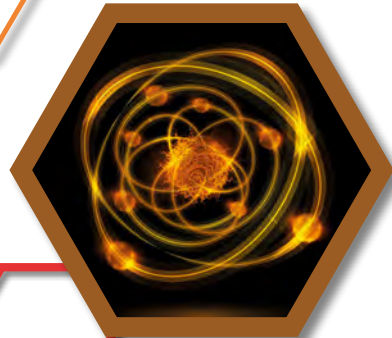


ANNUAL REPORT 2016/17



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PART A

GENERAL INFORMATION

1. FOREWORD BY THE MINISTER

1.1 Introduction

It is my pleasure to present the Department of Energy's Annual Report for the fiscal year 2016/17. It comes at a time when we must take stock of what we promised to deliver in the previous financial year as well as examine the degree to which we have succeeded in fulfilling our mandate. During the year under review, the Department of Energy (the Department) made meaningful contributions to job creation, economic growth and reducing poverty.

The Department remains committed to the goals set out in the National Development Plan (NDP).

The NDP envisages that by 2030, South Africa will have an Energy Sector that promotes economic growth and development through adequate investment in energy infrastructure. The NDP identifies the need for South Africa to invest in robust economic infrastructure designed to support the country's medium- and long-term economic and social objectives. Energy infrastructure is a critical component that underpins economic activity and growth across the country. The NDP requires the development of 210 000 MWs of additional electricity capacity to be commissioned by 2025 against the 2013 baseline of 44 000 MWs.

It has become increasingly evident that, in the short to medium term, South Africa requires flexibility as well as reliability in terms of energy, specifically electricity. Energy is central to nearly every major challenge and opportunity the world faces today. It is the key to successful poverty reduction, social progress, equity, enhanced resilience, economic growth, and, if developed appropriately, environmental sustainability.

To realise this vision, we continued to develop our generating capacity across a broadened energy mix. We need to ensure that there is security of energy supply, and adequate infrastructure generation, transmission and distribution in order to support economic development.



1.2 Integrated National Electrification Programme

One of our on-going needs remains the electrification of domestic housing. The Integrated National Electrification Programme (INEP) and the implementing agencies, such as Eskom, the municipalities and non-grid service providers, have made remarkable progress in increasing access to electricity in South Africa. Close to seven million households were connected between 1994 and March 2017. 90% of all households now have access to electricity.

In the 2016/17 financial year, the Non-grid Programme achieved 16 922 connections against the set target of 20 000 connections. Since the inception of the Programme, INEP has completed more than

150 000 installations of Solar Home Systems (SHSs), mainly in the Eastern Cape (EC), KwaZulu-Natal (KZN), the Northern Cape and Limpopo. This has improved people's standard of living.

The objectives of the Solar Water Heater Programme (SWHP) include reducing electricity demand, and improving job creation and skills development opportunities for the youth and women through localisation. The Non-grid Programme is now also being considered for implementation in urban areas, with the eventual aim of delivery throughout the country. INEP was allocated R5.8 billion in the 2016/17 financial year, divided amongst all the provinces and municipalities. Transfers directly to municipalities amounted to R1.9 billion and transfers via Eskom to municipalities amounted to R3.5 billion. By the end of March 2017, INEP had achieved 301 976 (grid) and 16 922 (non-grid) connections, amounting to a total of 318 898 new connections, all as part of the 2016/17 financial year allocations.

1.3 Independent Power Producer Procurement Programme

Our Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), established in 2010, has become one of the world's most progressive and successful alternative energy programmes. Ever since the introduction of these renewable energy technology programmes (solar, wind, biomass, small hydro and landfill gas power), plants have been going up across the country, feeding additional, clean energy into the national grid.


The roll-out of the REIPPPP has attracted significant international attention. In the last two years, our country has consistently been ranked amongst the top achievers globally for installed solar and wind capacity. This creates an attractive market that will allow for investment in renewable energy. By the end of March 2017, R201.8 billion had been committed for the development of REIPPPP projects, effectively realising investment at this scale within five-and-a-half years from when the first Requests for Proposals (RFPs) went to market. The investment achieved in utility-scale renewable energy projects during 2014 placed South Africa among the top 10 investing countries in the world for the year.

The Department has procured 6 422 MW of electricity from 112 Renewable Energy Independent Power Producers (REIPPs). Of this, 3 052 MW of electricity generation capacity from 5 756 projects has been connected to the national grid, ensuring that

1 522 016 991 GWh of clean energy can be delivered to more than 4.5 million average South African households.

The different projects are distributed throughout all of our provinces, so as to benefit from local climatic conditions such as abundant sunshine and wind. As a result, the Northern Cape has become one of the world's largest solar energy hubs and there is a high concentration of wind plants in the EC, amongst other examples. Small towns that were previously struggling have been revitalised through the benefits and opportunities of our renewable energy projects.

To date, the contracted REIPPs have created 35 413 full-time employment (FTE) opportunities for South African citizens. During the construction phase 26 639 FTE were created. This is 64% more than the planned target. These are primarily jobs in provinces which lack large, urban areas. As at end March 2017, these REIPPs had spent R357.4 million on socio-economic development, with most spending to date allocated for education, skills development, social and welfare areas, but also for health care, infrastructure, and housing improvements. The REIPPs have also spent R115.2 million on enterprise development initiatives that assist to grow and develop small- and medium-sized businesses.

 The REIPPPP represents the country's most comprehensive strategy to date in achieving the transition to a greener economy.

The REIPPPP represents the country's most comprehensive strategy to date in achieving the transition to a greener economy. The programme has been designed to contribute to the development of a local green industry and the creation of green jobs.

The positive impact of the REIPPPP spread into the development of local manufacturing with the establishment of component factories for solar photovoltaic (PV) panels and wind-turbine technologies. The local PV-module Manufacturing Sector has shown growth: Exports of PV modules followed from a low base (of around R0.06 billion) in 2014, increasing to more than R1.3 billion, while imports slowly declined over the three years. At least 12 new industrial facilities have been established

in the country in direct response to the Renewable Energy Programme – evidence of the programme's contribution towards growing the green economy and green jobs.

As the energy mix diversifies with the inclusion of concentrated solar power (which includes a storage element), biomass and landfill gas, the share of energy available during peak periods will increase.

Renewables are contributing to job creation, industrialisation, foreign investment, rural development, community benefits and working relations between Government and business.

1.4 Integrated Resource Plan and the Gas Infrastructure Plan

The process of developing the Integrated Energy Plan (IEP) will give rise to the infrastructure plans of the Electricity, Gas and Liquid Fuels Sectors. The updated Integrated Resource Plan (IRP) process is well underway. It was submitted to the Economic Sector and Infrastructure Development Cluster in the second quarter of the year under review. Similarly, the Gas Infrastructure Plan (GIP) will take direction from the IEP with regard to gas pipelines, storage and the other infrastructure that is necessary in order to meet the energy demand through gas supply.

Going forward, it is becoming increasingly apparent that future energy demand will be a mix of electricity, gas and liquid fuels. Depending on the relative cost of each of these, equilibrium amongst the three will be established.

1.5 Clean Coal Technology

South Africa participates in the United Nations Framework Convention on Climate Change (UNFCCC), which highlights that fossil fuel combustion/use inevitably emits Greenhouse Gasses (GHG), including CO₂, which can be mitigated through the employment of Clean Coal Technologies (CCT).

The NDP provides the foundation for South Africa's vision of economic and socio-economic growth and advancement: It recognises the pivotal role that coal plays as the primary input in energy

generation, thereby underpinning industrialisation. The Department acknowledges that coal remains a backbone of South Africa's economy through the supply of energy. Coal contributes 70% to primary energy consumption, 90% to electricity generation and almost 30% to total liquid fuels.



The NDP recognises the pivotal role that coal plays as the primary input in energy generation.

South Africa is committed to the management of efficient use of its coal through the employment of CCT. Through the Carbon Capture and Storage Project (CCSP) for the stabilisation of CO₂, South Africa has made international commitments to a Low Carbon Economy (LCE) and climate change, and thus Medupi and Kusile Power Stations use supercritical technology and are classified as Carbon Capture and Storage (CCS) ready.

In 2012, the South African Cabinet approved the CCS Roadmap of the South African National Energy Development Institute (SANEDI) that was presented by the Department. This is a programme that allows for the development and deployment of CCS in five phases:

- Preliminary Potential Investigation: A preliminary investigation by the Council for Scientific and Industrial Research (CSIR) to ascertain South Africa's potential for CO₂ sequestration and storage sites. This was completed in 2004
- Geological Storage Atlas: The identification of a potential for geological storage of CO₂ in South Africa. This was completed in 2010
- Pilot CO₂ Storage Project (PCSP): The test injection of 10 000 tonnes of CO₂ into South African geological formations. This was completed in 2017
- CCS Demonstration Plant: A demonstration plant will test an integrated operating system under local conditions. This is projected for 2020
- Commercial Operation: The commercialisation of CCS for implementation that is expected to store millions of tonnes of CO₂. This is projected for 2025

We are currently in Phase Three of the CCS Roadmap. The Carbon Capture and Storage Trust Fund Grant Agreement between South Africa and the International Bank for Reconstruction and Development (IBRD) or World Bank is in progress: The World Bank intends to provide \$US23 million to support the PCSP.

The Department and SANEDI have been conducting CCS stakeholder engagements in KZN to educate stakeholders about the safe implementation of the technology. Various stakeholders, whose livelihood depends on subsistence farming and agriculture, raised concerns about the protection of underground water aquifers and the environment.

The development and deployment of CCS is informed by legislative framework. The first phase of the CCS Legal and Regulatory Framework was developed in 2013. The findings suggested the use of the National Environmental Management Act, 1998 (Act No. 107 of 1998), the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) and the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) as a foundation for the CCS regulations. This is due to the fact that this existing legislation could be amended and used as the primary legislation for the development of CCS regulations. The fourth option was the drafting of legislation entirely dedicated to CCS. The Terms of Reference for the CCS Legal and Regulatory Framework states that there is a need for further research on Phase Two and, as of 2016/17, this is underway.

1.6 Biofuel Strategy

The Biofuels Regulatory Framework (BRF) was submitted to Cabinet during the 2016/17 financial year. The BRF outlines how the emerging biofuels industry will be financially supported and how projects will be selected and supported.



The production of biofuel will create 15 000 new, permanent jobs in biofuels manufacturing plants and in agriculture.

The blending of biofuels reduces the impact of fuel emissions on the environment. In addition, the benefits of using biofuels include:

- The potential for a biofuels manufacturing industry to create a captive market for the Agricultural Sector, especially for new, black or small farmers
- The opportunity for a biofuels industry to create jobs in rural areas
- The reduction in imports of refined liquid fuel, which is good for the country's balance of payments savings

The production of 460 million litres of biofuels, as approved by Cabinet in 2007, will create 15 000 new, permanent jobs in biofuels manufacturing plants and in agriculture; there will also be over 3 000 temporary jobs created during the construction period. A 460-million-litres-per-annum biofuels industry will immediately improve the country's annual balance of payments by over R2.5 billion at the current crude oil prices and exchange rate.

1.7 International Relations

1.7.1 Southern African Development Community

As part of the Energy Sector's cooperation deliverables required for South Africa's Chairmanship of the South African Development Community (SADC), the Department will lead the process of establishing an Inter-state Natural Gas Committee. This is to share learning for regional gas development, as well to ensure the inclusion and promotion of gas into the regional energy mix to facilitate an increase in universal access to energy and industrial development in the region.

Another priority for the Department during the country's tenure of SADC leadership is the establishment of an inter-governmental governance structure to guide the development of priority regional power networks. This relates to the development of regional transmission lines, such as the Botswana-South Africa Transmission Line (BOSA), the Mozambique-Zimbabwe-South Africa Transmission Line (MOZISA) and the Angola-Namibia Transmission Line (ANA), to strengthen and increase the reliability of the existing regional power network, as well as to expand the capacity of the network so as to facilitate electricity trading in the region.

1.7.2 Grand Inga Hydropower Project

The Department continued cooperation with the DRC in the implementation of the Treaty on the Development of the Grand Inga Hydropower Project. The process of selecting concessionaires is afoot, as is the completion of the outstanding studies. The Department is also leading the process of engaging relevant SADC member states to work towards the concluding and signing of the Intergovernmental Memorandum of Understanding on the Inga III Transmission Line which will allow for the evacuation of power from the generation sources in the DRC to the delivery point in South Africa. The Joint Ministerial Committee (co-chaired by the Deputy Minister) has been established and has been meeting regularly to ensure implementation of the Project in accordance with the provision of the Treaty.

1.8 Petroleum and Petroleum Products Regulation

We attach great importance to the quality of fuel sold to motorists and other users. In this regard, we have strengthened our capacity to monitor adherence to fuel specifications. We have conducted unannounced visits to service stations across the country to collect petrol and diesel samples for analysis. Non-compliant operators were issued with relevant enforcement notices.

The year 2016 marks the 10th anniversary of the enactment of the licensing of persons involved in the manufacturing or sale of petroleum products. To this end, the Department prides itself on having given



The Department prides itself on having given Historically Disadvantaged South Africans the opportunity to participate meaningfully across the value chain.

Historically Disadvantaged South Africans (HDSA) the opportunity to participate meaningfully across the value chain; the number and quality of licences issued to date bears testimony to this.

We will continue to monitor compliance to the Liquid Fuels Charter (LFC) commitment, which requires that HDSAs own, in total, 25% of the aggregate value of the equity of the entity that holds the operating assets in the South African oil industry. To effectively monitor compliance with transformation initiatives, the Department has established a Chief Directorate to drive radical economic transformation.

1.9 Conclusion

The Department acknowledges areas that require additional work. Some of these areas are the SWHP and legislative programmes. We have always indicated that the refineries in the country can no longer meet the national demand for petroleum products, and we will make recommendations and firm proposals regarding refining capacity in South Africa. The Department will consider a public-private partnership model, given the need to manage the demand on public resources.

1.10 Appreciation

I would like to express my gratitude firstly, to my predecessor, Ms Tina Joemat Pettersson for the foundation laid; the Deputy Minister; Ambassador Thembisile Majola; the Acting Director-General, Mr Tseliso Maqubela; Team Energy; State-Owned Entities (SOEs) reporting to the Department; and all other stakeholders for working together to ensure that we all contribute to the mandated work of the Department.

Ms Mmamoloko T. Kubayi, MP
Minister of Energy



2. DEPUTY MINISTER'S STATEMENT

2.1 Introduction

The 2016/17 Annual Report represents a record of programme performance, targets achieved and mitigation strategies for underperformance.

2.2 Community Upliftment

During the year under review, the Department conducted five energy awareness campaigns, focusing on youth in five provinces. These campaigns were conducted at Piet Retief in Mpumalanga, Cullinan in Gauteng, Petrusburg in the Free State, Jozini in KZN and Khayelitsha in the Western Cape. The campaigns focussed on interacting with learners regarding careers in the Energy Sector. During these campaigns, thousands of learners were addressed and energised.

In addition, the Department, in partnership with Women in Oil and Energy South Africa (WOESA), also conducted five Business Opportunities Workshops for Women in the Energy Sector. These workshops were held in the Northern Cape, Limpopo, North West, EC and Free State provinces. More than 1 000 women were empowered in the following streams:

- The discussion of investment opportunities in the Energy Sector through organisations such as WOESA
- Active participation in the Energy Sector
- The provision of information on opportunities for women and youth who want to own, control and develop business in the Energy Sector

2.3 Integrated Energy Centres

Effective as of 2002, the Department, in collaboration with oil companies, has established Integrated Energy Centres (IECs) in poor, nodal areas around the country: It is part of the Department's mandate to promote access to energy services, such as petroleum products, in rural areas. In such areas, the volumes of sales are too low for a normal commercial operation to be established. This programme has a strong social responsibility aimed towards poverty alleviation, job creation, capacity building and stimulating the rural economy.

There are currently seven operating IECs. Two additional IECs in Bushbuckridge, Mpumalanga and Qamata, EC were constructed during the year under



review but are not yet operational. During the roll-out of these centres, new lessons were learnt concerning ways in which we can improve their effectiveness.

2.4 Skills

The challenges of technical skills required in the Energy Sector have continued to be of concern to the Department. In response to these challenges, the Department has developed a Workplace Skills Plan (WSP) based on the training needs of individual employees and their managers.

The next step is to commence with the training of local communities in the installation of the Solar Water Systems (SWS), with clear objectives set for skills and enterprise development, job creation, and the targeting of youth, women and designated groups.


Measures have been put in place to address defective installations from the initial roll-out of the SWHP to ensure continued operation of the installed systems and service delivery to the beneficiaries. This corrective SWHP serves as an incubator for suitably skilled and experienced Solar Water Heater (SWH)

installers. It has provided a platform for technical training at different levels and an opportunity for hands-on experience with all aspects of SWH installations, from identifying installation and system defects, to repairs and replacements.

With this initiative, we have discovered an ideal opportunity for youth development and the establishment of an industry that can support the delivery of the larger, national SWH target.

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 employees.

We also contributed towards the implementation 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), which took on board four integrated learners, 32 interns and 15 learnership individuals.

 We encouraged the Higher Education Sector to offer qualifications in new fields of energy innovation in South Africa.

New innovations, especially in the renewable energy space, have been introduced into South Africa. We are a country with a flair for innovation, so we must build on these newly-introduced technologies by ensuring that South Africans can maintain and develop them further through training and education. We encouraged the Higher Education Sector to use this opportunity to offer courses and qualifications in these new fields of energy innovation in South Africa.

2.5 Integrated National Electrification Programme

The main objective of this programme is to electrify the country, particularly low-cost, residential housing. Cabinet approved the new Household Electrification Strategy based on the following focus areas: universal access to electricity for 97% of households, as full electrification is unlikely to be

possible due to growth and delays in the process of formalising informal settlements; electrification of about 90% of households through grid connections and the electrification of the remainder with high-quality, non-grid, solar home systems (SHS) or other, cost-effective technologies, in order to address current and future backlogs; and development of a master plan to increase efficiency in planning and delivery to ensure more connections.

Funding of the Integrated National Electrification Programme (INEP) is a conditional grant allocation through the National Budget (Fiscus). The Department occasionally provides capacity-building support to municipalities that are struggling to implement INEP. However, INEP experiences a number of challenges which include:

- The delay in the implementation of grid connections in some municipalities due to the difference in financial years between municipalities and the Department (national): The municipalities' financial year runs from July to June, whereas the Department's (national) financial year runs from April to March
- The lack of holistic infrastructure which will ensure that the networks are extended in the most effective manner
- More households have to be electrified in deep rural areas where the installation cost is much higher
- The lack of skills and resources in the municipalities' technical departments. These skills and resources are needed to plan and manage these large electrification projects
- The long procurement processes of both Eskom and the municipalities which delay the start and completion of projects, and also escalate the costs

In addressing the above, the Department reviewed and monitored the Strategic Electrification Plan during the year under review, and ensured capacity building within the municipalities by looking at whether the current skills, knowledge, structure and personnel development are aligned to the needs of the Department. In addition, Medium Voltage (MV) lines and new, bulk substations are constructed every year to extend electrification services to deep rural areas, including the 27 Priority Districts.

Table 1 shows the electrification statistics as at end March 2017.

Table 1: Electrification statistics as at 31 March 2017

Province	Projected Households (April 2016-March 2017)	Houses Without Electricity	Houses Electrified	Access Per Province (%)
Eastern Cape	1 826 480	353 125	1 473 355	80.67
Free State	891 184	110 352	780 832	87.62
Gauteng	4 231 251	704 248	3 527 003	83.36
KwaZulu-Natal	2 748 760	501 262	2 247 498	81.76
Mpumalanga	1 164 143	98 533	1 065 610	91.54
Northern Cape	326 250	41 071	285 179	87.41
Limpopo	1 534 999	50 689	1 484 310	96.70
North West	1 149 559	152 075	997 484	86.77
Western Cape	1 768 694	160 547	1 608 147	90.92
Total	15 641 320	2 171 902	13 469 418	86.11

Electricity access to date is at 86.11% and this figure is growing. The province with the highest access to electricity is Limpopo with 96.7% and the province with the lowest access is the EC with 80.67%. Although INEP is successful throughout the country, funding and implementation capacity need to be priorities.

2.6 Conclusion

To the Minister of Energy, Ms Mmamoloko Kubayi, the Acting Director-General, Mr Tseliso Maqubela, Team Energy, SOEs reporting to the Department and all other stakeholders, together we have made contributions to the betterment of the lives of the people of South Africa and beyond. Let me take this opportunity to express my sincere gratitude for your assistance in implementing the 2016/17 programme of action in the energy space.



Ambassador Thembisile Majola
Deputy Minister



3. REPORT OF THE ACCOUNTING OFFICER

3.1 Introduction

We have come to the end of the 2016/17 financial year. It is a year that has been marked by various changes and challenges in the sector as well as in some of our SOEs. It is also a year that has seen a number of achievements for our Department; most importantly, it is a year that has seen the Minister of Energy's guidance, leadership and commitment see us through these challenges.

During the year under review, the total appropriation to the Department was R7.5 billion and 99.5% was spent as at 31 March 2017. 90.2% of our budget was transferred to municipalities and SOEs, while the remaining 9.8% remained for the Department's operational and capital expenditure requirements. Despite the limited financial resources and a number of vacancies, the overall performance of the Department was 82%. A total of 71 key performance targets were set out in the 2016/17 Annual Performance Plan (APP), of which 32 were achieved. 116 additional performance targets were set in the Department's Operational Plan, of which 77 performance targets were achieved. Overall, this translates to 109 targets achieved out of 187, a total of 58%.


The Department is committed to delivering a secure, sustainable, affordable and clean energy to our citizens and businesses, now and in the future. Security of energy supply will always remain our number-one priority and the demand for energy supply in our country will continue to increase as the economy grows. The Department started the process of reviewing all international agreements signed to date to determine the status, validity and alignment of these agreements with the country's strategic objectives, as well as to guide future agreements. During the forthcoming financial year, we will finalise this process and ensure that our plans for foreign engagements are aligned with our national interest, including the conclusion of bilateral agreements and new strategic partnerships.

This Annual Report comprehensively covers the activities and priorities of the Department during the year under review. Over the past year, we have successfully delivered the following activities and priorities:

3.2 Integrated Energy Plan

The IEP represents our energy policy and strategy statement; it seeks to provide a roadmap of the



 Security of energy supply will always remain our number-one priority.

future energy landscape for South Africa and guide future energy infrastructure investments and policy development. The consultation process 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, existing content and data; the scenarios and pathways to be tested and the associated timelines; and the integration of various sector plans for electricity, gas and liquid fuels. The public consultation process took longer than expected and eventually closed on 31 March 2017.

The Department took all received comments, inputs and plans into consideration when tabling the Draft IEP for Cabinet's consideration in the first quarter of the 2017/18 financial year.

The IEP will provide answers to various questions that our country has been grappling with regarding our energy future, including alignment with our objectives

for the Energy Sector. These objectives 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.

Current concerns include: determining our primary energy requirements up until 2050 in respect of coal, oil, gas and other energy minerals; and determining to what extent we will rely on our sun, wind and regional hydropower resources in the same period. The IEP will assist us in making the appropriate decisions regarding securing these energy sources in the required quantities. It will also help us to determine the energy conversion technologies and logistical infrastructure required, including power generation plants, refineries, pipelines, transmission wires and storage facilities for oil and gas.

3.3 Integrated Electricity Plan

The Department commenced with public consultations on 7 December 2016, which continued until 31 March 2017. Consultations included presentations as well as written submissions. Bilaterals were also held at the request of organisations such as Business Unity South Africa and the South African Banking Association. The statistics for the consultations can be summarised as follows:


- During the months of December 2016, January 2017 and February 2017, nine public workshops were held in nine provinces
- 63 presentations were delivered to the public during the workshops
- 640 people attended the workshops
- 190 comments were received from 115 submissions which comprised:
 - 89 submissions from companies including Government departments and entities
 - 26 submissions from private individuals

3.4 Municipal Energy Efficiency and Demand Side Management Programme

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

3.5 Energy Efficiency Mandatory Labelling of Appliances

The Department has made great strides in diversifying our energy mix by introducing clean energy technologies. On the supply side, significant progress has been made in introducing utility-scale renewable energy technologies through the REIPPPP. The success of this programme in introducing clean energy has been complemented by the strides in the Residential Sector to improve EE.

 The Department has made great strides in diversifying our energy mix by introducing clean energy technologies.

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. Consumers can make responsible choices based on 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. As a starting point, the Department has accelerated the introduction of mandatory energy-usage labelling on 12 appliances.

3.6 Solar Water Heaters, Fuel Pricing and Liquefied Petroleum Gas

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 regarding 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 R271.3 million was spent to procure 42 196 baseline SWS.

The Department has also reviewed and approved the Magisterial District Zones (MDZ), which will measure costs from supply points to retail outlets. The Department has also commissioned a study aimed at evaluating the asset base of storage facilities and

service stations, which will enable us to calculate the profit margins accurately. The Department is currently working together with key stakeholders to test the feasibility of implementing the above and to identify risks that might require sector or joint-specific dispensation.

In line with our vision of an expanded energy infrastructure, particularly the Liquefied Petroleum Gas (LPG) import terminal to unlock the supply of LPG into the South African market, the Department noted the delivery of LPG cargoes through Sunrise's R1 billion Saldanha Bay terminal in the Western Cape, which will address the shortage and supply crisis of LPG in the country. The Department also welcomes Avedia Energy who plans to invest \$US32.3 million over the next three years to build an LPG import terminal in South Africa. The construction of the first dedicated LPG import terminal facility was expected to be in July 2017.



The Department welcomes Avedia Energy who plans to invest \$US32.3 million to build an LPG import terminal in South Africa.

3.7 Nuclear Energy

Our country once again stands at a crossroad of the Nuclear New Build Programme (NNBP) procurement process, having done significant preparatory work for the deployment of at least 9 600 MW of nuclear power by 2030. This is in line with the IRP for 2010, which will ensure that the South African socio-economic vision defined in the NDP up until 2030 is partially 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 various studies and strategies. These were considered by Cabinet, which decided to allow the Department to issue an RFP to confirm the market appetite for the nuclear programme.

The RFP phase assisted the Department in ensuring that our country secures binding commercial and financial information to enable Cabinet to appraise

fully the arrangement that is best when implementing the NNBP. This phase clearly indicated the price, affordability, pace and scale of this programme. We will only implement what our country can afford.

By the end of the 2016/17 financial year, 80% of targets set out in the APP could not be achieved. This is attributed to Cabinet's decision in November 2016 to designate Eskom as the Procurer of the Nuclear Power Plants and the South African Nuclear Energy Corporation SOC Limited (Necsa) as the Procurer of the Multi-purpose Reactor and the Nuclear Fuel Cycle, with the Department assuming a coordinating role for the NNBP.

The Department is in the process of ratifying the amendments to the Convention on the Physical Protection of Nuclear Material. Cabinet's approval process has been initiated in this regard and ratification of this amendment by South Africa is an important step: It will have a major effect on strengthening measures for nuclear security in South Africa and will also contribute to global efforts in this regard.

