-
Operating payments	305	220	220	745	742	3	99.6	386	833
Venues and facilities	845	(159)	(87)	599	693	(94)	115.7	352	212
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**41**
Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**41**
Social benefits	-	-	-	-	-	-	-	42	41
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**44 096**	**-**	**(3 510)**	**40 586**	**38 095**	**2 491**	**93.9**	**53 053**	**41 749**

Table 132: Appropriation for Sub-programme 2.1: Policy Analysis and Research

Sub-programme 2.1: Policy Analysis and Research	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1 450**	**-**	**790**	**2 240**	**1 570**	**670**	**70.1**	**2 286**	**475**
Compensation of employees	**505**	**-**	**1 050**	**1 555**	**1 518**	**37**	**97.6**	**770**	**474**
Salaries and wages	445	-	920	1 365	1 329	36	97.4	432	404
Social contributions	60	-	130	190	188	2	99.2	338	70
Goods and services	**945**	**-**	**(260)**	**685**	**52**	**633**	**7.7**	**1 516**	**1**
Administrative fees	179	-	-	179	2	177	1.2	183	-
Catering: Departmental activities	52	-	-	52	-	52	-	53	-
Communication	231	-	(231)	-	-	-	-	446	-
Consultants: Business and advisory services	13	-	-	13	-	13	-	21	-
Consumable supplies	60	-	(29)	31	-	31	-	-	-
Consumable: Stationery, printing and office supplies	61	-	-	61	-	61	-	62	-
Travel and subsistence	349	-	-	349	50	299	14.4	751	1
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Total	**1 450**	**-**	**790**	**2 240**	**1 570**	**670**	**70.1**	**2 286**	**475**

Table 133: Appropriation for Sub-programme 2.2: Energy Planning

Sub-programme 2.2: Energy Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**22 004**	**-**	**(2 850)**	**19 154**	**18 429**	**725**	**96.2**	**29 770**	**23 093**
Compensation of employees	**13 952**	**-**	**300**	**14 252**	**14 250**	**2**	**100.0**	**13 181**	**12 908**
Salaries and wages	12 427	55	110	12 592	12 596	(4)	100.0	11 669	11 409
Social contributions	1 525	(55)	190	1 660	1 655	5	99.7	1 512	1 499
Goods and services	**8 052**	**-**	**(3 150)**	**4 902**	**4 179**	**723**	**85.2**	**16 589**	**10 185**
Administrative fees	211	10	(59)	142	85	57	59.7	118	36
Advertising	200	79	(98)	181	141	40	77.8	256	111
Minor assets	22	(6)	(13)	3	-	3	-	23	-
Catering: Departmental activities	44	(1)	(25)	18	11	7	58.8	35	21
Communication	191	39	(29)	201	130	71	64.8	141	92
Computer services	26	-	(20)	6	-	6	-	25	-
Consultants: Business and advisory services	4 549	(27)	(2 477)	2 045	341	1 704	16.7	12 713	8 144
Consumable supplies	26	(4)	11	33	27	6	80.5	11	8
Consumable: Stationery, printing and office supplies	67	-	(52)	15	3	12	18.5	55	3
Operating leases	-	-	-	-	-	-	-	1	-
Travel and subsistence	1 681	(190)	(563)	928	2 022	(1 094)	217.9	2 516	769
Training and development	7	-	-	7	-	7	-	-	-
Operating payments	301	220	220	741	738	3	99.6	379	831
Venues and facilities	727	(100)	(45)	582	682	(100)	117.1	316	170
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**41**
Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**41**
Social benefits	-	-	-	-	-	-	-	42	41
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**22 004**	**-**	**(2 850)**	**19 154**	**18 429**	**725**	**96.2**	**29 812**	**23 134**

Table 134: Appropriation for Sub-programme 2.3: Hydrocarbon Policy

Sub-programme 2.3: Hydrocarbon Policy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**12 860**	**-**	**(1 150)**	**11 710**	**11 428**	**282**	**97.6**	**12 900**	**11 695**
Compensation of employees	**11 247**	**-**	**(1 150)**	**10 097**	**10 045**	**52**	**99.5**	**10 518**	**9 895**
Salaries and wages	9 973	3	(999)	8 977	8 927	50	99.4	9 176	8 796
Social contributions	1 274	(3)	(151)	1 120	1 118	2	99.8	1 342	1 099
Goods and services	**1 613**	**-**	**-**	**1 613**	**1 383**	**230**	**85.8**	**2 382**	**1 800**
Administrative fees	88	(31)	14	71	68	3	95.6	154	160
Advertising	3	3	-	6	6	-	92.6	-	-
Minor assets	5	(2)	(3)	-	-	-	-	3	-
Catering: Departmental activities	78	(13)	(36)	29	23	6	78.4	51	8
Communication	111	(18)	(9)	84	77	7	92.2	90	230
Consultants: Business and advisory services	430	(10)	(25)	395	1	394	0.1	367	-
Contractors	71	(45)	(9)	17	-	17	-	87	15
Fleet services	-	1	-	1	-	1	28.9	-	-
Consumable supplies	7	7	4	18	12	6	65.2	10	7
Consumable: Stationery, printing and office supplies	158	(101)	(10)	47	11	36	23.9	97	5
Operating leases	-	1	-	1	-	1	49.3	-	-
Travel and subsistence	544	267	116	927	1 174	(247)	126.6	1 492	1 333
Venues and facilities	118	(59)	(42)	17	11	6	67.1	31	42
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Total	**12 860**	**-**	**(1 150)**	**11 710**	**11 428**	**282**	**97.6**	**12 900**	**11 695**

Table 135: Appropriation for Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy

Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**7 782**	**-**	**(300)**	**7 482**	**6 667**	**815**	**89.1**	**8 055**	**6 445**
Compensation of employees	**6 031**	**-**	**(300)**	**5 731**	**5 707**	**24**	**99.6**	**5 937**	**5 477**
Salaries and wages	5 383	-	(292)	5 091	5 107	(16)	100.3	5 300	4 914
Social contributions	648	-	(8)	640	601	39	93.8	637	563
Goods and services	**1 751**	**-**	**-**	**1 751**	**960**	**791**	**54.8**	**2 118**	**968**
Administrative fees	25	6	37	68	68	-	99.3	59	37
Advertising	45	(19)	-	26	-	26	-	10	-
Catering: Departmental activities	12	(2)	-	10	4	6	38.0	16	1
Communication	45	15	3	63	58	5	92.2	109	86
Fleet services	-	-	1	1	-	1	15.2		
Consumable supplies	7	5	3	15	10	5	69.6	19	4
Consumable: Stationery, printing and office supplies	27	(2)	-	25	-	25	-	71	-
Travel and subsistence	1 586	(3)	(44)	1 539	816	723	53.0	1 822	838
Operating payments	4	-	-	4	4	-	92.8	7	2
Venues and facilities	-	-	-	-	-	-	-	5	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7 782**	**-**	**(300)**	**7 482**	**6 667**	**815**	**89.1**	**8 055**	**6 445**

Table 136: Appropriation for Programme 3: Petroleum and Petroleum Energy Policy and Planning

Programme 3: Petroleum and Petroleum Energy Policy and Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Petroleum Compliance, Monitoring and Enforcement	15 143	1 220	(2 505)	13 858	13 848	10	99.9	18 147	13 541
2. Petroleum Licensing and Fuel Supply	20 291	-	395	20 686	20 740	(54)	100.3	21 013	19 400
3. Fuel Pricing	8 631	(1 220)	(510)	6 901	6 839	62	99.1	14 874	9 158
4. Regional Petroleum Regulation Offices	29 313	-	(1 750)	27 563	27 532	31	99.9	24 176	22 449
Total for sub-programmes	**73 378**	**-**	**(4 370)**	**69 008**	**68 958**	**50**	**99.9**	**78 210**	**64 548**
Economic Classification									
Current payments	**73 378**	**-**	**(4 370)**	**69 008**	**68 958**	**50**	**99.9**	**75 994**	**62 236**
Compensation of employees	**50 926**	**-**	**1 590**	**52 516**	**52 568**	**(52)**	**100.1**	**44 285**	**41 927**
Salaries and wages	45 314	(765)	1 081	45 630	45 621	9	100.0	38 307	36 605
Social contributions	5 612	765	509	6 886	6 946	(60)	100.9	5 978	5 322
Goods and services	**22 452**	**-**	**(5 960)**	**16 492**	**16 391**	**101**	**99.4**	**31 709**	**20 309**
Administrative fees	393	(21)	(121)	251	296	(45)	117.9	416	479
Advertising	837	(123)	(359)	355	431	(76)	121.5	1 165	468
Minor assets	232	(111)	(91)	30	-	30	-	180	-
Catering: Departmental activities	441	(233)	(127)	81	64	17	78.8	462	85
Communication	657	63	(182)	538	674	(136)	125.3	647	286
Computer services	194	(151)	(31)	12	9	3	72.5	1 011	60
Consultants: Business and advisory services	10 252	2 216	(2 680)	9 788	10 023	(235)	102.4	15 519	9 056
Legal services	-	-	-	-	-	-	-	-	199

Table 136: Appropriation for Programme 3: Petroleum and Petroleum Energy Policy and Planning (continued)

Programme 3: Petroleum and Petroleum Energy Policy and Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	25	33	(49)	9	7	2	81.3	69	41
Agency and support / outsourced services	8	(5)	(2)	1	-	1	-	8	-
Entertainment	6	(5)	-	1	-	1	-	5	-
Fleet services	188	(49)	(76)	63	32	31	50.6	151	22
Consumable supplies	83	153	(172)	64	23	41	36.3	256	151
Consumable: Stationery, printing and office supplies	371	(289)	(18)	64	62	2	97.4	444	98
Operating leases	-	29	(1)	28	26	2	92.6	13	221
Property payments	29	(15)	(9)	5	-	5	-	30	-
Transport provided: Departmental activity	46	(33)	(12)	1	-	1	-	37	-
Travel and subsistence	4 517	701	(932)	4 286	4 271	15	99.6	7 313	5 714
Training and development	-	-	-	-	-	-	-	5	11
Operating payments	2 822	(1 933)	(195)	694	254	440	36.5	2 875	3 036
Venues and facilities	1 279	(176)	(883)	220	218	2	99.2	1 020	367
Rental and hiring	72	(51)	(20)	1	-	1	-	83	15
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 216**	**2 312**
Foreign governments and international organisations	-	-	-	-	-	-	-	2 216	2 312
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**73 378**	**-**	**(4 370)**	**69 008**	**68 958**	**50**	**99.9**	**78 210**	**64 548**

Table 137: Appropriation for Sub-programme 3.1: Petroleum Compliance, Monitoring and Enforcement

Sub-programme 3.1: Petroleum Compliance, Monitoring and Enforcement	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**15 143**	**1 220**	**(2 505)**	**13 858**	**13 848**	**10**	**99.9**	**15 931**	**11 229**
Compensation of employees	**4 323**	**-**	**175**	**4 498**	**4 495**	**3**	**99.9**	**4 171**	**2 251**
Salaries and wages	3 869	(22)	147	3 994	3 972	22	99.5	3 527	1 981
Social contributions	454	22	28	504	522	(18)	103.7	644	270
Goods and services	**10 820**	**1 220**	**(2 680)**	**9 360**	**9 353**	**7**	**99.9**	**11 760**	**8 978**
Administrative fees	31	42	(1)	72	99	(27)	138.0	43	92
Advertising	-	-	-	-	-	-	-	22	21
Minor assets	52	(46)	-	6	-	6	-	-	-
Catering: Departmental activities	18	(1)	(2)	15	18	(3)	121.3	2	3
Communication	22	-	-	22	27	(5)	124.2	86	29
Consultants: Business and advisory services	9 803	1 220	(2 680)	8 343	8 209	134	98.4	10 234	7 729
Contractors	-	-	-	-	-	-	-	-	9
Consumable supplies	-	4	-	4	6	(2)	159.4	161	120
Consumable: Stationery, printing and office supplies	5	-	-	5	2	3	37.1	2	3
Travel and subsistence	799	46	3	848	953	(105)	112.4	1 134	941
Operating payments	37	-	-	37	37	-	99.6	31	13
Venues and facilities	53	(45)	-	8	-	8	-	45	18
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 216**	**2 312**
Foreign governments and international organisations	-	-	-	-	-	-	-	2 216	2 312
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**15 143**	**1 220**	**(2 505)**	**13 858**	**13 848**	**10**	**99.9**	**18 147**	**13 541**

Table 138: Appropriation for Sub-programme 3.2: Petroleum Licencing and Fuel Supply

Sub-programme 3.2: Petroleum Licencing and Fuel Supply	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**20 291**	**-**	**395**	**20 686**	**20 740**	**(54)**	**100.3**	**21 013**	**19 400**
Compensation of employees	**19 297**	**-**	**265**	**19 562**	**19 622**	**(60)**	**100.3**	**18 311**	**18 147**
Salaries and wages	17 120	(208)	221	17 133	17 047	86	99.5	15 962	15 761
Social contributions	2 177	208	44	2 429	2 575	(146)	106.0	2 349	2 386
Goods and services	**994**	**-**	**130**	**1 124**	**1 118**	**6**	**99.5**	**2 702**	**1 253**
Administrative fees	66	(27)	-	39	53	(14)	135.0	53	65
Advertising	61	2	-	63	51	12	81.4	165	69
Minor assets	4	(4)	-	-		-	-	1	-
Catering: Departmental activities	38	(27)	(1)	10	7	3	74.0	41	25
Communication	28	33	32	93	97	(4)	104.0	30	61
Computer services	194	(159)	(31)	4	1	3	20.0	1 011	60
Contractors	1	(1)	-	-	-	-	-	-	-
Fleet services	-	18	6	24	21	3	85.4	1	10
Consumable supplies	1	12	(1)	12	10	2	84.0	6	6
Consumable: Stationery, printing and office supplies	20	(11)	(4)	5	4	1	84.0	-	-
Operating leases	-	28	(1)	27	26	1	95.0	13	19
Travel and subsistence	345	290	130	765	771	(6)	100.8	900	721
Operating payments	40	(17)	-	23	15	8	66.7	195	119
Venues and facilities	196	(137)	-	59	62	(3)	105.8	286	98
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**20 291**	**-**	**395**	**20 686**	**20 740**	**(54)**	**100.3**	**21 013**	**19 400**

Table 139: Appropriation for Sub-programme 3.3: Fuel Pricing

Sub-programme 3.3: Fuel Pricing	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**8 631**	**(1 220)**	**(510)**	**6 901**	**6 839**	**62**	**99.1**	**14 874**	**9 158**
Compensation of employees	**4 034**	**-**	**(310)**	**3 724**	**3 719**	**5**	**99.9**	**3 819**	**3 759**
Salaries and wages	3 588	(158)	(310)	3 120	3 330	(210)	106.7	3 237	3 342
Social contributions	446	158	-	604	390	214	64.5	582	417
Goods and services	**4 597**	**(1 220)**	**(200)**	**3 177**	**3 120**	**57**	**98.2**	**11 055**	**5 399**
Administrative fees	72	(8)	(15)	49	49	--	100.3	91	59
Advertising	147	(87)	197	257	256	1	99.4	622	281
Minor assets	2	-	(1)	1	-	1	-	2	-
Catering: Departmental activities	202	(141)	(36)	25	19	6	76.3	253	17
Communication	103	(54)	-	49	61	(12)	125.2	105	57
Computer services	-	8	-	8	8	-	98.8	-	-
Consultants: Business and advisory services	449	980	-	1 429	1 800	(371)	125.9	5 285	1 327
Legal services	-	-	-	-	-	-	-	-	199
Contractors	3	1	-	4	2	2	57.8	17	5
Agency and support/ outsourced services	8	(5)	(2)	1	-	1	-	8	-
Fleet services	-	10	2	12	11	1	94.7	22	10
Consumable supplies	1	1	-	2	3	(1)	140.2	7	4
Consumable: Stationery, printing and office supplies	39	29	(14)	54	56	(2)	104.2	182	95
Operating leases	-	1	-	1	-	1	26.2	-	-
Travel and subsistence	1 163	(119)	(268)	776	747	29	96.3	1 976	813
Operating payments	2 202	(1 756)	(2)	444	37	407	8.2	2 266	2 516
Venues and facilities	206	(80)	(61)	65	71	(6)	108.7	210	13
Rental and hiring	-	-	-	-	-	-	-	9	3

Table 139: Appropriation for Sub-programme 3.3: Fuel Pricing (continued)

Sub-programme 3.3: Fuel Pricing	2015/16							2014/15	
Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**8 631**	**(1 220)**	**(510)**	**6 901**	**6 839**	**62**	**99.1**	**14 874**	**9 158**

Table 140: Appropriation for Sub-programme 3.4: Regional Petroleum Regulation Offices

Sub-programme 3.4: Regional Petroleum Regulation Offices	2015/16							2014/15	
Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	**29 313**	**-**	**(1 750)**	**27 563**	**27 532**	**31**	**99.9**	**24 176**	**22 449**
Compensation of employees	**23 272**	**-**	**1 460**	**24 732**	**24 732**	**-**	**100.0**	**17 984**	**17 770**
Salaries and wages	20 737	(377)	1 023	21 383	21 272	111	99.5	15 581	15 521
Social contributions	2 535	377	437	3 349	3 459	(110)	103.3	2 403	2 249
Goods and services	**6 041**	**-**	**(3 210)**	**2 831**	**2 800**	**31**	**98.9**	**6 192**	**4 679**
Administrative fees	224	(28)	(105)	91	95	(4)	104.2	229	263
Advertising	629	(38)	(556)	35	125	(90)	355.8	356	97
Minor assets	174	(61)	(90)	23	-	23	-	177	-
Catering: Departmental activities	183	(64)	(88)	31	19	12	61.8	166	40
Communication	504	84	(214)	374	489	(115)	130.7	426	139
Consultants: Business and advisory services	-	16	-	16	14	2	90.6	-	-
Contractors	21	33	(49)	5	5	-	100.0	52	27
Entertainment	6	(5)	-	1	-	1	-	5	-

Table 140: Appropriation for Sub-programme 3.4: Regional Petroleum Regulation Offices (continued)

Sub-programme 3.4: Regional Petroleum Regulation Offices	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Fleet services	188	(77)	(84)	27		27	-	128	2
Consumable supplies	81	136	(171)	46	4	42	8.6	82	21
Consumable: Stationery, printing and office supplies	307	(307)	-	-	-	-	-	260	-
Operating leases	-	-	-	-	-	-	-	-	202
Property payments	29	(15)	(9)	5	-	5	-	30	-
Transport provided: Departmental activity	46	(33)	(12)	1	-	1	-	37	-
Travel and subsistence	2 210	484	(797)	1 897	1 799	98	94.8	3 303	3 239
Training and development	-	-	-	-	-	-	-	5	11
Operating payments	543	(160)	(193)	190	165	25	86.8	383	388
Venues and facilities	824	86	(822)	88	85	3	96.7	479	238
Rental and hiring	72	(51)	(20)	1		1	-	74	12
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**29 313**	**-**	**(1 750)**	**27 563**	**27 532**	**31**	**99.9**	**24 176**	**22 449**

Table 141: Appropriation for Programme 4: Electrification and Energy Programme and Project Management

Programme 4: Electrification and Energy Programme and Project Management	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Integrated National Electrification Programme	5 777 233	1 115	2 750	5 781 098	5 775 682	5 416	99.9	4 178 147	4 142 550
2. Energy Regional Offices	11 950	-	6 438	18 388	20 271	(1 883)	110.2	17 921	17 581
3. Programme and Project Management Office	9 640	(2 014)	1 480	9 106	9 095	11	99.9	7 568	7 245
4. Electrification Infrastructure/ Industry Transformation	9 420	-	(810)	8 610	8 593	17	99.8	6 581	6 575
5. Community Upliftment Programmes and Projects	5 579	899	370	6 848	6 844	4	99.9	7 110	7 022
Total for sub-programmes	**5 813 822**	**-**	**10 228**	**5 824 050**	**5 820 485**	**3 565**	**99.9**	**4 217 327**	**4 180 973**
Economic Classification									
Current payments	**53 647**	**-**	**10 223**	**63 870**	**70 718**	**(6 848)**	**110.7**	**59 068**	**58 240**
Compensation of employees	**38 864**	**-**	**2 945**	**41 809**	**41 797**	**12**	**100.0**	**36 483**	**36 224**
Salaries and wages	34 610	(211)	2 342	36 741	36 806	(65)	100.2	31 760	31 993
Social contributions	4 254	211	603	5 068	4 991	77	98.5	4 723	4 231
Goods and services	**14 783**	**-**	**7 278**	**22 061**	**28 921**	**(6 860)**	**131.1**	**22 585**	**22 016**
Administrative fees	909	78	(211)	776	1 327	(551)	171.1	1 055	991
Advertising	99	475	56	630	852	(222)	135.3	1 080	976
Minor assets	588	(243)	(314)	31	30	1	97.9	30	7
Catering: Departmental activities	613	(134)	942	1 421	1 437	(16)	101.2	281	261
Communication	768	(218)	(172)	378	420	(42)	111.1	583	537

Table 141: Appropriation for Programme 4: Electrification and Energy Programme and Project Management (continued)

Programme 4: Electrification and Energy Programme and Project Management	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	31	(8)	(7)	16	15	1	92.8	6	-
Consultants: Business and advisory services	-	23	(3)	20	19	1	95.4	24	25
Contractors	3	40	(2)	41	39	2	94.4	25	14
Agency and support/ outsourced services	-	-	9	9	9	-	99.7	-	-
Fleet services	1	37	35	73	276	(203)	378.1	155	153
Consumable supplies	101	61	(73)	89	103	(14)	116.2	125	75
Consumable: Stationery, printing and office supplies	227	(136)	(70)	21	14	7	66.5	151	1
Operating leases	-	17	755	772	870	(98)	112.7	180	183
Property payments	-	-	33	33	32	1	98.4	-	-
Transport provided: Departmental activity	29	(15)	224	238	238	-	99.8	5	-
Travel and subsistence	8 551	(341)	4 647	12 857	15 701	(2 844)	122.1	14 269	14 254
Training and development	-	-	-	-	21	(21)	-	32	18
Operating payments	278	(58)	(64)	156	343	(187)	220.0	324	74
Venues and facilities	2 585	394	1 500	4 479	7 153	(2 674)	159.7	4 260	4 447
Rental and hiring	-	28	(7)	21	21	-	100.0	-	-
Transfers and subsidies	**5 760 175**	**-**	**-**	**5 760 175**	**5 749 762**	**10 413**	**99.8**	**4 158 230**	**4 122 704**
Provinces and municipalities	**1 980 340**	**-**	**-**	**1 980 340**	**1 980 340**	**-**	**100.0**	**1 104 658**	**1 104 658**
Municipalities	1 980 340	-	-	1 980 340	1 980 340	-	100.0	1 104 658	1 104 658

Table 141: Appropriation for Programme 4: Electrification and Energy Programme and Project Management (continued)

Programme 4: Electrification and Energy Programme and Project Management	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations and private enterprises	**3 779 835**	**-**	**-**	**3 779 835**	**3 769 422**	**10 413**	**99.7**	**3 053 562**	**3 018 037**
Public corporations	**3 613 243**	**-**	**-**	**3 613 243**	**3 613 243**	**-**	**100.0**	**2 948 037**	**2 948 037**
Subsidies on products and production	3 613 243	-	-	3 613 243	3 613 243	-	100.0	2 948 037	2 948 037
Private enterprises	**166 592**	**-**	**-**	**166 592**	**156 179**	**10 413**	**93.7**	**105 525**	**70 000**
Subsidies on products and production (pe)	166 592	-	-	166 592		166 592	-	105 525	70 000
Other transfers to private enterprises	-	-	-	-	156 179	(156 179)	-	-	-
Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**9**
Other transfers to households	-	-	-	-	-	-	-	10	9
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**5**	**5**	**5**	**-**	**95.1**	**29**	**29**
Total	**5 813 822**	**-**	**10 228**	**5 824 050**	**5 820 485**	**3 565**	**99.9**	**4 217 327**	**4180 973**

Table 142: Appropriation for Sub-programme 4.1: Integrated National Electrification Programme

Sub-programme 4.1: Integrated National Electrification Programme	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**17 058**	**1 115**	**2 745**	**20 918**	**25 915**	**(4 997)**	**123.9**	**19 914**	**19 842**
Compensation of employees	**10 854**	**-**	**35**	**10 889**	**10 888**	**1**	**100.0**	**10 271**	**10 272**
Salaries and wages	9 648	(38)	73	9 683	9 649	34	99.7	9 035	9 137
Social contributions	1 206	38	(38)	1 206	1 239	(33)	102.7	1 236	1 135
Goods and services	6 204	1 115	2 710	10 029	15 027	(4 998)	149.8	9 643	9 570
Administrative fees	318	92	47	457	705	(248)	154.2	608	610
Advertising	58	(58)	15	15	226	(211)	1506.9	130	113
Minor assets	56	(23)	(2)	31	30	1	97.9	-	-
Catering: Departmental activities	146	(64)	487	569	566	3	99.5	76	70
Communication	333	(88)	8	253	265	(12)	104.7	402	382
Computer services	-	7	-	7	7	-	96.6	-	-
Consultants: Business and advisory services	-	15	-	15	14	1	96.6	-	-
Fleet services	-	30	-	30	35	(5)	116.0	-	8
Consumable supplies	20	49	(52)	17	15	2	88.4	21	13
Consumable: Stationery, printing and office supplies	21	(14)	(2)	5	4	1	81.8	5	1
Operating leases	-	15	-	15	20	(5)	131.4	7	11
Travel and subsistence	4 114	841	1 630	6 585	8 569	(1 984)	130.1	7 382	7 192
Training and development	-	-	-	-	-	-	-	23	9
Operating payments	127	-	(27)	100	99	1	99.0	85	83
Venues and facilities	1 011	313	606	1 930	4 472	(2 542)	231.7	904	1 078

Table 142: Appropriation for Sub-programme 4.1: Integrated National Electrification Programme continued

Sub-programme 4.1: Integrated National Electrification Programme	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers and subsidies	**5 760 175**	**-**	**-**	**5 760 175**	**5 749 762**	**10 413**	**99.8**	**4 158 220**	**4 122 695**
Provinces and municipalities	**1 980 340**	**-**	**-**	**1 980 340**	**1 980 340**	**-**	**100.0**	**1 104 658**	**1 104 658**
Municipalities	1 980 340	-	-	1 980 340	1 980 340	-	100.0	1 104 658	1 104 658
Municipal bank account	1 980 340	-	-	1 980 340	1 980 340	-	100.0	1 104 658	1 104 658
Public corporations and private enterprises	**3 779 835**	**-**	**-**	**3 779 835**	**3 769 422**	**10 413**	**99.7**	**3 053 562**	**3 018 037**
Public corporations	3 613 243	-	-	3 613 243	3 613 243	-	100.0	2 948 037	2 948 037
Subsidies and products and production (pc)	3 613 243	-	-	3 613 243	3 613 243	-	100.0	2 948 037	2 948 037
Private enterprises	166 592	-	-	166 592	156 179	10 413	93.7	105 525	70 000
Subsidies on products and production (pe)	166 592	-	-	166 592		166 592	-	105 525	70 000
Other transfers to private enterprises	-	-	-	-	156 179	(156 179)	-	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**5**	**5**	**5**	**-**	**95.1**	**13**	**13**
Total	**5 777 233**	**1 115**	**2 750**	**5 781 098**	**5 775 682**	**5 416**	**99.9**	**4 178 147**	**4 142 550**

Table 143: Appropriation for Sub-programme 4.2: Energy Regional Offices

Sub-programme 4.2: Energy Regional Offices	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current Payments	**11 950**	**-**	**6 438**	**18 388**	**20 271**	**(1 883)**	**110.2**	**17 901**	**17 562**
Compensation of employees	**11 950**	**-**	**1 660**	**13 610**	**13 608**	**2**	**100.0**	**13 301**	**13 044**
Salaries and wages	10 610	(140)	1 353	11 823	11 820	3	100.0	11 579	11 352
Social contributions	1 340	140	307	1 787	1 788	(1)	100.1	1 722	1 692
Goods and services	**-**	**-**	**4 778**	**4 778**	**6 663**	**(1 885)**	**139.4**	**4 600**	**4 518**
Administrative fees	-	-	-	-	306	(306)	-	149	147
Advertising	-	-	72	72	84	(12)	116.5	338	338
Catering: Departmental activities	-	-	-	-	27	(27)	-	15	15
Communication	-	-	-	-	13	(13)	-	-	(5)
Contractors	-	-		-	-	-	-	3	2
Fleet services	-	-	35	35	231	(196)	659.4	126	122
Consumable supplies	-	-	-	-	19	(19)	-	1	2
Consumable: Stationery, printing and office supplies	-	-	-	-	2	(2)	-	-	-
Operating leases	-	-	755	755	849	(94)	112.4	147	144
Travel and subsistence	-	-	3 467	3 467	4 360	(893)	125.7	3 778	3 749
Operating payments	-	-		-	191	(191)	-	19	(19)
Venues and facilities	-	-	449	449	581	(132)	129.5	24	23
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**9**
Households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**9**
Payments for financial assets	**-**	**-**		**-**	**-**	**-**	**-**	**10**	**10**
Total	**11 950**	**-**	**6 438**	**18 388**	**20 271**	**(1 883)**	**110.2**	**17 921**	**17 581**

Table 144: Appropriation for Sub-programme 4.3: Programme and Project Management Office

Sub-programme 4.3: Programme and Project Management Office	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**9 640**	**(2 014)**	**1 480**	**9 106**	**9 095**	**11**	**99.9**	**7 563**	**7 240**
Compensation of employees	**3 833**	**-**	**1 810**	**5 643**	**5 640**	**3**	**99.9**	**4 226**	**4 223**
Salaries and wages	3 417	(35)	1 534	4 916	4 914	2	100.0	3 706	3 704
Social contributions	416	35	276	727	726	1	99.8	520	519
Goods and services	**5 807**	**(2 014)**	**(330)**	**3 463**	**3 456**	**7**	**99.8**	**3 337**	**3 017**
Administrative fees	454	(100)	(263)	91	90	1	99.2	28	35
Advertising	41	(10)	(31)	-	-	-	-	132	90
Minor assets	527	(217)	(310)	-	-	-	-	30	-
Catering: Departmental activities	309	(100)	455	664	663	1	99.9	16	7
Communication	271	(120)	(145)	6	6	-	96.2	33	21
Computer services	31	(15)	(16)	-		-	-	6	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	1
Contractors	1	-	-	1	1	-	70.0	22	11
Agency and support/ outsourced services	-	-	9	9	9	-	99.7	-	-
Consumable supplies	3	5	-	8	11	(3)	133.8	5	9
Consumable: Stationery, printing and office supplies	103	(38)	(62)	3	2	1	74.4	25	-
Property payments	-	-	33	33	32	1	98.4	-	-
Transport provided: Departmental activity	29	(15)	224	238	238	-	99.8	5	-
Travel and subsistence	2 881	(1 240)	(432)	1 209	1 182	27	97.8	687	709

Table 144: Appropriation for Sub-programme 4.3: Programme and Project Management Office continued

Sub-programme 4.3: Programme and Project Management Office	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Training and development	-	-	-	-	21	(21)	-	-	-
Operating payments	93	(65)	(28)	-		-	-	202	-
Venues and facilities	1 064	(99)	236	1 201	1 201	-	100.0	2 146	2 134
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Total	**9 640**	**(2 014)**	**1 480**	**9 106**	**9 095**	**11**	**99.9**	**7 568**	**7 245**

Table 145: Appropriation for Sub-programme 4.4: Electricity Infrastructure/Industry Transformation