3.8 Significant Achievements during the 2016/17 Financial Year

- The Annual Energy Balance (2014) was published by March 2016
- 50% of licence applications approved have 50% B-BBEE ownership
- 75% of nuclear authorisation applications were processed within an eight-week time period
- Additional inspections were conducted at facilities which have never been inspected and some inspections were conducted at facilities which were inspected in 2014 to ensure compliance
- A number of Training Skills Analyses were conducted and this contributed significantly to the Department's understanding, as these analyses provide detailed information on the Department's training requirements. 307 employees were trained during the 2016/17 financial year
- 14 new bilateral engagements were held with SADC and West African countries to promote safe and reliable energy carriers
- The Human Resource (HR) Plan has been reviewed and approved
- The energy-related projects for the OR Tambo Centenary Celebrations of 2017 were implemented
- The Annual Compliance Report on the Third Environment Plan Edition was approved

3.9 Overview of the Financial Results

Table 2: Departmental Receipts

Departmental Receipts	2016/17			2015/16		
	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
Tax receipts	-	-	-	-	-	-
Sale of goods & services other than capital assets	3 820	4 209	391	2 851	3 885	1 034
Transfers received	1 750	1 745	-6	513	1 059	546
Fines, penalties & forfeits	-	-	-	-	-	-
Interest, dividends & rent on land	130	649	519	28	489	461
Sale of capital assets	-	-	-	111	111	-
Financial transactions in assets & liabilities	275	950 302	950 027	447	800 443	799 996
Total	5 975	956 905	950 931	3 950	805 987	802 037

Departmental revenue is mainly derived from the receipt of administration fees for licence applications processed in terms of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003). The 2016/17 original collection target for administrative fees or petroleum license fees was a total of R3.1 million, representing 64.05% of the total 2016/17 revenue target of R4.84 million. Grants received from affiliated Energy Sector Education and Training Authorities (SETAs) were estimated at R1 million for the 2016/17 financial year, representing 20.66% of the total 2016/17 revenue target of R4.84 million.

Collection targets for Departmental receipts were adjusted upwards following the mid-year review of actual receipts during the 2016 Adjusted Estimates of National Expenditure (AENE) process. Total projected Departmental receipts were adjusted upwards from R4.84 million to R5.98 million to cater for increases in receipts for administrative fees, interest and grants received from affiliated energy SETAs.

The Department is participating in several learnership programmes that are funded by SETAs; the funding received from the SETAs is used to implement learner and training programmes. A total of R1.745 million under "Transfers received" was received from Department-affiliated SETAs during the year under review, representing a 64% increase

from the total of R1.06 million received during the 2015/16 financial year. This increase is attributable to the increased number of training and development projects approved and funded by the energy SETAs. As per the National Treasury's requirements, these funds were surrendered to the National Revenue Fund (NRF). Although the funding was surrendered to the NRF during the financial year, a budget allocation for SETAs' learnership programmes is appropriated annually to the Vote as earmarked funds.

During the 2015/16 financial year, Departmental revenue was significantly higher than anticipated. This was due to an amount of R800 million received from Eskom, representing unspent funds from its tenure as the implementing agent of the SWHP. This was after the termination of the DoE-Eskom Memorandum of Agreement (MoA) in respect of the NSWHP's implementation and the subsequent approval of a revised contracting model by Cabinet. A second amount of R950 million was received from Eskom during the 2016/17 financial year also being unspent funds from its implementation of the National Solar Water Heater Programme. Both amounts led to higher than anticipated receipts under the financial transactions in assets and liabilities item and both had to be surrendered to the National Revenue Fund in terms of PFMA requirements.

The higher-than-anticipated receipts under “Sale of goods and services” are mainly due to receipts of administration fees for petroleum licence applications. The increased role being played by regional offices in the collection of licence fees.

Table 3: Programme expenditure

Programme Name	2016/17			2015/16		
	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	247 018	282 762	-35 744	277 898	277 767	131
Energy Policy & Planning	40 164	39 878	286	40 586	38 095	2 491
Petroleum & Petroleum Products Regulation	79 001	78 991	10	69 008	68 958	50
Electrification & Energy Programme & Project Management	5 714 645	5 678 659	35 986	5 824 050	5 820 485	3 565
Nuclear Energy	879 834	872 451	7 383	655 116	655 029	87
Clean Energy	589 894	560 101	29 793	400 961	281 783	119 178
Total	7 550 556	7 512 842	37 714	7 267 619	7 142 117	125 502

The original appropriation of R7.545 billion was adjusted upwards to R7.551 billion, during the 2016 AENE process. The upward adjustment was as a result of an additional allocation of R5.39 million approved roll-over to non-grid service providers in order to finalise non-grid electricity connections to households in the 2016/17 financial year.

Earmarked transfer payments to public entities, municipalities and other implementing institutions amounted to R6.85 billion or 90.67% of the Department's total revised budget of R7.55 billion. Current expenditure, comprising “Compensation of employees” and the procurement of “Goods and services”, accounted for 9.13%.

The Department withdrew its entire 2016/17 revised allocation of R7.55 billion from the NRF in order to fund various departmental operations. From this withdrawn amount, R7.51 billion was used, resulting in a budget underspending of R37.71 million or 0.5%. The major contributors to this underspending are the “Transfer payments” and “Current payments” classifications with budget underspending of R31.97 million or 0.47% and R5.34 million or 0.77% respectively.

3.9.1 Programme 1: Administration

The programme overspent its budget by R35.74 million or 14.47%. The major contributors to the overspending are mainly in the following areas:

- “Compensation of employees” was overspent by R5.53 million. This is attributable to budget reductions implemented by National Treasury from the 2015 Medium-Term Expenditure

Framework (MTEF) process, and an inadequate budget allocation to cater for filled posts

- Overspending in “Goods and services” of R29.21 million is mainly due to operating leases for office accommodation and property payments as a result of increased payments associated with the relocation of several regional offices. It is also due to budget reductions implemented in previous MTEF cycles
- “Legal services” due to costs related to the Earth Life Nuclear legal challenge which was unforeseen and unavoidable
- “Computer services” due to the procurement of a Virtual Private Network (VPN) system, additional software packages and the difference in the rand-dollar exchange rates associated with procurement of software licences
- “Transfer payments”, reflecting a net budget overspending due to foreign membership fees with multilateral organisations which were carried over from the 2015/16 financial year

3.9.2 Programme 2: Energy Policy and Planning

The Programme spent 99.29% of the revised or final appropriation of R40.16 million.

3.9.3 Programme 3: Petroleum and Petroleum Products Regulation

The Programme spent 99.99% of the revised or final appropriation of R79 million.

3.9.4 Programme 4: Electrification and Energy Programme and Project Management

The net budget underspending in this programme of R35.99 million or 0.63% of the budget is mainly due to:

- "Compensation of employees" underspending of R1.91 million, attributable to vacancies
- "Transfer payments" reported an underspending of R 34.08 million due to the delay in the release of payments for the Non-grid Electrification Programme because of physical verification that had to be performed by the Department for installed SHS prior to the disbursement of payments

3.9.5 Programme 5: Nuclear Energy

The net budget underspending of R7.38 million or 0.84% under "Goods and services" is mainly due

to the delay in disbursing payments for the NNBP project which was affected by the verification of work which had to be performed. The said verification and confirmation of the deliverables as per the contract agreement was finalised towards the end of the financial year.

3.9.6 Programme 6: Clean Energy

The net underspending in the programme is R29.79 million or 5.05% of the budget, due to unspent funds attributable to the delays in concluding collaboration agreements with selected municipalities as key role-players in the installation phase of the SWHP. The installation-related services that were delayed include, but are not limited to, social facilitation and technical feasibility assessments, which are contingent upon municipal identification of the targeted residential areas.

"Transfer payments" reflect a budget overspending of R2.2 million due to membership fees paid to multilateral organisations.



3.9.7 Virement Approvals

The Accounting Officer and the National Treasury approved virements in line with prescripts and delegations during the 2016/17 financial year as follows:

Provision for gifts, donations and sponsorships

Funds were shifted within Programme 5 from under “Goods and services” to under “Transfers and subsidies” to implement a new transfer payment of R161 000 to households.

Increase in funds for compensation of employees

The Department was granted a virement of R7.5 million from “Goods and services” to “Compensation of employees” by National Treasury to defray excess expenditures as per Table 4.

Table 4: Reprioritisation of funds to compensation of employees

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 2: Energy Policy & Planning. Item: Goods & Services	3 000	Programme 1: Administration. Item: Compensation of employees in the Minister's office	3 000
Programme 6: Clean Energy. Item: Goods & Services	4 500	Office of the Director-General	1 600
		Corporate services branch	1 400
		Governance & compliance branch	1 500
Total	7 500	Total	7 500

Reprioritisation of funds to goods and services

Approval was granted by the Accounting Officer to reprioritise funds to cater for the budget reduction of R14.58 million in the “Goods and services” appropriation. The reprioritisation was apportioned as per Table 5 and Table 6.

Table 5: Reprioritisation of funds to goods and services - Programme 5

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 1: Administration. Item: Goods & Services	3 012	Programme 5: Nuclear Energy. Item: Goods & Services	4 443
Programme 2: Energy Policy & Planning. Item: Goods & Services	189		
Programme 3: Petroleum & Petroleum Products Regulation. Item: Goods & Services	334		
Programme 4: Electricity & Energy Programme & Project Management. Item: Goods & services	113		
Programme 6: Clean Energy. Item: Goods & services	795		
Total	4 443	Total	4 443

Table 6: Reprioritisation of funds to goods and services - Programme 1

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 2: Energy Policy & Planning. Item: Goods & Services	41	Programme 1: Administration. Responsibility: Chief Directorate: Communication & Knowledge Management. Item: Goods & Services (newspapers)	197
Programme 3: Petroleum & Petroleum Products Regulation. Item: Goods & Services	9		
Programme 4: Electricity & Energy Programme & Project Management. Item: Goods & Services	24		
Programme 5: Nuclear Energy. Item: Goods & Services	27		
Programme 6: Clean Energy. Item: Goods & Services	96		
Total	197	Total	197

Reclassification of funds to the National Nuclear Regulator

Baseline budget reductions implemented over the MTEF in the National Nuclear Regulator (NNR) allocation necessitated the reclassification of transfer payments from the SWHP and the NNBP. Approval was granted by National Treasury, in accordance with Section 43(4) of the PFMA and Treasury Regulation 6.3.1, to reclassify a total of R24.3 million, appropriated as “Goods and services” from the SWHP and NNBP, contributing R12.15 million each to increase transfer payments to the NNR.

Reclassification of funds to transfer payments (households)

“Transfer payments to households” includes, amongst others: social benefits payable to employees after retirement or service termination, consisting of lump sum payments in lieu of any accumulated or capped leave; and post-retirement benefits such as retirement packages for home owners allowance, medical assistance, death grants and pension liabilities. During the 2016/17 financial year, the Department made several leave gratuity payments to employees following their termination of services, consequently leading to an increase in the payment of leave gratuities which were not provided for in the Department’s baseline allocation. The Department disbursed payments in respect of leave gratuity payments totalling R623 102 which led to an overspending of R272 102.

Furthermore, in the year under review, approval was granted for the early retirement of an official without penalisation of the official’s pension benefits in terms of Section 16(6)(a) of the Public Service Act (PSA), 1994 (Act No. 103 of 1994). Subsequently, National Treasury granted approval, in accordance with Section 43(4) of the PFMA and Treasury Regulation 6.3.1, to shift funds between main divisions of the Vote from earmarked funds under “Goods and services” (SWHP) to increase “Transfer payments to households” as per Table 7.

Table 7: Reclassification of funds to transfer payments (households)

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 6: Clean Energy. Sub-programme: Energy Efficiency. Item: Goods & Services (SWHP)	2 183	Programme 1: Administration. Sub-programme: Corporate Services. Item: Transfer payments to Households (Post-retirement benefits)	1 910
		Programme 1: Administration. Sub-programme: Corporate Services. Item: Transfer payments to Households (Leave gratuities)	273
Total	2 183	Total	2 183

Reclassification of funds from goods and services to transfer payments

The National Radioactive Waste Disposal Institute (NRWDI) was allocated seed funding, which totalled R19.8 million in 2013/14 through the annual MTEF. This allocation was inadequate for the operations of NRWDI. Consequently, a reprioritisation of R10 million from “Goods and services”, under the exclusive appropriation of the NNBP, was approved by National Treasury to enable NRWDI to honour its financial obligations for the remainder of the 2016/17 financial year.

For the 2017 MTEF period, i.e. 2017/18 to 2019/20, an amount of R99.3 million was reprioritised within the Department from the INEP Eskom grant to provide operational funding for the NRWDI. The 2017 MTEF period allocations are as per Table 8.

Table 8: 2017 MTEF period allocations

Recipient	2017/18	2018/19	2019/20
	Energy National Expenditure Baseline		
	R'000	R'000	R'000
NRWDI	30 000	33 000	36 300
Total	30 000	33 000	36 300

Reclassification of funds within goods and services

Reprioritisation of funds to defray excess expenditure under Programme 4 was implemented through the approval of National Treasury, granted in accordance with Section 43(4) of the PFMA and Treasury Regulation 6.3.1. Funds were shifted between main divisions of the Vote, from earmarked funds under “Goods and services” (SWHP) to Programme 4, as outlined in Table 9.

Table 9: Reclassification of funds from transfer payments to goods and services

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 6: Clean Energy. Sub-programme: Energy Efficiency. Item: Goods & Services (SWHP)	6 500	Programme 4: Electricity & Energy Programme & Project Management. Item: Goods & Services	6 500
Total	6 500	Total	6 500

Reclassification of funds from goods and services to transfer payments

Funds appropriated for “Goods and services” were reprioritised to increase transfer payments to multilateral international organisations within Programme 5: Nuclear Energy. National Treasury granted approval for the Department to shift funds between economic classification categories within Programme 5: Nuclear Energy to introduce a new transfer payment to multilateral organisations during the 2016/17 financial year, as per Table 10.

Table 10: Reclassification of funds within Programme 5

From Programme		To Programme	
Standard Item	Amount R'000	Standard Item	Amount R'000
Programme 5: Nuclear Energy. Item: Goods & Services (Business Advisory Services)	1 730	Programme 5: Nuclear Energy. Item: Transfers & Subsidies (IAEA)	1 730
Total	1 730	Total	1 730

Final virement

Final virement approval to use savings under main divisions of the Vote to defray excess expenditure under other main divisions of the Vote in the 2016/17 financial year were approved by the Accounting Officer as part of year-end processes.

Although the Department reflected a total budget underspending of R37.71 million at 31 March 2017, some programmes (main divisions within the Vote) reflected budget overspending. To ensure that final budget allocations are aligned with actual expenditure, funds were shifted from savings within the respective programmes and sub-programmes to cover excess expenditure incurred by individual sub-programmes.

The principles of virements were applied to reduce or limit unauthorised expenditure where there were sufficient savings to be shifted. Savings were moved within the rules set out in Section 43 of the PFMA and Section 5 of the Appropriation Act, 2016 (Act No. 6 of 2016).

The savings from certain programmes were used to defray excess expenditure under other programmes within the Vote as per Table 11.

Table 11: Final results at 31 March 2017 per programme

APPROPRIATION STATEMENT AS AT 31 MARCH 2017						
Programme Name	Adjusted Budget by 31 Mar 17	Final Virement	Final Appropriation	Year to Date (YTD) Actual Spending	YTD Variance	YTD Budget Spent
	R'000	R'000	R'000	R'000	R'000	%
Programme 1: Administration	247 005	13	247 018	282 762	-35 744	114.47
Programme 2: Energy Policy & Planning	43 518	-3 354	40 164	39 878	286	99.29
Programme 3: Petroleum & Petroleum Products Regulation	77 528	1 473	79 001	78 991	10	100
Programme 4: Electrification & Energy Programme & Project Management	5 711 655	2 990	5 714 645	5 678 659	35 986	99.37
Programme 5: Nuclear Energy	880 141	-307	879 834	872 451	7 383	99.16
Programme 6: Clean Energy	590 709	-815	589 894	560 101	29 793	94.95
Appropriation 2016/17	7 550 556	-	7 550 556	7 512 842	37 714	99.5

The budget as per economic classification was adjusted as per Table 12.

Table 12: Final results at 31 March 2017 per economic classification

APPROPRIATION STATEMENT AS AT 31 MARCH 2017						
Economic Classification	Adjusted Budget by 31 Mar 17	Final Virement	Final Appropriation	YTD Actual Spending	YTD Variance	YTD Budget Spent
	R'000	R'000	R'000	R'000	R'000	%
Compensation of Employees	318 297	-	318 297	321 466	-3 169	101
Goods & Services	371 260	-229	371 031	360 531	10 499	97.17
Payments Financial Asset	-	29	29	28	1	100
Transfers & Subsidies	6 845 872	165	6 846 037	6 816 117	29 920	99.56
Capital Assets	15 127	35	15 162	14 700	462	96.95
Total Appropriation 2016/17	7 550 556	-	7 550 556	7 512 842	37 714	99.5

The net budget underspending of R10.5 million reflected under “Goods and services” comprises savings in Programme 5: Nuclear Energy and Programme 6: Clean Energy. These savings mainly emanate from earmarked funds under the NNBP and the SWHP respectively, and therefore cannot be used to defray the overspending in Programme 1 without Treasury’s approval.

3.9.8 Roll-Over Funds – 2015/16

At the end of the 2015/16 financial year, the Department reported an overall budget underspending of R125.5 million. The Department requested a roll-over of funds to the 2016/17 financial year to the value of R126.76 million from National Treasury. The request for the roll-over was in line with Treasury Regulation 6.4.1. The roll-over request was to finalise payments under:

- “Goods and services” of R3.83 million that was not paid to service providers due to the pending finalisation of the procurement process for the Measurement and Verification (M&V) of energy savings achieved by municipalities under the EEDSM municipal grant
- “Transfer payments” of R112.94 million for the INEP Non-grid Programme of R10.41 million that could not be disbursed due to late receipt of invoices from service providers. “Transfer payments” of R112.52 million for the SWHP could not be disbursed due to the delayed commencement of the project attributable to the unanticipated time taken to evaluate bids under the new implementation model. The nature of this evaluation was very technical, complex and time consuming

The National Treasury only approved R5.39 million or 5% from the R126.76 million roll-over request to the 2016/17 financial year. The approved roll-over was mainly to finalise payments under the INEP Non-grid project.

3.9.9 Unauthorised Expenditure

The Department reflected a total budget underspending of R37.71 million for the period under review. However, an overspending of R35.74 million was incurred in the main division of the Vote, Programme 1: Administration.

The underspending of R37.71 million was mainly from earmarked funds under the NNBP and the NSWHP. Thus, they could not be used to defray the excess expenditure under Programme 1: Administration, as stipulated in Section 43(1) of the PFMA.


The overspending was recorded across all economic classifications. The major contributor was “Goods and services” with an overspending of R29.21 million due to increased property and municipality payments associated with the relocation of several regional offices. This was against budget reductions implemented in previous MTEF cycles.

The overspending in Programme 1 resulted in unauthorised expenditure, which has been disclosed in the Annual Financial Statement of 2016/17. The unauthorised expenditure was reported to the Executive Authority and the National Treasury and will be presented to the Standing Committee on Public Accounts (SCOPA) through National Treasury for condoning.

3.10 Supply Chain Management

The Department did not accept any unsolicited bid proposals for the year under review.

Systems of internal control are developed and implemented to prevent and detect irregular expenditure. In cases where irregular expenditure transactions occurred, they were reported, recorded and will be followed up. The irregular expenditure was due to non-compliance or partial compliance with Supply Chain Management (SCM) processes.

 Systems of internal control are developed and implemented to prevent and detect irregular expenditure.

The Department is working on enforcing compliance with SCM processes. Despite the few transgressions being reported, the Department has a relatively minimal number of transactions that resulted in irregular expenditure.

3.11. Conclusion

As much as we might have made significant progress in finalising the review and promulgation of our

legislative programme, much still needs to be done as we forge ahead. However, I am proud of the progress that we have made over the past year and I trust that our challenging, future ambitions are within our grasp. I would like to thank the Minister and the Deputy Minister most sincerely for their continued support, and their inputs on the programmes and policies of the Department. In addition, I would like to thank all the Department's staff members for the excellent manner in which they have executed their responsibilities during the financial year covered by this Report. I look forward to continuing to improve our capability and capacity to meet the challenges of the year ahead.

I would also like to extend my sincere gratitude to our oversight bodies, the SOEs that report to the Minister of Energy, the energy stakeholders and the general public for their commitments and standing contributions to, and guidance in the delivery of our mandate.

Finally, I would like to thank Mr Thabane Zulu, the Director-General, for his leadership while he held the fort for a significant part of the 2016/17 financial year.



Mr Tseliso Maqubela
Accounting Officer
Department of Energy



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 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 (MCS), 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 HR 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 HR information and the financial affairs of the Department for the financial year ended 31 March 2017



Mr Tseliso Maqubela
Accounting Officer

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

Our mandate is to 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

Our mission is to regulate and transform the Energy Sector for the provision of secure, sustainable and affordable energy.

5.4 Values

Table 13: Department of Energy's values

<i>Batho Pele</i> (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 the Minister of Energy and other ministers in executing their respective mandates.

Therefore, the President, in terms of Section 7(5)(a) of the PSA, 1994 (Act No. 103 of 1994) as amended by Proclamation No. 48, 2009, amended the national departments listed in Schedule 1 of that Act, to accord, amongst others, with the new portfolio of Energy, thereby establishing, amongst others, the new Department of Energy. The Department 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, 1966, 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-oriented 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), as amended, establishes a National Regulatory Framework for the electricity supply industry and makes the National Electricity 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 (CSLA) 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 use and investment thereof; the imposition of a levy on fuel, and the use and investment thereof; the control of the affairs of the CEF 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 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 International Atomic Energy Agency (IAEA) in support of the Nuclear Non-Proliferation Treaty (NPT) 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 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 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 (PPRA) 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 (PPRA) 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 (NGR) as the custodian and enforcer of the National Regulatory Framework and matters connected therewith.

6.3.11 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 NGR 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 No. 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, the Department and/or the SOEs/State-Owned Companies (SOCs) 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, increasing 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

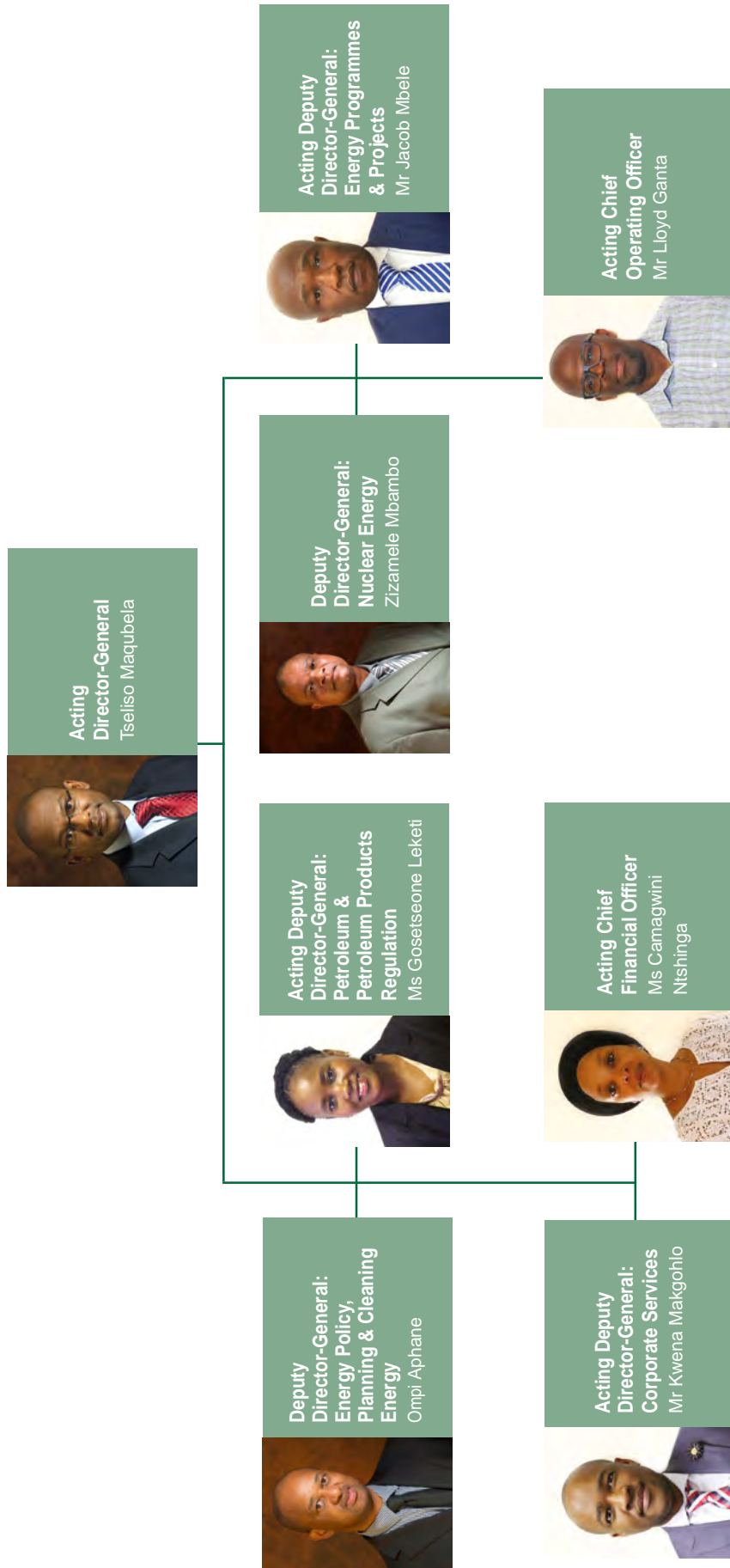


Figure 1: Organisational structure

8. ENTITIES REPORTING TO THE MINISTER OF ENERGY

Table 14 indicates the entities that report to the Minister of Energy.

Table 14: Entities reporting to the Minister of Energy

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
NNR	<p>The NNR is established in terms of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)</p> <p>The Act establishes the regulator as a competent authority for nuclear regulation in South Africa</p> <p>The purpose of the NNR, as outlined in Section 5 of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999), is essentially to provide for the protection of persons, property & the environment against nuclear damage through the establishment of safety standards & regulatory practices</p>	<p>Government grant (transfer payment) for 2016/17 financial year amounted to R16 636 million</p> <p>Revenue is also generated through authorisation fees, levies & application fees on nuclear authorisation holders</p> <p>The total revenue inclusive of the Government grant for the 2016/17 financial year amounted to R202 850 771 million</p>	<p>Providing for the protection of persons, property & the environment against nuclear damage by:</p> <ul style="list-style-type: none"> - Exercising regulatory control over the siting, design, construction, operation, decontamination, decommissioning & closure of nuclear installation, as well as the manufacture 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	<p>To finance & promote the acquisition of, research into & exploitation of oil, gas & renewable/clean energy-related products & technology</p>	<p>CEF Group generates its revenue from commercial activities undertaken by its various subsidiaries</p> <p>Government, from time to time, provides financial guarantees in support of the Group's activities, as & when they are required</p> <p>The CEF Group total revenue amounted to R11.7 billion</p> <p>The total revenue is made up of revenue from these subsidiaries:</p> <ul style="list-style-type: none"> - PetroSA: R10.4 billion - Strategic Fuel Fund: R799 million - African Exploration: R376 million - Petroleum Agency of South Africa (PASA): R61 million 	<p>Undertakings include:</p> <ul style="list-style-type: none"> - Involvement in the search for appropriate energy solutions to meet the future energy needs of South Africa, SADC & Sub-Saharan regions, 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 & 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 therewith

Table 14: Entities reporting to the Minister of Energy (continued)

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Necsa	<p>Necsa is established in terms of Section 3(1) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999)</p> <p>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</p> <p>The Nuclear Energy Policy of 2008 reinforced Necsa's mandate relating to research & development, & nuclear fuel cycle responsibilities</p>	<p>Government grants (transfer payments) for mandated activities during the 2016/17 financial year amounted to R599 338 million</p> <p>Necsa also generates income from various commercial activities undertaken by its subsidiaries</p> <p>The total revenue, inclusive of the Government grant, for the 2016/17 financial year amounted to R2 980 billion</p>	<p>Operations include:</p> <ul style="list-style-type: none"> - Undertaking & promoting research & development in the field of nuclear science - Processing source material, including uranium, & cooperating with other institutions on nuclear-related matters - Growing outputs of new technology, products & services
NRWDI	<p>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)</p> <p>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 & how it is to be managed</p>	<p>The Government grant for the 2016/17 financial year was R10 million</p> <p>The Government grant (roll-over) for the 2016/17 financial year amounted to R6 631 886 million</p> <p>NRWDI used the funds to finalise the establishment of the organisation & to meet committed activities</p>	<p>Operations include:</p> <ul style="list-style-type: none"> - 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 the related storage & the pre-disposal management of radioactive waste at disposal sites - Managing, operating & monitoring operational radioactive waste disposal facilities, including the related storage & the pre-disposal 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 - 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

Table 14: Entities reporting to the Minister of Energy (continued)

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<p>NERSA</p>	<p>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)</p> <p>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)</p>	<p>Revenue is generated from tariffs & levies paid by the regulated industries</p> <p>The total revenue for the 2016/17 financial year amounted to R288 800 million</p> <p>The total income is made up of:</p> <ul style="list-style-type: none"> - Levies from the electricity industry: R153 956 290 million - Levies from the piped-gas industry: R55 425 537 million - Levies from the petroleum pipeline industry: R66 743 172 million - Interest received: R12 189 709 million - Other income: R485 360 	<p>Ensuring the development & sustainability of the electricity, piped-gas & petroleum pipelines industries by:</p> <ul style="list-style-type: none"> - Setting & approval of tariffs & prices - Setting of rules, guidelines & codes for the regulation of the three industries - Compliance monitoring & enforcement
<p>SANEDI</p>	<p>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)</p>	<p>The total income for the 2016/17 financial year amounted to R125 310 851</p> <p>The total income comprises:</p> <ul style="list-style-type: none"> - Government grant: R31 125 000 • MTEF Allocation: R20 625 million • DST grant: R10.5 million - Partnership Agreements & Donor Funded Programme income: R94 185 851 • EU Smart Metering Funding: R68 459 868 million • Danish Renewable Energy: R22 361 711 million • CESAR: R3 000 000 million • Renewable Energy & Energy Efficiency Partnership: R364 272 	<p>Operations include:</p> <ul style="list-style-type: none"> - 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 (AGSA) 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 pre-determined 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 as Part E: Annual Financial Statements.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

The Department of Energy's (Department's) performance against its 2016/17 pre-determined output objectives are detailed in Tables 13-16.