Sub-programme 4.4: Electricity Infrastructure/ Industry Transformation	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**9 420**	**-**	**(810)**	**8 610**	**8 593**	**17**	**99.8**	**6 580**	**6 574**
Compensation of employees	**8 437**	**-**	**(510)**	**7 927**	**7 924**	**3**	**100.0**	**5 631**	**5 638**
Salaries and wages	7 552	5	(510)	7 047	7 152	(105)	101.5	4 834	5 140
Social contributions	885	(5)	-	880	772	108	87.7	797	498
Goods and services	**983**	**-**	**(300)**	**683**	**670**	**13**	**98.1**	**949**	**936**
Administrative fees	68	10	(52)	26	23	3	89.2	107	36
Minor assets	-	-	-	-	-	-	-	-	7
Catering: Departmental activities	-	7	-	7	1	6	8.9	2	1
Communication	76	10	(34)	52	67	(15)	128.9	52	41
Computer services	-	-	9	9	8	1	89.9	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	15	15
Contractors	-	1	3	4	3	1	66.7		
Fleet services	-	-	-	-	-	-	-	6	-
Consumable supplies	8	6	-	14	12	2	83.8	52	38
Consumable: Stationery, printing and office supplies	10	(3)	-	7	1	6	8.2	16	-
Travel and subsistence	780	(43)	(185)	552	545	7	98.8	681	788
Operating payments	-	12	-	12	10	2	86.6	18	10
Venues and facilities	41	-	(41)	-		-	-	-	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Total	**9 420**	**-**	**(810)**	**8 610**	**8 593**	**17**	**99.8**	**6 581**	**6 575**

Table 146: Appropriation for Sub-programme 4.5: Community Upliftment Programmes and Projects

Sub-programme 4.5: Community Upliftment Programmes and Projects	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 579**	**899**	**370**	**6 848**	**6 844**	**4**	**99.9**	**7 110**	**7 022**
Compensation of employees	**3 790**	**-**	**(50)**	**3 740**	**3 738**	**2**	**99.9**	**3 054**	**3 047**
Salaries and wages	3 383	(3)	(108)	3 272	3 271	1	100.0	2 606	2 660
Social contributions	407	3	58	468	467	1	99.7	448	387
Goods and services	1 789	899	420	3 108	3 106	2	99.9	4 056	3 975
Administrative fees	69	76	57	202	203	(1)	100.5	163	163
Advertising	-	543	-	543	542	1	99.9	480	435
Minor assets	5	(3)	(2)	-	-	-	-	-	-
Catering: Departmental activities	158	23	-	181	181	-	99.8	172	168
Communication	88	(20)	(1)	67	69	(2)	102.5	96	98
Consultants: Business and advisory services	-	8	(3)	5	5	-	92.0	9	9
Contractors	2	39	(5)	36	35	1	96.9	-	1
Fleet services	1	7	-	8	10	(2)	130.2	23	23
Consumable supplies	70	1	(21)	50	47	3	94.4	46	13
Consumable: Stationery, printing and office supplies	93	(81)	(6)	6	5	1	83.5	105	-
Operating leases	-	2	-	2	2	-	101.2	26	28
Travel and subsistence	776	101	167	1 044	1 044	-	100.0	1 741	1 816
Training and development	-	-	-	-	-	-	-	9	9
Operating payments	58	(5)	(9)	44	43	1	98.3	-	-
Venues and facilities	469	180	250	899	899	-	100.0	1 186	1 212
Rental and hiring	-	28	(7)	21	21	-	100.0	-	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**5 579**	**899**	**370**	**6 848**	**6 844**	**4**	**99.9**	**7 110**	**7 022**

Table 147: Appropriation for Programme 5: Nuclear Energy

Programme 5: Nuclear Energy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programme									
1. Nuclear Safety and Technology	638 534	-	3 008	641 542	641 492	50	100.0	832 939	832 274
2. Nuclear Non-Proliferation and Radiation Security	7 385	-	(200)	7 185	7 168	17	99.8	6 169	6 156
3. Nuclear Policy	7 979	-	(1 590)	6 389	6 369	20	99.7	7 421	6 988
Total for sub-programmes	**653 898**	**-**	**1 218**	**655 116**	**655 029**	**87**	**100.0**	**846 529**	**845 418**
Economic Classification									
Current payments	**32 441**	**-**	**(7 120)**	**25 321**	**25 273**	**48**	**99.8**	**34 514**	**34 040**
Compensation of employees	**18 479**	**-**	**(1 420)**	**17 059**	**17 039**	**20**	**99.9**	**13 979**	**13 446**
Salaries and wages	16 483	(11)	(1 140)	15 332	15 320	12	99.9	12 138	12 085
Social contributions	1 996	11	(280)	1 727	1 719	8	99.5	1841	1 361
Goods and services	**13 962**	**-**	**(5 700)**	**8 262**	**8 234**	**28**	**99.7**	**20 535**	**20 594**
Administrative fees	184	120	87	391	386	5	98.6	378	447
Advertising	1 932	(2)	(342)	1 588	1 572	16	99.0	699	476
Minor assets	6	(4)	(2)	-	-	-	-	-	-
Catering: Departmental activities	137	(12)	(41)	84	81	3	96.1	160	155
Communication	189	19	61	269	277	(8)	103.0	117	146
Consultants: Business and advisory services	7 302	(1 213)	(5 341)	748	752	(4)	100.5	12 182	11 847
Legal services	-	-	51	51	50	1	98.6	-	-
Contractors	-	-	-	-	-	-	-	133	212
Fleet services	-	-	-	-	1	(1)	-	-	2
Consumable supplies	18	18	(13)	23	19	4	82.4	19	16
Consumable: Stationery, printing and office supplies	391	24	(283)	132	130	2	98.3	720	468

Table 147: Appropriation for Programme 5: Nuclear Energy (continued)

Programme 5: Nuclear Energy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	-	-	-	-	-	-	-	3	2
Transport provided: Departmental activity	217	-	(217)	-	-	-	-	174	-
Travel and subsistence	2 064	543	524	3 131	3 177	(46)	101.5	3 624	3 386
Training and development	-	-	-	-	-	-	-	34	-
Operating payments	4	(1)	(2)	1	-	1	-	13	-
Venues and facilities	1 518	508	(182)	1 844	1 791	53	97.1	2 279	3 437
Transfers and subsidies	**621 457**	**-**	**8 338**	**629 795**	**629 756**	**39**	**100.0**	**812 015**	**811 378**
Departmental agencies and accounts	**21 487**	**-**	**-**	**21 487**	**21 487**	**-**	**100.0**	**33 697**	**33 697**
Departmental agencies (non-business entities)	21 487	-	-	21 487	21 487	-	100.0	33 697	33 697
Foreign governments and international organisations	**19 612**	**-**	**8 313**	**27 925**	**27 886**	**39**	**99.9**	**17 640**	**17 003**
Public corporations and private enterprises	**580 358**	**-**	**-**	**580 358**	**580 358**	**-**	**100.0**	**760 678**	**760 678**
Public corporations	580 358	-	-	580 358	580 358	-	100.0	760 678	760 678
Subsidies and products and productions (pe)	580 358	-	-	580 358	580 358	-	100.0	760 678	760 678
Households	**-**	**-**	**25**	**25**	**25**	**-**	**100.0**	**-**	**-**
Other transfers to households	-	-	25	25	25	-	100.0	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**653 898**	**-**	**1 218**	**655 116**	**655 029**	**87**	**100**	**846 529**	**845 418**

Table 148: Appropriation for Sub-programme 5.1: Nuclear Safety and Technology

Sub-programme 5.1: Nuclear Safety and Technology	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**17 677**	**-**	**(5 930)**	**11 747**	**11 736**	**11**	**99.9**	**20 924**	**20 896**
Compensation of employees	**11 207**	**-**	**(2 700)**	**8 507**	**8 501**	**6**	**99.9**	**7 023**	**7 007**
Salaries and wages	10 013	(10)	(2 354)	7 649	7 648	1	100.0	6 235	6 322
Social contributions	1 194	10	(346)	858	853	5	99.4	788	685
Goods and services	**6 470**	**-**	**(3 230)**	**3 240**	**3 236**	**4**	**99.9**	**13 901**	**13 889**
Administrative fees	66	71	(6)	131	128	3	97.4	116	174
Advertising	207	73	194	474	468	6	98.7	342	374
Minor assets	6	(4)	(2)	-	-	-	-	-	-
Catering: Departmental activities	84	(10)	(13)	61	60	1	97.8	76	80
Communication	139	19	(3)	155	164	(9)	105.9	71	92
Consultants: Business and advisory services	5 109	(1 185)	(3 459)	465	470	(5)	101.0	8 973	9 237
Fleet services	-	-	-	-	1	(1)	-	-	2
Consumable supplies	11	3	(3)	11	8	3	77.2	1	1
Consumable: Stationery, printing and office supplies	12	(4)	(7)	1	-	1	-	718	468
Operating leases	-	-	-	-	-	-	-	1	1
Transport provided: Departmental activity	-	-	-	-	-	-	-	11	-
Travel and subsistence	741	529	91	1 361	1 408	(47)	103.4	2 310	2 023
Training and development	-	-	-	-	-	-	-	4	-
Operating payments	-	-	-	-	-	-	-	13	-
Venues and facilities	95	508	(22)	581	530	51	91.2	1 265	1 437

Table 148: Appropriation for Sub-programme 5.1: Nuclear Safety and Technology (continued)

Sub-programme 5.1: Nuclear Safety and Technology	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers and subsidies	**620 857**	**-**	**8 938**	**629 795**	**629 756**	**39**	**100.0**	**812 015**	**811 378**
Departmental agencies and accounts	21 487	-	-	21 487	21 487	-	100.0	33 697	33 697
Departmental agencies (non-business entities)	21 487	-	-	21 487	21 487	-	100.0	33 697	33 697
Foreign governments and international organisations	**19 012**	**-**	**8 913**	**27 925**	**27 886**	**39**	**99.9**	**17 640**	**17 003**
Public corporations and private enterprises	**580 358**	**-**	**-**	**580 358**	**580 358**	**-**	**100.0**	**760 678**	**760 678**
Public corporations	580 358	-	-	580 358	580 358	-	100.0	760 678	760 678
Subsidies on productions and production (pc)	580 358	-	-	580 358	580 358	-	100.0	760 678	760 678
Households	**-**	**-**	**25**	**25**	**25**	**-**	**100.0**	**-**	**-**
Other transfers to households	-	-	25	25	25	-	100.0	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**638 534**	**-**	**3 008**	**641 542**	**641 492**	**50**	**100.0**	**832 939**	**832 274**

Table 149: Appropriation for Sub-programme 5.2: Nuclear Non-Proliferation and Radiation Security

Sub-programme 5.2: Nuclear Non-Proliferation and Radiation Security	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**7 385**	**-**	**(200)**	**7 185**	**7 168**	**17**	**99.8**	**6 169**	**6 156**
Compensation of employees	**6 993**	**-**	**(360)**	**6 633**	**6 620**	**13**	**99.8**	**5 471**	**5 410**
Salaries and wages	6 223	(1)	(268)	5 954	5 945	9	99.8	4 699	4 812
Social contributions	770	1	(92)	679	675	4	99.4	772	598
Goods and services	**392**	**-**	**160**	**552**	**549**	**3**	**99.4**	**698**	**746**
Administrative fees	31	(9)	(5)	17	16	1	95.2	21	21
Advertising	3	(1)	(1)	1	-	1	-	-	-
Catering: Departmental activities	7	(2)	4	9	7	2	80.8	29	29
Communication	17	-	95	112	112	-	99.9	46	54
Consultants: Business and advisory services	-	2	-	2	2	-	81.0	15	14
Contractors	-	-	-	-	-	-	-	-	2
Consumable supplies	4	1	-	5	5	-	93.6	13	12
Consumable: Stationery, printing and office supplies	3	(2)	-	1	1	-	90.4	2	-
Operating leases	-	-	-	-	-	-	-	2	1
Travel and subsistence	323	12	69	404	406	(2)	100.5	528	578
Operating payments	4	(1)	(2)	1		1	-	-	-
Venues and facilities	-	-	-	-	-	-	-	42	35
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Total	**7 385**	**-**	**(200)**	**7 185**	**7 168**	**17**	**99.8**	**6 169**	**6 156**

Table 150: Appropriation for Sub-programme 5.3: Nuclear Policy

Sub-programme 5.3: Nuclear Policy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**7 379**	**-**	**(990)**	**6 389**	**6 369**	**20**	**99.7**	**7 421**	**6 988**
Compensation of employees	**279**	**-**	**1 640**	**1 919**	**1 919**	**-**	**100.0**	**1 485**	**1 029**
Salaries and wages	247	-	1 482	1 729	1 727	2	99.9	1 204	951
Social contributions	32	-	158	190	191	(1)	100.7	281	78
Goods and services	**7 100**	**-**	**(2 630)**	**4 470**	**4 450**	**20**	**99.6**	**5 936**	**5 959**
Administrative fees	87	58	98	243	242	1	99.5	241	252
Advertising	1 722	(74)	(535)	1 113	1 104	9	99.2	357	102
Catering: Departmental activities	46	-	(32)	14	14	-	98.4	55	46
Communication	33	-	(31)	2	1	1	54.5	-	-
Consultants: Business and advisory services	2 193	(30)	(1 882)	281	280	1	99.7	3 194	2 596
Legal services	-	-	51	51	50	1	98.6	-	-
Contractors	-	-	-	-	-	-	-	133	210
Consumable supplies	3	14	(10)	7	6	1	82.5	5	3
Consumable: Stationery, printing and office supplies	376	30	(276)	130	129	1	99.1	-	-
Transport provided: Departmental activity	217	-	(217)	-	-	-	-	163	-
Travel and subsistence	1 000	2	364	1 366	1 363	3	99.8	786	785
Training and development	-	-	-	-	-	-	-	30	-
Venues and facilities	1 423	-	(160)	1 263	1 261	2	99.9	972	1 965
Transfers and subsidies	**600**	**-**	**(600)**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign governments and international organisations	**600**	**-**	**(600)**	**-**		**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Total	**7 979**	**-**	**(1 590)**	**6 389**	**6 369**	**20**	**99.7**	**7 421**	**6 988**

Table 151: Appropriation for Programme 6: Clean Energy

Programme 6: Clean Energy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Energy Efficiency	357 112	-	(31 791)	325 321	271 072	54 249	83.3	1 806 757	658 657
2. Renewable Energy	71 233	-	(1 410)	69 823	4 913	64 910	7.0	168 788	167 419
3. Climate Change and Designated National Authority	7 482	-	(1 665)	5 817	5 798	19	99.7	6 529	4 181
Total for sub-programmes	**435 827**	**-**	**(34 866)**	**400 961**	**281 783**	**119 178**	**70.3**	**1 982 074**	**830 257**
Economic Classification									
Current payments	**63 796**	**-**	**(19 445)**	**44 351**	**37 710**	**6 641**	**85.0**	**44 404**	**28 989**
Compensation of employees	**18 261**	**-**	**(3 905)**	**14 356**	**14 336**	**20**	**99.9**	**15 966**	**12 394**
Salaries and wages	16 315	(40)	(3 508)	12 767	12 722	45	99.6	13 699	11 030
Social contributions	1 946	40	(397)	1 589	1 613	(24)	101.5	2 267	1 364
Goods and services	**45 535**	**-**	**(15 540)**	**29 995**	**23 375**	**6 620**	**77.9**	**28 438**	**16 595**
Administrative fees	173	294	27	494	477	17	96.6	228	192
Advertising	2 368	348	2 869	5 585	4 571	1 014	81.8	2 586	559
Minor assets	631	106	(715)	22	-	22	-	889	-
Catering: Departmental activities	201	(25)	(117)	59	55	4	92.6	64	109
Communication	380	(165)	5	220	124	96	56.3	756	117
Computer services	10	-	(2)	8	8	-	98.8%	-	-
Consultants: Business and advisory services	31 604	558	(15 484)	16 678	10 667	6 011	64.0	13 771	9 605
Legal services	-	50	-	50	50	-	100.0	-	-
Contractors	-	-	-	-	-	-	-	143	-
Agency and support/ outsourced services	3 006	(2 500)	(410)	96	1 095	(999)	1140.9	-	-
Entertainment	2	-	(2)	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	2

Table 151: Appropriation for Programme 6: Clean Energy (continued)

Programme 6: Clean Energy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	135	(37)	(60)	38	4	34	11.2	104	102
Consumable: Stationery, printing and office supplies	115	(25)	(22)	68	53	15	78.5	43	2
Operating leases	54	(32)	(22)	-	1	(1)	-	37	2
Property payments	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 272	2 385	(902)	5 755	5 573	182	96.8	5 097	2 207
Operating payments	81	473	(263)	291	281	10	96.5	455	16
Venues and facilities	2 503	(1 430)	(442)	631	415	216	65.8	4 265	3 682
Transfers and subsidies	**372 031**	**-**	**(15 421)**	**356 610**	**244 073**	**112 537**	**68.4**	**1 937 670**	**801 268**
Provinces and municipalities	**177 899**	**-**	**-**	**177 899**	**177 899**	**-**	**100.0**	**136 905**	**136 905**
Municipalities	177 899	-	-	177 899	177 899	-	100.0	136 905	136 905
Municipal bank accounts	177 899	-	-	177 899	177 899	-	100.0	136 905	136 905
Departmental agencies and accounts	**64 861**	**-**	**-**	**64 861**	**64 861**	**-**	**100.0**	**162 685**	**162 685**
Departmental agencies (non-business entities)	64 861	-	-	64 861	64 861	-	100.0	162 685	162 685
Foreign governments and international organisations	**-**	**-**	**1 328**	**1 328**	**1 313**	**15**	**98.9**	**1 680**	**1 678**
Public corporations and private enterprises	**129 271**	**-**	**(16 749)**	**112 522**	**-**	**112 522**	**-**	**1 636 400**	**500 000**
Public corporations	-	-	-	-	-	-	-	1 636 400	500 000
Subsidies on products and productions (pc)	-	-	-	-	-	-	-	1 636 400	500 000
Private enterprises	129 271	-	(16 749)	112 522	-	112 522	-	-	-
Subsidies on products and productions (pe)	129 271	-	(16 749)	112 522	-	112 522	-	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**435 827**	**-**	**(34 866)**	**400 961**	**281 783**	**119 178**	**70.3**	**1 982 074**	**830 257**

Table 152: Appropriation for Sub-programme 6.1: Energy Efficiency

Sub-programme 6.1: Energy Efficiency	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**49 942**	**-**	**(16 370)**	**33 572**	**26 999**	**6 573**	**80.4**	**31 772**	**20 074**
Compensation of employees	**7 335**	**-**	**(2 320)**	**5 015**	**5 007**	**8**	**99.8**	**6 546**	**4 703**
Salaries and wages	6 585	-	(2 093)	4 492	4 490	2	100.0	5 587	4 236
Social contributions	750	-	(227)	523	517	6	98.8	959	467
Goods and services	**42 607**	**-**	**(14 050)**	**28 557**	**21 992**	**6 565**	**77.0**	**25 226**	**15 371**
Administrative fees	127	277	36	440	424	16	96.3	156	113
Advertising	2 342	360	2 875	5 577	4 571	1 006	82.0	2 564	511
Minor assets	631	106	(715)	22	-	22	-	889	-
Catering: Departmental activities	67	(26)	(3)	38	34	4	90.2	29	31
Communication	365	(193)	16	188	93	95	49.2	735	87
Consultants: Business and advisory services	31 589	558	(15 484)	16 663	10 653	6 010	63.9	13 771	9 605
Contractors	-	-	-	-	-	-	-	143	-
Agency and support/ outsourced services	3 006	(2 500)	(410)	96	1 095	(999)	1140.9	-	-
Entertainment	2	-	(2)	-		-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	1
Consumable supplies	133	(38)	(60)	35	3	32	9.5	104	102
Consumable: Stationery, printing and office supplies	109	(23)	(22)	64	51	13	80.2	37	2
Operating leases	8	(8)	-	-	-	-	-	-	-
Travel and subsistence	2 213	2 907	(279)	4 841	4 699	142	97.1	2 801	1 276
Operating payments	31	(10)	(2)	19	10	9	50.1	455	-
Venues and facilities	1 984	(1 410)	-	574	359	215	62.5	3 542	3 643

Table 152: Appropriation for Sub-programme 6.1: Energy Efficiency (continued)

Sub-programme 6.1: Energy Efficiency	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers and subsidies	**307 170**	**-**	**(15 421)**	**291 749**	**244 073**	**47 676**	**83.7**	**1 774 985**	**638 583**
Provinces and municipalities	**177 899**	**-**	**-**	**177 899**	**177 899**	**-**	**100.0**	**136 905**	**136 905**
Municipalities	177 899	-	-	177 899	177 899	-	100.0	136 905	136 905
Municipality bank account	177 899	-	-	177 899	177 899	-	100.0	136 905	136 905
Departmental agencies and accounts	**-**	**-**	**-**	**-**	**64 861**	**(64 861)**	**-**	**-**	**-**
Department agencies (non-business entities)	-	-	-	-	64 861	(64 861)	-	-	-
Foreign governments and international organisations	**-**	**-**	**1 328**	**1 328**	**1 313**	**15**	**98.9**	**1 680**	**1 678**
Public corporations and private enterprises	**129 271**	**-**	**(16 749)**	**112 522**	**-**	**112 522**	**-**	**1 636 400**	**500 000**
Public corporations	-	-	-	-	-	-	-	1 636 400	500 000
Subsidies on products and production (pc)	-	-	-	-	-	-	-	1 636 400	500 000
Private enterprises	129 271	-	(16 749)	112 522	-	112 522	-	-	-
Subsidies on products and production (pe)	129 271		(16 749)	112 522		112 522			
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**357 112**	**-**	**(31 791)**	**325 321**	**271 072**	**54 249**	**83.3**	**1 806 757**	**658 657**

Table 153: Appropriation for Sub-programme 6.2: Renewable Energy

Sub-programme 6.2: Renewable Energy	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**6 372**	**-**	**(1 410)**	**4 962**	**4 913**	**49**	**99.0**	**6 103**	**4 734**
Compensation of employees	**4 482**	**-**	**(360)**	**4 122**	**4 114**	**8**	**99.8**	**3 961**	**3 900**
Salaries and wages	3 999	(40)	(324)	3 635	3 597	38	98.9	3 494	3 429
Social contributions	483	40	(36)	487	517	(30)	106.2	467	471
Goods and services	**1 890**	**-**	**(1 050)**	**840**	**799**	**41**	**95.2**	**2 142**	**834**
Administrative fees	25	13	(8)	30	28	2	94.6	59	65
Advertising	26	(12)	(6)	8	-	8	-	22	48
Catering: Departmental activities	121	-	(109)	12	12	-	98.8	21	77
Communication	8	17	(9)	16	15	1	96.1	9	17
Fleet services	-	-	-	-	-	-	-	-	1
Consumable supplies	2	-	-	2	0	2	4.8	-	-
Consumable: Stationery, printing and office supplies	6	(2)	-	4	2	2	50.0	6	-
Operating leases	-	-	-	-	1	(1)	-	-	2
Travel and subsistence	1 161	(425)	(297)	439	413	26	94.0	1 381	569
Operating payments	50	483	(261)	272	271	1	99.8	-	16
Venues and facilities	491	(74)	(360)	57	56	1	98.7	644	39
Transfers and subsidies	**64 861**	**-**	**-**	**64 861**	**-**	**64 861**	**-**	**162 685**	**162 685**
Departmental agencies and accounts	**64 861**	**-**	**-**	**64 861**	**-**	**64 861**	**-**	**162 685**	**162 685**
Departmental agencies (non-business entities)	64 861	-	-	64 861	-	64 861	-	162 685	162 685
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**71 233**	**-**	**(1 410)**	**69 823**	**4 913**	**64 910**	**7.0**	**168 788**	**167 419**

Table 154: Appropriation for Sub-programme 6.3: Climate Change and Designated National Authority

Sub-programme 6.3: Climate Change and Designated National Authority	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure of Final Appropriation	Final Appropriation	Actual Expenditure
Economic Classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**7 482**	**-**	**(1 665)**	**5 817**	**5 798**	**19**	**99.7**	**6 529**	**4 181**
Compensation of employees	**6 444**	**-**	**(1 225)**	**5 219**	**5 215**	**4**	**99.9**	**5 459**	**3 791**
Salaries and wages	5 731	-	(1 091)	4 640	4 636	4	99.9	4 618	3 365
Social contributions	713	-	(134)	579	579	-	100.1	841	426
Goods and services	**1 038**	**-**	**(440)**	**598**	**583**	**15**	**97.6**	**1 070**	**390**
Administrative fees	21	4	(1)	24	25	(1)	105.6	13	14
Catering: Departmental activities	13	1	(5)	9	9	-	94.6	14	1
Communication	7	11	(2)	16	16	-	98.8	12	13
Computer services	10	-	(2)	8	8	-	98.8	-	-
Consultants: Business and advisory services	15	-	-	15	14	1	96.6	-	-
Legal services	-	50	-	50	50	-	100.0	-	-
Consumable supplies	-	1	-	1	1	-	83.2	-	-
Operating leases	46	(24)	(22)	-	-	-	-	37	-
Travel and subsistence	898	(97)	(326)	475	461	14	97.0	915	362
Venues and facilities	28	54	(82)	-		-	-	79	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Total	**7 482**	**-**	**(1 665)**	**5 817**	**5 798**	**19**	**99.7**	**6 529**	**4 181**

NOTES TO THE APPROPRIATION STATEMENTS

For the year ended 31 March 2016

1. Detail of Transfers and Subsidies as per the Appropriation Act (After Virement):

Detail of these transactions can be viewed in the Note on Transfers and Subsidies, Disclosure Notes and Annexure 1 (A-G) to the Annual Financial Statements.

2. Detail of Specifically and Exclusively Appropriated Amounts Voted (After Virement):

Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on Payments for Financial Assets

Detail of these transactions per programme can be viewed in the Note on Payments for Financial Assets to the Annual Financial Statements.

4. Explanations of Material Variances from Amounts Voted (After Virement)

4.1 Per programme

Programme 1	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Administration	277 898	277 767	131	0.05

The expenditure in this programme is on par with the revised appropriation.

Programme 2	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Energy Policy and Planning	40 586	38 095	2 491	6.14

The R2.49 million or 6.14% budget under-spending is mainly due to planned projects which were not finalised by year-end as anticipated. This affected and led to budget under-spending on the item consultants/business advisory services (R2.11 million) attributable to challenges experienced in the project to study and collect data on the energy footprint and energy savings potential in heavy industry. Subsequent to awarding the contract, the appointed service provider was liquidated and the Department's process of replacing this provider with another provider was unsuccessful. A budget saving of R265 000 is located in various items such as consumables, advertising, catering and communication, and is attributable to cost saving measures taken throughout the year. Vacancies resulted in an under-spending of R115 000 in the compensation of employees classification.

Programme 3	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Petroleum and Petroleum Products Regulation	69 008	68 958	50	0.7

The expenditure in this programme is on par with the revised or final appropriation.

Programme 4	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Electrification and Energy Programme and Project Management	5 824 050	5 820 485	3 565	0.06

The budget under-spending of R3.56 million or 0.06% is mainly due to the under-spending in the Integrated National Electrification Programme (INEP) Non-grid Project (R10.41 million). This project involved the installation of solar home systems. Funds could not be transferred to service providers due to the late uptake of systems in a certain concession area and the late receipt of claims from certain service providers. A request has been submitted to the National Treasury to roll this balance of R10.41 million over to the 2016/17 financial year to enable service providers to complete work in their designated areas and also to allow proper evaluation of work performed prior to final payments.

This programme also had a budget shortfall in the current payments area due to budget over-spending in travel and subsistence (R2.84 million) related to verification activities linked to completed and unfinished electrification projects and travel for Public-Private Partnership events, venues and facilities (R2.67 million) and advertising/promotional items (R222 000) related to PPP events. Twelve events were conducted during the year under review. The administrative fees (R551 000) and fleet services (R203 000) items also contributed to the over-spending due to travel agency costs and consumables linked to the travel undertaken. The balance of the over-spending (R360 000) is found in various operational items; mainly insurance for subsidised vehicles, leases for photocopy machines, communication, etc., due to limited resources within this programme.

Programme 5	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Nuclear Energy	655 116	655 029	87	0.01

The expenditure in this programme is on par with the revised or final appropriation.

Programme 6	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Clean Energy	400 961	281 783	119 178	29.72

The R119.18 million or 29.72% budget under-spending in the consultants and business advisory services item (R6.01 million) is mainly attributable to a project which could not be finalised before year-end as anticipated for an independent technical audit, Measurement and Verification (M&V) of energy savings achieved from the implementation of the Municipal Energy Efficiency and Demand Side Programme as well as the late completion of the procurement process for the implementation of the Solar Water Heater Programme (R112.52 million).

After the termination of the DoE-Eskom MoA for the implementation of the Solar Water Heater Programme, Cabinet was consulted in the current financial year for approval of a revised contracting model. This was followed by the amendment of the Appropriation Act, 2013 during the adjustments period in September, listing the Department of Energy as the implementer of this programme (replacing Eskom). The start of the procurement process and the evaluation of tenders which took longer than anticipated, negatively affected the project in the year under review. The procurement process was, however, completed with the preferred bidders being appointed.

A request has been submitted to the National Treasury to roll over funding for both the M&V of energy savings achieved from the Municipal Energy Efficiency and Demand Side Programme implementation and the Solar Water Heater Programme implementation.

4.2 Per economic classification

Economic Classification	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	296 219	296 009	210	0.07
Goods and services	215 588	213 299	2 289	1.06
Transfers and subsidies				
Provinces and municipalities	2 158 239	2 158 239	-	0.00
Departmental agencies and accounts	87 140	87 140	-	0.00
Public corporations and private enterprises	4 472 715	4 349 780	122 935	2.75
Foreign governments and international organisations	29 621	29 563	58	0.20
Households	3 659	3 656	3	0.08
Payments for capital assets				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	4 432	4 424	8	0.17
Payments for financial assets	6	5	1	9.01

Compensation of employees

The expenditure in this economic classification is on par with the revised or final appropriation.

Goods and services

The under-spending of R2.29 million or 1.06% of the total adjusted budget for goods and services for the 2015/16 financial year is mainly attributable to the delayed appointment of service providers, hence the late commencement of projects resulting in incomplete projects at year-end as reflected by the under-spending in the Consultants and Business Advisory Cost item.

The affected projects are:

- A study and data collection on the energy footprint and energy savings potential in heavy industry
- An independent technical audit, M&V of energy savings achieved from the Municipal Energy Efficiency and Demand Side Programme implementation

Transfers and subsidies

The Department disbursed payments totalling R6.63 billion to public entities, municipalities and implementing agents during the year under review which resulted in a budget under-spending of R123 million or 1.82% at year end. The under-spend is mainly due to the following:

- R10.41 million budget balance from earmarked funds for transfer to INEP Non-grid Project service providers that could not be transferred due to the late uptake of systems in a certain concession area and the late receipt of claims from certain service providers.
- R112.52 million earmarked for the implementation of the Solar Water Heater Programme. After the Department reengineered the programme, the DoE-Eskom MoA for the programme's implementation was terminated. The Department proceeded with the necessary engagements in order to obtain Cabinet's approval for the revised contracting model. The Appropriation Act, 2013 (Act No. 9 of 2013) which listed Eskom as the implementing agent, was amended through the adjustments budgeting process listing the Department as the implementing agent replacing Eskom. The procurement process was delayed and the evaluation of tenders took longer than anticipated due to the complex technical requirements.

Payment for capital assets

The expenditure in this economic classification is on par with the revised or final appropriation.

Payments for financial assets

Financial losses incurred by the Department are authorised and carried against the vote (Departmental budget) by means of a final virement approval to cater for the excess expenditure. To ensure that final budget allocations are aligned with actual expenditure, funds totalling R6 000.00 were shifted from savings within the respective programmes to cover the excess expenditure incurred in respect of theft and losses. On 31 March 2016, amounts written-off as losses against the Departmental vote totalled R5 459.59 which included departmental debts written off as financial losses in terms of Treasury Regulation 11 and applicable Departmental policy in various cases where debtors could not be traced or the recovery of outstanding amounts was not economical.