Targets were considered to be achieved if 100% of their elements were attained or exceeded, partially-achieved targets were those deemed to have reached the 50-99% range and targets in the 0-50% range were judged not to have been achieved. Strategies to overcome underperformance include the drafting of a combined Annual/Management Performance Assessment Tool (MPAT) Improvement Plan, or as noted in the Comments on Deviations sections of the performance tables. There was one in-year change to the Department's targets: The mandate of the Department was changed by a Cabinet decision in the third quarter of 2016/17 (November 2016) when the procurement of the Nuclear New Build Programme (NNBP) moved to state-owned entities (SOEs) (Eskom and the South African Nuclear Energy SOC Corporation (Necsa)).

The Department also tracks its performance by means of its Institutional Operational Plan (IOP), which is aimed at addressing activity-level undertakings.

2.1 Service Delivery Environment

2.1.1 Petroleum regulation

Fuel supply

During the period under review, the Department continued to coordinate and monitor fuel supply in the country in order to ensure the security of petroleum products supply. The Department coordinates the refinery schedules; processes, and 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 participated 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 Gas (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.

Fuel pricing

Every December, 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 of petrol were adjusted by 6.7% overall, whilst that of diesel and illuminating paraffin (IP) increased by 6.15%. The Minister of Energy approved the annual adjustment of the fuel margins with effect from 7 December 2016. The retail margin of petrol was increased by 14.7 cents per litre (c/l), which equated to a 9.09% increase. The secondary storage margin was decreased by 0.6 c/l, and the secondary distribution margin for petrol, diesel and IP was increased by 3.6 c/l.


The Minister of Energy also approved increases in the retail prices of LPG, to be effected on 7 December 2016. The LPG pricing elements were adjusted by the average Consumer Price Index (CPI) and Producer Price Index (PPI) of 2015, namely 4.58% and 3.6% respectively. The retail prices for LPG differed in the 52 Magisterial District Zones (MDZs) due to the application of different primary transport costs applicable in the pricing zones. This means that the retail price of LPG increased by 40 cents per kilogram (c/kg), while, in Gauteng, the price increased by 46 c/kg.

Sectorial radical economic transformation

In line with the spirit of the Liquid Fuels Charter (LFC), and to foster a supportive culture through increased understanding and cooperation between established industry players and Historically Disadvantaged South African (HDSA) companies, the Department continued to ensure broad stakeholder consultation and inclusion. The Department has embarked on several initiatives, including workshops, to identify collectively the impediments to radical economic transformation as espoused in the Medium-Term Strategic Framework (MTSF) (2014-2019) and has prioritised finding sector-specific solutions to the high-impact areas across the value chain.

Emanating from stakeholder consultation, the Department has since identified two focus areas in this regard:

1. The objective establishment of petroleum retail baseline data
2. The alignment of the LFC to the Broad-Based Black Economic Empowerment (B-BBEE) policy framework and the development of the Petroleum Sector-specific code



Our vision was centred on processes that will create a nuclear industry so as to catapult South Africa into the top echelons of the knowledge economy.

Petroleum retail audit, 2016

The Department commissioned an independent petroleum retail audit in September 2001 to determine objectively the extent of transformation in the petroleum retail section of the value chain. To enhance data quality and credibility of the retail audit, extensive workshops and bilateral meetings have been held with wholesalers and retailers across the nine provinces. The petroleum retail audit has been delayed due to challenges, including poor data quality, and incomplete and non-compliant submissions from certain auditees. Corrective measures are in place to prioritise data quality and completeness, as the data will be the basis for the revised B-BBEE framework.

LFC alignment to B-BBEE policy framework and development of sector-specific codes

The Department initiated the process of aligning the LFC to the B-BBEE Act, 2003 (Act No. 53 of 2003, as amended), ultimately to develop a sector-specific Code of Good Practice in order to ensure compliance with the B-BBEE Act, 2003 (Act No. 53 of 2003), as amended by Act No. 46 of 2013 and its Codes

of Good Practice and the Statement 003: Amended guidelines for developing and gazetting sector codes.

Between December 2016 and 31 March 2017, an Interim Steering Committee (ISC) for the process was established, three stakeholder meetings were held and the Terms of Reference were adopted. A final Draft Public Proclamation has been adopted by the ISC and will be published in the Government Gazette during the 2017/18 financial year to:

1. Inform the public of the alignment and sector code development process
2. Highlight the objectives and rationale of the process
3. Request major stakeholder interaction with the ISC during the process

The identified challenge has been compliance with Section 12 of the B-BBEE Act, 2003 (Act No. 53 of 2003, as amended) and the Statement 003: Amended guidelines, which require inclusive stakeholder representation for publication and promulgation of a sector code. This will be prioritised and finalised by the Department during the first quarter of the 2017/18 financial year.

2.1.2 Nuclear energy

The Nuclear Energy Expansion Programme (NEEP) is a central feature of our future energy mix, given the need to provide base load electricity and also to meet the significant greenhouse gas (GHG)-emissions reduction target we have set for our country. Our vision for this Programme was centred on processes that will create a nuclear industry, with the objective of catapulting South Africa into the top echelons of the knowledge economy. In November 2016, Cabinet made a decision designating Eskom as the Procurer of the Nuclear Power Plants and Necsas as the Procurer of a Multi-purpose Reactor and the Nuclear Fuel Cycle, with the Department assuming a coordinating role for the NNBP. This Cabinet decision impacted on the NNBP's performance as set out in the 2016/17 annual performance targets.

2.1.3 Solar Water Heater Programme

The objectives of the Solar Water Heater Programme (SWHP) include reducing electricity demand, and improving job creation and skills development through localisation. A revised implementation plan has been developed to accelerate the pace of programme implementation. Contracts for the supply of baseline systems under the social programme have commenced successfully and approximately 60 000 systems have been secured through this programme. The production and content of the materials used exceeds 70% local supply; this has been independently verified by the South African Bureau of Standards (SABS).

3. SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a Service Delivery Improvement Plan. Tables 15-18 highlight the Service Delivery Plan and the achievements to date.

3.1 Main Services and Standards

Table 15: Main services and standards

Main services	Beneficiaries	Current Standard of Service	Desired Standard of Service	Actual Achievement
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 New To Industry (NTI) applications 90% compliance rate by the Controller on finalising site & retail NTI applications within 60 days	50% of licence applications approved have 50% B-BBEE ownership	Achieved: 82.78% of licence applications approved have more than 50% HDSA ownership
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	1 500 retail site compliance inspections conducted 1 892 fuel samples tested	Achieved: Cumulative target of 1 515 retail site inspections

Table 15: Main services and standards (continued)

Main services	Beneficiaries	Current Standard of Service	Desired Standard of Service	Actual Achievement
Fuel stock levels & corrective actions	Petroleum Industry, Transnet, National Energy Regulator of South Africa (NERSA) Parliament	Fuel stock levels monitored & corrective action taken to avoid distribution shortages coordinated	Fuel 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 & 2 different types of logistics planning meetings, 1 of which is held once every 2 months, & 1 of which is held weekly
Universal access to energy	Eskom & municipalities The general South African public, particularly poorer communities 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	4 quarterly reports on allocation of funding & monitoring of progress on additional households to be electrified with grid electrification to meet the 2016/17 target of 235 000 in the National Electrification Plan 4 quarterly reports on electrification infrastructure projects planned/built to meet the 2016/17 targets: <ul style="list-style-type: none"> - 3 new bulk substations built - 3 additional substations upgraded - 90 km new Medium Voltage (MV) power lines constructed - 90 km of existing MV power lines upgraded 	Achieved: 4 reports on allocation of funding & monitoring of progress were submitted Achieved: 4 reports on electrification infrastructure projects were submitted
		2 Integrated Energy Centres (IECs) established & operational	4 quarterly reports & 1 Annual Report regarding the development of rural IECs	Achieved: 4 quarterly reports & 1 Annual Report regarding the development of rural IECs submitted

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

Table 16: Batho Pele arrangements

Current Arrangements	Desired Arrangements	Actual Achievements
All the queries are being addressed, either by the Department, Eskom &/or municipalities, & they report on performance on a monthly basis	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 the Department, Eskom &/or municipalities, & they report on performance on a monthly basis
Department website is updated on a daily basis with information on new & revised policies, legislation, programmes & media statements	Department website Regional representation at Department workshops/road shows & provision of mobile services	Department website is updated 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 Annual Performance Plans (APPs)		Branches to respond on Department workshops & mobile services in line with APPs
Website management has been enhanced to optimise timeous information updates	Contact with the Department is currently made via the website, email, telephone or through physical consultation	Website management has been enhanced to optimise timeous information updates
Goals achieved & reports of contacts made with the Department are available from the website & emailing enquiries to the Energy Knowledge Resource Centre is possible through info@energy.gov.za	Email	Goals achieved & reports of contacts made with the Department are available from the website & emailing enquiries to the Energy Knowledge Resource Centre is possible through info@energy.gov.za
No telephonic enquiries &/or reports are available due to the lack of appropriate electronic tracking systems		No telephonic enquiries &/or reports are available due to the lack of appropriate electronic tracking systems
Physical consultation through helpdesk services		Physical consultation through helpdesk services

3.3 Service Delivery Information Tool

Table 17: Service delivery information tool

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

3.4 Complaints Mechanism

Table 18: Complaints mechanism

Current Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Email	Emails received via info@energy.gov.za are managed by the Energy Knowledge Resource Centre	Email
Telephonic	<p>Telephonic complaints received via switchboard & Energy Knowledge Resource Centre</p> <p>In terms of the current process, complaints are received via these 2 channels & referred to the appropriate branches for responses</p> <p>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</p> <p>The Energy Knowledge Resource Centre reports on the status of all such complaints in the weekly reports & at the monthly Management Committee (MANCO) meetings</p>	Telephonic

4. ORGANISATIONAL ENVIRONMENT

The Department operated with an approved organisational structure consisting of 621 funded posts and a vacancy rate of 13.76% at year end. Additional employment stood at 62 posts with 27 of these being internships which concluded on 31 March 2017. Three of the Deputy Director-General posts have been vacant for six months and have been managed through acting appointments.

The organisational review process was still underway by March 2017, but, due to leadership changes, some activities could not be finalised in the 2016/17 financial year. These activities will be carried over to the new financial year. A Workplace Skills Plan (WSP) was developed for the Department, following the skills audit conducted through the submission of Personal Development Plans (PDPs). As part of the implementation of the WSP, a number of training and development interventions were identified, and 307 employees were trained during 2016/17. The Department also offered 37 bursaries to serving employees, commencing from the beginning of the 2016 academic year. This brings the total number of employees studying part-time at various institutions to 61. The effective management of the Skills Development Programme and the Internship Programme also resulted in the Department winning two awards (silver and bronze) from the National Skills Authority.

The Department strives to deliver services to more of the population in a way that is more efficient. To this end, the Department has relocated the Eastern Cape Regional Office from Port Elizabeth to East London. The procurement of permanent office space for the Gauteng and Free State Regional offices has been planned for the new financial year.

5. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Department has submitted a programme to the Leader of Government Business regarding the following legislation for consideration by Parliament, which will either be introduced or concluded in the new financial year.

5.1 Bills

5.1.1 Amendment of the National Energy Regulator Act

Following comments from Parliament and the conclusion of the Socio-Economic Impact Assessment System (SEIAS) process, the Act is to be resubmitted during the 2017/18 financial year.

5.1.2 Gas Amendment Bill

The Department is in the process of finalising the Draft Bill to incorporate the issues related to the Gas-To-Power Programme (GTPP). The bill will be tabled before Cabinet in the 2017/18 financial year.

5.1.3 National Nuclear Regulator Amendment Bill

This Bill seeks to strengthen and harmonise the Nuclear Regulatory Framework. Consultations with stakeholders are being finalised to conclude the SEIAS process.

5.1.4 Nuclear Energy Amendment Bill

This Bill caters for new developments in the Nuclear Sector and aligns to international best practices. The Memorandum of Objects was submitted to the State Law Advisor (SLA) for review.

5.1.5 Radioactive Waste Management Fund Bill

The objective of the Fund is to ensure that money is available as and when required throughout the life of the National Radioactive Waste Disposal Institute (NRWDI) and associated facilities. A study was conducted to develop a financial model that will assist the Department in estimating the cost of nuclear waste disposal with higher accuracy.



The effective management of the Skills Development Programme and the Internship Programme resulted in the Department winning two awards (silver and bronze) from the National Skills Authority.

6. STRATEGIC OUTCOMES-ORIENTED GOALS

Table 19: Departmental strategic outcomes-oriented goals

Strategic Outcomes-Oriented Goals	Department Objectives	Links to the National Development Plan (NDP) Proposals	Links to the MTSF (2014–2019) (Outcomes)	Progress Made towards the Achievement of Outcomes and NDP Proposals
1. Security of supply To ensure that energy supply is secure & demand is well managed	SO 2.1 Improve Energy Security	Enable exploratory drilling to identify economically recoverable coal seam & shale gas reserves, while environmental investigations will continue to ascertain whether sustainable use of these resources is possible. If gas reserves are proven & environmental concerns alleviated, development of these resources & gas-to-power projects will then be fast-tracked	Outcome 10 Annual energy balances must be provided to support the compilation of the GHG inventory	Sub-programme 2.1: Energy Planning: - Annual energy balances provided to support the compilation of the GHG inventory
	SO 2.2 Improve Liquid Fuels Energy Security by Development & Implementation of the 20-Year Liquid Fuels Master Plan (20YRLFMP)	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	Outcome 6 Publication of an approved Integrated Energy Plan (IEP)	Sub-programme 2.3: Hydrocarbon Policy: - Incorporated the 20YRLFMP into the IEP - Amendment to the Gas Act effected in order to facilitate gas infrastructure roll-out
	SO 2.11 Ensure the Security of Supply through Additional Power-Generation Capacity	Ensure domestic security of coal supply for existing power stations through industry compact, more comprehensive coalfield planning & opening of the Waterberg Coalfield for coal mining	Outcome 6 Develop a national coal policy with regulations that will include a strategy to secure coal supply & that aligns with mining beneficiation	Sub-programme 2.1: Energy Planning: - IEP has been advanced to the extent of public consultations
		Fast track development of offshore West Coast gas, coupled with incremental power-generation units	Outcome 6 Develop & implement a Gas Infrastructure Master Plan (GIMP)	Sub-programme 2.4: Electricity, Energy Efficiency & Environment Policy: - IRP update has been advanced to the extent of public consultations regarding the base case & various scenarios - Additional power generation capacity is being introduced as per the IRP
		Develop infrastructure for the import of liquefied natural gas, mainly for power production	Outcome 6 Develop a funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards	
		Upgrade refineries to ensure they meet new fuel quality standards & insist on strategic fuel stocks to ensure security of supply	Outcome 6 Refine, update & implement the Integrated Resource Plan (IRP)	
		Continue to import refined fuels, ensuring that the growing deficit in petroleum products is met, & defer a decision on a new refinery	Outcome 6 Principal Support Provider (PSP) Framework: Rands private investment & market share of private ownership in baseload, renewable energy, fuels & gas	

Table 19: Departmental strategic outcomes-oriented goals (continued)

Strategic Outcomes-Oriented Goals	Department Objectives	Links to the National Development Plan (NDP) Proposals	Links to the MTSF (2014–2019) (Outcomes)	Progress Made towards the Achievement of Outcomes and NDP Proposals
2. Infrastructure To facilitate an efficient, competitive & responsive energy infrastructure network	SO 2.9 Review the Bulk Electrical Infrastructure Required for Universal Access to Electricity SO 4.3 Monitor Energy Infrastructure Development SO 4.2 Enhance Programme & Project Management	Ring-fence the electricity-distribution businesses of the 12 largest municipalities, resolve maintenance & refurbishment backlogs, & develop a financing plan, alongside investment in human capital	Outcome 6 Ring-fence the electricity-distribution business of the 12 largest municipalities, & resolve their maintenance & refurbishment backlogs Outcome 6 Strategic Integrated Project (SIP) 6 Integrated Municipal Infrastructure Project SIP 8 Green Energy in Support of the South African Economy SIP 10 Electricity Transmission & Distribution SIP 17 Regional Integration for African Cooperation & Development Number of IECs	Sub-programme 2.4: Electricity, Energy Efficiency & Environmental Policy: - Consultation continued with regard to the Municipal Infrastructure Rehabilitation Programme Sub-programme 4.4: Electricity Infrastructure/Industry Transformation Programme: - Number of SIP quarterly reports submitted to the Executive Committee (EXCO), MANCO, & the Presidential Infrastructure Coordinating Commission (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 B-BBEE Participation in the Petroleum Retail Sector SO 3.2 Promote the Transformation of the South African Petroleum and Liquid Fuels Industry through Issuing of Licences	Move Eskom's system operator, planning, power procurement, power purchasing & power contracting functions, & accelerate procurement of Independent Power Producers (IPPs)	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) - Introduce regulations for embedded generation under the Electricity Regulation Act, 2006 (Act No. 4 of 2006)

Table 19: Departmental strategic outcomes-oriented goals (continued)

Strategic Outcomes-Oriented Goals	Department Objectives	Links to the National Development Plan (NDP) Proposals	Links to the MTSF (2014–2019) (Outcomes)	Progress Made towards the Achievement of Outcomes and NDP Proposals
<p>4. Universal access & transformation To ensure that there is an efficient & diverse energy mix for universal access within a transformed Energy Sector</p>	<p>SO 2.9 Review the Bulk Electrical Infrastructure Required for Universal Access to Electricity</p> <p>SO 2.10 Establish Mechanisms to Pre-fund Capital & Create a Smooth Price Path over the Long Term</p> <p>SO 4.1 Access to Electricity by Households</p>	<p>Revise the National Electrification Plan & ensure 90% coverage.</p> <p>"... more than 90% of the population should enjoy access to grid-connected or off-grid electricity within 20 years" (Energy Vision, published 2012) & "Revise National Electrification Plan & ensure 90% access to grid-connected or off-grid electricity" (NDP Energy Proposals)</p>	<p>Outcome 6 Reviewed Electricity Pricing Policy issued</p> <p>Outcome 7 Number of rural households linked to grid or micro scheme (electricity)</p> <p>Number of rural households connected with off-grid technology</p> <p>Outcome 9 1.4 million additional households connected to grid by 2019 105 000 additional households connected to non-grid by 2019</p>	<p>Sub-programme 2.4: Electricity, Energy Efficiency & Environmental Policy:</p> <ul style="list-style-type: none"> - Electricity Pricing Policy as part of the IEP/IRP <p>Sub-programme 4.1: Integrated National Electrification Programme(INEP):</p> <ul style="list-style-type: none"> - Number of quarterly reports on allocation of funding & number of additional households electrified with grid electrification per year, in comparison to the Electrification Plan - Number of quarterly reports on allocation of funding & number of additional households electrified with non-grid electrification, in comparison to the Electrification Plan
<p>5. Environmental assets To ensure that environmental assets & natural resources are protected & regularly enhanced by cleaner energy technologies</p>	<p>SO 4.4 Renewable Energy</p> <p>SO 6.2 Coordinate & Monitor the Implementation of the Energy Efficiency & Demand Side Management (EEDSM) Measures Across All Sectors</p>	<p>Move to less carbon-intensive electricity production by procuring up to 20 000 MW of renewable energy, increased hydro imports from the region & increased demand-side measures, including Solar Water Heating (SWH)</p>	<p>Outcome 10 The percentage of new build that is derived from renewables is 42% (or 17 800 MW) by 2030</p> <p>Outcome 6 Measure demand savings in Mega Watts (MW), in line with the National Energy Efficiency Strategy & Action Plan (NEES)</p>	<p>Sub-programme 4.4: Community Upliftment Programmes & Projects:</p> <ul style="list-style-type: none"> - Number of SWH units installed in residential & commercial sectors per year

Table 19: Departmental strategic outcomes-oriented goals (continued)

Strategic Outcomes-Oriented Goals	Department Objectives	Links to the National Development Plan (NDP) Proposals	Links to the MTSF (2014–2019) (Outcomes)	Progress Made towards the Achievement of Outcomes and NDP Proposals
6. Climate change To implement policies that adapt to & mitigate the effects of climate change	<p>SO 5.3 Improve Security of Energy Supply</p> <p>SO 6.1 Coordinate & Monitor Implementation of Energy-related Climate Change Response Measures & Environmental Compliance</p>	<p>Thorough investigation of the implications of greater use of nuclear energy, including its potential costs, safety, environmental benefits, localisation & employment opportunities, uranium enrichment, fuel fabrication, & the dangers of weapon proliferation</p>	<p>Review alternative power-generation options, including coal 3 & nuclear, to evaluate financing & construction risks, & submit realistic options to Cabinet (included in Outcome 4)</p> <p>Outcome 10 Review the percentage of new build that is derived from renewables (to incorporate off-grid energy with a target of 42% (or 17 800 MW) by 2030)</p> <p>6% (or 2 600 MW) of hydro power developed by 2030 for import</p>	<p>Sub-programme 5.1: Nuclear & Technology:</p> <ul style="list-style-type: none"> - Developed the carbon offset administrative system in anticipation of Carbon Tax Policy - Number of quarterly monitoring reports on the localisation & industrialisation strategy implemented <p>Sub-programme 4.1: INEP:</p> <ul style="list-style-type: none"> - Number of quarterly reports on allocation of funding & number of additional households electrified with non-grid electrification, in comparison to the Electrification Plan

7. PERFORMANCE INFORMATION BY PROGRAMME

7.1 Programme 1: Administration

7.1.1 Purpose

To provide strategic leadership, management and support services to 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 the Energy Sector. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-programme 1.2: Departmental Management

This sub-programme provides executive support to the Director-General and Deputy Director-Generals in carrying out the Department's mandate and contributes to critical Government programmes.

Sub-programme 1.3: Finance Administration

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

Sub-programme 1.4: 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 1.5: Corporate Services

This sub-programme provides corporate support to the Department and ensures good corporate governance and compliance by the Department and State-Owned Entities (SOEs).

Sub-programme 1.6: Office Accommodation

This sub-programme provides office accommodation and related support to the Department. No strategic objectives, performance indicators or targets were set for this sub-programme. See the Departmental 2016/17 Operational Plan.

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


Departmental Management

In addition to providing oversight, the Director-General's Office is responsible for the Department's annual legislative programme, as per Parliament's schedules and requirements. Specific

outputs during the financial year included several Imbizos led by the Communications Chief Directorate. The Department also fulfilled its obligations in terms of MTSF reporting.

Financial Management Services Branch

The Financial Management Services Branch achieved its consolidated target according to the revised APP. For the period under review, this Branch set out to achieve that 100% of approved invoices would be paid within 30 days of receipt and this target was achieved. The Branch submitted monthly reports on the 30-day-payments compliance and exceptions to National Treasury. In doing so, a total of 12 Instruction Note 34 Reports were submitted for the financial year.

 Corporate services was responsible for the successful implementation of 55 training programmes and 10 workshops/conferences wherein 327 officials were trained.

Corporate Services Branch

The strategic objective for the sub-programme is sound corporate resource management. There was an annual focus on the improvement of operational excellence within the organisation. This could be achieved through the management of strategic corporate services for the Department by assigning appropriate resources to the required functions within the legislative allowance. Corporate services was responsible for the successful implementation of 55 training programmes and 10 workshops/conferences wherein 327 officials were trained. The effective management of the Skills Development Programme and the Internship Programme also resulted in the Department winning two awards (silver and bronze) from the National Skills Authority.

The successful implementation of the Performance Management and Development System (PMDS) in the Department ensured a 94.76% compliance rate for the Performance Agreement submission and a successful conclusion of the PMDS process for levels 1-12. Though targets could not be met for the employment of female employees at Senior Management Service (SMS) level and the employment of persons with disabilities, the overall employment of female employees at all levels within the Department exceeded the 50% target.

The Human Resources (HR) Plan was one of the key performance indicators for the Department and

its implementation was concluded successfully. The Employee Health and Wellness Programme (EHWP) was also implemented, in spite of the limited finances available due to the austerity measures introduced during the 2016/17 financial year.

Governance and Compliance Branch

The Department scored an average of 2.3 on the MPAT which is a variance of one 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, advances in the service delivery charter, and standards and service delivery improvement plans. The following areas have maintained a perfect score for the past three years: strategic management; organisational design and implementation; delegations in terms of the Public Service Act (PSA), 1994 (Act No. 103 of 1994); and management of cash flow and expenditure versus budget. However, there are areas that also need improvement. These include fraud prevention, risk management, management of diversity and implementation of an SMS PMDS for the Head of Department. The Department has already embarked on the process of developing an improvement plan to address these areas of underperformance.

International relations

The Department promotes access to technology and skills development. To do so, it pays annual membership fees to various multilateral organisations such as the African Petroleum Producer Association (APPA), the International Partnership for Energy Efficiency Cooperation (IPEEC), the International Renewable Energy Agency (IRENA), the International Energy Forum (IEF) and the International Atomic Energy Agency (IAEA).

The main benefits that South Africa hopes to acquire from IRENA membership are as follows: human capital development in the field of renewable energy and the broader promotion of renewable energy as a result of technology; knowledge and skills transfer; training and awareness; research and development; project-funding opportunities; bursaries and scholarships; and the establishment of a Renewable Energy Sector network.

South Africa is a member of IEF through the Department and signed the IEF Charter in 2011. As a member, South Africa makes annual financial contributions to the organisation. To date, IEF has a membership of 87 countries, which accounts for approximately 90% of the world's oil-and-gas supply and demand.

The IPEEC is an autonomous partnership of 16 member economies that represent over 75% of

global energy use and 75% of GHG emissions. Since its establishment in 2009, IPEEC members have been working together, as well as in collaboration with other international organisations and Private Sector entities, to identify and implement policies and programmes which will hasten the deployment of clean and energy-efficient technologies, measures and best practices.