4.3 Per conditional grant

Energy	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Integrated National Electrification Programme	1 980 340	1 980 340	-	-
Energy Efficiency and Demand Side Management Programme	177 899	177 899	-	-

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	7 267 619	7 437 794
Statutory appropriation	2	-	-
Departmental revenue	3	805 987	5 277
NRF receipts		-	-
Aid assistance	4	291 222	139 371
TOTAL REVENUE		**8 364 828**	**7 582 442**
EXPENDITURE			
Current expenditure			
Compensation of employees	5	296 009	264 266
Goods and services	6	213 300	209 341
Interest and rent on land	7	-	-
Aid assistance	4	-	-
Total current expenditure		**509 309**	**473 607**
Transfers and subsidies			
Transfers and subsidies	9	6 628 379	5 742 710
Aid assistance	4	185 537	135 072
Total transfers and subsidies		**6 813 916**	**5 877 782**
Expenditure for capital assets			
Tangible assets	10	4 424	3 763
Total expenditure for capital assets		**4 424**	**3 763**
Unauthorised expenditure approved without funding	11	-	-
Payments for financial assets	8	**5**	**33**
TOTAL EXPENDITURE		**7 327 654**	**6 355 185**
SURPLUS FOR THE YEAR		**1 037 174**	**1 227 257**

Reconciliation of net surplus for the year	Note	2015/16 R'000	2014/15 R'000
Voted funds		**125 502**	**1 217 681**
Annual appropriation		125 502	1 217 681
Conditional grants		-	-
Departmental revenue and NRF receipts	19	805 987	5 277
Aid assistance	4	105 685	4 299
SURPLUS FOR THE YEAR		**1 037 174**	**1 227 257**

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		**126 589**	**1 219 911**
Unauthorised expenditure	11	14 860	14 860
Cash and cash equivalents	12	110 276	1 203 054
Other financial assets	13	-	-
Prepayments and advances	14	1 023	1 686
Receivables	15	430	311
Loans	17	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-current assets		**2 205**	**2 205**
Investments	16	2 205	2 205
Receivables	15	-	-
Loans	17	-	-
Other financial assets	13	-	-
TOTAL ASSETS		**128 794**	**1 222 116**
LIABILITIES			
Current liabilities		126 398	1 219 811
Voted funds to be surrendered to the Revenue Fund	18	125 502	1 217 681
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	360	1 666
Bank overdraft	20	-	-
Payables	21	536	464
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
Non-current liabilities			
Payables	22	-	-
TOTAL LIABILITIES		**126 398**	**1 219 811**
NET ASSETS		**2 396**	**2 305**
Represented by:			
Capitalisation reserve		2 205	2 205
Recoverable revenue		191	100
Retained funds		-	-
Revaluation reserve		-	-
		2 396	**2 305**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
Capitalisation reserves			
Opening balance		2 205	2 205
Transfers		-	-
Closing balance		**2 205**	**2 205**
Recoverable revenue			
Opening balance		100	146
Transfers:		91	(46)
Irrecoverable amounts written off		-	-
Debts revised		39	(5)
Debts recovered (included in Departmental receipts)		(261)	(481)
Debts raised		313	440
Closing balance		**191**	**100**
Retained funds		-	-
Revaluation reserve		-	-
Total		**2 396**	**2 305**

CASH FLOW STATEMENT

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**8 364 717**	**7 582 442**
Annual appropriated funds received	1.1	7 267 619	7 437 794
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	805 387	5 230
Interest received	3	489	47
Aid assistance received	4	291 222	139 371
Net increase in working capital		616	3 904
Surrendered to Revenue Fund		(2 024 974)	(30 439)
Surrendered to RDP fund/donor		(105 685)	(4 299)
Current payments		(509 309)	(473 607)
Interest paid	7	-	-
Payments for financial assets		(5)	(33)
Transfers and subsidies paid		(6 813 916)	(5 877 782)
Net cash flow available from operating activities	23	**(1 088 556)**	**1 200 186**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	10	(4 424)	(3 763)
Proceeds from sale of capital assets	3	111	-
Net cash flows from investing activities		**(4 313)**	**(3 763)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		91	(46)
Net cash flows from financing activities		**91**	**(46)**
Net (decrease)/increase in cash and cash equivalents		(1 092 778)	1 196 377
Cash and cash equivalents at beginning of period		1 203 054	6 677
Cash and cash equivalents at end of period	24	**110 276**	**1 203 054**

ACCOUNTING POLICIES

for the year ended 31 March 2016

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the Annual Financial Statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the Annual Financial Statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Public Finance Management Act, 1999 and the annual Division of Revenue Act, 2016 (Act No. 3 of 2016).

1. Basis of Preparation

The Annual Financial Statements have been prepared in accordance with the Modified Cash Standard.

2. Going Concern

The Annual Financial Statements have been prepared on a going concern basis.

3. Presentation Currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

4. Rounding

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

5. Foreign Currency Translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

6. Comparative Information

6.1 Prior period comparative information

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.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise of Departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the Statement of Financial Position.

7.2 Departmental revenue

Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.

7.3 Accrued Departmental revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Annual Financial Statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold of R5 000.

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the Annual Financial Statements when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment.

The operating lease commitments are recorded in the notes to the Annual Financial Statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the notes to the Annual Financial Statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the notes to the Annual Financial Statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset; or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the notes to the Annual Financial Statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the Statement of Financial Position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

10. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

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.

11. Prepayments and Advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and Receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

13. Investments

Investments are recognised in the Statement of Financial Position at cost.

14. Financial Assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the Annual Financial Statements.

15. Payables

Loans and payables are recognised in the Statement of Financial Position at cost.

16. Capital Assets

16.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the Annual Financial Statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of Accounting General (OAG)) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the Annual Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/ entity in which case the completed project costs are transferred to that department.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the Annual Financial Statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the Annual Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/ entity in which case the completed project costs are transferred to that department.

17. Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the Annual Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the Annual Financial Statements when there 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 within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the Annual Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

17.4 Commitments

Commitments are recorded at cost in the notes to the Annual Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18. Unauthorised Expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

- Approved by Parliament or the Provincial Legislature with funding and the related funds are received
- Approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the Statement of Financial Performance
- Transferred to receivables for recovery

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19. Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is recorded in the notes to the Annual Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the Annual Financial Statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Irregular Expenditure

Irregular expenditure is recorded in the notes to the Annual Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21. Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with Modified Cash Standard (MCS) requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. Events after the Reporting Date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

23. Departures from the MCS Requirements

Management has concluded that the Annual Financial Statements present fairly the Department's primary and secondary information; that the Department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the Department has departed, the nature of the departure and the reason for departure.

24. Capitalisation Reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

25. Recoverable Revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

26. Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the Annual Financial Statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the Annual Financial Statements

27. Inventories (Effective from 1 April 2017)

At the date of acquisition, inventories are recorded at cost price in the notes to the Annual Financial Statements

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

28. Public-Private Partnerships

Public-Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the Public-Private Partnership agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the Annual Financial Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

1. Annual Appropriation

1.1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act, 2013 (and the Adjustments Appropriation Act) for national departments (voted funds) and provincial departments.

	2015/16			2014/15	
	Final Appropriation	Actual Funds Received	Funds Not Requested/ Not Received*	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Administration	277 898	246 598	31 300	260 601	260 601
Energy Policy and Planning	40 586	44 096	(3 510)	53 053	53 053
Petroleum and Petroleum Products	69 008	73 378	(4 370)	78 210	78 210
Electrification and Energy Programme	5 824 050	5 813 822	10 228	4 217 327	4 217 327
Nuclear Energy	655 116	653 898	1 218	846 529	846 529
Clean Energy	400 961	435 827	(34 866)	1 982 074	1 982 074
Total	**7 267 619**	**7 267 619**	**-**	**7 437 794**	**7 437 794**

All the requested funds for 2015/2016 were received in full.

*Funds not requested/not received refers to virements between programmes.

2. Statutory Appropriation

	2015/16	2014/15
	R'000	R'000
Members' remuneration	-	-
Debt-service costs	-	-
Provincial equitable share	-	-
National Revenue Fund payments	-	-
Skills levy and sector education and training authorities	-	-
Total	**-**	**-**

3. Departmental Revenue

	Note	2015/16 R'000	2014/15 R'000
Sale of goods and services other than capital assets	3.1	3 885	3 133
Interest, dividends and rent on land	3.2	489	47
Sale of capital assets	3.3	111	-
Transactions in financial assets and liabilities	3.4	800 443	510
Transfer received	3.5	1 059	1 587
Departmental revenue collected		**805 987**	**5 277**

3.1 Sales of goods and services other than capital assets

	Note 3	2015/16 R'000	2014/15 R'000
Sales of goods and services produced by the department		3 885	3 132
Sales by market establishment		141	139
Administrative fees		3 631	2 896
Other sales		113	97
Sales of scrap, waste and other used current goods		-	1
Total		**3 885**	**3 133**

3.2 Interest, dividends and rent on land

	Note 3	2015/16 R'000	2014/15 R'000
Interest		489	47
Total		**489**	**47**

3.3 Sale of capital assets

	Note 3	2015/16 R'000	2014/15 R'000
Tangible assets		111	-
Machinery and equipment	36.2	111	-
Total		**111**	**-**

3.4 Transactions in financial assets and liabilities

	Note 3	2015/16 R'000	2014/15 R'000
Receivables		192	477
Other receipts including recoverable revenue		800 251	33
Total		**800 443**	**510**

The R800.25 million included in transactions in financial assets and liabilities relates to unspent funds surrendered by Eskom after the termination of the DoE-Eskom MoA. These funds were surrendered by the Department to the National Revenue Fund.

3.5 Transfers received

	Note 3	2015/16 R'000	2014/15 R'000
Other governmental units		1 059	1 587
Total		**1 059**	**1 587**

4. Aid Assistance

	Note	2015/16 R'000	2014/15 R'000
Opening balance		-	-
Revenue	Annex 1F	291 222	139 371
Expenditure	Annex 1F	(185 537)	(135 072)
Transferred from Statement of Financial Performance		105 685	4 299
Paid during the year*	Annex 1F	(105 685)	(4 299)
Closing Balance		**-**	**-**

*Funds amounting to R105.69 million were surrendered to the RDP Fund during the current year.

5. Compensation of Employees

5.1 Salaries and wages

	2015/16 R'000	2014/15 R'000
Basic salary	198 704	178 230
Performance award	4 262	4 104
Service based	165	288
Compensative/circumstantial	9 284	7 903
Periodic payments	131	83
Other non-pensionable allowances	48 462	43 549
Total	**261 008**	**234 157**

5.2 Social contributions

	2015/16 R'000	2014/15 R'000
Employer contributions		
Pension	25 201	22 439
Medical	9 760	7 634
Bargaining council	40	36
Total	**35 001**	**30 109**
Total compensation of employees	**296 009**	**264 266**
Average number of employees	**610**	**577**

6. Goods and Services

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		5 662	4 450
Advertising		13 785	8 652
Minor assets	6.1	1 036	367
Bursaries (employees)		610	761
Catering		1 961	1 033
Communication		7 613	7 844
Computer services	6.2	9 839	10 204
Consultants: Business and advisory services		25 828	43 840
Legal services		924	847
Contractors		2 560	1 742
Agency and support/outsourced services		3 305	270
Entertainment		1	22
Audit cost external	6.3	4 233	3 578
Fleet services		1 586	1 129
Consumables	6.4	5 695	5 702
Operating leases		34 063	27 147
Property payments	6.5	4 083	3 849
Rental and hiring		93	15
Transport provided as part of the departmental activities		238	1
Travel and subsistence	6.6	65 250	56 345
Venues and facilities		15 373	19 708
Training and development		4 664	5 665
Other operating expenditure	6.7	4 898	6 170
Total		**213 300**	**209 341**

6.1 Minor assets

	Note 6	2015/16 R'000	2014/15 R'000
Tangible assets		1 036	367
Heritage assets		48	-
Machinery and equipment		986	367
Transport assets		2	-
Total		**1 036**	**367**

6.2 Computer services

	Note 6	2015/16 R'000	2014/15 R'000
SITA computer services		8 123	7 690
External computer service providers		1 716	2 514
Total		**9 839**	**10 204**

6.3 Audit cost: external

	Note 6	2015/16 R'000	2014/15 R'000
Regularity audits		4 233	3 433
Performance audits		-	-
Computer audits		-	145
Total		**4 233**	**3 578**

6.4 Consumables

	Note 6	2015/16 R'000	2014/15 R'000
Consumable supplies		1 789	1 582
Uniform and clothing		89	333
Household supplies		474	321
Building material and supplies		60	268
Communication accessories		1	-
IT consumables		171	510
Other consumables		994	150
Stationery, printing and office supplies		3 906	4 120
Total		**5 695**	**5 702**

6.5 Property payments

	Note 6	2015/16 R'000	2014/15 R'000
Municipal services		2 981	1 756
Other		1 102	2 093
Total		**4 083**	**3 849**

6.6 Travel and subsistence

	Note 6	2015/16 R'000	2014/15 R'000
Local		50 074	41 040
Foreign		15 176	15 305
Total		**65 250**	**56 345**

6.7 Other operating expenditure

	Note 6	2015/16 R'000	2014/15 R'000
Professional bodies, membership and subscription fees		783	3 732
Resettlement costs		573	373
Other – (includes printing, publication and courier services etc.)		3 542	2 065
Total		**4 898**	**6 170**

7. Interest and Rent on Land

	2015/16 R'000	2014/15 R'000
Interest paid	-	-
Rent on land	-	-
Total	**-**	**-**

8. Payments for Financial Assets

	Note	2015/16 R'000	2014/15 R'000
Other material losses written off	8.1	5	32
Debts written off	8.2	-	1
Total		**5**	**33**

8.1 Other material losses written off

	Note	2015/16	2014/15
	8	R'000	R'000
Nature of losses			
Salary debt		5	32
Total		**5**	**32**

8.2 Debts written off

	Note	2015/16	2014/15
	8	R'000	R'000
Debt written off		-	1
Total debt written off		**-**	**1**

9. Transfers and Subsidies

	Note	2015/16	2014/15
		R'000	R'000
Provinces and municipalities	39	2 158 239	1 241 563
Departmental agencies and accounts	Annex 1B	87 140	197 194
Foreign governments and international organisations	Annex 1D	29 563	21 275
Public corporations and private enterprises	Annex 1C	4 349 780	4 278 715
Households	Annex 1E	3 657	3 963
Total		**6 628 379**	**5 742 710**

10. Expenditure for Capital Assets

	Note	2015/16	2014/15
		R'000	R'000
Tangible assets		**4 424**	**3 763**
Machinery and equipment	36.1	4 424	3 763
Total		**4 424**	**3 763**

10.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted Funds	Aid Assistance	Total
	R'000	R'000	R'000
Tangible assets	4 424		4 424
Machinery and equipment	4 424	-	4 424
Total	**4 424**	**-**	**4 424**

10.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted Funds	Aid Assistance	Total
	R'000	R'000	R'000
Tangible assets	**3 763**		**3 763**
Machinery and equipment	3 763	-	3 763
Total	**3 763**	**-**	**3 763**

11. Unauthorised Expenditure

11.1 Reconciliation of unauthorised expenditure

	2015/16	2014/15
	R'000	R'000
Opening balance	14 860	14 860
Movement	-	-
Closing balance	**14 860**	**14 860**

11.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2015/16	2014/15
	R'000	R'000
Transfers and subsidies	14 860	14 860
Total	**14 860**	**14 860**

11.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2015/16	2014/15
	R'000	R'000
Expenditure incurred not in accordance with the Vote 28 in the 2010/11 financial year	14 860	14 860
Total	**14 860**	**14 860**

During the 2010/11 financial year, R14.8 million was disbursed from the incorrect Vote. A request for condonation has been submitted to National Treasury for consideration. The Department was duly informed that the matter has to be presented to the Standing Committee on Public Accounts (SCOPA). The Department presented the matter to SCOPA on 12 November 2014 and is awaiting the committee's decision. No unauthorised expenditure was incurred since.

12. Cash and Cash Equivalents

	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		
Cash receipts	110 188	1 201 380
Cash on hand	46	46
Cash with commercial banks (Local)	42	1 628
Total	**110 276**	**1 203 054**

13. Other Financial Assets

	Note	2015/16 R'000	2014/15 R'000
Current			
Local		-	-
Total		**-**	**-**
Foreign		-	-
Total		**-**	**-**

14. Prepayments and Advances

	Note	2015/16 R'000	2014/15 R'000
Travel and subsistence		88	7
Advances paid	14.1	935	1 679
Total		**1 023**	**1 686**

14.1 Advances paid

	Note 14	2015/16 R'000	2014/15 R'000
National departments	Annex 6	935	1 679
Total		**935**	**1 679**

15. Receivables

	Note	2015/16 Current R'000	2015/16 Non-current R'000	2015/16 Total R'000	2014/15 Current R'000	2014/15 Non-current R'000	2014/15 Total R'000
Claims recoverable	15.1	148	-	148	8	-	8
Recoverable expenditure	15.2	28	-	28	127	-	127
Staff debt	15.3	227	-	227	161	-	161
Fruitless and wasteful expenditure	15.4	27	-	27	15	-	15
Total		**430**	**-**	**430**	**311**	**-**	**311**

15.1 Claims recoverable

	Note 15	2015/16 R'000	2014/15 R'000
National departments	Annex 4	148	8
Total		**148**	**8**

15.2 Recoverable expenditure (disallowance accounts)

	Note 15	2015/16 R'000	2014/15 R'000
Disallowed damages and losses		-	2
Salaries: Tax debt		8	1
Disallowance miscellaneous		14	124
Salaries: Reversal		6	-
Total		**28**	**127**

15.3 Staff debt

	Note 15	2015/16 R'000	2014/15 R'000
Staff debtors		227	161
Total		**227**	**161**

15.4 Fruitless and wasteful expenditure

	Note 15	2015/16 R'000	2014/15 R'000
Opening balance		15	-
Interest paid on International Membership fees		-	15
Interest paid on Pension Fund fees		12	-
Transfers from Note 32 Fruitless and Wasteful Expenditure		-	-
Total		**27**	**15**

16. Investments

	Note	2015/16 R'000	2014/15 R'000
Non-current			
Shares and other equity			
Nuclear Energy Corporation of South Africa	Annex 2A	2 205	2 205
Total		**2 205**	**2 205**

	2015/16 R'000	2014/15 R'000
Analysis of non-current investments		
Opening balance	2 205	2 205
Movement	-	-
Closing balance	**2 205**	**2 205**

The Department holds 2 205 000 shares in its entity, the South African Nuclear Corporation Limited (Necsa). Investments are recorded at cost in terms of the accounting policy. Refer to Annexure 2A for the Net Assets Value as at 31 March 2016.

17. Loans

The loan amount is R1 only. The loan that was granted to the Portuguese Government towards the Hydro Electrica de Cahora Bassa Scheme was written down from R347 million to R1 during the 2003/2004 financial year. The written off amount included capitalised interest of R308 million, while the capital amount in respect of the loan was R39 million.

18. Voted Funds to be Surrendered to the Revenue Fund

	2015/16 R'000	2014/15 R'000
Opening balance	1 217 681	26 180
Transfer from Statement of Financial Performance	125 502	1 217 681
Paid during the year	(1 217 681)	(26 180)
Closing balance	**125 502**	**1 217 681**

19. Departmental Revenue and NRF Receipts to be Surrendered to the Revenue Fund

	2015/16 R'000	2014/15 R'000
Opening balance	1 666	648
Transfer from Statement of Financial Performance	805 987	5 277
Paid during the year	(807 293)	(4 259)
Closing balance	**360**	**1 666**

20. Bank Overdraft

	Note	2015/16 R'000	2014/15 R'000
Closing balance		**-**	**-**

21. Payables: current

	Note	2015/16 R'000	2014/15 R'000
Clearing accounts	21.1	137	208
Other payables	21.2	399	256
Total		**536**	**464**

21.1 Clearing accounts

	Note 21	2015/16 R'000	2014/15 R'000
Salaries: Income tax		130	207
Salaries: Pension fund		7	1
Total		**137**	**208**

21.2 Other payables

	Note 21	2015/16 R'000	2014/15 R'000
Licence fee received		399	256
Total		**399**	**256**

22. Payables: Non-current

	2015/16				2014/15
	R'000	R'000	R'000	R'000	R'000
	1 to 2 Years	2 to 3 Years	More Than 3 Years	Total	Total
Other payables	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

23. Net Cash Flow Available from Operating Activities

	Note	2015/16	2014/15
		R'000	R'000
Net surplus as per Statement of Financial Performance		1 037 174	1 227 257
Add back non-cash/cash movements not deemed operating activities		(2 125 730)	(27 071)
(Increase)/decrease in receivables – current		(119)	3 612
Decrease in prepayments and advances		663	13
Increase in payables – current		72	279
Proceeds from sale of capital assets		(111)	-
Expenditure on capital assets		4 424	3 763
Surrenders to Revenue Fund		(2 024 974)	(30 439)
Surrenders to RDP Fund/Donor		(105 685)	(4 299)
Net cash flow generated by operating activities		**(1 088 556)**	**1 200 186**

24. Reconciliation of Cash and Cash Equivalents for Cash Flow Purposes

	2015/16	2014/15
	R'000	R'000
Consolidated Paymaster General account	110 188	1 201 380
Cash on hand	46	46
Cash with commercial banks (local)	42	1 628
Total	**110 276**	**1 203 054**

25. Contingent Liabilities and Contingent Assets

	Note	2015/16	2014/15
		R'000	R'000
Liable to nature			
Other guarantees	Annex 3A	20 000	20 000
Claims against the Department	Annex 3B	15 399	16 504
Intergovernmental payables (unconfirmed balances)	Annex 5	-	-
Total		**35 399**	**36 504**

26. Commitments

	2015/16 R'000	2014/15 R'000
Current expenditure		
Approved and contracted	18 967	73 312
Approved but not yet contracted	-	-
	18 967	**73 312**
Capital expenditure		
Approved and contracted	144 851	834
Approved but not yet contracted	-	-
	144 851	**834**
Total commitments	**163 818**	**74 146**

27. Accruals and Payables not Recognised

27.1 Accruals

	30 Days	30+ Days	2015/16 R'000 Total	2014/15 R'000 Total
Listed by economic classification				
Goods and services	8 460	-	8 460	9 302
Total	8 460	-	**8 460**	**9 302**

	2015/16 R'000	2014/15 R'000
Listed by programme level		
Programme 1: Administration	5 083	2 492
Programme 2: Energy Policy and Planning	188	434
Programme 3: Petroleum and Petroleum	2 062	417
Programme 4: Project Management	818	4 695
Programme 5: Nuclear Energy	242	946
Programme 6: Clean Energy	67	318
Total	**8 460**	**9 302**

27.2 Payables not recognised

	30 Days	30+ Days	2015/16 R'000 Total	2014/15 R'000 Total
Listed by economic classification				
Goods and services	4 718	-	4 718	2 645
Total	**4 718**	**-**	**4 718**	**2 645**

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Programme 1: Administration	Annex 5	4 717	2 645
Programme 2: Energy Policy and Planning		-	-
Programme 3: Electricity and Energy	Annex 5	1	-
Programme 4: Project Management		-	-
Programme 5: Nuclear Energy		-	-
Programme 6: Clean Energy		-	-
Total		**4 718**	**2 645**

Included in the above are the following:

	Note	2015/16 R'000	2014/15 R'000
Confirmed balance with departments	Annex 5	4 717	2 645
Confirmed with other Government entities	Annex 5	1	-
Total		**4 718**	**2 645**

28. Employee Benefits

	2015/16 R'000	2014/15 R'000
Leave entitlement*	10 754	6 560
Service bonus (thirteenth cheque)	7 385	6 653
Performance awards**	4 280	4 099
Capped leave commitments	1 911	1 910
Other	342	366
Total	**24 672**	**19 588**

*The leave entitlement does not include leave credits with credit balances.

**The performance awards amount is based on the allowed percentage of 1.5% of the total Compensation of Employee's budget.

The leave with credit balances amounts to R378 067 (2014/15: R638 652).

29. Lease Commitments

29.1 Operating leases expenditure

2015/16	Buildings and Other Fixed Structures	Machinery and Equipment	Total
	R'000	R'000	R'000
Not later than 1 year	31 094	4 141	35 235
Later than 1 year and not later than 5 years	193 660	4 114	197 774
Later than 5 years	12 346	-	12 346
Total lease commitments	**237 100**	**8 255**	**245 355**

2014/15	Buildings and Other Fixed Structures	Machinery and Equipment	Total
	R'000	R'000	R'000
Not later than 1 year	28 720	2 696	31 416
Later than 1 year and not later than 5 years	180 872	2 455	183 327
Later than 5 years	52 594	-	52 594
Total lease commitments	**262 186**	**5 151**	**267 337**

Included in Buildings and Other Fixed Structures is a building lease that was entered into in the 2010/11 financial year by the Department of Public Works on behalf of the Department of Energy for head office accommodation totalling 12 738 m^2. The lease agreement commenced in July 2012 for a period of 10 years.

30. Accrued Departmental Revenue

	Note	2015/16	2014/15
		R'000	R'000
Sales of goods and services other than capital assets	30.1	2 644	2 544
Total		**2 644**	**2 544**

30.1 Analysis of accrued Departmental revenue

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		2 544	1 966
Less: amounts received		(2 755)	(1 902)
Add: amounts recognised		2 855	2 480
Closing balance	30	**2 644**	**2 544**

31. Irregular Expenditure

31.1 Reconciliation of irregular expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		-	379
Add: irregular expenditure – relating to current year	31.2	678	55
Less: prior year amounts condoned		-	(379)
Less: current year amounts condoned	31.3	(678)	(55)
Closing balance		**-**	**-**

31.2 Details of irregular expenditure: current year

Incident	Disciplinary Steps Taken/Criminal Proceedings	2015/16 R'000
Procurement process not followed	Disciplinary action will be taken, if necessary, pending the outcome of the investigation	678
Total		**678**

31.3 Details of irregular expenditure condoned

Incident	Condoned by (Condoning Authority)	2015/16 R'000
Procurement process not followed	The Accounting Officer of the Department	678
Total		**678**

32. Fruitless and Wasteful Expenditure

32.1 Reconciliation of fruitless and wasteful expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		15	-
Fruitless and wasteful expenditure – relating to current year		12	-
Less: amounts transferred to receivables for recovery	15.4	(27)	15
Closing balance		**-**	**15**

32.2 Analysis of awaiting resolution per economic classification

	2015/16 R'000	2014/15 R'000
Current	-	15
Total	**-**	**15**

32.3 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary Steps Taken/Criminal Proceedings	2015/16 R'000
Interest paid on late payment of Pension Fund fees	Investigation is currently underway	12
Total		**12**

33. Related Party Transactions

	2015/16 R'000	2014/15 R'000
Payments made		
Interest and rent on land	-	2 906
Transfers	666 706	957 060
Total	**666 706**	**959 966**

	2015/16 R'000	2014/15 R'000
Year end balances arising from revenue/payment		
Receivables from related parties	-	8
Payables to related parties	-	(2 645)
Total	**-**	**(2 637)**

	Note	2015/16 R'000	2014/15 R'000
Guarantees issued – Necsa	Annex 3A	20 000	20 000
Total		**20 000**	**20 000**

33.1 In kind goods and services received from related parties

	2015/16 R'000
Donation in kind received from Independent Power Producers for the Budget Vote speech	552
Total	**552**

33.2 Related party relationships

Entity	Relationship
CEF	State-Owned Entity of Department of Energy
Necsa	State-Owned Entity of Department of Energy
NERSA	State-Owned Entity of Department of Energy
NNR	State-Owned Entity of Department of Energy
NRWDI	State-Owned Entity of Department of Energy
SANEDI	State-Owned Entity of Department of Energy

34. Key Management Personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers	2	4 195	3 978
Officials:			
Levels 15 to 16	15	15 200	17 286
Level 14	24	23 652	19 130
Total		**43 047**	**40 394**

35. Provisions

	2015/16 R'000	2014/15 R'000
Provision for disused past strategic nuclear facilities	-	3 643 364
Total	**-**	**3 643 364**

35.1 Reconciliation of movement in provisions – 2015/16

	Environmental Rehabilitation Liability R'000	Total Provisions R'000
Opening balance	3 643 364	3 643 364
Transfer of provision to Necsa	(3 643 364)	(3 643 364)
Closing balance	**3 643 364**	**3 643 364**

35.2 Reconciliation of movement in provisions – 2014/15

	Environmental Rehabilitation Liability	Total Provisions
	R'000	R'000
Opening balance	3 527 216	3 527 216
Change in provision due to change in estimation of inputs	116 148	116 148
Closing balance	**3 643 364**	**3 643 364**

The Department had a potential liability arising from the decontamination and decommissioning of past strategic nuclear facilities as per Section 1 (xii) (a) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999).

However, after consultation with all relevant stakeholders, it was decided that a legal opinion should be sought on the legal liability for the cost of decontamination and decommissioning of the past strategic facilities.

After a lengthy review process, Senior Counsel concluded that Necsa carries the legal liability for the costs of decontamination and decommissioning of the past strategic nuclear facilities, which are licensed and still in operation at Nesca. However, the State and/or the Minister of Energy has a funding responsibility in this regard.

The Minister of Energy has written to the Finance Minister on this matter and due process will be followed in the request for guarantee/funds.

The legal opinion was shared with Nesca, the Auditor-General of South Africa and National Treasury. The Chairperson of Nesca has also been duly informed of the outcome.

36. Movable Tangible Capital Assets

	Opening Balance	Additions	Disposals*	Closing Balance
	R'000	R'000	R'000	R'000
Heritage assets	**222**	**-**	**-**	**222**
Heritage assets	222	-	-	222
Machinery and equipment	**42 208**	**4 473**	**367**	**46 314**
Transport assets	3 035	-	-	3 035
Computer equipment	22 159	2 694	207	24 646
Furniture and office equipment	12 256	1 545	153	13 648
Other machinery and equipment	4 758	234	7	4 985
Total moveable tangible capital assets	**42 430**	**4 473**	**367**	**46 536**

*Disposals include assets sold, donated and written off.

36.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2016

	Cash	Non-cash	(Capital Work in Progress Current Costs)	Received Current, Not Paid	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	**4 424**	**38**	**-**	**11**	**4 473**
Computer equipment	2 656	38	-	-	2 694
Furniture and office equipment	1 545	-	-	-	1 545
Other machinery and equipment	223	-	-	11	234
Total additions to movable tangible capital assets	**4 424**	**38**	**-**	**11**	**4 473**

36.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2016

	Sold for Cash	Non-cash Disposal	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
Machinery and equipment	**-**	**367**	**367**	**111**
Transport assets	-	-	-	111
Computer equipment	-	207	207	-
Furniture and office equipment	-	153	153	-
Other machinery and equipment	-	7	7	-
Total disposal of movable tangible capital assets	**-**	**367**	**367**	**111**

36.3 Movement for 2014/15

Movement in tangible capital assets per asset register for the year ended 31 March 2015

	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Heritage Assets	**222**	**-**	**-**	**-**	**222**
Heritage assets	222	-	-	-	222
Machinery and Equipment	**37 690**	**-**	**5 524**	**1006**	**42 208**
Transport assets	1 630	-	1 450	45	3 035
Computer equipment	20 590	-	2 395	826	22 159
Furniture and office equipment	11 267	-	1 112	123	12 256
Other machinery and equipment	4 203	-	567	12	4 758
Total movable tangible capital assets	**37 912**	**-**	**5 524**	**1 006**	**42 430**

36.4 Minor assets

	Heritage Assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Opening balance	185	6 236	6 421
Additions	-	1 039	1 039
Disposals	-	(234)	(234)
Total minor assets	**185**	**7 041**	**7 226**

	Heritage Assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	91	91
Number of minor assets at cost	83	4 593	4 676
Total number of minor assets	**83**	**4 684**	**4 767**

Movement in minor assets per the asset register for the year ended 31 March 2014/15

	Heritage Assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Opening balance	185	5 998	6 183
Additions	-	386	386
Disposals	-	(148)	(148)
Total minor assets	**185**	**6 236**	**6 421**

36.5 Movable assets written off

Movable assets written off for the year ended 31 March 2016

	Machinery and Equipment	Total
	R'000	R'000
Assets written off*	195	195
Total movable assets written off	**195**	**195**

*Assets written off refers to lost assets only.

Movable assets written off for the year ended 31 March 2015

	Machinery and Equipment	Total
	R'000	R'000
Assets written off	244	244
Total movable assets written off	**244**	**244**

37. Intangible Capital Assets

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Software	3 585	-	-	3 585
Total intangible capital assets	**3 585**	**-**	**-**	**3 585**

37.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2016

	Cash	Non-Cash	(Development Work in Progress – Current Costs)	Received Current Year, Not Paid	Total
	R'000	R'000	R'000	R'000	R'000
Software	-	-	-	-	-
Total additions to intangible capital assets	**-**	**-**	**-**	**-**	**-**

37.2 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2016

	Sold for Cash	Non-Cash Disposal	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
Software	-	-	-	-
Total disposals of intangible capital assets	**-**	**-**	**-**	**-**

37.3 Movement for 2015/16

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Software	3 585	-	-	3 585
Total intangible capital assets	**3 585**	**-**	**-**	**3 585**

38. Prior Period Errors

There are no prior period errors.