The cooperation between the Department and IEA has multiple benefits: access to seminars, workshops and conferences; exchange of information and data; exchange of experts; as well as participation in various IEA forums and committees.

Other important multilateral engagements conducted during the course of the year included:

- The Southern African Development Community (SADC) Energy Ministers Meeting
- The African Union (AU)
- The European Union (EU)
- The International Energy Agency (IEA)
- The International Gas Union (IGU)
- The Clean Energy Ministerial (CEM)
- Brazil, Russia, India, China and South Africa (BRICS)
- The Group 20 (G20)
- The Generation IV International Forum (GIF)
- The United Nations (UN) Sustainable Energy for All (SE4ALL) Meeting
- The IAEA Annual General Meeting (AGM) 2016

The cooperation between the Department and IEA under the Memorandum of Understanding (MoU) has multiple benefits for the Department: access to seminars, workshops and conferences; exchange of information and data; exchange of experts; as well as participation in various IEA forums and committees.

CEM is a political organ that gives direction to the development of the Energy Sector in Africa. The main objective of CEM is to demonstrate that Government, through targeted policies, can pave the way for investment in the clean Energy Sector which, in turn, can lead to a reduction in GHG emissions.

The IAEA is a multilateral body of the United Nations whose mandate is to promote the safe and peaceful use of nuclear energy. South Africa's participation in

the IAEA is in line with the national objectives of expanding nuclear power generation, and other nuclear science and technology applications. The Department, the Department of International Relations and Cooperation (DIRCO), the National Nuclear Regulator (NNR), Eskom and Necea actively participate in the activities of the IAEA. Benefits extended to the Department, Necea and DIRCO include training and capacity building, as well as South African citizens having the opportunity to work for the IAEA on three- to five-year contracts.

The Joint Oil Data Initiative (JODI-Oil) was established in response to a call for improved oil-data transparency by Energy ministers. The data from JODI-Oil provide some degree of market certainty and predictability. South Africa contributes data to this initiative which now has more than 70 countries providing information on both oil and gas. Information from JODI-Oil assists in decision-making processes with respect to investment, production, and supply of oil and gas products.

The benefit of South Africa's inclusion in GIF is participation in the Policy Group and Expert Group bi-annual meetings, allowing the country to keep abreast of the latest technological developments. GIF also gives South Africa access to valuable information from studies regarding the options in advanced-level nuclear technology.

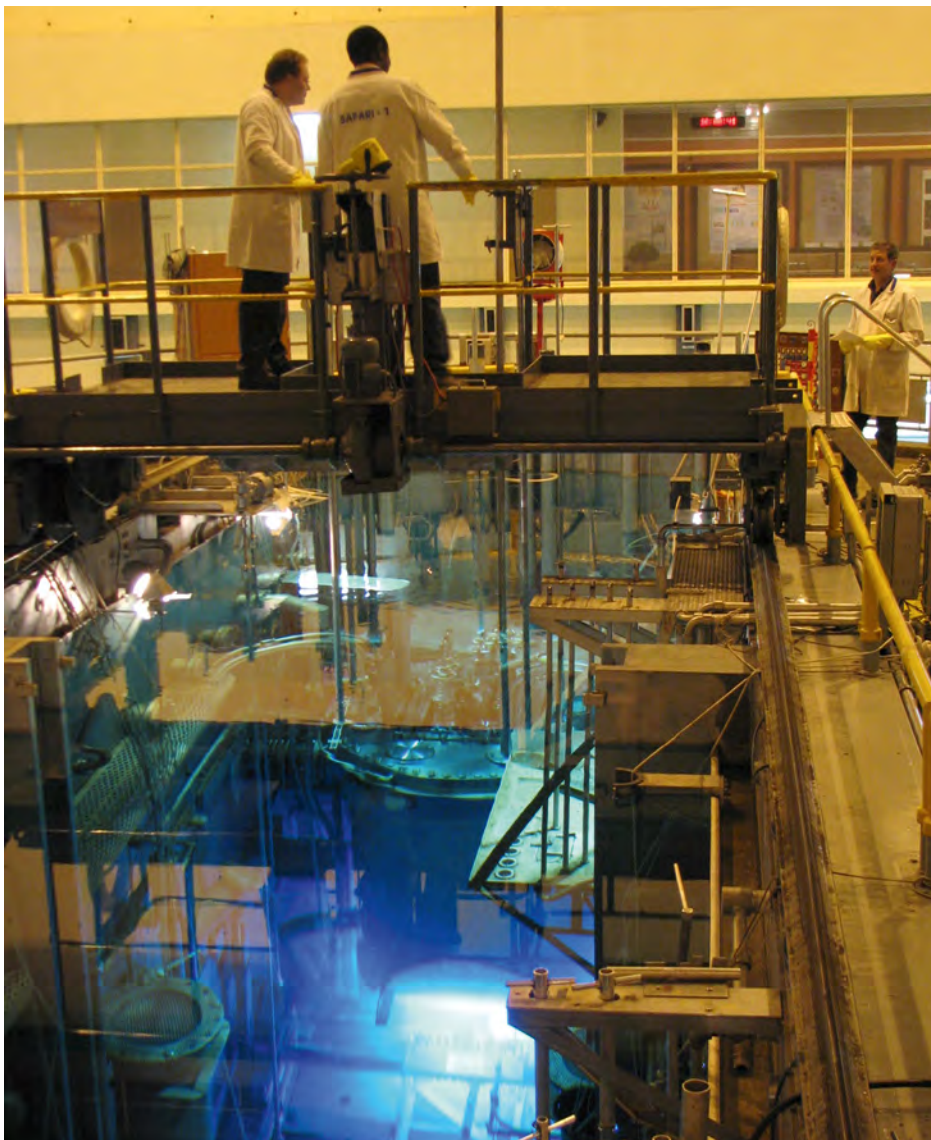


Table 20: Programme 1 Administration strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 1.1 Sound Corporate Governance Practices SO 1.2 Sound Financial Resource Management SO 1.3 Sound Corporate Management	Partially achieved: - KPA 1 – 3 - KPA 2 – 2 - KPA 3 – 4 - KPA 4 – 1	Department to score at least 2.6 for the moderated assessment of 2015/16	Partially achieved: The Department attained a score of 2.3	-0.3%	MPAT Improvement Plan has been initiated
SO 1.1 Sound Corporate Governance Practices SO 1.2 Sound Financial Resource Management SO 1.3 Sound Corporate Management	Achieved: - Unqualified audit report by the AGSA achieved for 2014/15	Unqualified audit report by the AGSA achieved for 2015/16	Achieved	None	None
SO 1.4 Executive Support Services to Ministry, Director-General & Deputy Director-Generals provided	Not achieved	4 quarterly progress reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by the Department	Partially achieved: All reports for outcomes 6, 7 & 9 were achieved	Outcome 10, Q3 & Q4 reports were not submitted	Outcome 8 was erroneously included in the APP. Outcome 4 is a part of the Outcome 6 reports. There is misalignment in terms of the Department, the Department of Environmental Affairs (DEA) & the Department of Planning, Monitoring and Evaluation (DPME) reporting requirements for Outcome 10. All parties agreed that the Department need not submit Q3 & Q4 reports until the matter is resolved
SO 1.5 Strategic Support of Energy Security (Re-establish New Partnership/Bilateral Agreement)	Achieved: 12 bilateral inter-governmental engagements/visits were hosted in the Energy Sector, with African states in attendance (inbound & outbound)	10 foreign participants (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved: 24 bilateral inter-governmental engagements/visits were hosted in the Energy Sector with African states (inbound & outbound)	14 additional bilateral inter-governmental engagements with African states were conducted	New bilateral engagements were held with the SADC & West African countries to promote safer energy carriers

Table 20: Programme 1 Administration strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 1.5 Strategic Support of Energy Security (Re-establish New Partnership/Bilateral Agreement)	Achieved: 23 bilateral inter-governmental engagements/visits were hosted in the Energy Sector, excluding African countries (inbound & outbound)	18 foreign participants (advance Energy Agenda in the rest of the world) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved: 41 bilateral inter-governmental engagements/visits were hosted in the Energy Sector, excluding African countries (inbound & outbound)	23 bilateral inter-governmental engagements, excluding African countries additional to the planned target, were achieved	New bilateral engagements were held with European countries to promote clean energy, such as renewable energy, & energy efficiency to reduce GHG emissions
SO 1.2 Sound Financial Resource Management	Achieved: 100% approved invoices paid within 30 days	100% approved invoices paid within 30 days of receipt	Achieved: 12 (monthly) reports of payments of approved invoices within 30 days submitted to National Treasury	None	None
SO 1.3 Sound Corporate Management	Partially achieved: 11.21% vacancy rate was achieved Achieved: HR Plan has been reviewed Not achieved: 1.96% has been achieved Partially achieved: 36.14% of women are in an SMS position	Vacancy rate below 10% maintained, as per Department of Public Service and Administration (DPSA) directive Implementation of the HR Plan (Phase 4) 2% of people with disabilities employed as per Cabinet Instruction 50% of women in SMS positions as per Cabinet instruction	Not achieved: Vacancy rate increased to 13.76% Achieved Partially achieved: 1.7% Partially achieved: 36%	-3.76% None -0.3% -14%	Terminations increased relative to recruitment due, in part, to budget constraints None Terminations increased relative to recruitment due, in part, to budget constraints Terminations increased relative to recruitment due, in part, to budget constraints
SO 1.4 Communication Services for the Department	Partially achieved	20 Izimbizo Public-Participation Programmes (PPPs) conducted	Achieved: 20 Izimbizo PPPs were conducted	None	None

Table 21: Programme 1 Administration performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Average score on the Management Performance Assessment Tool (MPAT)	Achieved: Average MPAT score of at least 2, 8 was achieved in 2012/13 financial year	Overall score of 2.64 comprised: - KPA 1 – 2.67 - KPA 2 – 2.2 - KPA 3 – 2.45 - KPA 4 – 3.22	Partially achieved: - KPA 1 – 3 - KPA 2 – 2 - KPA 3 – 4 - KPA 4 – 1	Department to score at least 2.6 for the moderated assessment of 2015/16	Partially achieved: The Department attained a score of 2.3	-0.3	MPAT Improvement Plan has been initiated
Result of the annual audit (AGSA audit opinion)	The Department received an unqualified report in the 2013/14 financial year	Unqualified audit report by the AGSA achieved for the 2014/15 financial year	Achieved: Unqualified audit report by the AGSA achieved the for the 2014/15 financial year	Unqualified audit report by the AGSA achieved for the 2015/16 financial year	Achieved: Unqualified audit report by the AGSA achieved for the 2015/16 financial year	None	None
Number of progress quarterly reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by the Minister	N/A	N/A	Not achieved	4 quarterly progress reports which detail the implementation of the 2014-2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by the Department	Partially achieved: All reports for outcomes 6, 7 & 9 were achieved	Outcome 10, Q3 & Q4 reports were not submitted	Outcome 8 was erroneously included in the APP. Outcome 4 is a part of the Outcome 6 reports. There is misalignment in terms of the Department, the DEA & the DPME reporting requirements for Outcome 10. All parties agreed that the Department need not submit Q3 & Q4 reports until the matter is resolved
The number of foreign participants (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	N/A	N/A	Achieved: 12 bilateral inter-governmental engagements/visits were hosted in the Energy Sector, with African states in attendance (inbound & outbound)	10 foreign participants (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved: 24 bilateral inter-governmental engagements/visits were hosted in the Energy Sector, with African states in attendance (inbound & outbound)	14 additional bilateral inter-governmental engagements with African states were conducted	New bilateral engagements were held with SADC & West African countries to promote safer energy carriers

Table 21: Programme 1 Administration performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
The number of foreign participants (advancement of the African Agenda in the Energy Sector) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	N/A	N/A	Achieved: 23 bilateral, inter-governmental visits were hosted in the Energy Sector, excluding African countries (inbound & outbound)	18 foreign participants (advance Energy Agenda in the rest of the world) to promote the use of cleaner & safer energy carriers, reduce GHG emissions, promote knowledge transfer & enhance the Energy Sector as agreed with foreign partners	Achieved: 41 bilateral, inter-governmental engagements/visits were hosted in the Energy Sector, excluding African countries (inbound & outbound)	23 bilateral engagements, excluding African countries, additional to the planned target, were achieved	New bilateral engagements were held with European countries to promote clean energy, such as renewable energy, & energy efficiency to reduce GHG emissions
Percentage of approved invoices paid within 30 days of receipt	Achieved: 100% of approved invoices paid within 30 days of receipt & 12 reports on compliance with payments within 30 days were submitted to National Treasury for all 12 periods in the financial year	Achieved: Reports on 30-day payments compliance & exceptions were submitted to National Treasury for all 12 periods in the financial year	Achieved: 100% approved invoices paid within 30 days	100% approved invoices paid within 30 days of receipt	Achieved: 12 (monthly) reports of payments of approved invoices within 30 days submitted to National Treasury	None	None
Percentage of vacancy rate	Achieved: At the end of the reporting period the vacancy rate was 7.75%	The vacancy rate stands at 10.26%	Partially achieved: 11.21% vacancy rate was achieved	Vacancy rate below 10% maintained as per DPSA directive	Not achieved: Vacancy rate increased to 13.76%	-3.76%	Terminations increased relative to recruitment due, in part, to budget constraints
Number of quarterly reports on the implementation of the HR Plan (Phase 4)	N/A	N/A	Achieved: HR Plan has been reviewed	Implementation of the HR Plan (Phase 4)	Achieved	None	None
Percentage of people with disabilities employed	Partially achieved: Although an improvement was registered, the disability figure is currently at 1.66% and therefore the target is not met	2.2% of people with disabilities employed	Not achieved: 1.96% of people with disabilities employed	2% of people with disabilities employed, as per Cabinet instruction	Partially achieved: 1.7% of people with disabilities employed	-0.3%	Terminations increased relative to recruitment due, in part, to budget constraints
Percentage of women in SMS positions	Partially achieved: Currently there is 40% of women in middle management positions	38.55% as at 1 December 2014	Partially achieved: 36.14% of women in SMS positions	50% of women in SMS positions, as per Cabinet instruction	Partially achieved: 36% of women in SMS positions	-14%	Terminations increased relative to recruitment due, in part, to budget constraints
Number of izimbizo PPPs conducted	Achieved: 48 izimbizo PPPs were held	36 Izimbizo PPPs were held	Partially achieved	20 izimbizo PPPs conducted	Achieved: 20 Izimbizo PPPs were conducted	None	None

7.1.4 Strategies to overcome areas of underperformance

Table 22: Strategies to overcome areas of underperformance in Programme 1

Area of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
Average MPAT score of at least 2.6 achieved for the moderated assessment of 2015/16	Department attained a score of 2.3	MPAT Improvement Plan has been initiated
4 quarterly progress reports which detail the implementation of the 2014-2019 MTSF, with Outcomes 4, 6, 7, 8, 9 & 10 signed by the Department	Partially achieved: All reports for outcomes 6, 7 & 9 were achieved	Outcome 8 was erroneously included in the APP. Outcome 4 is a part of the Outcome 6 reports. There is misalignment in terms of the Department, the DEA & the DPME reporting requirements for Outcome 10. All parties agreed that the Department need not submit Q3 & Q4 reports until the matter is resolved
Vacancy rate below 10% maintained	Not achieved: Vacancy rate increased to 13.76%	The Department has to review funded posts & make decisions based on the allocated budget for compensation of employees for the 2017/18 financial year. Thereafter, the filling of identified funded posts may commence with people from designated groups
2% of people with disabilities employed	Partially achieved: 1.7% 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% of women in SMS positions	Majority of vacant SMS positions to be prioritised & to be filled by women

7.1.5 Changes to planned targets

None.

7.1.6 Linking performance with budgets

Table 23: Programme 1 financial performance as at 31 March 2017

Sub-programme Name	2016/2017		2015/2016		(Over)/Under Expenditure R'000
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	
Ministry	28 499	39 313	42 308	42 298	10
Departmental Management	63 337	72 709	52 636	52 619	17
Finance Administration	36 480	34 695	33 327	33 294	33
Audit Services	7 196	6 934	6 767	6 698	69
Corporate Services	81 437	98 509	110 758	110 758	0
Office Accommodation	30 069	30 601	32 102	32 100	2
Total	247 018	282 762	277 898	277 767	131

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 IEP; 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

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 encompasses institutional, regulatory and structural adjustments that are all entirely revamped. In this regard, the Approach to Distribution Asset Management (ADAM) Programme was initiated, in which the metropolitan and suburban areas of the country are targeted for piloting. The development of norms and standards relating to, amongst others, maintenance and tariff design is necessary so that municipalities can adopt these standards as a regulatory mechanism in order to normalise their electricity distribution businesses.

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.

Hydropower resource

The Department has continued to lead discussions with our neighbouring countries, notably with the Democratic Republic of Congo (DRC), Zambia, Zimbabwe and Botswana, on hydro-electric power development in order to advance the provisions of the Treaty on the Grand Inga Hydropower Project. South Africa has entered into an agreement with the DRC in which South Africa will 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: Eskom, *Société Nationale d'Électricité* (SNEL), Botswana Power Corporation, Zimbabwe Electricity Supply Authority (ZESA) and Zambia Electricity Supply Company (ZESCO). At the meeting of Energy Ministers in the SADC, it was agreed to endorse the development of an inter-governmental MoU that outlines the political support for the transmission solution that traverses their countries. This also sets the basis for the Inter-Utility MoU between the various utilities.

 The Department has continued to lead discussions with our neighbouring countries on hydro-electric power development.

Table 24: Programme 2 Energy Policy and Planning strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 2.1 Improved Energy Security	Achieved: Annual energy balance (2013) was published by March 2016 N/A N/A	Annual Energy Balance (2014) published by March 2017 Enhancement of Central Energy Information Management System (CEIMS) deployed Study to determine the macro-economic impact of liquid fuel imports Study to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles Study to determine the price elasticities of demand for different energy carriers Studies to determine benchmark costs for fuel-production technologies & jobs impact Studies to determine gas-infrastructure development costs, including job-creation potential Study on the energy-saving potential within the heavy industry	Partially achieved Partially achieved Not achieved Not achieved Not achieved Not achieved Not achieved	The Draft Energy Balance was compiled but not signed off CEIMS was completed after March 2017, in respect of the enhancements planned for the period This target can only be achieved as part of the IEP development process. The IEP is planned for completion in 2017/18	While the Energy Balance has been completed, it has not been signed off yet This target will be moved to the Operational Plan These studies are all related to & form part of the process of developing the IEP. This target will be moved to the Operational Plan

Table 24: Programme 2 Energy Policy and Planning strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 2.2 Improved Liquid Fuels Energy Security	N/A Achieved: 20YRLFMP was incorporated as part of the IEP tabled at the Director-General's Cluster in February 2016 Achieved: As per the framework, the financing/subsidy scheme agreed upon with National Treasury & the feedstock protocol completed with the Department of Rural Development and Land Reform (DRDLR), the Final Biofuels Regulatory Framework was completed internally Partially achieved: The Draft Petroleum Products Bill, together with the concept document, was sent to the SLA for legal opinion Partially achieved: Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) review drafted for Ministerial approval	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet Incorporate the 20YRLFMP into the published IEP Submission of the Draft Biofuels Regulatory Framework for Ministerial approval The Draft Petroleum Products Bill must be submitted for Ministerial approval for Cabinet submission Submission of concept document for review of the Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) for Ministerial approval	Partially achieved Partially achieved Partially achieved Partially achieved Not achieved	The Gas Amendment Bill was commented on by the SLA, which is the last step before submission to Cabinet The 20YRLFMP was incorporated into the IEP & will consequently be published in 2017/18 The Regulatory Framework was tabled in Cabinet & the decision was made to delay the introduction of the Biofuels Programme under the prevailing economic climate The draft Bill has been completed but it could not be submitted to Cabinet in the absence of the required SEIAS There is no concept document but a SEIAS has been completed with regard to the proposed amendment	The deviation was as a result of incorporating the infrastructure requirements of the GTPP This is dependent on the IEP & can only be completed as part of the document A target will be set to reflect accurately what is within the direct control of the Department The delay is due to a new requirement by Cabinet to include a SEIAS in relation to any policy or legislative amendment proposals Consultations for the SEIAS indicated the lack of sufficient motivation to amend the existing Act. Additionally, further consultation with relevant stakeholders is needed to determine a way forward & in order to consider whether this amendment should be deferred

Table 24: Programme 2 Energy Policy and Planning strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 2.3 Policy & Regulations to Ensure Security of Supply Reviewed	N/A	Approval of regulations emanating from National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Partially achieved: Regulations have been completed but not yet promulgated	The promulgation of these Regulations will be completed in 2017/18	These delays were due to the extension of the consultation period
SO 2.4 Bulk Electrical Infrastructure Required for the Universal Access to Electricity Reviewed	Not achieved	Develop norms & standards for municipal, electricity-infrastructure asset management, in concurrence with the regulator	Not achieved	Negotiations with NERSA for the development of norms & standards for municipal infrastructure management are still underway	Consultation on norms & standards for municipal electricity-infrastructure asset management has been extended to include Cooperative Governance and Traditional Affairs (CoGTA), the South African Local Government Association (SALGA) & the Municipal Infrastructure Support Agency
SO 2.5 Mechanisms to Pre-fund Capital & Create a Smooth Price Path Over Long Term established	Partially achieved: The IEP outlines the electricity price path under various scenarios & is included in the IEP report which was tabled at the Director-General's Cluster in February 2015	Table the electricity price path to Cabinet for consideration	Partially achieved	The IEP report includes electricity price paths under different scenarios but this has not been published	The IEP report has not been published yet
SO 2.6 Security of Supply through Additional Power-Generation Capacity	Partially achieved: The base case for the updated IRP has been developed but not yet submitted for Cabinet approval, pending approval of IEP Partially achieved: Coal for Energy Pathway is included in the IEP which was tabled at Director-General's Cluster in February 2016 N/A	Update IRP for consideration by Cabinet Conclude contracts for Coal, Co-generation & Gas IPPs for additional power capacity, as per the IRP Conclude the offtake agreement	Partially achieved Partially achieved: Coal & Co-generation bids were successfully closed Not achieved: The GTPP has not progressed as planned. However, Coal & Co-generation bids have been successfully procured	The updated IRP is not concluded but the base case and scenarios have already been modelled, which represent the second step of a 4-milestone process The Gas IPP contracts are pending The offtake with respect to the Gas agreement has not been concluded	The delay to conclude the updated IRP was due to the extension of the public participation, which closed on 31 March 2017. The decision to extend the consultation even further was driven by public engagements. The IRP update to be completed in 2017/18 The Gas IPP programme has been delayed because of concerns by the designated buyer (Eskom) Delays have been experienced in relation to preferred bidders reaching financial closures – this is dependent on Eskom committing to enter into the offtake contracts

Table 25: Programme 2 Energy Policy and Planning performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Annual energy balances provided to support compilation of the GHG inventory Developed CEIMS	Achieved: Annual energy balance (2011) was published by March 2014 First phase of Centralised Energy Database	Achieved: Annual energy balance (2012) was published by March 2015 Expansion of Centralised Energy Database, including front-end portal	Achieved: Annual energy balance (2013) was published by March 2016 N/A	Annual Energy Balance (2014) published by March 2017 Enhancement of CEIMS deployed	Partially achieved Partially achieved	The Draft Energy Balance was compiled but not signed off CEIMS was completed after March 2017, in respect of the enhancements planned for the period	While the Energy Balance has been completed, it has not yet been signed off This target will be moved to the Operational Plan
Number of studies in support of IEP	Achieved: Draft IEP submitted to Cabinet for public consultation Partially achieved: Draft IEP published for public consultation & stakeholder comments were collated (approved by Cabinet for this)	Cabinet Committee did not approve the IEP	N/A	Study to determine the macro-economic impact of liquid fuel imports Study to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles Study to determine the price elasticities of demand for different energy carriers Studies to determine the benchmark costs for fuel-production technologies & jobs impact Studies to determine gas infrastructure development costs, including job-creation potential Study on energy-saving potential within the heavy industry	Not achieved Not achieved Not achieved Not achieved Not achieved	This target can only be achieved as part of the IEP development process. The IEP is planned for completion in 2017/18	These studies are all related to & form part of the process of developing the IEP. This target will be moved to the Operational Plan

Table 25: Programme 2 Energy Policy and Planning performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Developed Draft Gas Amendment Bill	N/A	Draft Gas Amendment Bill submitted to the office of the SLA for final pre-certification	Submission of Draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submission of Draft Amendment Bill for Ministerial approval for submission to Cabinet	Partially achieved	The Gas Amendment Bill was commented on by the SLA, which is the last step before submission to Cabinet	The deviation was as a result of incorporating the infrastructure requirements of the GTPP
Finalised 20YRLFMP	Achieved: The Final Report was submitted by consultants on 14 March 2014. This is being reviewed by the Department	Draft 20YRLFMP was completed	Achieved: The 20YRLFMP was incorporated as part of the IEP tabled at the Director-Generals Cluster in February 2016	Incorporate the 20YRLFMP into the published IEP	Partially achieved	The 20YRLFMP was incorporated into the IEP & will consequently be published in 2017/18	This is dependent on the IEP & can only be completed as part of this document
Number of monitoring reports on implementation of Biofuels Regulatory Framework	N/A	South African Biofuels Regulatory Framework finalised	Achieved: As per the Framework, the financing/subsidy scheme agreed with National Treasury & the feedstock protocol completed with the DRDLR, the Final Biofuels Regulatory Framework was completed internally	Submission of the Draft Biofuels Regulatory Framework for Ministerial approval	Partially achieved	The Regulatory Framework was tabled in Cabinet & the decision was made to delay the introduction of the Biofuels Programme under the prevailing economic climate	A target will be set to reflect accurately what is within the direct control of the Department
Draft Petroleum Products Bill	N/A	N/A	Partially achieved: The Draft Petroleum Products Bill, together with the concept document, was sent to the SLA for legal opinion	Draft Petroleum Products Bill submitted for Ministerial approval for submission to Cabinet	Partially achieved	The draft Bill has been completed but it could not be submitted to Cabinet in the absence of the required SEIAS	The delay is due to a new requirement by Cabinet to include a SEIAS in relation to any policy or legislative amendment proposals

Table 25: Programme 2 Energy Policy and Planning performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Concept document for amendment of Draft Petroleum Pipelines Act, 2003 (Act No. 34 of 2003)	N/A	N/A	Partially achieved: Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) review drafted for Ministerial approval	Submission of concept document for review of the Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) for Ministerial approval	Not achieved	There is no concept document but a SEIAS has been completed with regard to the proposed amendment	Consultation during the SEIAS indicated the lack of sufficient motivation to amend the existing Act. Additionally, further consultation with relevant stakeholders is needed in order to determine a way forward so as to consider whether this amendment should be deferred
Amend National Energy Regulator Act, 2004 (Act No. 47 of 2004)	Reviewed & amended the Act	Continued with stakeholder engagement on the proposed amendments	Introduced the National Energy Regulator Bill for consideration & support by Cabinet & Parliament	Approval of regulations emanating from National Energy Regulator Act, 2004 (Act No. 40 of 2004)	Partially achieved: Regulations have been completed but have not yet been promulgated	The promulgation of these Regulations will be completed in 2017/18	The reason for these delays is due to the extension of the consultation period
Norms & standards for municipal asset management	Baseline to be established	Norms & standards relating to tariff design were developed	Not achieved	Develop norms & standards for municipal electricity-infrastructure asset management in concurrence with the regulator	Not achieved	Negotiations with NERSA for the development of norms & standards for municipal infrastructure management are still underway	Consultation on norms & standards for municipal electricity-infrastructure asset management has been extended to include CoGTA, SALGA & the Municipal Infrastructure Support Agency
Electricity Pricing Policy	N/A	Developed the electricity price path in line with the IRP, the ADAM & the Transmission Development Plan	Partially achieved: The IEP outlines the electricity price path under various scenarios & included in the IEP Report which was tabled at the Director-General's Cluster in February 2015	Table the electricity price path to Cabinet for consideration	Partially achieved	The IEP Report includes electricity price paths under different scenarios and this has been completed	The IEP Report has not been published yet, notwithstanding that this part of the work has been done