39. Statement of Conditional Grants and Other Transfers Paid to Municipalities

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
AbaQulusi Local Municipality	18 000	-	1 000	19 000	19 000	-	-
Albert Luthuli Local Municipality	5 000	-	1 000	6 000	6 000	-	-
Alfred Nzo District Municipality	6 000	-	7 000	13 000	13 000	-	-
Ba-Phalaborwa Local Municipality	7 000	-	-	7 000	7 000	-	-
Baviaans Local Municipality	-	-	3 000	3 000	3 000	-	-
Beaufort West Local Municipality	23 000	-	-	23 000	23 000	-	-
Bela-Bela Local Municipality	2 000	-	-	2 000	2 000	-	-
Bergrivier Municipality	3 000	-	-	3 000	3 000	-	-
Bitou Local Municipality	7 000	-	-	7 000	7 000	-	-
Blouberg Local Municipality	7 000	-	-	7 000	7 000	-	-
Buffalo City Metropolitan Municipality	43 000	-	(9 000)	34 000	34 000	-	-
Bushbuckridge Local Municipality	7 200	-	-	7 200	7 200	-	-
Camdeboo Local Municipality	1 100	-	-	1 100	1 100	-	-
Cape Agulhas Local Municipality	2 000	-	-	2 000	2 000	-	-
Capricorn District Municipality	-	-	-	-	-	-	-
Cederberg Municipality	3 000	-	-	3 000	3 000	-	-
City of Cape Town Metropolitan Municipality	17 000	-	-	17 000	17 000	-	-
City of Johannesburg Metropolitan Municipality	37 000	-	-	37 000	37 000	-	-
City of Matlosana Local Municipality	5 000	-	-	5 000	5 000	-	-
City of Tshwane Metropolitan Municipality	37 000	-	7 000	44 000	44 000	-	-
City of uMlathuce Local Municipality	9 000	-	-	9 000	9 000	-	-
Dannhauser Local Municipality	5 000	-	-	5 000	5 000	-	-
Dihlabeng Local Municipality	5 000	-	-	5 000	5 000	-	-
Dikgatlong Local Municipality	1 000	-	1 000	2 000	2 000	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Dipaleseng Local Municipality	14 200	-	-	14 200	14 200	-	-
Ditsobotla Local Municipality	2 000	-	-	2 000	2 000	-	-
Drakenstein Local Municipality	4 000	-	-	4 000	4 000	-	-
Dr Pixley Ka Seme Local Municipality	13 148	-	-	13 148	13 148	-	-
eDumbe Local Municipality	18 000	-	-	18 000	18 000	-	-
Ekurhuleni Metropolitan Municipality	64 000	-	-	64 000	64 000	-	-
Elias Motsoaledi Municipality	10 000	-	-	10 000	10 000	-	-
Elundini Local Municipality	20 000	-	-	20 000	20 000	-	-
Emadlangeni Local Municipality	10 000	-	-	10 000	10 000	-	-
Emalahleni Municipality (Eastern Cape)	20 772	-	-	20 772	20 772	-	-
Emalahleni Municipality (Mpumalanga)	21 000	-	-	21 000	21 000	-	-
Emnambethi-Ladysmith Local Municipality	15 000	-	-	15 000	15 000	-	-
Emthanjeni Local Municipality	1 500	-	-	1 500	1 500	-	-
Endumeni Local Municipality	10 000	-	-	10 000	10 000	-	-
Engcobo Local Municipality	20 000	-	-	20 000	20 000	-	-
eThekwini Municipality	44 000	-	(5 000)	39 000	39 000	-	-
Gamagara Local Municipality	20 000	-	-	20 000	20 000	-	-
Ga-Segonyana Local Municipality	3 000	-	(1 500)	1 500	1 500	-	-
George Local Municipality	7 000	-	-	7 000	7 000	-	-
Govan Mbeki Local Municipality	5 200	-	(2 000)	3 200	3 200	-	-
Greater Giyani Local Municipality	10 000	-	-	10 000	10 000	-	-
Greater Kokstad Local Municipality	3 000	-	-	3 000	3 000	-	-
Greater Taung Local Municipality	-	-	-	-	-	-	-
Greater Tubatse Local Municipality	70 000	-	-	70 000	70 000	-	-
Greater Tzaneen Local Municipality	35 000	-	-	35 000	35 000	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Great Kei Local Municipality	1 000	-	-	1 000	1 000	-	-
Hantam Local Municipality	-	-	-	-	-	-	-
Harry Gnala District Municipality	-	-	7 000	7 000	7 000	-	-
Hessequa Local Municipality	3 000	-	-	3 000	3 000	-	-
Hibiscus Coast Local Municipality	8 000	-	(5 000)	3 000	3 000	-	-
Hlabisa Local Municipality	10 000	-	-	10 000	10 000	-	-
Imbabazane Local Municipality	18 000	-	-	18 000	18 000	-	-
Impendle Local Municipality	6 000	-	-	6 000	6 000	-	-
Indaka Local Municipality	8 000	-	-	8 000	8 000	-	-
Ingquza Hill Local Municipality	18 000	-	-	18 000	18 000	-	-
Ingwe Local Municipality	18 000	-	-	18 000	18 000	-	-
Intsika Yethu Local Municipality	20 000	-	-	20 000	20 000	-	-
Inxuba Yethemba Local Municipality	8 000	-	(3 000)	5 000	5 000	-	-
Jozini Local Municipality	15 000	-	-	15 000	15 000	-	-
Kai !Garib Municipality	1 500	-	-	1 500	1 500	-	-
Kamiesberg Local Municipality	500	-	-	500	500	-	-
Kannaland Local Municipality	3 000	-	-	3 000	3 000	-	-
Kgatelopele Local Municipality	1 500	-	-	1 500	1 500	-	-
Kgetlengrivier Local Municipality	3 899	-	-	3 899	3 899	-	-
Khai-Ma Local Municipality	1 500	-	-	1 500	1 500	-	-
Khara Hais Municipality	13 000	-	-	13 000	13 000	-	-
Kheis Municipality	2 000	-	-	2 000	2 000	-	-
King Sabata Dalindyebo Local Municipality	20 000	-	2 000	22 000	22 000	-	-
Knysna Local Municipality	6 000	-	-	6 000	6 000	-	-
Kopanong Local Municipality	1 600	-	-	1 600	1 600	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Kouga Local Municipality	4 100	-	-	4 100	4 100	-	-
Koukamma Local Municipality	2 000	-	-	2 000	2 000	-	-
KwaDukuza Local Municipality	18 000	-	-	18 000	18 000	-	-
Laingsburg Local Municipality	6 000	-	-	6 000	6 000	-	-
Langeberg Local Municipality	2 000	-	-	2 000	2 000	-	-
Lekwa Local Municipality	1 700	-	-	1 700	1 700	-	-
Lekwa-Teemane Local Municipality	5 000	-	-	5 000	5 000	-	-
Lepelle-Nkumpi Local Municipality	10 000	-	-	10 000	10 000	-	-
Lephalale Local Municipality	-	-	-	-	-	-	-
Lesedi Local Municipality	9 000	-	(3 600)	5 400	5 400	-	-
Lukhanji Municipality	2 000	-	-	2 000	2 000	-	-
Madibeng Municipality	-	-	21 000	21 000	21 000	-	-
Mafikeng Local Municipality	8 000	-	(5 000)	3 000	3 000	-	-
Mafube Local Municipality	4 000	-	6 000	10 000	10 000	-	-
Magareng Local Municipality	3 000	-	200	3 200	3 200	-	-
Makhado Local Municipality	22 000	-	-	22 000	22 000	-	-
Maletswai Local Municipality	3 000	-	-	3 000	3 000	-	-
Maluti-A-Phofung Local Municipality	23 000	-	(3 000)	20 000	20 000	-	-
Mamusa Local Municipality	2 000	-	-	2 000	2 000	-	-
Mandeni Local Municipality	10 000	-	-	10 000	10 000	-	-
Mangaung Metropolitan Municipality	30 000	-	-	30 000	30 000	-	-
Mantsopa Local Municipality	3 000	-	-	3 000	3 000	-	-
Maphumulo Local Municipality	8 000	-	-	8 000	8 000	-	-
Maruleng Local Municipality	7 000	-	-	7 000	7 000	-	-
Masilonyana Local Municipality	1 500	-	-	1 500	1 500	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Matatiele Local Municipality	30 000	-	-	30 000	30 000	-	-
Matjhabeng Local Municipality	1 800	-	1 800	3 600	3 600	-	-
Matzikama Local Municipality	2 500	-	-	2 500	2 500	-	-
Mbhashe Local Municipality	20 000	-	-	20 000	20 000	-	-
Mbizana Local Municipality	25 000	-	-	25 000	25 000	-	-
Mbombela Local Municipality	-	-	7 000	7 000	7 000	-	-
Merafong City Local Municipality	15 000	-	(5 000)	10 000	10 000	-	-
Metsimaholo Local Municipality	32 000	-	-	32 000	32 000	-	-
Mhlontlo Local Municipality	13 000	-	-	13 000	13 000	-	-
Midvaal Local Municipality	4 000	-	-	4 000	4 000	-	-
Mkhambathini Local Municipality	10 000	-	(8 000)	2 000	2 000	-	-
Mkhondo Local Municipality	10 000	-	-	10 000	10 000	-	-
Mnquma Local Municipality	15 000	-	-	15 000	15 000	-	-
Modimolle Local Municipality	10 000	-	-	10 000	10 000	-	-
Mogalakwena Local Municipality	10 000	-	-	10 000	10 000	-	-
Mogale City Local Municipality	-	-	-	-	-	-	-
Mohokare Local Municipality	474	-	-	474	474	-	-
Moretele Local Municipality	21 000	-	(21 000)	-	-	-	-
Moqhaka Local Municipality	-	-	-	-	-	-	-
Moses Kotane Local Municipality	5 000	-	(5 000)	-	-	-	-
Mossel Bay Local Municipality	7 000	-	-	7 000	7 000	-	-
Mpofana Local Municipality	6 000	-	-	6 000	6 000	-	-
Msinga Local Municipality	20 000	-	-	20 000	20 000	-	-
Msukaligwa Local Municipality	12 638	-	-	12 638	12 638	-	-
Msunduzi Local Municipality	10 000	-	-	10 000	10 000	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Mthonjaneni Local Municipality	8 000	-	-	8 000	8 000	-	-
Mtubatuba Local Municipality	2 000	-	1 000	3 000	3 000	-	-
Nala Local Municipality	-	-	-	-	-	-	-
Naledi Municipality	15 000	-	-	15 000	15 000	-	-
Naledi Municipality	168	-	-	168	168	-	-
Nama Khoi Local Municipality	6 000	-	-	6 000	6 000	-	-
Ndlambe Local Municipality	-	-	-	-	-	-	-
Ndwendwe Local Municipality	9 000	-	-	9 000	9 000	-	-
Nelson Mandela Bay Metropolitan Municipality	45 500	-	(10 000)	35 500	35 500	-	-
Newcastle Local Municipality	15 000	-	(7 000)	8 000	8 000	-	-
Ngwathe Local Municipality	3 000	-	-	3 000	3 000	-	-
Nkandla Local Municipality	35 000	-	-	35 000	35 000	-	-
Nketoana Local Municipality	3 240	-	-	3 240	3 240	-	-
Nkomazi Local Municipality	10 000	-	-	10 000	10 000	-	-
Nkonkobe Local Municipality	12 000	-	(2 000)	10 000	10 000	-	-
Nongoma Local Municipality	12 000	-	-	12 000	12 000	-	-
Nquthu Local Municipality	20 000	-	-	20 000	20 000	-	-
Ntabankulu Local Municipality	30 000	-	9 400	39 400	39 400	-	-
Ntambanana Local Municipality	8 000	-	800	8 800	8 800	-	-
Nxuba Local Municipality	5 000	-	-	5 000	5 000	-	-
Nyandeni Local Municipality	25 000	-	-	25 000	25 000	-	-
Okhahlamba Local Municipality	10 000	-	-	10 000	10 000	-	-
Oudtshoorn Local Municipality	9 000	-	-	9 000	9 000	-	-
Overstrand Local Municipality	8 000	-	-	8 000	8 000	-	-
Phokwane Local Municipality	1 000	-	-	1 000	1 000	-	-
Phumelela Local Municipality	7 600	-	-	7 600	7 600	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Polokwane Local Municipality	40 000	-	-	40 000	40 000	-	-
Prince Albert Local Municipality	3 000	-	-	3 000	3 000	-	-
Ramotshere Moiloa Municipality	15 000	-	-	15 000	15 000	-	-
Randfontein Local Municipality	28 000	-	2 600	30 600	30 600	-	-
Renosterberg Local Municipality	1 500	-	-	1 500	1 500	-	-
Richmond Local Municipality	10 000	-	-	10 000	10 000	-	-
Richtersveld Local Municipality	1 500	-	(700)	800	800	-	-
Rustenburg Local Municipality	10 000	-	-	10 000	10 000	-	-
Sakhisizwe Local Municipality	4 000	-	-	4 000	4 000	-	-
Saldanha Bay Local Municipality	2 000	-	-	2 000	2 000	-	-
Setsoto Local Municipality	1 500	-	-	1 500	1 500	-	-
Siyancuma Local Municipality	3 400	-	1 250	4 650	4 650	-	-
Siyathemba Local Municipality	-	-	1 500	1 500	1 500	-	-
Sol Plaatje Local Municipality	7 000	-	-	7 000	7 000	-	-
Stellenbosch Local Municipality	10 000	-	-	10 000	10 000	-	-
Steve Tshwete Local Municipality	15 400	-	-	15 400	15 400	-	-
Sunday's River Valley Local Municipality	1 500	-	-	1 500	1 500	-	-
Swartland Local Municipality	-	-	5 000	5 000	5 000	-	-
Swellendam Local Municipality	3 000	-	-	3 000	3 000	-	-
Thabazimbi Local Municipality	4 000	-	(2 000)	2 000	2 000	-	-
The Big Five False Bay Local Municipality	8 000	-	-	8 000	8 000	-	-
Theewaterskloof Local Municipality	5 000	-	-	5 000	5 000	-	-
Thembisile Hani Local Municipality	1 100	-	(1 100)	-	-	-	-
Thulamela Local Municipality	60 000	-	8 000	68 000	68 000	-	-
Tokologo Local Municipality	2 000	-	-	2 000	2 000	-	-

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Tswelopele Local Municipality	4 500	-	-	4 500	4 500	-	-
Ubuhlebezwe Local Municipality	30 000	-	-	30 000	30 000	-	-
Ubuntu Local Municipality	2 000	-	(2 000)	-	-	-	-
Ulundi Local Municipality	15 000	-	-	15 000	15 000	-	-
uMfolozi Local Municipality	9 000	-	-	9 000	9 000	-	-
Umhlabuyalingana Local Municipality	15 000	-	-	15 000	15 000	-	-
Umjindi Local Municipality	4 000	-	-	4 000	4 000	-	-
uMlalazi Local Municipality	8 000	-	-	8 000	8 000	-	-
uMngeni Local Municipality	5 000	-	-	5 000	5 000	-	-
uMshwathi Local Municipality	18 000	-	-	18 000	18 000	-	-
Umsobomvu Local Municipality	7 000	-	1 350	8 350	8 350	-	-
Umtshezi Local Municipality	15 000	-	-	15 000	15 000	-	-
Umvoti Local Municipality	25 000	-	-	25 000	25 000	-	-
Umzimkhulu Local Municipality	20 000	-	-	20 000	20 000	-	-
Umzimvubu Local Municipality	33 000	-	-	33 000	33 000	-	-
Umzumbe Local Municipality	12 000	-	1 000	13 000	13 000	-	-
uPhongolo Local Municipality	12 000	-	-	12 000	12 000	-	-
Ventersdorp Local Municipality	5 000	-	-	5 000	5 000	-	-
Victor Khanye Local Municipality	19 000	-	-	19 000	19 000	-	-
Vulamehlo Local Municipality	8 000	-	-	8 000	8 000	-	-
Westonaria Local Municipality	8 000	-	-	8 000	8 000	-	-
Witzenberg Local Municipality	4 000	-	-	4 000	4 000	-	-
Total	**2 158 239**	**-**	**-**	**2 158 239**	**2 158 239**	**-**	**-**