Table 25: Programme 2 Energy Policy and Planning performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
IRP	Update the IRP & the ADAM Report	Reviewed & analysed the inputs from stakeholder & public engagements	Partially achieved: A base case for the updated IRP has been developed but not yet submitted for Cabinet approval, pending approval of IEP	Updated the IRP for consideration by Cabinet	Partially achieved	Updated IRP not concluded, but the base case & scenarios have already been modelled, which represent step 2 out of a 4-milestone process	The delay to conclude the Updated IRP was due to the extension of the public participation, which closed on 31 March 2017. The decision to extend the consultation even further was driven by public engagements. The IRP Update to be completed in 2017/18
Additional power-generation capacity as per the IRP	N/A	Introduce bidding rounds for Renewable Energy, Co-generation, Coal & Gas Programmes, in line with the IRP determinations made by the Minister	Partially achieved: The Coal for Energy Pathway is included in the IEP which was tabled at the Director-General's Cluster in February 2016	Conclude contracts for Coal, Co-generation & Gas IPPs for additional power capacity, as per the IRP	Partially achieved: Coal and Co-generation bids were successfully closed	The Gas IPP contracts are pending	The Gas IPP Programme has been delayed because of concerns by the designated buyer (Eskom)
Offtake Agreement	N/A	Bilateral Energy Agreement signed with government of DRC	N/A	Conclude the Offtake Agreement	Not achieved: The GTPP has not progressed as planned. However, Coal & Co-generation bids have been successfully procured	The Offtake with respect to the Gas Agreement has not been concluded	Delays have been experienced in relation to preferred bidders reaching financial closure. This is dependent on Eskom committing to enter into the offtake contracts

7.2.4 Strategies to overcome areas of underperformance

Table 26: Strategies to overcome areas of underperformance in Programme 2

Area of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
Annual Energy Balance (2014) published by March 2016	Partially achieved	Data sources and data management are sector-wide challenges
Enhancement of CEIMS deployed	Partially achieved: Enhancement of the database is an ongoing process	A milestone approach will be adopted to measure progress
Study to determine the macro-economic impact of liquid fuel imports	Not achieved	All of the following information forms part of the IEP. The IEP process will incorporate the IRP, Gas Infrastructure Plan (GIP) & their related logistical infrastructure elements, i.e. transmission lines for the IRP & pipelines for the GIP. This new approach was necessary after recognising the shortcomings of the disparate planning process for each sector. Once the IEP has been adopted by Cabinet, the IRP Update (for electricity) & the GIP will follow, using the IEP as the platform. The IEP is under development & is due for completion in the 2017/18 financial year
Study to determine the impact of Clean Fuels 2 on fuel consumption of road vehicles	Not achieved	
Study to determine the price elasticities of demand for different energy carriers	Not achieved	
Studies to determine the benchmark costs for fuel-production technologies & jobs impact	Not achieved	
Studies to determine gas infrastructure development costs, including job-creation potential	Not achieved	
Study on the energy-saving potential within the heavy industry	Not achieved	
Submission of Draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Partially achieved	
Incorporate the 20YRLFMP into the published IEP	Partially achieved	With regard to the 20YRLFMP, the IEP already outlines the petroleum pathway, thus doing away with the need for a separate Liquid Fuels Masterplan. The IEP will effectively represent the umbrella Energy Sector Plan
Submission of Draft Biofuels Regulatory Framework for Ministerial approval	Partially achieved	The submission made to Cabinet & all of the concerns relating to the Regulatory Framework have been addressed. The decision whether to proceed with the programme is external because it depends on the improvement in the economic climate (& the price of crude oil)
Draft Petroleum Products Amendment Bill submitted for Ministerial approval for Cabinet submission	Partially achieved	The decision to proceed with the Bill has been deferred to 2017/18, in order to obtain a new mandate
Submission of concept document for review of the Petroleum Pipelines Act, 2003 (Act No. 34 of 2003) for Ministerial approval	Not achieved	Consultation for the SEIAS indicated the lack of sufficient motivation to amend the existing Petroleum Pipelines Act, 2003 (Act No. 4 of 2006)
Approval of the regulations emanating from the Electricity Regulation Act, 2004 (Act No. 4 of 2006)	Partially achieved	The approval of the regulations under the Electricity Regulation Act, 2004 (Act No. 4 of 2006) is completed

Table 26: Strategies to overcome areas of underperformance in Programme 2 (continued)

Area of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
Develop norms & standards for municipal electricity-infrastructure asset management, in concurrence with the regulator	Not achieved	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
Table the electricity price path to Cabinet for consideration	Partially achieved	The IEP is currently under development with the intention to publish it in 2017/18. This will address the price path
Update IRP for consideration by Cabinet	Partially achieved	The IRP update process will be concluded in 2017/18, given the public consultations required to arrive at a credible plan. As such, more time has been allowed
Conclude contracts for Coal, Co-generation & Gas IPPs for additional power capacity, as per the IRP	Partially achieved: Coal & Co-generation bids were successfully closed	The IPP Programme (Coal, Gas, Renewable Energy) has been delayed pending the resolution of buyer concerns about the pace & scale of new generation capacity. Discussions are ongoing with all relevant stakeholders
Conclude the Offtake Agreement	Not achieved	The transmission solution to evacuate power to South Africa has been agreed to, at the technical level, by all the affected utilities: Eskom, SNEL, Botswana Power Corporation, ZESA & ZESCO. The next step involves securing political ratification of the technical solution. Once this has been resolved, the Grand Inga Hydropower Project will proceed to the commercial negotiation of the electricity tariff, & the risk sharing between the power concession company & the South African off-taker. The DRCC is responsible for appointing the concession company that will generate the power, as part of their obligation under the Treaty

7.2.5 Changes to planned targets

None.

7.2.6 Linking performance with budgets

Table 27: Programme 2 financial performance as at 31 March 2017

Sub-Programme Name	2016/2017				2015/2016				
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	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	R'000	R'000	R'000
Policy Analysis & Research	2 066	2 056	10	2 240	1 570	670			
Energy Planning	19 031	18 822	209	19 154	18 429	725			
Hydrocarbons Policy	11 546	11 487	59	11 710	11 428	282			
Electricity, Energy Efficiency & Environmental Policy	7 521	7 514	7	7 482	6 667	815			
Total	40 164	39 878	286	40 586	38 095	2 491			

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 in order to achieve the Government's developmental goals.

7.3.2 Sub-programmes

Sub-programme 3.1: Petroleum Compliance, Monitoring and Enforcement

This sub-programme monitors compliance with the petroleum legislation, the LFC, 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, promotion of access to information requests as well as promotion of administrative action requests on behalf of the Controller of Petroleum Products.

Sub-programme 3.2: 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 licence analyses, and ensuring the supply of petroleum, and compliance with permits and the charter.

Sub-programme 3.3: Fuel Price Regulation

This sub-programme regulates the pricing of petroleum products in accordance with legislation. This entails the determining, reviewing, updating and maintenance of 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 overseeing secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products so as to enable investment in the sector.

Sub-programmes 3.4: 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. Additionally, these offices are responsible for ensuring that all of the information of the licence 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 benefit of this approach was seen in the large number of applications that were filed 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 licence 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, which are conducted to monitor and enforce compliance with the conditions of licences 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.

Inspections at retail sites are conducted as per provisions of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and the Regulations promulgated thereunder. This is done to ensure that the licensees comply with licence conditions.

Planned retail site compliance inspections for the period under review (2016/17) amounted to 1 500. The Branch managed to conduct 1 787 compliance inspections, which exceeded the target by 287 compliance inspections. Enforcement notices were issued in 100% of cases where non-compliance was identified during routine compliance inspections. Out of the 1 787 retail site compliance inspections conducted, 341 cases of non-compliance were identified and appropriate notices were issued.

Fuel sampling and testing

In terms of Section 12C(1)(e) of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) 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 of 31 March 2017, a total of 1 542 fuel samples were collected from retail sites and tested. The target was the remainder of samples remaining, as per the service level agreement entered into by and between the Department and service provider.

Table 28: Fuel samples collected and tested per province

Month	KwaZulu-Natal		Eastern Cape		Free State		Gauteng		North West		Northern Cape		Limpopo		Western Cape		Mpumalanga		Total
	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel	Gasoline	
April/May	20	20	0	0	15	15	20	20	20	20	10	10	0	0	0	0	15	15	200
June/July	9	9	30	30	15	15	30	30	22	22	12	12	19	19	28	28	10	10	350
August	10	10	15	15	10	10	20	20	10	10	10	10	0	0	0	0	12	12	174
September	10	10	10	10	10	10	20	20	10	10	0	0	10	10	0	0	18	18	176
October	10	10	0	0	15	15	15	15	0	0	15	15	0	0	0	0	20	20	150
November	20	20	10	10	10	10	0	0	15	15	0	0	20	20	0	0	0	0	150
December	10	10	17	17	5	5	9	9	0	0	0	0	0	0	25	25	15	15	162
January	10	10	0	0	0	0	21	21	0	0	13	13	11	11	35	35	0	0	180
Total	99	99	82	82	80	80	135	135	77	77	60	60	60	60	88	88	90	90	1 542

Enforcement notices were issued in 100% of cases where non-compliance was identified during routine fuel samples testing. Out of 1 542 samples tested, 147 diesel and 17 petrol tests failed the petroleum products specifications and standards, and notices were issued to these identified non-compliant cases.

Promotion of the right to just administrative administration


To further the right of just administrative action, as protected in terms of Section 33 of the Constitution, the Petroleum Compliance Unit processes requests for reasons of administrative decisions made in the office of the Controller of Petroleum Products. However, no requests were received during the financial year in question.

Promotion of the right to access to information

In order to promote the right to access to information, as entrenched in the Bill of Rights, Section 32 of the Constitution of the Republic of South Africa, a total of 57 requests were received and processed by the Petroleum Compliance Unit within the Department during the 2016/17 financial year.

Promotion of the right to access to courts

As an alternative dispute resolution mechanism, to promote the right to access to courts as protected by Section 34 of the Constitution, the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) provides for referral of disputes to arbitration in terms of Section 12B. The initial set target of 21 working days for finalisation of arbitration requests has no legal basis, as the period is not prescribed in the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003); hence the Department has amended the target to 90 days from date of receipt of all parties' representations.

 The Department conducted eight public awareness campaigns across the country. These have proved very useful in encouraging licence holders to comply with the conditions of their licences.

The reviewed target was benchmarked against other legislations administered by the Department, as well as considering the following: legal complexities; voluminous nature of requests; delayed submission of representations; and limited HR services. The Department received and processed a total of eight arbitration requests during this financial year.

During the same period, a Constitutional Court case (Business Zone 101 CC t/a Emmarentia Convenience Centre versus Engen Petroleum Limited and Others [2017] ZACC 2) was ongoing. This court case sought to provide a final determination on the interpretation of Section 12B of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) which provides for the jurisdiction of arbitration as a means for dispute resolution. The case had the implication that the issues referred to arbitration in all eight cases remained *sub judice* until the final determination by the Court. All relevant affected matters were therefore suspended pending a final decision by

the court, which was issued in February 2017. The Department will henceforth expedite the finalisation of all outstanding arbitrations in accordance with the judgement of the Constitutional Court.

Licensing

The Department received 894 petroleum products licence applications during the period under review. A target of 90% compliance with the 60-day turnaround time to finalise NTI applications was not achieved, as only 2.7% compliance was achieved. It should be noted that the legislated timeframe is 90 days. The 60 days was a stretch target and is proving more and more difficult to achieve due to insufficient information from applicants. Delays arise with the office needing to wait for long periods for applicants to provide additional documentation required to finalise their applications. Moreover, the Department partially achieved 52% compliance with 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 82.78% compliance against the 50% target for 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 license fees a condition of any new licence where there are changes in ownership.

Furthermore, the Department conducted eight public awareness campaigns across the country. During these campaigns, we share 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. The quality of information provided to the Department by applicants can be strengthened by rigorous engagement at the awareness campaigns. Applicants will also be able to understand that the turnaround time for their providing information required by the Department affects the speed at which their applications can be processed.

Fuel supply

Table 29 outlines crude oil imports for 2016.

Table 29: Crude oil imports

Country	Quantity (Oil Barrel - bbl)	% of Total Quantity
Saudi Arabia	58 087 767	38
Nigeria	44 863 230	30
Angola	29 270 703	19
Qatar	4 989 541	3
United Arab Emirates	4 920 167	3
Togo	2 120 282	1
Norway	1 973 129	1
United Kingdom	1 283 441	1
China	1 105 760	1
Columbia	967 311	1
Liberia	954 298	1
Equatorial Guinea	939 911	1
Kuwait	785 520	<0.01
Netherlands	58 205	<0.01
Germany	313	<0.01
Total	152 319 578	100

Source: South African Revenue Services

A significant amount of crude oil was sourced from African countries, but the Middle Eastern countries are still an important source of crude oil to South Africa. About 51% of South African crude oil requirements were met by African countries, mainly Nigeria, Angola, Togo and Liberia. Imports from these countries were 30%, 19%, 1% and 1% respectively. This can be translated to about 77 million barrels that were sourced from within the continent. In 2016, South Africa imported 2% of crude oil from both Togo and Liberia for the first time; this may be the emerging trend of crude oil source.

Refined products imports

Table 30 represents the petroleum products imported for 2016.

Table 30: Petroleum products imports

Product	Volume (litres)	% of Total
Diesel	4 420 783 124	72
Petrol	1 392 409 163	23
LPG	182 388 769	3
Kerosene*	13 528 554	2
Total	6 009 109 610	100

* Jet Fuel & Illuminating Paraffin (IP)

Source: South African Revenue Services

A total of 6.1 billion litres of refined products was imported from January to December 2016. 4.4 Billion litres were diesel, which accounts for 72% 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 projects:

- Review of the MDZs 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. The outcomes of these projects were discussed internally and submitted for Ministerial approval. Although the Minister approved the Final Reports, she indicated that further stakeholder consultation should take place before approval is granted for implementation.



Table 31: Programme 3 Petroleum and Petroleum Products Regulation strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 3.1 Compliance Monitoring & Enforcement in the Petroleum Sector	Achieved: 100% Achieved: 100%	1 500 retail site compliance inspections conducted 1 892 fuel samples tested	Achieved: 1 515 retail site inspections were conducted Partially achieved: 1 542 fuel samples were tested	15 (350)	Improved processes of scheduling & implementation of site inspections The set target was partially achieved, as there are still remaining samples to be collected during the year under review, as espoused in the SLA with the Service Provider
SO 3.2 Promote Petroleum Licensing	Achieved	50% of licence applications that are approved have 50% B-BBEE ownership	Achieved: 82.78% of licence applications approved have more than 50% HDSA ownership	32.78%	We have over achieved on this target due to our ongoing awareness campaigns to attract HDSA/B-BBEE parties to apply for licences, therefore encouraging Black involvement in this industry. There is an ongoing progression of B-BBEE entities entering the industry
SO 3.3 Petroleum Market Analysis Report	Not achieved	2 publications of the fuel prices & margin adjustment using RAS model	Achieved: 2 publications were produced	None	None
SO 3.4 Verification of Fuel Price Adjustments (External Auditors)	N/A	12 audit findings reports on the fuels prices	Achieved: 12 audit findings reports on fuel prices (1 per month) issued	None	None

Table 32: Programme 3 Petroleum and Petroleum Products Regulation performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Number of petroleum retail site inspections per year	Achieved: 225 non-compliance issues were identified during the period under review. Of these, 199 enforcement notices were issued & 26 non-compliance matters were resolved immediately, hence no notice was issued	2 070 retail site compliance inspections were conducted	Achieved: 100%	1 500 retail site compliance inspections were conducted	Achieved: 1515 retail site inspections were conducted	15	Improved processes of scheduling & implementation of site inspections
Number of fuel samples tested	Achieved: 95% of enforcement notices were issued during the period under review	No enforcement notices were issued	Achieved: 100%	1 542 fuel samples were tested	Partially achieved: 1 542 fuel samples were tested	(350)	The set target was partially achieved, as there are remaining samples to be collected during the year under review, as espoused in the SLA with the Service Provider
Percentage of licence applications approved where B-BBEE ownership is at least 50%	Baseline to be established	The relevant licence application data in support of this target is yet to be collected & analysed	Achieved	50% of licence applications approved have 50% B-BBEE ownership	Achieved: 82.78% of licence applications approved have more than 50% B-BBEE ownership	32.78%	We have over achieved on this target due to our ongoing awareness campaigns to attract HDSA/B-BBEE parties to apply for licenses, therefore encouraging Black involvement in this industry. This is an ongoing progression of B-BBEE entities entering the industry
Number of copies of the publication of Petroleum Products Market Analysis Report	Baseline to be established	Margin adjustments were implemented in terms of the RAS, as required	Not achieved	2 publications of the fuel prices & margin adjustment using RAS model	Achieved: 2 publications were produced	None	None
Number of the audit findings report	N/A	N/A	N/A	12 audit findings reports on the fuel prices	Achieved: 12 audit reports on fuel prices (1 per month) were issued	None	None

7.3.4 Strategies to overcome areas of underperformance for Programme 3

None.

7.3.5 Changes to planned targets

None.

7.3.6 Linking performance with budgets

Table 33: Programme 3 financial performance as at 31 March 2017

Sub- Programme Name	2016/2017			2015/2016		
	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	14 191	14 189	2	13 858	13 848	10
Petroleum Licensing & Fuel Supply	24 156	24 152	4	20 686	20 740	-54
Fuel Pricing	7 369	7 367	2	6 901	6 839	62
Regional Petroleum Regulation Offices	33 285	33 283	2	27 563	27 532	31
Total	79 001	78 991	10	69 008	68 958	50

7.4 Programme 4: Electrification and Energy Programme and Project Management

7.4.1 Purpose

Manage, coordinate and monitor programmes and projects focussed 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 effectively, 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 targets and actual achievements

Integrated National Electrification Programme

Municipalities and Eskom, who are implementing agencies for the Department's Electrification Programme, have made remarkable progress in increasing access to electricity in South Africa and connected close to seven million households between 1994 and March 2017, and as of March

2017, access to electricity is at 90% since 1994. In the 2016/17 financial year, R5.8 billion was allocated to INEP and we are confident that we will deliver over 290 000 connections, using both grid and non-grid technologies, within the 2016/17 budget cycle. Additionally, INEP has made 301 976 connections to date, with 15 000 jobs created in the process.



In the 2016/17 financial year, the Non-Grid Programme achieved 16 922 connections of the target 20 000 connections.

In the 2016/17 financial year, the Non-Grid Programme achieved 16 922 connections of the target 20 000 connections. Since the inception of the Non-Grid Programme, INEP has achieved close to 150 000 installations of Solar Home Systems (SHS), mainly in the Eastern Cape (EC), KwaZulu-Natal (KZN), the Northern Cape and Limpopo. The Non-Grid Programme is now also being considered for implementation in urban areas of the country, with the goal of increasing basic electricity services in informal settlements. The Department is in the process of developing a system of sustainable non-grid delivery around the country. By the end of March 2016, INEP achieved 301 976 grid and 16 922 non-grid connections, for a total of 318 898 new connections, all as part of the 2016/17 financial year allocations.

Integrated Energy Centres

Since 2002, the Department, in collaboration with oil companies, has been establishing IECs in poverty nodes around the country. This is 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. These IECs are owned and operated by local community cooperatives. There are eight operating IECs in the country and we aim to build many more. The Government, in line with NDP, is anticipating and ensuring that universal access to electricity will be reached by 2025. INEP has been allocated R6.1 billion for the 2017/18 financial year, so as to execute the electrification of an additional 255 000 households across the country.

Community Outreach

With regard to community outreach on matters of energy, the Department hosted and celebrated International Women's Day with Sunday River Valley Municipality's senior citizens of 90 Years and Above in April 2016. The Department also hosted the Women in Energy Business Summit in September 2016, with the theme "Women in Energy Unit in Moving South Africa Forward", which was attended by over 1 000 women from all nine provinces. The summit provided information on the business opportunities for women in the Energy Sector and the energy value chain.

The Department, in partnership with the Private Sector, hosts school energy days which target maths and science learners in grades 10 to 12 throughout the country. This event focusses on explaining the energy value chain to learners and the career opportunities available in the Energy Sector. Through this programme, about 10 000 learners have been exposed to the many energy-related career opportunities. In 2016, the Department awarded 80 scholarships, funded by renewable energy companies, to learners who passed matric. The total value of the bursaries awarded was R8 million.

The Department also hosted an annual Learners Focus Week, aimed at encouraging learners to pursue careers in the fields of science, technology, engineering and mathematics. Under this programme, 32 bursaries were awarded to learners who had completed matric. The estimated value of the bursaries is R3.2 million. The Department awarded a total of 112 bursaries with an estimated value of R11.2 million. These learners have been placed in various institutions including universities, technical colleges and colleges. We are waiting in anticipation for these learners to complete their studies and begin contributing to the Energy Sector.



Table 34: Programme 4 Electrification and Energy Programme and Project Management strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 4.1 Access to Electricity by Households	<p>Achieved: 4 reports submitted</p> <p>Partially achieved:</p> <ul style="list-style-type: none"> - 2 new bulk substations built - 6 additional substations were upgraded - 224 km of new Medium Voltage (MV) power lines constructed - 0 km of existing MV power lines upgraded 	<p>4 quarterly reports on allocation of funding & monitoring of progress on additional households to be electrified with grid electrification, towards the 2016/17 target of 235 000 in the National Electrification Plan</p> <p>4 quarterly reports on electrification infrastructure projects planned/built towards the 2016/17 target of:</p> <ul style="list-style-type: none"> - 3 new bulk substations built - 3 additional substations were upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded <p>4 quarterly reports on allocation of funding & monitoring of progress on additional households electrified with non-grid electrification, towards the 2016/17 target of 20 000 in the National Electrification Plan</p> <p>NIEP for 2016/17 developed</p>	<p>Achieved: 4 reports submitted</p> <p>Achieved: 4 reports on electrification infrastructure projects were submitted</p> <p>Achieved: 4 reports submitted on allocation of funding & monitoring of progress with 16 922 connections</p> <p>Partially achieved: The NIEP was developed & shared with stakeholders for comments</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>The Draft NIEP is in place & not yet signed for approval</p>	<p>None</p> <p>None</p> <p>None</p> <p>Stakeholders have suggested that the plan must be multi-year & must be expanded upon to address issues around cost per connection. Hence it has not been processed for approval</p>

Table 34: Programme 4 Electrification and Energy Programme and Project Management strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 4.2 Energy Infrastructure Development Monitored	Achieved	Implement project management business process	Partially achieved	Not yet approved for implementation	Internal consultation in progress
	N/A	System development & deployment of Phase 1 of Electronic Document Management System (EDMS)	Partially achieved: Specifications in place	The procurement of the system is not yet approved	The approval was delayed due to internal review
	Not achieved	4 project dashboards per year	Achieved	None	None
	N/A	4 quarterly reports & 1 Annual Report on energy infrastructure development, covering INEP (the challenges, mitigation plans & interventions)	Achieved	None	None
SO 4.3 Enhanced Programmes & Projects Management	Achieved: 4 reports were produced	4 quarterly reports & 1 Annual Report with regard to development of rural IECs	Achieved	None	None
	N/A	Approved IEC strategy	Partially achieved: Draft IEC strategy is in place	Draft IEC strategy developed & awaiting approval	Stakeholder consultations are in progress & document consolidation will be completed before the end of the 2017/18 financial year
	N/A	Approved gender, disability, youth & children policies	Achieved: Gender, disability, youth & children policies have been approved	None	None
	N/A	Approved gender & disability & youth & children strategies	Partially achieved: Draft gender & disability strategy in place	Gender & disability draft strategies developed & under consultation	Stakeholder consultation is underway, & the draft gender & disability strategies will be finalised before the end of the financial year 2017/18

Table 34: Programme 4 Electrification and Energy Programme and Project Management strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 4.3 Enhanced Programmes & Projects Management	N/A	Report of municipality contracts concluded through the Division of Revenue Act (DoRA) for funding in 2016/17	Achieved: The report of municipality contracts has been concluded	None	None
	Achieved	27 quarterly regional reports on the performance of municipalities in the implementation of the INEP project	Achieved: 27 quarterly regional reports were completed	None	None
	Achieved: 12 site visit reports were produced	4 quarterly reports on conducted site & technical audits during the INEP project implementations & monitoring of projects for 2016/17 completed	Achieved: 4 quarterly reports on conducted site & technical audits during the INEP project implementations & monitoring of projects for 2016/17 completed	None	None
SO 4.2 Energy Infrastructure Development Monitored	Partially achieved: 3 quarterly progress reports completed	4 quarterly reports on the progress made with regard to construction & operation phases of IPP projects	Achieved: 4 quarterly reports completed	None	None
	Not achieved	1 Annual Report on infrastructure monitoring & compliance with implementation of non-Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) Generation Programme - peaker stations	Achieved: 1 Annual Report on infrastructure monitoring & compliance with the implementation of non-REIPPP Generation Programme completed	None	None
	N/A	1 SIP report submitted to EXCO, MANCO & PICC Secretariat on SIP 8 & 9	Achieved: 1 SIP report submitted	None	None

Table 35: Programme 4 Electrification and Energy Programme and Project Management performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Number of quarterly reports on allocation of funding & monitoring of progress on additional households to be electrified with grid towards the 2016/17 target of 260 000 in the National Electrification Plan	Achieved: The reports for Eskom (157 839 planned and 203 332 including roll-overs achieved) and municipalities (86 356 planned and 77 046 including roll-overs achieved) have been submitted to National Treasury. 280 378 achieved by end of March	12 reports were submitted concerning the connection of 233 455 households to the grid	Achieved: 4 reports submitted	4 quarterly reports on the allocation of funding & the monitoring of progress on additional households to be electrified with grid towards the 2016/17 target of 235 000 in the National Electrification Plan	Achieved: 4 reports submitted with Eskom electrifying 207 436 and municipalities 94 540 households with an accumulative figure of 301 976	None	None
Number of quarterly reports on the allocation of funding & the monitoring of progress on the building/upgrading of electrification infrastructure projects per year	N/A	4 quarterly reports were submitted, highlighting the following: - 5 new bulk substations built - 15 substations upgraded - 440.56 km of new MV power lines constructed - 12.3 km of existing MV power lines upgraded	Partially achieved: - 2 new bulk substations built - 6 additional substations upgraded - 224 km new MV power lines constructed - 0 km of existing MV power lines upgraded	4 quarterly reports on the electrification infrastructure projects planned/built towards the 2016/17 target of: - 3 new bulk substations built - 3 additional substations upgraded - 90 km of new MV power lines constructed - 90 km of existing MV power lines upgraded	Achieved: 4 reports on the electrification infrastructure projects were submitted	None	None
Number of quarterly reports on allocation of funding & monitoring of progress on additional households electrified with non-grid electrification towards the 2016/17 target of 20 000 in the National Electrification Plan	Partially achieved: 12 479 non-grid connections have been achieved against a target of 15 000 planned connections	12 monthly reports were submitted concerning the achievement of 14 030 non-grid connections	Achieved: 4 reports were submitted	4 quarterly reports on the allocation of funding & the monitoring of progress on additional households electrified with non-grid towards the 2016/17 target of 20 000 in the National Electrification Plan	Achieved: 4 reports submitted on the allocation of funding & monitoring of the progress with 16 922 connections	None	None

Table 35: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Approved National EMP for 2016/17	N/A	N/A	Partially achieved: EMP was developed for 6 provinces	NIEP for 2016/17 developed	Partially achieved: The NIEP is developed & shared with stakeholders for comments	The Draft NIEP in place & not yet signed for approval	Stakeholders have suggested that the plan must be multi-year & that it must be expanded upon to address issues around cost per connection. Hence it has not been processed for approval
Develop implementation of a project management business process	N/A	N/A	Achieved	Implement project management business process	Partially achieved	It has not yet been approved for implementation	The internal consultation is in progress
EDMS	N/A	N/A	N/A	System development & deployment of Phase 1 of EDMS	Partially achieved: Specifications in place	Procurement of the system has not yet been approved	The approval was delayed due to an internal review
Number of project dashboards	N/A	N/A	Not achieved	4 project dashboards per year	Achieved: 4 project dashboards were submitted	None	None
Number of quarterly reports on energy infrastructure development covering INEP (challenges, mitigation plans & interventions)	N/A	N/A	N/A	4 quarterly reports & 1 Annual Report on energy infrastructure development, covering INEP (challenges, mitigation plans & interventions)	Achieved: 4 quarterly reports & 1 Annual Report on energy infrastructure submitted	None	None
Number of reports with regard to the development of rural IECs	N/A	4 quarterly reports were submitted relating to the completion of one IEC	Achieved: 4 reports were produced	4 quarterly reports & 1 Annual Report with regard to development of rural IECs	Achieved: 4 quarterly reports & 1 Annual Report regarding the development of rural IECs submitted	None	None

Table 35: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Draft IEC strategy	N/A	N/A	N/A	Approved IEC strategy	Partially achieved: A Draft IEC strategy in place	A Draft IEC strategy has been developed & awaiting approval	Stakeholder consultations are in progress & document consolidation will be completed before the end of the 2017/18 financial year
Draft gender, disability, & youth & children policies	N/A	N/A	N/A	Approve gender, disability, & youth & children policies	Achieved: Gender, disability, & youth & children policies approved	None	None
Draft gender & disability & youth & children strategies	N/A	N/A	N/A	Approve gender & disability & youth & children strategies	Partially achieved: Draft gender & disability strategy in place	Gender & disability draft strategies developed and under consultation	Stakeholder consultations are underway & the draft gender & disability strategies will be finalised before the end of the 2017/18 financial year
Number of reports on municipality contracts concluded through DoRA for funding in 2016/17	N/A	N/A	N/A	Report of the municipality contracts concluded through DoRA for funding in 2016/17	Achieved: The report of municipality contracts has been concluded	None	None
Number of provincial reports on the performance of the Municipality Programme	N/A	N/A	Achieved	27 quarterly regional reports on the performance of the municipalities in the implementation of the INEP project	Achieved: 27 quarterly regional reports completed	None	None

Table 35: Programme 4 Electrification and Energy Programme and Project Management performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Number of quarterly reports on conducted site & technical audit visits during INEP project implementation & monitoring of projects	N/A	N/A	Achieved: 12 site visit reports were produced	4 quarterly reports on conducted site & technical audits during INEP project implementations & monitoring of projects for 2016/17	Achieved: 4 quarterly reports on conducted site & technical audits during INEP project implementations & monitoring of projects for 2016/17 have been completed	None	None
Number of quarterly reports on the progress made with regard to construction & operation phases of IPP projects	N/A	4 quarterly reports on the progress of IPP projects were submitted	Partially achieved: 3 quarterly progress reports were completed	4 quarterly reports on the progress made with regard to the construction & operation phases of IPP projects	Achieved: 4 quarterly reports were completed	None	None
Number of Annual Reports & quarterly reports on the infrastructure monitoring & the compliance with the implementation of the non-REIPPP Generation Programme - peaker stations	N/A	N/A	Not achieved	1 Annual Report on the infrastructure monitoring & the compliance with the implementation of the non-REIPPP Generation Programme - peaker stations	Achieved: 1 Annual Report on the infrastructure monitoring & the compliance with the implementation of the non-REIPPP Generation Programme completed	None	None
Number of SIP reports submitted to EXCO, MANCO & PICC Secretariat on SIP 8 & 9	N/A	N/A	N/A	1 SIP report submitted to EXCO, MANCO & PICC Secretariat on SIP 8 & 9	Achieved: 1 SIP report submitted	None	None

7.4.4 Strategies to overcome areas of underperformance

Table 36: Strategies to overcome areas of underperformance in Programme 4

Areas of Underperformance	Extent of Underperformance	Strategies to Overcome Areas of Underperformance
NIEP for 2016/17 developed	Partially achieved: The NIEP is developed & shared with stakeholders for comments	Regional master plans that look beyond 1 financial year will be developed. Funding & resourcing of the studies is being discussed with other stakeholders (Eskom and National Treasury)
Implement project management business process	Partially achieved	Seek approval before the end of the second quarter of the 2017/18 financial year to ensure organisational buy-in prior to implementation
System development & deployment of Phase 1 of EDMS	Partially achieved: Specifications in place	The procurement process has restarted. It is to be presented at Bid Adjudication Committee (BAC) in the first quarter of the 2017/18 financial year
Approved IEC strategy	Partially achieved: Draft IEC strategy is in place	The Final IEC strategy is yet to be submitted for approval
Approved gender, disability & youth & children strategies	Partially achieved: Draft disability strategy is in place	The final gender & disability strategies are to be submitted for approval during the 2017/18 financial year

7.4.5 Changes to planned targets

None.

7.4.6 Linking performance with budgets

Table 37: Programme 4 financial performance as at 31 March 2017

Sub-programme Name	2016/2017			2015/2016		
	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
INEP	5 664 947	5 630 619	34 328	5 781 098	5 775 682	5 416
Energy Regional Office	19 941	19 650	291	18 388	20 271	-1 883
Programme & Projects Management Office	13 934	13 491	443	9 106	9 095	11
Electricity Infrastructure/ Industry Transformation	10 209	9 278	931	8 610	8 593	17
Community Upliftment Programmes & Projects	5 614	5 621	-7	6 848	6 844	4
Total	5 714 645	5 678 659	35 986	5 824 050	5 820 485	3 565

7.5 Programme 5: Nuclear Energy

7.5.1 Purpose

Manage the South African nuclear energy industry 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; it implements the Nuclear Energy Policy, which was approved in 2008 as a national nuclear programme in line with the IRP requirements; and it administers all matters related to nuclear safety, liability and emergency management with the aim of improving the governance of the Nuclear 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 targets and actual achievements

As at the end of the 2016/17 financial year, more than 80% of the APP deliverables for Sub-programme 5.1 (Nuclear Safety and Technology) were not achieved. This is mainly attributed to the November 2016 Cabinet decision in which Eskom was designated as the Procurer of the Nuclear Power Plants and Necsa was designated as the Procurer of the Multi-purpose Reactor and the Nuclear Fuel Cycle with the Department assuming a coordinating role for the NNBP. This Cabinet decision impacted on the Nuclear Branch's performance with regards to NNBP procurement-related strategic deliverables, as contained in the 2016/17 APP.

The targets for Sub-programme 5.2 (Nuclear Non-Proliferation and Radiation Security) were achieved; namely, processing of authorisation applications, conducting audits and inspections for nuclear security, and accounting and control of nuclear material.



A total of five workshops and engagements on the financing model for the Radioactive Waste Management Fund Bill were conducted with impacted stakeholders.

The targets for Sub-programme 5.3 (Nuclear Policy) were met. A total of five workshops and engagements on the financing model for the Radioactive Waste Management Fund (RWMF) Bill were conducted with impacted stakeholders. 12 outreach events were conducted in the financial year, due to interest from stakeholders on nuclear matters. The stakeholders included members of the public and students from academic institutions. Targets related to the Amendments of the National Nuclear Regulator Act, 1999 (Act No. 43 of 1999) and Nuclear Energy Act, 1999 (Act No. 131 of 1993) were not achieved in the financial year.

Table 38: Programme 5 Nuclear Energy strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 5.1 Improved Security of Energy Supply	Achieved	Consultation with impacted stakeholders on draft National Nuclear Disaster Management Plan completed	Partially achieved	Workshops were held with some of the impacted stakeholders & input was received but consolidation not completed	The target was not fully achievable due to incomplete consultation. Additional workshops have been scheduled for target completion
	Achieved	Procurement of the NNBPP, as per the procurement process, completed	Partially achieved	Governance Framework on the NNBPP has been drafted & consultation with key stakeholders is still underway	The procurement process was transferred to Eskom & Necsa Performance information was reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBPP
	N/A	4 progress reports on the implementation of programme plan (Roadmap)	Partially achieved	The target was not achievable due to a change in mandates through Cabinet decision	The Procurement Process Roadmap Reports were received from transactional advisors
					Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBPP
					The procurement process was transferred to Eskom & Necsa
	Achieved	Transactional Advisors utilised to advise Government on procurement & contract negotiations completed & all contracts signed off	Not achieved	The target was not achievable due to a change in mandates	Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBPP
					The target was not achievable due to a change in mandates through a Cabinet decision made in November 2016, whereby Eskom & Necsa were designated as Owner Operators & Procurers of various components of the NNBPP
					Eskom & Necsa jointly issued a Request for Information in December 2016. No contract negotiations have started yet

Table 38: Programme 5 Nuclear Energy strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 5.1 Improved Security of Energy Supply	Partially achieved: The Programme Management Office (PMO) submission of the Director-General approved	PMO is established & operationalised to expedite rollout of the NNBP	Partially achieved	Information Technology (IT) infrastructure was procured & limited human resources were appointed to operationalise the PMO	Performance information was reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP The full operationalisation is subject to the Cabinet decision after the Request for Proposal (RFP) process The target was not achievable due to a change in mandates through the Cabinet decision made in November 2016, whereby Eskom & Necsa were designated as Owner Operators & Procurers of various components of the NNBP
	Not achieved	Implementation plan for the procurement process for Nuclear Fuel Cycle (NFC) facilities	Not achieved	The target was not achievable due to a change in mandates	Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP The target was not achievable due to a change in mandates through Cabinet decision made in November 2016, whereby Eskom & Necsa were designated as Owner Operators & Procurers of various components of the NNBP

Table 38: Programme 5 Nuclear Energy strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 5.1 Improved Security of Energy Supply	Not achieved	Monitoring of implementation of nuclear localisation & industrialisation strategy through PMO	Not achieved	All related procurement preparatory work was submitted to Eskom	Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP The target was not achievable due to a change in mandates through a Cabinet decision made in November 2016, whereby Eskom & Necsca were designated as Owner Operators & Procurers of various components of the NNBP The Department has developed a Governance Framework to define roles for different stakeholders Implementation & monitoring is pending approval of the Procurement Process & Nuclear Localisation & Industrialisation Strategy, & the Governance Framework
SO 5.2 Strengthen the Control of Nuclear Material & Equipment	Partially achieved: 61% of the target was achieved	75% of authorisation applications processed within an 8-week time period	Achieved: 83.19% for each quarter respectively, as follows: 73%, 82%, 90% & 80%	8.19%	During the year under review, there was an adequate resource within the unit to assist with the authorisation of applications. It should be noted that the number of applications received is not predetermined but dependent on applicants
	Achieved: 40 reports submitted	20 Nuclear Safeguard Compliance Reports must be submitted to the Director-General	Achieved: 23 Nuclear Compliance Inspections were conducted	3 Additional inspections were conducted at facilities which have never been inspected & some of which were inspected in 2014, so as to ensure compliance	

Table 38: Programme 5 Nuclear Energy strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 5.2 Strengthen the Control of Nuclear Material & Equipment	Achieved: 8 audits conducted	4 Nuclear Safeguard Compliance Audit Reports submitted to the Director-General	Achieved: 7 audits were conducted	3 additional audits were conducted. This was due to an identified need to revisit the companies so as to ensure continued compliance	The additional audits were conducted at facilities which were visited in 2014
	Achieved: 4 nuclear security compliance reports submitted to the relevant decision-making structures	4 Nuclear Security Compliance Reports submitted to the Director-General	Achieved: 4 Nuclear Security Compliance Reports were submitted	None	None
SO 5.3 Improved Nuclear Safety & Security	Not achieved	National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) Amendment Bill revised while taking stakeholder comments into consideration	Partially achieved	The Draft Bill & SEIAS report are in place. SEIAS is a new requirement	Harmonisation of the regulatory functions between NNR & the Department of Health (DoH), & the Directorate of Radiation Control (RadCon) is underway
	Partially achieved: Draft Bill in place	Nuclear Energy Act, 1999 (Act No. 46 of 1999) Amendment Bill revised, taking stakeholder comments into consideration	Partially achieved	Memorandum of Objects & Draft Bill were submitted to the Chief State Law Advisor (CSLA) & we are awaiting comments from the CSLA	Additional follow-ups & coordination are needed
	Partially achieved	Workshops with impacted stakeholders on National Radioactive Waste Management Fund Bill	Achieved: 5 workshops with impacted stakeholders were conducted	None	None
SO 5.4 Increased Nuclear Awareness (Nuclear Legislation Framework)	Achieved: 8 events were conducted	6 Public awareness campaigns & community outreach events held	Achieved: 12 events were conducted	+ 6	12 Events were achieved in the financial year, due to interest from stakeholders on nuclear matters

Table 39: Programme 5 Nuclear Energy performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Updated National Nuclear Disaster Management Plan	N/A	N/A	Achieved	Consultation with impacted stakeholders on the draft National Nuclear Disaster Management Plan completed	Partially achieved	Workshops were held with some of the impacted stakeholders & input was received	The target was not fully achievable due to incomplete consultation. Additional workshops have been scheduled for completion
Monitoring reports on procurement of nuclear power reactor as per procurement process launched	N/A	Procurement process had not commenced	Achieved	Procurement of the NNBP as per the procurement process completed	Partially achieved	<p>Governance Framework on the NNBP has been drafted and still being consulted with key stakeholders</p> <p>In November 2016, Eskom & Necsca were designated as Owner Operators & Procurers of various components of the NNBP</p> <p>The target was not achievable due to a change in mandates through a Cabinet decision</p>	<p>The procurement process transferred to Eskom & Necsca</p> <p>Performance information was reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP</p>
Number of progress reports on the implementation of programme plan	N/A	N/A	N/A	4 Progress reports on implementation of programme plan (Roadmap)	Partially achieved	2 Progress reports on implementation process Roadmap	<p>The Procurement Process (Roadmap) Reports received from transactional advisors</p> <p>Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP</p> <p>The procurement process was transferred to Eskom & Necsca</p>

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Appointed Transactional Advisor to provide necessary advice on NNBP	N/A	N/A	Achieved	Transactional Advisors utilised to advise Government on procurement & contract negotiations completed & all contracts signed off	Not achieved	The target was not achievable due to change in mandates	Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP The target was not achievable due to a change in mandates through a Cabinet decision in November 2016, whereby Eskom & Necsca were designated as Owner Operators & Procurers of various components of the NNBP Eskom & Necsca jointly issued a Request for Information in December 2016. Contract negotiations have not started yet

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Establish PMO to expedite rollout of the NNBP	N/A	N/A	Partially achieved: Director-General's PMO submission approved	PMO established & operationalised to expedite rollout of the NNBP	Partially achieved	IT infrastructure procured & limited HR appointed to operationalise PMO	<p>Performance information reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP</p> <p>Full operationalisation is subject to the Cabinet decision after the RFP process</p> <p>The target was not achievable due to a change in mandates through a Cabinet decision made in November 2016, whereby Eskom & Necsca were designated as Owner Operators & Procurers of various components of the NNBP</p>

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Develop implementation plan for the procurement process for NFC facilities	Not achieved : As per the fourth quarter of 2013/14 Performance Report	Draft strategy has not been completed & not submitted	Not achieved	Implementation plan for the procurement process for NFC facilities	Not achieved	The target was not achievable due to change in mandates	Performance information was reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP The target was not achievable due to a change in mandates through a Cabinet decision made in November 2016, whereby Eskom & Necsca were designated as Owner Operators & Procurers of various components of the NNBP

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Number of quarterly monitoring reports on localisation & industrialisation strategy implemented	N/A	N/A	Not achieved	Monitoring of the implementation of nuclear localisation & industrialisation strategy through PMO	Not achieved	All related procurement preparatory work was submitted to Eskom	<p>Performance information was reported until the second quarter of 2016/17, when the Department was still responsible for the Procurement of the NNBP</p> <p>The target was not achievable due to a change in mandates through a Cabinet decision made in November 2016, whereby Eskom & Necs were designated as Owner Operators & Procurers of various components of the NNBP</p> <p>The Department has developed a Governance Framework to define roles for different stakeholders</p> <p>Implementation & monitoring is pending approval of the Procurement Process & Nuclear Localisation & Industrialisation Strategy, & the Governance Framework</p>

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Accounting & control of possession, acquisition transportation, importation & exportation of nuclear material through consideration 100% of authorisation applications within 8 weeks	Partially achieved: 44 authorisations were issued out of which, 25 authorisations were issued within turnaround time. Therefore, 58% of authorisations were issued within the 8-week-period time frame	Partially achieved: 50% of applications for authorisation were processed within the 8-week time period	Partially achieved: 61% of authorisations were processed	75% of authorisation applications processed within 8-week time period	Achieved: 83.19% total, with each quarter respectively as follows: 73%, 82%, 90% and 80%	8.19%	During the year under review, there was an adequate resource within the unit to assist with the authorisation of applications. It should be noted that the number of applications received is not predetermined but is dependent on applicants
Number of Nuclear Safeguard Compliance Reports submitted to the Director-General	Achieved: 14 Nuclear Safeguards Compliance Inspections were conducted	Achieved: 11 Nuclear Safeguards Compliance Reports were submitted to the Director-General & were approved	Achieved: 40 reports were submitted	20 Nuclear Safeguard Compliance Reports submitted to the Director-General	Achieved: 23 Nuclear Compliance Inspections were conducted	3 Additional Inspections were conducted at facilities which have never been inspected & some which were inspected in 2014	The additional inspections were conducted at facilities which have never been inspected & some which were inspected in 2014 to ensure compliance
Number of Nuclear Safeguard Compliance Audit Reports submitted to the Director-General	Achieved: 14 Nuclear Safeguards Compliance Inspections conducted (per fourth quarter 2013/14 Performance Report)	Achieved: 4 Safeguard Compliance Audit Reports were submitted to the Director-General & were approved	Achieved: 8 audits were conducted	4 Nuclear Safeguard Compliance Audit Reports submitted to the Director-General	Achieved: 7 audits were conducted	3 Additional audits were conducted. A need was identified to revisit the companies to ensure continued compliance	The additional audits were conducted at facilities which were visited in 2014
Number of Nuclear Security Compliance Reports submitted to the Director-General	Achieved: 14 Nuclear Safeguards Compliance Inspections were conducted	Achieved: 2 Security Compliance Reports were submitted to the Director-General & were approved	Achieved: 4 Nuclear Security Compliance Reports were submitted to the relevant decision-making structures	4 Nuclear Security Compliance Reports submitted to the Director-General	Achieved: 4 Nuclear Security Compliance Reports were submitted	None	None

Table 39: Programme 5 Nuclear Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Promulgated National Nuclear Regulator Amendment Act	Submission to the CSLA	Consultation with & presentation to the Forum of South African Director-Generals (FOSAD) Cluster	Not achieved	National Nuclear Regulator Act, 1999 (Act No. 47 of 1999), Amendment Bill revised, taking stakeholder comments into consideration	Partially achieved	The Draft Bill & SEIAS report are in place. SEIAS is a new requirement	Harmonisation of the regulatory functions between the NNR, the DoH, & Radcon is underway
Promulgated Nuclear Energy Amendment Act	Not achieved: As per the fourth quarter of the 2013/14 Performance Report	Not submitted to Cabinet	Partially achieved: The Draft Bill is in place	Nuclear Energy Amendment Act, 1999 (Act No. 46 of 1999), Amendment Bill revised, taking stakeholder comments into consideration	Partially achieved	Memorandum of Objects & the Draft Bill were submitted to the CSLA, awaiting comment	Additional follow-ups & coordination are needed
Funding provisions legislated for Radioactive Waste Management	Achieved: A baseline is to be established	Achieved: The Draft RWMF Bill was submitted to National Treasury	Partially achieved	Workshops with impacted stakeholders on National RWMF Bill	Achieved: 5 workshops with impacted stakeholders were conducted	None	None
Number of public awareness campaigns & community outreach events held	Achieved: At least 3 awareness campaigns & 3 community outreach events were hosted or supported by the Department	4 Public awareness campaigns & community outreach events were held	Achieved: 8 events were conducted	6 Public awareness campaigns & community outreach events must be held	Achieved: 12 events were held	+ 6	12 Events were achieved in the financial year, due to interest from stakeholders on nuclear matters

7.5.4 Strategies to overcome areas of underperformance

Table 40: Strategies to overcome areas of underperformance in Programme 5

Areas of Underperformance	Extent of Underperformance	Strategies to Overcome the Areas of Underperformance
Consultation with the impacted stakeholders on the Draft National Nuclear Disaster Management Plan completed	Partially achieved: The target is not fully achievable due to lack of stakeholder consensus	In light of the November 2016 Cabinet decision, the Nuclear Branch sought revision of the 2017/18 APP to remove all
Procurement of the NNBP as per the procurement process completed	Partially achieved: The target is not achievable due to a change in mandates through the Cabinet decision	procurement-related deliverables & rather redefine the Strategic deliverables to align with the coordination role & policy setting role for the NNBP, as designated by Cabinet. Going forward, the Department's strategic focus will be on the development of a Governance Framework & the supporting Implementation Protocol for the NNBP. These will clearly define the coordination role of the Department & outline the roles of the procuring agencies & their parent Government departments. The Department, the Department of Public Enterprises (DPE), Necca & Eskom also established a task team to develop a Governance Framework in order to address transitional arrangements. A process is underway to request additional resources to fast track the legislative review process
4 progress reports on the implementation of the programme plan (Roadmap)	Partially achieved	
Transactional advisors will be used to advise Government on procurement & contract negotiations completed, & all contracts that are signed off	Not achieved	
PMO established & operationalised to expedite the rollout of the NNBP	Partially achieved	
Implementation plan for the procurement process for NFC facilities	Not achieved: The target is not achievable due to dependency on the amended NNBP procurement process	
Monitoring of the implementation of nuclear localisation & industrialisation strategy through PMO	Not achieved: The target is not achievable due to a change in mandates through a Cabinet decision	
National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) Amendment Bill revised while taking stakeholder comments into consideration	Partially achieved: The Draft Bill and SEIAS report are in place	
Nuclear Energy Act, 1999 (Act No. 46 of 1999) Amendment Bill revised, taking stakeholder comments into consideration	Partially achieved: Memorandum of Objects and Draft Bill were submitted to the CSLA	

7.5.5 Changes to planned targets

None.

7.5.6 Linking performance with budgets

Table 41: Programme 5 financial performance as at 31 March 2017

	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Nuclear Energy						
Nuclear Safety & Technology	865 071	859 004	6 067	641 542	641 492	50
Nuclear Non-Proliferation & Radiation Security	8 307	8 303	4	7 185	7 168	17
Nuclear Policy	6 456	5 145	1 311	6 389	6 369	20
Total	879 834	872 451	7 383	655 116	655 029	87

7.6 Programme 6: Clean Energy

7.6.1 Purpose

The purpose of this programme is to manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as EEDSM 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 focussed 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 focussed 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

Table 42: Programme 6 Clean Energy strategic objectives

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 6.1 Implementation of the EEDSM Measures Across all Sectors Coordinated & Monitored	Partially achieved: Planning & developments of projects to achieve 0.5 TWh was done Partially achieved: Only 10 municipalities submitted baseline reports Achieved	0.5 TWh of energy savings realised & verified from EEDSM projects Baselines for energy consumption for 15 additional municipalities must be developed annually Post-2015 National EE Strategy must be drafted & submitted for approval	Not achieved Achieved: Baselines for 15 municipalities were developed Partially achieved: The Strategy was completed & published for public comments, & the closing date was extended to February 2017	While the interventions have been implemented in respect of various Municipal EEDSM programmes, the quantification of the savings through independent Measurement & Verification (M&V) can only be retrospectively completed in the next financial year None The Draft report with final consolidation of public comments is pending	This process is to be completed in 2017/18 due to the retrospective nature of the verification process. In the future, we will report on the savings in relation to the previous, & not the current, financial year None The post-2015 Strategy will be completed in 2017/18
SO 6.2 Renewable Energy	N/A Achieved: The National Biogas Strategy Drafted	MM or petajoules (PJ) of renewable energy introduced in line with the IRP Final National Biogas & Biomass Strategy implementation must occur	Achieved: REIPP has commissioned 6 200 MW to date. During the period under review, 5 453 GWh were commissioned Not achieved: The implementation of Biomass & Biogas projects under the IPP Programme has yielded 235 MW to date. The slow uptake is related to some regulatory hurdles that have been identified	None While some projects have been commissioned, there is a need for a dedicated, programmatic approach to Biogas/Biomass roll-out that will focus on addressing the identified hurdles	None Strategy to overcome regulatory hurdles to be finalised in the 2017/18 financial year

Table 42: Programme 6 Clean Energy strategic objectives (continued)

Strategic Objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
SO 6.2 Renewable Energy	Not achieved: Eskom was allowed to install approximately 5 000 units	Solar Water Heating Programme (SWHP) Implementation Plan	Partially achieved: The Implementation Plan comprised various elements, including: (i) the procurement of high-local-content systems, (ii) signing of the Municipal Framework Agreements, (iii) training of local installers, (iv) the development of small enterprises, & (v) the monitoring of the Programme. Some of the elements are yet to be achieved	Municipal Framework Agreements have been signed at various municipalities	The implementation of the rest of the targets will be finalised in 2017/18 financial year
SO 6.3 Implementation of Energy-Related Climate Change Response Measures & Environmental Compliance that is Coordinated & Monitored	Partially achieved: The Energy & Climate Change Strategy for the Public Building Sector has been developed N/A	Develop the implementation plan for the Energy & Climate Change Strategy in public buildings Approve the Annual Compliance Report on the third Environmental Management Plan Edition	Not achieved Achieved	The initiative has been incorporated under the Smart Grid programme as well as the EEDSM programme None	This target has been incorporated into the Smart Grid & EEDSM Programmes due to overlapping mandates None
SO 6.4 Measurement, Reporting & Verification System of Climate Change Parameters	N/A	Carbon Offset Administrative System must be established to support the implementation of the Carbon Tax Policy	Partially achieved: The Carbon Offset Administrative System has been established and is functioning	The inception of the Carbon Tax Policy was deferred	This is dependent on the implementation of the Carbon Tax Policy by National Treasury. The system has been developed in anticipation

Table 43: Programme 6 Clean Energy performance indicators

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Quantity of verified energy savings from EEDSM initiatives	Partially achieved: (i) Sector EE Indicators workshops with stakeholders (ii) M&V Reports received from municipalities participated in the 2011/12 EEDSM (iii) 2011/12 EEDSM Performance Report was compiled pending internal approval, as per the fourth quarter 2011/12 Performance Report	0.5 TWh of savings have been achieved from the municipal EEDSM programme	Partially achieved: The planning & development of projects to achieve 0.5 TWh was completed	0.5 TWh of energy savings realised & verified from EEDSM projects	Not achieved	While the interventions have been implemented in respect of various municipal EEDSM Programmes, the quantification of the savings through independent M&V can only be retrospectively completed in the next financial year	To be completed in 2017/18 due to the retrospective nature of the verification process. In the future, we will report on the savings in relation to the previous & not the current financial year
Number of additional municipalities for which energy consumption baselines have been developed annually	Achieved: The consumption baselines were finalised in the second half of the financial year (the third quarter)	Baseline projects were initiated at 25 municipalities	Partially achieved: Only 10 municipalities submitted baseline reports	Energy consumption baselines have to be created for 15 additional municipalities	Achieved: Baselines for 15 municipalities were developed	None	None