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2016

Annexure 1A

Statement of conditional grants and other transfers paid to municipalities

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Energy Efficiency and Demand Side Management (EEDSM)	177 899	-	-	177 899	177 899	-	-
Integrated National Electrification Programme (INEP)	1 980 340	-	-	1 980 340	1 980 340	-	-
Total	**2 158 239**	**-**	**-**	**2 158 239**	**2 158 239**	**-**	**-**

Annexure 1B

Statement of transfers to departmental agencies and accounts

Department/Agency/Account	Transfer Allocation				Transfer		2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
		-	-				
Chemical Industry SETA	396	-	-	396	396	100	372
Energy and Water SETA	396	-	-	396	396	100	372
National Nuclear Regulator	21 487	-	-	21 487	21 487	100	33 697
SA National Energy Development Institute	64 861	-	-	64 861	64 861	100	162 685
Public Sector SETA	-	-	-	-	-	-	68
Total	**87 140**	**-**	**-**	**87 140**	**87 140**		**197 194**

Annexure 1C

Statement of transfers/subsidies to public corporations and private enterprises

Name of Public Corporation/ Private Enterprise	Transfer Allocation				Expenditure				2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Available Funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers	**4 341 916**	**-**	**(148 315)**	**4 193 601**	**4 193 601**	**100**	**-**	**-**	**4 208 715**
ESKOM (INEP and EEDSM)	3 761 558	-	(148 315)	3 613 243	3 613 243	100	-	-	3 448 037
SA Nuclear Energy Corp LTD	580 358	-	-	580 358	580 358	100	-	-	760 678
Subtotal	**4 341 916**	**-**	**(148 315)**	**4 193 601**	**4 193 601**	**100**	**-**	**-**	**4 208 715**
Private Enterprises									
Transfers	**295 863**	**-**	**(16 749)**	**279 114**	**156 179**	**56.0**	**-**	**-**	**70 000**
Non-grid household	166 592	-	-	166 592	156 179	93.7	-	-	70 000
Private enterprise production	129 271	-	(16 749)	112 522	-	-	-	-	-
Subtotal	**295 863**	**-**	**(16 749)**	**279 114**	**156 179**	**56.0**	**-**	**-**	**70 000**
Total	**4 637 779**	**-**	**(165 064)**	**4 472 715**	**4 349 780**	**97.3**	**-**	**-**	**4 278 715**

Annexure 1D

Statement of transfers to foreign government and international organisations

Foreign Government/International Organisation	Transfer Allocation				Expenditure		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
The African Petroleum Producer Association	-	-	-	-	-	-	2 312
International Partnership for Energy Efficiency Cooperation (IPEEC)	-	-	-	-	-	-	775
GIF Technical Secretariat	457	-	-	457	457	100	-
International Energy Forum (IEF)	368	-	-	368	366	99	281
African Regional Cooperation Agreement for Research Development and Training	3 984	-	-	3 984	3 943	99	2 384
International Atomic Energy Agency (IAEA)	20 484	-	-	20 484	20 484	100	-
International Atomic Energy Agency (IAEA) - Voluntary contribution	3 000	-	-	3 000	3 000	100	14 620
International Renewable Energy (IRENA)	1 328	-	-	1 328	1 313	99	903
Total	**29 621**	**-**	**-**	**29 621**	**29 563**		**21 275**

Annexure 1E

Statement of transfers to households

Households	Transfer Allocation				Expenditure		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuity paid to employees	601	-	-	601	601	100	1 796
Bursary non-employees	686	-	-	686	686	100	701
Post-retirement benefit	2 347	-	-	2 347	2 345	100	1 466
Donations and gifts	25	-	-	25	25	100	-
Total	**3 659**	**-**	**-**	**3 659**	**3 657**		**3 963**

Annexure 1F

Statement of aid assistance received

Name of Donor	Purpose	Opening Balance	Revenue	Expenditure	Surrendered to RDP	Closing Balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Swiss Agency for Development	Support for Energy Efficiency Monitoring and Implementation Project	-	2 865	2 865	-	-
Kingdom of Denmark	RDP fund - Renewable Energy Development Programme surrendering 2014/15 unspent funds*	-	12 047	-	12 047	-
EU Commission (GBS Funding)	Implementation of smart metering in SA electricity industry	-	151 592	151 593	-	-
Kingdom of Denmark	Denmark, Renewable Energy Development Programme	-	31 079	31 079	-	-
EU Commission (GBS Funding)	Implementation of smart metering in SA electricity industry Surrendering of interest for 2014/15 from SANEDI**	-	93 639	-	93 639	-
Total		**-**	**291 222**	**185 537**	**105 685**	**-**

*R12 million transferred to SANEDI during 2014/15. Funds remained unspent at 31 March 2015. Surrendered to RDP Fund on 13 May 2015.

**Interest earned on grant of R93 639 also surrendered to RDP Fund.

Annexure 1G

Statement of gifts, donations and sponsorships made

Nature of Gift, Donation or Sponsorship	2015/16 R'000	2014/15 R'000
Made in kind		
Donations made towards the funerals of deceased employees	-	40
Gifts for International Women's Day event	-	1
Consumables for switch on at Nkomazi Local Municipality in Mpumalanga	-	2
Flowers – farewell and well wishes	2	1
Gifts for Ministerial switch-on in KwaZulu-Natal	-	2
Promotional items for switch-on at Tulwane, Nkandla Local Municipality	-	2
Consumables for Ministerial public participation programme in Thohoyandou	-	2
Gifts for United Nations Framework convention on climate change meeting to be held in Boon, Germany	-	2
Gifts for Ministers in France, Equatorial Guinea and Vienna	-	6
Gifts for the Deputy Minister's office for official events	-	6
Ministerial gifts	-	46
Ministerial Christmas cards	-	2
Medals for sports day event	-	1
Household appliances for public participation programme	-	2
Household consumables for community engagement	41	6
Ministerial gifts - Iran	1	-
Corporate gifts for Deputy Ministers in Zambia, Congo, China, Iran and the Democratic Republic of Congo	9	-
Corporate gifts	4	2
Gifts for female senior citizens event to be hosted by Deputy Minister in Eastern Cape	8	-
Corporate gifts for the Department of Energy's Budget Vote 2015	169	-
Consumables for various Imbizos	6	-
Gifts for Ministerial event in Cape Town	2	-
Total	**242**	**123**

Various stakeholders provided unquantified sponsorships in kind.

Annexure 2A

Statement of investments in and amounts owing by/to national/provincial public entities

Name of Public Entity	State Entity's Public Finance Management Act, 1999 (Act No. 1 of 1999) Schedule type (State Year End if not 31 March)	% Held 15/16	% Held 14/15	Number of Shares Held R'000		Cost of Investment R'000		Net Asset Value of Investment R'000		Profit/(Loss) for the Year R'000		Losses Guaranteed
				2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Yes/No
National/provincial public entity												
The South African Nuclear Corporation Limited		100	100	2 205	2 205	2 205	2 205		861 830		(29 336)	No
Central Energy Fund PTY (Ltd)		100	100	1	1	-	-		34 841 120	-	(11 295 817)	No
Total				**2 206**	**2 206**	**2 205**	**2 205**	**-**	**35 702 950**	**-**	**(11 325 153)**	

Annexure 2B

Statement of investments in and amounts owing by/to entities

Name of Public Entity	Nature of Business	Cost of Investment R'000		Net Asset Value of Investment R'000		Amounts Owing to Entities R'000		Amounts Owing by Entities R'000	
		2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Controlled entities									
Central Energy Fund PTY (Ltd)	Financing and promotion of the acquisition of, research into and exploitation of energy related products and technology	-	-	-	34 841 120	-	-	-	-
Total		**-**	**-**	**-**	**34 841 120**	**-**	**-**	**-**	**-**

Annexure 3A

Statement of financial guarantees issued 31 March 2016 – Local

Guarantor Institution	Guarantee in Respect of	Original Guaranteed Capital Amount	Opening Balance 1 April 2015	Guarantees Draw Downs During The Year	Guarantees Repayments/ Cancelled/ Reduced/ Released During the Year	Revaluations	Closing Balance 31 March 2016	Guaranteed Interest for Year Ended 31 March 2016	Realised Losses Not Recoverable i.e. Claims Paid Out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Necsa	20 000	20 000	-	-	-	20 000	-	-
Total		**20 000**	**20 000**	**-**	**-**	**-**	**20 000**	**-**	**-**

Annexure 3B

Table xi: Statement of contingent liabilities as at 31 March 2016

Nature of Liability	Opening Balance 1 April 2015	Liabilities Incurred During the Year	Liabilities Paid/ Cancelled/ Reduced During the Year	Liabilities Recoverable (Provide Details Hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Claims against the Department*	16 504	795	1 900	-	15 399
Total	**16 504**	**795**	**1 900**	**-**	**15 399**

*These are legal claims against the Department.

Annexure 4

Claims recoverable

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt Date up to 6 Working Days After Year End	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Statistics South Africa	-	8	-	-	-	8	-	-
National Treasury	23	-	-	-	23	-	-	-
Department of Trade and Industry	123	-	-	-	123	-	-	-
Department of Arts and Culture	-	-	2	-	2	-	-	-
Total	**146**	**8**	**2**	**-**	**148**	**8**	**-**	**-**

Annexure 5

Inter-government payables

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment Date up to 6 Working Days Before Year End	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Departments								
Current								
Department of Human Settlement	259	-	-	-	259	-	-	-
South African Police Services	1 115	-	-	-	1 115	-	-	-
Gauteng Provincial Government (G-Fleet)	1 318	639	-	-	1 318	639	-	-
Department of Public Works	2 015	2 006	-	-	2 015	2 006	-	-
Department of Public Enterprise	10				10			
Subtotal	**4 717**	**2 645**	**-**	**-**	**4 717**	**2 645**	**-**	**-**
Other government entities								
Current								
Deeds Registration Trading Account (Petroleum)	1	-	-	-	1	-	-	-
Subtotal	**1**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
Total	**4 718**	**2 645**	**-**	**-**	**4 718**	**2 645**	**-**	**-**

Annexure 6

Inter-entity advances paid (note 14)

Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
National Departments						
Department of International Relations and Cooperation	734	1 679	-	-	734	1 679
Department of Communication and Information Systems	201	-	-	-	201	-
Total	**935**	**1 679**	**-**	**-**	**935**	**1 679**

Part F
ANNEXURE

1. LIST OF ACRONYMS

Acronym	Description
20YRLFMP	20-Year Liquid Fuels Master Plan
ADAM	Approach to Distribution Asset Management
AENE	Adjusted Estimates of National Expenditure
AFRA	African Regional Cooperation Agreement for Research Development and Training Related to Nuclear Science and Technology
AFRA-FMC	AFRA Field Management Committee
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
APPA	African Petroleum Producer Association
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BBL	Oil Barrel
BFP	Basic Fuel Price
BRICS	Brazil, Russia, India, China and South Africa
BSS	Benchmark Service Station
BW	Bid Window
c/ℓ	Cents per Litre
CDM	Clean Development Mechanism
CEF	Central Energy Fund
CEM	Clean Energy Ministerial
CHIETA	Chemical Industries Education and Training Authority
CSP	Concentrating Solar Power
DBC	Departmental Bargaining Chamber
DMR	Department of Mineral Resources
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
DRDLR	Department of Rural Development and Land Reform
EAP	Employee Assistance Programme
EEDSM	Energy Efficiency and Demand Side Management
EHWP	Employee Health and Wellness Programme
EMP	Electrification Master Plan
ENE	Energy of National Expenditure
EU	European Union
EWSETA	Energy and Water Sector Education and Training
EXCO	Executive Committee
FMPPI	Framework for Managing Programme Performance Information
G20	Group 20
GCIS	Government Communication and Information System
GHG	Greenhouse Gas
GIF	Generation International Forum

Acronym	Description
GUMP	Gas Utilisation Master Plan
GW	Giga Watts
HDI	Historically Disadvantaged Individual
HDSA	Historically Disadvantaged South African
HIV/AIDS	Human immunodeficiency virus infection and acquired immune deficiency syndrome
HOA	Home Owners Allowance
HRM & D	Human Resources Management and Development
IAEA	International Atomic Energy Agency
IEA	International Energy Agency
IEC	Integrated Energy Centre
IEF	International Energy Forum
IEP	Integrated Energy Plan
IGU	International Gas Union
IMC	Inter-Ministerial Committee
INEP	Integrated National Electrification Programme
IOP	Institutional Operational Plan
IPAP2	Industrial Policy Action Plan 2
IPEE	International Partnership in Energy Efficiency
IPEEC	International Partnership for Energy Efficiency Cooperation
IPP	Independent Power Producer
IRENA	International Renewable Energy Agency
IRP	Integrated Resource Plan
ISMO	Independent Systems and Market Operator
IT	Information Technology
ITAC	International Trade Administration Commission of South Africa
LPG	Liquefied Petroleum Products
M&V	Measurement and Verification
MANCO	Management Committee
MCS	Modified Cash Standards
MDZ	Magisterial District Zones
MoA	Memorandum of Agreement
MPSA	Minister of Public Service and Administration
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MV	Medium Voltage
MW	Mega Watt
NDP	National Development Plan
Necsa	South African Nuclear Energy Corporation SOC Limited
NEE	National Energy Efficiency
NEES	National Energy Efficiency Strategy and Action Plan
NEF	National Empowerment
NERSA	National Energy Regulator of South Africa
NEWG	Nuclear Energy Working Group
NFC	Nuclear Fuel Cycle

Acronym	Description
NGP	New Growth Path
NNBP	Nuclear New Build Programme
NNR	National Nuclear Regulator
NRF	National Research Fund
NRWDI	National Radioactive Waste Disposal Institute
NSWHP	National Solar Water Heater Programme
NTI	New To Industry
OAG	Office of Accounting General
OHS	Occupational Health and Safety
OPEC	Organisation of Petroleum Exporting Country
PAA	Public Audit Act
pc	Public Corporation
pe	Private Enterprise
PFMA	Public Finance Management Act
PFT	Project Facilitation Team
PICC	Presidential Infrastructure Coordinating Commission
PMDS	Performance Management and Development System
PMO	Programme Management Office
PPALS	Petroleum Products Act Licensing System
PPP	Public-Participation Programme
PSCBC	Public Service Coordinating Bargaining Council
PSETA	Public Service Sector Education and Training Authority
PSP	Principal Support Provider
PV	Photovoltaic
R&D	Research and Development
RAS	Regulatory Accounting System
RDP	Reconstruction and Development Programme
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
ReNuAL	Renovation of the Nuclear Applications Laboratories
RFP	Request for Proposal
RFRI	Request for Registration and Information Process
RPM	Radiation Portal Monitor
SADC	Southern African Development Community
SAIREC	South Africa International Renewable Energy Conference
SANEDI	South African National Energy Development Institute
SARETEC	South African Renewable Energy Technology Centre
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SE4ALL	Sustainable Energy for All
SED	Strategic Energy Dialogue
SEIAS	Socio Economic Impact Assessment System
SETA	Sector Education and Training Authority
SFF	Strategic Fuel Fund
SIP	Strategic Integrated Project
SISYFOS	SImulering af SYstemers FOrsyningsSikkerhed (Simulation of the Security of Supply of Systems)

Acronym	Description
SITA	State Information Technology Agency
SLA	State Law Advisor
SMME	Small Medium-Micro Enterprises
SMS	Senior Management Service
SNEL	Société Nationale d'Électricité
SOC	State-Owned Company
SOE	State-Owned Entity
SOOG	Strategic Outcomes-Orientated Goal
SWH	Solar Water Heater
TCP	Technical Cooperation Programme
TWh	Terawatt Hours
UNFCCC	United Nations Framework Convention on Climate Change
WASA	Wind Atlas for South Africa
WOESA	Women in Oil and Energy South Africa
WSP	Workplace Skills Plan
YTD	Year to Date
ZESA	Zimbabwe Electricity Supply Authority
ZESCO	Zambia Electricity Supply Company

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