Table 43: Programme 6 Clean Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Draft post-2015 National EE Strategy	Achieved: The review of the National Energy Efficiency (NEE) Strategy document was completed in December 2013, followed by the submission to the Minister & the process of tabling the Cabinet Memorandum in the Infrastructure Development Cluster in January & February 2014 respectively. The NEE Strategy was presented at the Cluster in March and April 2014 respectively, with further consultation with the DEA & the Department of Transport (Dot), as per the resolution of the Cluster	NEE strategy & action plan completed	Achieved	Post-2015 NEE Strategy must be drafted & submitted for approval	Partially achieved: The Strategy was completed & published for public comments, & the closing date was extended to February 2017	The Draft report with the final consolidation of public comments is pending	The post-2015 Strategy will be completed in 2017/18
Incremental amount of renewable energy projects	N/A	N/A	N/A	MW or PJ of renewable energy introduced, in line with the IRP	Achieved: REIPPP has commissioned 6 200 MW to date. In the period under review, 5 453 GWh were commissioned	None	None
Draft National Biogas Strategy	N/A	N/A	Achieved: National Biogas Strategy drafted	Final National Biogas & Biomass Strategy implementation	Not achieved: The implementation of Biomass & Biogas projects under the IPP Programme has yielded 235 MW to date. The slow uptake is related to some regulatory hurdles that have been identified	While some projects have been commissioned, there is need for a dedicated programmatic approach to Biogas/Biomass roll-out that will focus on addressing the identified hurdles	The strategy to overcome the regulatory hurdles is to be finalised in the 2017/18 financial year

Table 43: Programme 6 Clean Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Developed SWH implementation	Partially achieved: 46 954 SWH units installed by end of March 2014. The underperformance was due to the need to revise the SWH contracting model, & to finalise the funding agreement between the Department & Eskom with respect to the compliance requirements, as per the SWHP Instruction Note issued by the National Treasury with effect from August 2014. The SWH contracting model was signed in October 2013, with the Funding Agreement between the Department & Eskom being approved & signed off in February/March 2014. A total of 400 046 SWH systems were installed by the end of March 2014. The new SWH contracting model was approved by the Director-General in October 2013. In addition, the Local Content Verification contract with SABS started before the end of March 2014. 56 Municipal sites have been identified for the installation of SWH systems	412 959 SWH units have been installed to date. 31 190 SWH units were installed during the year under review	Not achieved: Eskom was allowed to install approximately 5 000 units	SWHP Implementation Plan	Partially achieved: The Implementation Plan comprises various elements, including: (i) the procurement of high-local-content systems, (ii) signing of Municipal Framework Agreements, (iii) training of local installers, (iv) the development of small enterprises & (v) the monitoring of the programme. Some of the elements are yet to be achieved	Municipal Framework Agreements have been signed at various municipalities	The implementation of the rest of the targets will be finalised in the 2017/18 financial year

Table 43: Programme 6 Clean Energy performance indicators (continued)

Performance Indicator	Actual Achievement 2013/14	Actual Achievement 2014/15	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from Planned Target to Actual Achievement 2016/17	Comment on Deviations
Implementation Plan for Energy & Climate Change Strategy	N/A	N/A	Partially achieved: The Energy & Climate Change Strategy for the Public Building Sector has been developed	Develop the implementation plan for Energy & Climate Change Strategy in public buildings	Not achieved: The initiative has been incorporated under the Smart Grid programme, as well as the EEDSM programme	None	This target has been incorporated into the Smart Grid & EEDSM Programmes due to overlapping mandates
Developed Implementation Plan for the Third Environmental Management Plan Edition	N/A	N/A	N/A	Approve the Annual Compliance Report on the Third Environmental Management Plan Edition	Achieved	None	None
Established Carbon Offset Administrative System to support implementation of Carbon Tax Policy	N/A	N/A	N/A	Carbon Offset Administrative System must be established to support the implementation of the Carbon Tax Policy	Partially achieved: The Carbon Offset Administrative System has been established & is functioning	The inception of the Carbon Tax Policy was deferred	This is dependent on the implementation of the Carbon Tax Policy by the National Treasury. The system has been developed in anticipation of this

7.6.4 Strategies to overcome areas of underperformance

Table 44: Strategies to overcome areas of underperformance in Programme 6

Areas of Underperformance	Extent of Underperformance	Strategies to Overcome the Areas of Underperformance
0.5 TWh of energy savings realised & verified from EEDSM projects	Not achieved	The verification of achieved savings is completed post facto, in relation to the actual intervention. Therefore, the indicator will be adjusted in 2017/18 to reflect the challenge of verifying the savings
Post-2015 NEE Strategy drafted & submitted for approval	Partially achieved	To be completed after March 2017
Final National Biogas & Biomass Strategy implementation	Not achieved	Final National Biogas & Biomass Strategy has been included in the 2017/18 financial year
SWHP Implementation Plan	Partially achieved	The Implementation Plan comprises of various elements, including (i) the procurement of high-local-content systems, (ii) signing of Municipal Framework Agreements, (iii) training of local installers (iv) the development of small enterprises & (v) the monitoring of the programme. Some of the elements are yet to be achieved. Municipal Framework Agreements have been signed at various municipalities
The Carbon Offset Administrative System established to support the implementation of the Carbon Tax Policy	Partially achieved	The Carbon Offsets Administrative System has been established & is functioning. This is dependent on the implementation of National Treasury's Carbon Tax Policy

7.6.5 Changes to planned targets

None.

7.6 Linking performance with budgets

Table 45: Programme 6 financial performance as at 31 March 2017

Sub-programme Name	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Energy Efficiency	576 234	547 763	28 471	325 321	271 072	54 249
Renewable Energy	5 529	4 616	913	69 823	4 913	64 910
Climate Change & Designated National Authority	8 131	7 722	409	5 817	5 798	19
Total	589 894	560 101	29 793	400 961	281 783	119 178

Table 46: Department financial performance as at 31 March 2017

Sub-programme Name	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	247 018	282 762	-35 744	277 898	277 767	131
Energy Policy & Planning	40 164	39 878	286	40 586	38 095	2 491
Petroleum & Petroleum Products Regulation	79 001	78 991	10	69 008	68 958	50
Electrification & Energy Programme & Project Management	5 714 645	5 678 659	35 986	5 824 050	5 820 485	3 565
Nuclear Energy	879 834	872 451	7 383	655 116	655 029	87
Clean Energy	589 894	560 101	29 793	400 961	281 783	119 178
Total	7 550 556	7 512 842	37 714	7 267 619	7 142 117	125 502

8. TRANSFER PAYMENTS

The transfer of payments to municipalities has been made in accordance with the approved annual DoRA of South Africa transfer requirements (Refer to note x in the Annual Financial Statements).


8.1 Transfers and Subsidies

The Department disbursed payments amounting to R6.81 billion to public entities, municipalities and implementing agents during the year under review, which resulted in a budget underspending of R31.97 million or 0.47% at year-end. This net budget underspending is mainly due to the results of the following projects:

- INEP – Non-Grid Electrification Programme: R34.08 million or 19.83% underspent. In the 2016/17 financial year, a panel of 11 non-grid service providers was contracted by the Department for the supply and installation of SHS in various municipalities. By 31 March 2017, all these service providers had fully delivered as per the terms of individual contracts, as the physical installation of the SHS had been completed and invoices submitted to the Department. However, the release of payments was delayed by the time required by the Department to perform a physical verification of installed units prior to the disbursement of payments. This resulted in the budget balance of R34.08 million. The physical verification process has since been completed and a roll-over motivation submitted to Treasury to roll this budget balance over to the 2017/18 financial year
- Households: R1.57 underspent. The payments in this item are mainly in relation to leave gratuity to employees following the termination of their services, through the following ways: retirement; resignation or death; payments to the Government Employee Pension Fund (GEPF), following the Accounting Officer's approval for the early retirement of employees without penalisation of their pension benefits; and payments for bursaries granted to non-employees in terms of learnership programmes that are funded by Department-affiliated Sector Education and Training Authorities (SETAs). During the 2016/17 financial year, the Accounting Officer

granted approval for the early retirement of two officials without penalisation of their pension benefits due to early retirement in terms of Section 16(6)(a) of the PSA. The pension benefit penalty that the officials were exempted from resulted in a total pension fund liability of R1.91 million, payable to the GEPF. National Treasury subsequently approved the Department's request for virement, in order to shift capital from "Goods and services" to make a provision for R1.91 million under "Transfers and subsidies"

Due to verification and approval processes, only an amount of R965 000 from the R1.91 million was vired. This was as one of the retired officials was paid from the GEPF, leading to an underspending of R945 000. There was also an underspending under "Bursaries for non-employees", attributable to the reprioritisation of spending within the learnership programme.



A panel of 11 non-grid service providers was contracted by the Department for the supply and installation of SHS in various municipalities.

- International membership fees: R3.68 million overspent due to a payment of R2.72 million to APPA (carried over from the 2015/16 financial year, that could not be rolled over to the 2016/17 financial year); a payment of R311 000 to the IEF relating to membership fees for 2016/17; and a payment of both the 2015/16 and 2016/17 international membership fees to GIF, all not catered for in the budget due to budget reductions implemented in 2016/17

Major transfer payments are reflected in Table 33.

Table 47: Major transfer payments

Transfer Payments	Final Appropriation 2016/17	Year-to-Date (YTD) Transfer Payments up to March 2017	Available Balance 31 March 2017	Actual Spending for the Year Total Budget Allocation
	R'000	R'000	R'000	%
South African National Energy Development Institute (SANEDI)	20 625	20 625	-	100
International Membership Fees	19 105	22 787	-3 682	119.27
EEDSM – NSWHP	320 326	320 314	12	100
EEDSM – Municipalities	185 625	185 625	-	100
Necsa	599 338	599 338	-	100
NRWDI	10 000	10 000	-	100
MNR	40 936	40 936	-	100
INEP – Eskom	3 526 334	3 526 334	-	100
INEP – Municipalities	1 946 246	1 946 246	-	100
INEP – Non-grid	171 809	137 733	34 076	80.17
Households	4 708	2 978	1 730	63.25
SETAs	985	985	-	100
Total transfer payments	6 846 037	6 813 900	32 137	99.53

Table 48: 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	<p>Responsible for:</p> <ul style="list-style-type: none"> - Undertaking & promoting research, & the development in the field of nuclear science - Processing source material, including uranium - Cooperating with other institutions on nuclear-related matters 	599 338		
NNR	<p>Responsible for:</p> <ul style="list-style-type: none"> - 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 	40 936		
NRWDI	<p>Responsible for:</p> <ul style="list-style-type: none"> - Planning, design, construction, operation, management & monitoring of radioactive waste disposal facilities - Design & implementation of disposal solutions for all classes of radioactive waste - Maintaining a national radioactive waste database, & publishing reports on the inventory & location of radioactive waste in South Africa 	10 000		
SANEDI	<p>Responsible for:</p> <ul style="list-style-type: none"> - Directing, monitoring, & conducting energy research & development - Undertaking measures to promote energy efficiency throughout the economy 	20 625		

Table 49: Transfer payments to all organisations other than public entities

Name of Transferee	Type of Organisation	Purpose for Which the Funds Were Used	Did the Department Comply With Section 38(1) (j) of the Public Finance Management Act (PFMA)?	Amount Transferred (R'000)	Amount Spent by the Entity		Reasons Why Funds Were Unspent by the Entity
					(R'000)	(R'000)	
Non-grid service providers	Private enterprises	Non-grid electricity connections	N/A – Tender contracts	171 809	137 733		The physical installation of SHS was completed by all service providers prior to the expiry of applicable contracts. However, the physical verification process being undertaken by the Department prior to final payments could not be completed in time to enable the release of payments before 31 March 2017
Households	Households (ex-employees/learners not employed by the Department)	Leave gratuities, retirement benefits & bursaries paid to non-employees (learnership programme)	N/A – Legislative payments	2 978	2 978		Payments to households for leave gratuity & bursary payments to learners was less than anticipated
SETAs	Departmental agencies (SETAs)	Annual contributions to SETAs in accordance with DPSA's Circular HRD 1 of 2013	N/A – Legislative payments	985	985		
APPA	International organisation	2016/17 International membership fees	Membership rules/invoice	-	2 722		Carried over from the 2015/16 financial year. No roll-over funds approved in 2016/17
IAEA – Integrated Regulatory Review Service (IRRS)	International organisation	Co-hosting of the IAEA IRRS Mission	Membership rules/invoice	1 730	1 726		Exchange rate fluctuation
GIF	International organisation	2015/16 International membership fees	Membership rules/invoice	660	583		Exchange rate for foreign currency less than anticipated
IAEA fees	International organisation	2016/17 International membership fees	Membership rules/invoice	16 715	16 916		Exchange rate for foreign currency more than anticipated
IEF	International organisation	2016/17 International membership fees	Membership rules/invoice	-	311		Not provided for in the final budget allocation
GIF	International organisation	2016/17 International membership fees	Membership rules/invoice	-	529		Both the 2015/16 & 2016/17 international membership fees were paid in 2016/17, which was not provided for in the final budget allocation

9. CONDITIONAL GRANTS

9.1 Conditional Grants and Earmarked Funds Paid

Table 50: Conditional Grant 1: INEP (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)	1 946 246
Amount transferred (R'000)	1 946 246
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	Technical audits & monthly reports

Table 51: Conditional Grant 2: INEP (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)	3 526 334
Amount transferred (R'000)	3 526 334
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	Quarterly verification reports submitted by Eskom

Table 52: 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 EE technologies
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DoRA (R'000)	185 625
Amount transferred (R'000)	185 625
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	Municipal financial year end is in June
Monitoring mechanism by the Department	The Department developed a monitoring & evaluation tool indicating the pay-back period to achieve Kilowatt Hours (kWh) savings; energy savings (kWh) achieved by each municipality; & R (million)/kWh. The Department annually undertakes an independent technical audit; an M&V of energy savings achieved by the implementing municipalities

Table 53: Conditional Grant 4: EEDSM Programme (SWHP)

Department/Municipality to Whom the Grant Has Been Transferred	Solar Water Heater Service Providers
Purpose of the grant	Implementation of the SWHP
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DoRA (R'000)	320 326
Amount transferred (R'000)	320 314
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	320 314
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the Department	Quarterly progress reports & physical verification

9.2 Conditional Grants and Earmarked Funds Received

In 2016/17, the Department participated in several training and development projects and learnership programmes. These programmes included the following:

- In-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 Programme; Internal Audit Programme; Petroleum Engineering Programme; and a skills programme

The Skills Development Act, 1998 (Act No. 97 of 1998), established 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, 1999 (Act No. 97 of 1998) to:

- Develop Sector Skills Plans (SSPs)
- Implement SSPs
- 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 2016/17 financial year.

During the 2016/17 financial year, an amount of R1.74 million was received by the Department from affiliated energy SETAs. As per National Treasury's requirements, this amount was surrendered to the National Revenue Fund (NRF). Although the actual amount received from the SETAs for implementing learnership programmes was surrendered to the NRF, an equivalent budget amount was appropriated to the Department as earmarked funds in the 2016/17 financial year. The Department is participating in several learnership programmes that are funded by SETAs, and this budget is used to implement learner and training programmes.

10. DONOR FUNDS

10.1 Donor Funds Received

Table 54: Donor Fund 1: Implementation of 'Smart Metering' in South Africa

Name of Donor	EU Commission
Full amount of the funding	R179.4 million
Period of the commitment	April 2013 to March 2017
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)	68 460
Amount spent by the Department (R'000)	52 818
Reasons for the funds unspent	<p>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 in September 2014. Delays were also experienced with the signing of all Collaboration Agreements between SANEDI & the participating municipalities, as this entailed both legal departments & local councils working through the technicalities of the Agreement, as co-funding was also built into them</p> <p>Due to lack of skills capacity in some municipalities, SANEDI had to close that gap by designing implementation guidelines to create uniformity & guide the project's implementation</p> <p>The individual projects at municipality level are not part of any Key Performance Area (KPA) of the project managers, meaning that the project never received the required level of attention & the procurement of goods & services at municipalities is very complex & time-consuming. There are also specifications & supply chain management processes that have their life cycle which are designed to function in a particular order. Therefore, our projects required fast-tracking processes but they had to keep within the limits of the Municipal Finance Management Act, 56 (Act No. 56 of 2003)</p>
Monitoring mechanism by the donor	

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 R68.46 million was transferred to SANEDI during the 2016/17 financial year, of which an amount of R15 642 remained unspent by 31 March 2017. These mentioned funds, plus its earned interest of R2 374, were subsequently surrendered to the RDP Fund during May 2017.

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. An extension has been granted by Treasury to 2017/18 to allow for the finalisation and achievement of the project's output/objective.

Table 55: Donor Fund 2: 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 Wind Atlas for South Africa (WASA) & technical assistance to Eskom for renewable energy integration in electricity supply
Expected outputs	<p>Increased deployment of low carbon technologies in the Energy Sector:</p> <ol style="list-style-type: none"> (a) EE sub-component - NEES; EE Campaign (Standards & Labelling); EE schools pilot project (b) Renewable Energy sub-component – Memorandum of Agreement (MoA) between the Department, SANEDI & the South African Renewable Energy Technology Centre (SARETEC); Renewable Energy Data & Statistics system; grid codes for REIPPPP; SWH for carbon offset WASA extended to the rest of the EC & parts of the Free State & KZN Report on Eskom's System Adequacy & Reserves study
Actual outputs achieved	<p>In progress:</p> <ol style="list-style-type: none"> (a) Draft NEES completed & circulated on 01 April 2016; the Minister of Energy launched the EE Campaign during Africa Utility Week in May 2016; the implementation of the EE Schools Pilot Project is underway (b) SARETEC consultant report with SARETEC activities, budgets & terms of references were submitted & approved, & implementation started; the Renewable Energy Data & Information Service (REDIS) website was constructed & went online WASA 2 Wind measurement masts that were installed in Rhodes (EC), Jozini & Eston (KZN), & Memel (Free State) have completed their first, full year of wind measurements The Eskom System Adequacy & Reserves study has been completed
Amount received in current period (R'000)	22 362
Amount spent by the Department (R'000)	18 700
Reasons for the funds unspent	Delays in approval of implementation agreements & procurement requests
Monitoring mechanism by the donor	Component Managers, Management Committee & Advisory Board

The Renewable Energy Development Programme's funding is governed by the RDP Fund Act, 1994 (Act No. 7 of 1994), 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 R22.36 million was transferred to SANEDI during the 2016/17 financial year, of which an amount of R2.662 million remained unspent by 31 March 2017. The mentioned funds plus its earned interest of R1 million were subsequently surrendered to the RDP Fund during May 2017.

10.2 Utilisation of Donor Funds

10.2.1 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 (NDPSP) for the implementation of 'Smart Metering' in the South African electricity industry. The project was anticipated to comprise 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 IPPs Programme through the net-metering pilot
- Supporting improved implementation of current policies, such as free basic electricity
- Supporting electricity distributors (municipalities/ Eskom) to implement tariff structures fully, including Inclining Block Tariff (IBT) and Time-of-Use tariff (ToU), which would ultimately lead to improved financial viability

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

10.2.2 Renewable Energy Development Programme

The bilateral agreement for this 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 Department and the Danish Ministry for Climate, Energy and Buildings (MCEB), supported by the Embassy of Denmark.

The development objective of the programme is to de-couple economic growth in the Republic of South Africa from the growth in overall 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 2
- 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 (the Department) has put governance structures in place to ensure good governance and effective, efficient and economical use of state resources in the following areas:

- Risk management
- Anti-fraud and corruption
- Minimising conflicts 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, comprising branch heads and a non-executive, external chairperson. The functioning of this committee is regulated by the Terms of Reference approved by the Accounting Officer. These terms assist the Department to evaluate the committee's performance in terms of its composition, mandate and effectiveness. Management and new and existing employees of the Department have been provided with orientation and induction with regard to their roles and responsibilities in risk management during the year under review.

In order to fulfil its responsibilities, the Risk Management Committee meets on a quarterly basis to review the effectiveness of risk management and provide guidance and counsel to the Accounting

Officer. The first meeting in quarter one is used to set the programme for the year; the committee's activities for the year are planned through the production, discussion and adoption of the Risk Implementation Plan. The other meetings are used to monitor and review the quality of the risk and control environment throughout the year.

Risk management reports, including anti-fraud and corruption statements, are presented at the Audit Committee for oversight, monitoring and evaluation of the risk management system. Internal Audit develops its Internal Audit Plan on the basis of key risk areas. It forms an integral part of the combined assurance plan and has issued a written report on the effectiveness of the Department's system of internal control and risk management. Risk assessments are conducted on an annual basis to identify risk exposures against the goals and objectives of the Department.

Risk Management Committee meetings for the 2016/17 fiscal year were held on 17 November 2016, 2 February 2017 and 7 April 2017. Furthermore, risk management activities and performance are presented at other management structures to allow for deliberate and systematic consideration of current and emerging risks, thereby assisting with maintaining an accurate and up-to-date risk register.

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 to serve as guidelines in educating and training management and other officials about their roles and responsibilities in risk management as well as to drive risk management to higher levels of maturity.

2.3 Progress on Risk Mitigation

A Global Risk Register was developed, reflecting enterprise-wide risk exposures with mitigation strategies and risk owners to address residual risk exposures. During the year under review, the risk register was presented at the Risk Management Committee and Audit Committee for oversight, review and recommendation for improvement. Progress reports on the effective implementation of mitigation strategies were presented by branch heads at the sitting of these committees, for review of the Department's control, governance and recommendations for improvement. The Risk Management system was audited by Internal Audit as well as the Auditor-General of South Africa (AGSA) to provide an independent, objective assurance on the effectiveness of the Risk Management system. Internal Audit and AGSA findings are responded to by management and progress thereof is presented before the Risk Management Committee and the Audit Committee to determine effective implementation of mitigation strategies within the required timeline of 90 days.

3. FRAUD AND CORRUPTION

3.1 Fraud Prevention Plan

The Department has developed a Fraud Prevention Plan, setting out actions to prevent fraud and corruption. The Fraud Prevention Plan is intended to reveal the Department's stance on 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 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 timeline. Management, other officials of the Department and members of the public are encouraged to report all suspected irregular and/or 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.



Workshops to educate and train new and existing employees are conducted during the induction and orientation programmes.

Workshops to educate and train new and existing employees are conducted during the 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. Training, education and awareness, focusing on risk management and anti-fraud and corruption, is being conducted during the risk assessment workshops.

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. These include: whistle blowing; vetting of officials and service providers; Internal Audit; Risk Management; Audit Committee and other management structures. Disclosure of conflicts of interest by Senior Management Service (SMS) members was done during the year under review. Reported cases are investigated and resolved by way of disciplinary, criminal and civil action; improving controls and 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 reported at the Audit Committee, Risk Management Committee, Office of the Public Service Commission and the Department of Public Service and Administration (DPSA).


4. MINIMISING CONFLICT OF INTEREST

In order to minimise 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 implemented 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, orientation programmes and staff engagement meetings. The Office of the Public Service Commission is also assisting with the provisioning of education and distribution of pamphlets concerning the Code of Conduct to the Department's employees.

 The Department is committed to providing a safe and secure working environment for all by implementing provisions of the Occupational Health and Safety Act, 1993.

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 and Safety Act, 1993 (Act No. 85 of 1993). The Occupational Health and Safety (OHS) Committee has been appointed in order to ensure the development and implementation of the OHS Policy and Procedures as well as to ensure that adequate resources and signage are in place in all the buildings occupied by Department officials.

OHS marshals, fire fighters and first-aid providers have been adequately trained in order to attend to emergency situations in the Department's buildings. The Department is in the process of training staff on how to evacuate the premises during emergency situations, in accordance with the provisions of the approved Departmental Contingency Plan. This 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

7.1 Date and Subject Matter of Briefing to the Portfolio Committee

In the year under review, approximately 17 meetings were held with the Portfolio Committee and four with the Select Committee on Business and Economic Development. The Department took note of the Committees' findings, observations and recommendations and developed internal monitoring control mechanisms to monitor progress on implementation of recommendations or resolutions by the Committees.

Table 56: Portfolio Committee briefings April 2016-March 2017

No.	Dates	Discussion Matter
1.	6 April 2016	Briefing by the Department on its 2016-2021 Strategic Plan, 2016-2017 Annual Performance Plan & the Budget Vote No. 26
2.	19 April 2016	Briefing by the Department on its 2nd & 3rd Quarter Performance for the 2015/16 financial year
3.	23 August 2016	Briefing by the Department & the Independent Power Producers Office on the status of the pending Independent Power Producer (IPP) projects
4.	30 August 2016	Briefing by the Department on its 4th Quarter Performance of 2015/16 & 1st Quarter Performance for the 2016/17 financial year
5.	20 September 2016	Briefing by the Department on the Integrated Energy Plan (IEP)
6.	11 October 2016	Briefing by the Department on the Nuclear New Build Programme (NNBP)
7.	12 October 2016	Briefing by the Department on its 2015/16 Annual Report & briefing by the AGSA on the audit outcomes of the Department & its entities for 2015/16
8.	25 October 2016	Briefing by the South African Nuclear Energy Corporation (Necsa) on their Annual Report for 2014/15 & 2015/16
9.	1 November 2016	Briefing by the Department & the PetroSA Board on the forensic report relating to PetroSA's R14.5 billion impairment
10.	8 November 2016	Briefing by the Central Energy Fund (CEF) on its 2015/16 Annual Report
11.	15 November 2016	Briefing by the Minister of Energy & the PetroSA Board on the comprehensive forensic audit reports on PetroSA's R14.5 billion impairment
12.	29 November 2016	Briefing by the Department on the NNBP
13.	14 February 2017	Briefing by the IPP Office on the Renewable Energy Independent Power Producers Programme (REIPPP) & briefing & update by Eskom on the latest developments relating to the REIPPP (Eskom's role) & update on the general state of the grid & going forward
14.	21 February 2017	Briefing by the Council for Scientific & Industrial Research (CSIR) on the various scenarios for South Africa's future electricity mix
15.	7 March 2017	Briefing by the Department on its 2nd & 3rd Quarter Performance for 2016/17
16.	14 March 2017	Briefing by the Department & the PetroSA Board on the forensic report on PetroSA's impairment & briefing by PetroSA on its turnaround strategy
17.	28 March 2017	Briefing by the CEF and the Strategic Fuel Fund (SFF) on the draft report relating to the review of the contracts entered into by the SFF

7.2 Matters Raised by the Portfolio Committee and How the Department has Addressed These Matters

7.2.1 Nuclear New Build Programme

The Committee welcomed the presentation by the Department. In an effort to promote an open and transparent process, the Committee recommended that a panel discussion with experts in the field of nuclear energy should be held in the first term of 2017, to gather different perspectives from all interested stakeholders. The Committee further recommended that the panel discussion should be followed by public hearings. In light of the Western Cape High Court Judgement on the programme, this can no longer be implemented as recommended.

7.2.2 Vacancies within the Department and its entities

The Committee was concerned that the Department has had three vacant Deputy Director-General (DDG) positions and other senior management positions for a significant period of time and recommended that the Department should fill these vacant positions. The filling of critical positions is underway and it is envisaged that all vacant DDG positions will be filled in the 2nd quarter of the next financial year.

The Committee was equally concerned about the number of vacant positions at an executive level and board vacancies in some of the State-Owned Entities (SOEs), particularly PetroSA. The Department has ensured that the filling of all vacant Board positions in affected entities was expedited and prioritised the filling of positions at executive level. The Committee specifically recommended that Board members with the requisite skills should be appointed at PetroSA to provide proper oversight in light of the R14.5 billion loss in the 2014/15 financial year. This has been addressed; the CEF has since appointed an interim Board at PetroSA and all board vacancies in other SOEs have since been filled.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS

In the year under review, the Department of Energy has not been summoned to appear before the Standing Committee on Public Accounts (SCOPA).

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 financial transactions in terms of accuracy, validity and completeness and in compliance with applicable laws and regulations to ensure reliable financial reporting. In addition, the Internal Control sub-directorate ensures that the Department is complying with Treasury Regulations in terms of reporting, and coordinates audits by the AGSA.


11. INTERNAL AUDIT AND AUDIT COMMITTEE

The Audit Committee plays an important role in ensuring that an entity functions according to prescribed good governance (King IV), accounting (GRAP & ISA) and audit standards. It also monitors and evaluates 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) (PFMA), 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 PFMA.

The primary objective of Internal Audit is to provide 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 suggest improvements regarding the effectiveness of risk management, internal controls and governance processes. A risk-based Annual Audit Plan for 2016/17 was compiled and approved by the Audit Committee. A total of 22 audits were conducted in the 2016/17 financial year and these included regularity audits, compliance audits, information technology (IT) and ad-hoc audits.

 The primary objective of Internal Audit is to provide independent, objective assurance and consulting services.

Internal Audit continuously follows up on the audit findings reported, to establish the extent to which management resolves the findings raised by both Internal Audit and the External Auditor – the AGSA. 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 PFMA and Treasury Regulations.

11.2 Audit Committee

The Audit Committee provides an oversight function on governance, control and risk management

processes by reviewing 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 IT and related 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, statutory and regulatory provisions
- Adequacy, completeness 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 in Table 57, all of whom 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. Table 57 discloses relevant information on the Audit Committee members.

Table 57: Audit Committee members

Meeting	Dates	L. Saki BCom	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)	F. Docrat CISM, CISA, CGEIT, MBA, MAP, IRMSA-As
Special AC meeting draft AFS 2015/16	27 May 2015		✓	✓	✓	✓	
Special AC meeting audited AFS 2015/16	30 Jul 2015		✓	✓	✓	✓	
1 st Ordinary meeting 2016/17	1 Sep 2016		✓	✓	✓	✓	
2 nd Ordinary meeting 2016/17	1 Dec 2016	✓	Term elapsed	✓	✓	✓	✓
3 rd Ordinary meeting 2016/17	2 Mar 2017	✓	Term elapsed	✓	✓	✓	✓

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

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 PFMA 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 PFMA 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 AGSA, 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, but requires focused effort to improve it. The Committee has noted management's commitment to addressing lacking control effectiveness, where it exists. 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-add 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 (IYM) and monthly/quarterly reports to the Minister and to the Committee, as required by the Treasury Regulations. The Committee is satisfied with the content and quality of the IYM reports.

13. EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer
- Reviewed the AGSA'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 2017

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 AGSA twice to resolve issues that emanated from the regulatory audit, without success. Corrective actions on the accepted detailed findings raised by the AGSA will continue to be monitored by the Audit Committee on a quarterly basis.

The Audit Committee accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the AGSA.

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 AGSA and the Internal Audit Unit for the cooperation and information they have provided to enable us to discharge our responsibilities.



**Mr Ameen Amod,
CD (SA), BCom, MBA, CIA, CGAP, CRMA
Chairperson of the Audit Committee
21 September 2017**



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

Human Capital is valued as one of the most important factors contributing to the successful implementation of the Department of Energy's Strategy. During the period under review, the Human Resources (HR) Unit implemented Phase 4 of the 2013-2018 Integrated HR Plan. The aim of the HR Plan is to ensure that the right employees 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. All of this should be achieved within the approved legislative framework of the Department of Public Service and Administration (DPSA).

2.1 The Status of Human Resources in the Department

- The HR Unit was established with the creation of the Department of Energy (the Department) in 2010, but now requires a review of its organisational structure and business processes. It is envisaged that such a review will enable the HR Unit to be more responsive and positioned to enable the Department to deliver effectively on its mandate and strategic objectives. An annual HR Assessment and HR Plan review is performed to guide the planning process for the new financial year
- With regard to organisational structure, the review process is still underway and due to leadership changes, some of the activities could not be finalised in the last financial year and such activities were carried over to the 2017/2018 financial year. This will require a review of the Competency Framework once the new positions have been incorporated in the structure
- The HR 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 (including workshops), and 327 employees were trained during 2016/17. 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 HR systems, processes and policies are maintained in line with Departmental objectives, and performed well in maintaining a healthy staff turnover of 6.4% (excluding interns and contracts), which is well within the accepted norm, but the vacancy rate increased to 13.76%.
- The Employee Health and Wellness Programme (EHWP) was implemented for the financial year with in-house wellness clinics being conducted more regularly

2.2 Human Resource Priorities for the Year Under Review

- The Department continued with the review process for the organisational structures but could not conclude the process by year end
- The implementation of the HR Development Strategy and Plan was successfully concluded
- Efforts to reduce the vacancy rate and improve the employee representation of people with disabilities and women in management did not yield the planned results due to challenges experienced during the recruitment process
- The development, implementation and maintenance of HR systems, delegations, policies and processes continued as planned
- The EHWP has been implemented within the realities of austerity measures

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

The HR Plan for the Department was realised by the implementation of Phase 4 of the Plan during the past financial year. The last phase of the Plan will be implemented in the 2017/18 financial year, during

which time a new plan will be developed. The current plan focussed on the following:

- Alignment of the Department's organisational structure with strategy
- Development and implementation of a talent management strategy
- Implementation of the HR Development Strategy and Plan
- Reduction of the vacancy rate to below 10%
- Establishment of the values, ethics and organisational culture for the Department
- Implementation of the EHWP
- Review of the Performance Management and Development System (PMDS) process (dependent on the DPSA review process)
- Achievement of a greater employee representation of people with disabilities and women in management
- Development, implementation and maintenance of HR systems, delegations, policies and processes
- Maintenance of a job evaluation plan
- Enhancement of the recruitment process
- Assurance of effective employee relations management
- Marketing of the HR function

2.4 Employee Performance Management

- The compliance rate for the submission of performance agreements has increased to above 90% in the past financial year. The performance reviews for Levels 1-12 were completed within the required timeframes and performance rewards were paid within budget. However, the Senior Management Service (SMS) process has not yet been concluded and will be scheduled for completion in 2017/18
- PMDS workshops were conducted in all regions. These were well-attended by staff
- The DPSA PMDS review process was revived in 2016 with the review of the Public Service Regulations. This affected the review of the PMDS process for the Department, which will be concluded following the DPSA process

2.5 Employee Wellness Programmes

- Employee Health and Wellness activities were implemented throughout the year, with wellness clinics conducted twice per month
- The Employee Assistance Programme (EAP) contract was also managed successfully

2.6 Achievements

- 94.76% Compliance rate for performance agreement submission
- The successful conclusion of Levels 1-12 of the PMDS process
- The total representation of female employees across all levels has been maintained at just above 50%
- HR Plan implementation review and HR Assessment have been concluded successfully
- 55 training programmes and 10 workshops/conferences were implemented. 327 employees attended training and development interventions, with 61 bursars in effect
- The Department also won two awards for skills development (silver) and the internship programme (bronze) from the National Skills Authority during 2016



The Department won two awards for skills development and the internship programme during 2016

2.7 Challenges

- Female employment at SMS level and the employment of people with disabilities remain well below the desired target
- The vacancy rate is above the 10% target and currently stands at 13.76%
- Medium-Term Expenditure Framework (MTEF) funding has become a major challenge with the reduction of the budget for compensation of employees. Therefore, the full implementation of the HR strategies and the organisational structures as envisaged in the Integrated HR Plan for the Department could not materialise. The austerity measures will also impact planning for the foreseeable future

2.8 Future Plans

The HR Unit will continue with the implementation of the final phase of the Integrated HR Plan in the next financial year. This will be done parallel with the review and development of a new HR Plan for the next five years.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related Expenditure

Tables 58 to 61 summarise the final, audited, personnel-related expenditure by programme and by salary bands.

Table 58: Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost Per Employee (R'000)
Programme 1: Administration	282 762	149 825	4 031	4 720	53	504
Programme 2: Energy Policy & Planning	39 878	32 805	0	1 065	82.3	596
Programme 3: Petroleum & Petroleum Products Regulation	78 991	58 940	11	10 416	74.6	495
Programme 4: Electricity & Energy Programmes & Project Management	5 678 659	43 841	0	183	0.8	510
Programme 5: Nuclear Energy	872 451	19 790	0	165 829	2.3	660
Programme 6: Clean Energy	560 101	16 264	0	7 636	2.9	707
Total as on Financial Systems (BAS)	7 512 842	321 465	4 042	189 849	4.3	527

Table 59: Personnel costs by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Personnel Expenditure (R'000)	Total Personnel Cost (%)	No. of Employees	Average Personnel Cost Per Employee
Skilled (Levels 3-5)	21 343	6.44	89	239 814
Highly-skilled production (Levels 6-8)	49 720	15	140	355 140
Highly-skilled supervision (Levels 9-12)	140 930	42.51	227	620 836
Senior management (Levels 13-16)	82 354	24.84	77	1 069 533
Contract (Levels 1-2)	2 625	0.79	27	97 232
Contract (Levels 3-5)	1 549	0.47	5	309 721
Contract (Levels 6-8)	1 673	0.5	6	278 761
Contract (Levels 9-12)	3 879	1.17	6	646 515
Contract (Levels 13-16)	15 551	4.69	12	1 295 917
Periodical remunerations	611	0.18	7	87 257
Abnormal appointment	2 474	0.75	92	26 890
Total	322 709	97.33	688	469 052

Table 60: Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries Personnel Cost	Amount	Overtime Personnel Cost	Amount	Home Owners Allowance Personnel Cost	Amount	Medical Aid Personnel Cost
	(R'000)	(%)	(R'000)	(%)	(R'000)	(%)	(R'000)	(%)
Programme 1: Administration	97 316	63.3	2 636	1.7	4 000	2.6	5 172	3.4
Programme 2: Energy Policy & Planning	22 836	69.6	0	0	845	2.6	830	2.5
Programme 3: Petroleum & Petroleum Products Regulation	40 067	68	616	1	2 530	4.3	2 575	4.4
Programme 4: Electricity & Energy Programmes & Project Management	30 591	69.8	362	0.8	1 101	2.5	1 492	3.4
Programme 5: Nuclear Energy	13 412	67.8	255	1.3	1 020	5.2	289	1.5
Programme 6: Clean Energy	11 222	69	4	0	433	2.7	326	2
Total	215 444	66.2	3 873	1.2	9 929	3.1	10 684	3.3

Table 61: Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries Personnel Cost	Amount	Overtime Personnel Cost	Amount	Home Owners Allowance Personnel Cost	Amount	Medical Aid Personnel Cost
	(R'000)	(%)	(R'000)	(%)	(R'000)	(%)	(R'000)	(%)
Skilled (Levels 3-5)	13 261	61	1 221	5.6	1 176	5.4	2 009	9.2
Highly-skilled production (Levels 6-8)	34 225	67.7	1 385	2.7	1 914	3.8	3 108	6.1
Highly-skilled supervision (Levels 9-12)	105 083	72.4	1 140	0.8	4 380	3	4 491	3.1
Senior management (Levels 13-16)	68 124	80.2	0	0	2 142	2.5	859	1
Contract (Levels 1-2)	2 606	97	19	0.7	0	0	0	0
Contract (Levels 3-5)	1 085	68.4	62	3.9	45	2.8	39	2.5
Contract (Levels 6-8)	1 327	76.8	0	0	55	3.2	12	0.7
Contract (Levels 9-12)	2 829	70.5	5	0.1	174	4.3	43	1.1
Contract (Levels 13-16)	13 336	84.3	0	0	45	0.3	114	0.7
Periodical remunerations	0	0	0	0	0	0	0	0
Abnormal appointment	2 448	95.6	0	0	0	0	0	0
Total	244 324	73.7	3 832	1.2	9 931	3	10 675	3.2

3.2 Employment and Vacancies

The tables in this section summarise the Department's position with regard to employment and vacancies. Tables 62 to 64 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

Critical occupations are defined as occupations or sub-categories within an occupation:

- In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or because they are

available but do not meet the applicable criteria for employment

- For which persons require advanced knowledge in a specified subject area, science or learning field and such knowledge is acquired through a prolonged course, study and/or specialised instruction
- Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature
- In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees

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 62: Employment and vacancies by programme as on 31 March 2017

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Programme 1: Administration	335	284	15.22	35
Programme 2: Energy Policy & Planning	61	52	14.75	2
Programme 3: Petroleum & Petroleum Products Regulation	129	118	8.53	7
Programme 4: Electricity & Energy Programmes & Project Management	90	79	12.22	14
Programme 5: Nuclear Energy	35	31	11.43	2
Programme 6: Clean Energy	33	25	24.24	2
Total	683	589	13.76	62

Table 63: Employment and vacancies by salary band as on 31 March 2017

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)	100	89	11	3
Highly-skilled production (Levels 6-8)	165	140	15.15	3
Highly-skilled supervision (Levels 9-12)	264	227	14.02	10
Senior management (Levels 13-16)	98	77	21.43	1
Contract (Levels 1-2)	27	27	0	27
Contract (Levels 3-5)	5	5	0	5
Contract (Levels 6-8)	6	6	0	3
Contract (Levels 9-12)	6	6	0	3
Contract (Levels 13-16)	12	12	0	7
Total	683	589	13.76	62

Table 64: Employment and vacancies by critical occupations as on 31 March 2017

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Administrative related	132	115	12.88	14
Biologists, botanists, zoologists & related professionals	2	2	0	0
Client information clerks (switchboard reception information clerks)	16	14	12.5	0
Communication & information related	14	10	28.57	2
Community development workers	1	1	0	0
Economists	6	3	50	0
Engineering sciences related	1	1	0	0
Finance & economics related	9	8	11.11	0
Financial & related professionals	23	21	8.7	0
Financial clerks & credit controllers	18	18	0	0
Food services aids & waiters	2	1	50	1
Head of department/chief executive officer	1	1	0	0
Historians & political scientists	1	0	0	0
Human resources & organisational development & related professionals	27	25	7.41	0
Human resources clerks	11	10	9.09	0
Human resources related	5	4	20	0
Information technology related	1	1	0	0
Language practitioners, interpreters & other communication	5	5	0	1
Legal related	6	4	33.33	0
Library, mail & related clerks	12	11	8.33	1
Logistical support personnel	7	6	14.29	0
Material-recording & transport clerks	16	14	12.5	3
Messengers, porters & deliverers	3	2	33.33	0
Meteorologists	3	2	33.33	0
Natural sciences related	62	53	14.52	3
Nature conservation & oceanographical related technicians	3	1	66.67	0
Other administrative & related clerks & organisers	12	10	16.67	4
Other administrative policy & related officers	36	32	11.11	0
Other information technology personnel	13	9	30.77	0
Other occupations	2	2	0	0
Risk management & security services	14	12	14.29	0
Interns	27	27	0	27
Secretaries & other keyboard operating clerks	52	45	13.46	2
Security officers	40	37	7.5	0
Senior managers	80	66	17.5	3
Social sciences related	2	2	0	0
Statisticians & related professionals	10	8	20	1
Trade/industry advisers & other related professionals	7	5	28.57	0
Youth workers	1	1	0	0
Total	683	589	13.76	62

3.3 Filling of Senior Management Service Posts

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

Table 65: Senior management service post information as on 31 March 2017

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	SMS Posts Filled (%)	Total Number of SMS Posts Vacant	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	4	57	3	43	2
Salary Level 14	22	18	82	4	18	0
Salary Level 13	66	52	79	14	21	3
Total	98	77	79	21	21	7

Table 66: Senior management service post information as on 30 September 2016

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	SMS Posts Filled (%)	Total Number of SMS Posts Vacant	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	18	82	4	18	2
Salary Level 13	66	54	82	12	18	3
Total	98	80	82	18	18	9

Table 67: Advertising and filling of senior management service posts for the period 1 April 2016 to 31 March 2017

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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	3	0	0
Total	3	0	0

Table 68: Reasons for not having complied with the filling of funded, vacant senior management service posts - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017

Reasons for Vacancies Not Advertised Within 6 Months
Delays in the finalisation of prioritisation of critical posts

Reasons for Vacancies Not Filled Within 12 Months
Deficit in the compensation of employees budget

Table 69: Disciplinary steps taken for not complying with the prescribed timeframes for filling senior management service posts within 12 months for the period 1 April 2016 to 31 March 2017

Reasons for Vacancies Not Advertised or Filled Within 6 or 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. Table 70 summarises the number of jobs that were evaluated during the year under review. Table 70 also provides statistics on the number of posts that were upgraded or downgraded.



Table 70: Job evaluation by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Number of Posts	Number of Jobs Evaluated	Posts Evaluated (%)	Number of Posts Upgraded	Upgraded Posts Evaluated (%)	Number of Posts Downgraded	Downgraded Posts Evaluated (%)
Skilled (Levels 3-5)	100	49	49	2	4.08	3	6.12
Highly-skilled production (Levels 6-8)	165	78	47.27	2	2.56	1	1.28
Highly-skilled supervision (Levels 9-12)	264	115	43.56	3	2.61	0	0
Senior management service (Band A)	68	40	58.82	0	0	0	0
Senior management service (Band B)	20	7	35	0	0	0	0
Senior management service (Band C)	8	5	62.5	0	0	0	0
Senior management service (Band D)	2	0	0	0	0	0	0
Contract (Levels 1-2)	27	0	0	0	0	0	0
Contract (Levels 3-5)	5	0	0	0	0	0	0
Contract (Levels 6-8)	6	1	16.67	0	0	0	0
Contract (Levels 9-12)	6	3	50	0	0	0	0
Contract (Band A)	6	3	50	0	0	0	0
Contract (Band B)	1	1	100	0	0	0	0
Contract (Band C)	2	0	0	0	0	0	0
Contract (Band D)	3	1	33.33	0	0	0	0
Total	683	303	44.36	7	2.31	4	1.32

Table 71 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 71: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	0	0	0	0	0
Total	3	0	0	0	3
Employees with a disability	0	0	0	0	0

Table 72 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 72: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
Total number of employees whose salaries exceeded the level determined by job evaluation					0

Table 73 summarises the beneficiaries of the above in terms of race, gender and disability.

Table 73: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

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. Tables 74 to 78 provide a summary of turnover rates by salary band and critical occupations.

Table 74: Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Number of Employees at Beginning of Period 1 April 2016	Appointments & Transfers into the Department	Terminations & Transfers out of the Department	Turnover Rate
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	89	1	4	4.49
Highly-skilled production (Levels 6-8)	144	3	6	4.17
Highly-skilled supervision (Levels 9-12)	233	7	13	5.58
Senior management service (Band A)	52	3	5	9.62
Senior management service (Band B)	18	2	5	27.78
Senior management service (Band C)	6	0	1	16.67
Senior management service (Band D)	2	0	1	50
Contract (Levels 1-2)	34	32	33	97.06
Contract (Levels 3-5)	13	0	7	53.85
Contract (Levels 6-8)	5	0	2	40
Contract (Levels 9-12)	5	1	2	40
Contract (Band A)	6	2	2	33.33
Contract (Band B)	1	0	0	0
Contract (Band C)	2	0	0	0
Contract (Band D)	3	1	1	33.33
Total	613	52	82	13.38

Table 75: Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017

Occupation	Number of Employees at Beginning of Period 1 April 2016	Appointments & Transfers into the Department	Terminations & Transfers out of the Department	Turnover Rate
Administrative related	114	2	10	8.77
Biologists, botanists, zoologists & related professionals	2	0	0	0
Client information clerks (switchboard reception information clerks)	15	0	1	6.67
Communication & information related	11	2	2	18.18
Economists	2	1	1	50
Engineering sciences related	1	0	0	0
Finance & economics related	8	0	0	0
Financial & related professionals	20	2	1	5
Financial clerks & credit controllers	18	0	0	0
Food services aids & waiters	1	0	0	0
Head of department/chief executive officer	1	0	0	0
Human resources & organisational development & related professionals	25	0	2	8
Human resources clerks	13	0	3	23.08
Human resources related	5	1	0	0
Information technology related	2	0	1	50
Language practitioners, interpreters & other communication	5	0	0	0
Legal related	3	2	0	0
Library, mail & related clerks	11	0	0	0
Logistical support personnel	6	0	0	0
Material-recording & transport clerks	16	0	5	31.25
Messengers, porters & deliverers	3	0	1	33.33
Meteorologists	2	0	0	0
Natural sciences related	54	0	1	1.85
Other administrative & related clerks & organisers	10	1	1	10
Other administrative policy & related officers	32	0	0	0
Other information technology personnel	9	2	2	22.22
Other occupations	2	0	1	50
Risk management & security services	13	0	1	7.69
Interns	34	32	33	97.06
Secretaries & other keyboard operating clerks	48	1	2	4.17
Security officers	38	0	1	2.63
Senior managers	69	6	11	15.94
Social sciences related	3	0	0	0
Statisticians & related professionals	10	0	1	10
Trade/industry advisers & other related professionals	6	0	1	16.67
Youth workers	1	0	0	0
Total	613	52	82	13.38

Table 76: Reasons why staff left the Department for the period 1 April 2016 to 31 March 2017

Termination Type	Number	% of Total Resignations
Death	4	4.88
Resignation	26	31.71
Expiry of contract	39	47.56
Dismissal - misconduct	2	2.44
Retirement	2	2.44
Transfers out	9	10.98
Total	82	100
Total number of employees who left as a % of total employment	82	13.38



Table 77: Promotions by critical occupation for the period 1 April 2016 to 31 March 2017

Occupation	Number of Employees at Beginning of Period 1 April 2016	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch Within a Salary Level	Notch Progression as a % of Employees by Occupation
Administrative related	114	3	2.63	81	71.05
Biologists, botanists, zoologists & related professionals	2	0	0	2	100
Client information clerks (switchboard reception information clerks)	15	0	0	5	33.33
Communication & information related	11	1	9.09	7	63.64
Economists	2	0	0	0	0
Engineering sciences related	1	0	0	0	0
Finance & economics related	8	0	0	8	100
Financial & related professionals	20	1	5	12	60
Financial clerks & credit controllers	18	0	0	11	61.11
Food services aids & waiters	1	0	0	0	0
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisational development & related professionals	25	1	4	23	92
Human resources clerks	13	0	0	8	61.54
Human resources related	5	0	0	3	60
Information technology related	2	0	0	2	100
Language practitioners, interpreters & other communication	5	0	0	2	40
Legal related	3	0	0	1	33.33
Library mail & related clerks	11	0	0	5	45.45
Logistical support personnel	6	0	0	6	100
Material-recording & transport clerks	16	0	0	10	62.5
Messengers, porters & deliverers	3	0	0	1	33.33
Meteorologists	2	0	0	0	0
Natural sciences related	54	2	3.7	32	59.26
Other administrative & related clerks & organisers	10	0	0	5	50
Other administrative policy & related officers	32	0	0	27	84.38
Other information technology personnel	9	0	0	7	77.78
Other occupations	2	0	0	0	0
Risk management & security services	13	1	7.69	10	76.92
Interns	34	0	0	0	0
Secretaries & other keyboard operating clerks	48	1	2.08	41	85.42
Security officers	38	0	0	19	50
Senior managers	69	4	5.8	1	1.45
Social sciences related	3	0	0	2	66.67
Statisticians & related professionals	10	1	10	9	90
Trade/industry advisers & other related professionals	6	0	0	0	0
Youth workers	1	0	0	0	0
Total	613	15	2.45	340	55.46

Table 78: Promotions by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Number of Employees at Beginning of Period 1 April 2016	Promotions to Another Salary Level	Salary Bands Promotions as a % of Employees by Salary Level	Progressions to Another Notch Within a Salary Level	Notch Progressions as a % of Employees by Salary Bands
Lower Skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	89	0	0	47	52.81
Highly-skilled production (Levels 6-8)	144	3	2.08	113	78.47
Highly-skilled supervision (Levels 9-12)	233	8	3.43	177	75.97
Senior management (Levels 13-16)	78	4	5.13	1	1.28
Contract (Levels 1-2)	34	0	0	0	0
Contract (Levels 3-5)	13	0	0	0	0
Contract (Levels 6-8)	5	0	0	1	20
Contract (Levels 9-12)	5	0	0	1	20
Contract (Levels 13-16)	12	0	0	0	0
Total	613	15	2.45	340	55.46



3.6 Employment Equity

Table 79: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational Categories	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Senior officials & managers	33	3	1	3	24	1	2	2	69
Professionals	51	0	1	2	50	2	2	4	112
Technicians & associated professionals	103	0	1	0	128	2	0	0	234
Clerks	34	1	0	0	80	2	0	5	122
Service shop & market sales workers	40	0	0	0	9	0	0	0	49
Labourers & related workers	2	0	0	0	1	0	0	0	3
Total	263	4	3	5	292	7	4	11	589
Employees with disabilities	2	0	0	1	6	0	0	1	10

Table 80: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational Bands	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Top management	3	1	0	0	1	1	1	0	7
Senior management	36	2	3	3	22	0	1	3	70
Professionally qualified & experienced specialists & mid-management	104	0	0	1	117	1	2	2	227
Skilled technical & academically qualified workers, junior management, supervisors & foremen	44	1	0	0	89	1	0	5	140
Semi-skilled & discretionary decision making	53	0	0	0	34	1	0	1	89
Contract (top management)	4	0	0	1	0	0	0	0	5
Contract (senior management)	2	0	0	0	2	3	0	0	7
Contract (professionally qualified)	2	0	0	0	4	0	0	0	6
Contract (skilled technical)	2	0	0	0	4	0	0	0	6
Contract (semi-skilled)	3	0	0	0	2	0	0	0	5
Contract (unskilled)	10	0	0	0	17	0	0	0	27
Total	263	4	3	5	292	7	4	11	589
Employees with disabilities	2	0	0	1	6	0	0	1	10

Table 81: Recruitment for the period 1 April 2016 to 31 March 2017

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	2	0	0	0	2	0	0	1	5
Professionally qualified & experienced specialists & mid-management	5	0	0	0	2	0	0	0	7
Skilled technical & academically qualified workers, junior management, supervisors & foremen	2	0	0	0	1	0	0	0	3
Semi-skilled & discretionary decision making	0	0	0	0	1	0	0	0	1
Contract (top management)	1	0	0	0	0	0	0	0	1
Contract (senior management)	1	0	0	0	0	1	0	0	2
Contract (professionally qualified)	0	0	0	0	1	0	0	0	1
Contract (unskilled)	12	0	0	0	20	0	0	0	32
Total	23	0	0	0	27	1	0	1	52
Employees with disabilities	1	0	0	0	1	0	0	0	2

Table 82: Promotions and progressions for the period 1 April 2016 to 31 March 2017

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	3	0	0	0	2	0	0	0	5
Professionally qualified & experienced specialists & mid-management	87	0	0	1	92	1	2	2	185
Skilled technical & academically qualified workers, junior management, supervisors & foremen	36	0	0	0	74	1	0	5	116
Semi-skilled & discretionary decision making	32	0	0	0	14	0	0	1	47
Contract (professionally qualified)	0	0	0	0	1	0	0	0	1
Contract (skilled technical)	1	0	0	0	0	0	0	0	1
Total	159	0	0	1	183	2	2	8	355
Employees with disabilities	0	0	0	1	3	0	0	1	5

Table 83: Terminations for the period 1 April 2016 to 31 March 2017

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	1	0	1	0	0	2
Senior management	6	1	0	0	3	0	0	0	10
Professionally qualified & experienced specialists & mid-management	8	0	1	1	2	0	0	0	12
Skilled technical & academically qualified workers, junior management, supervisors & foremen	5	0	0	0	2	0	0	0	7
Semi-skilled & discretionary decision making	2	0	0	0	2	0	0	0	4
Contract (top management)	1	0	0	0	0	0	0	0	1
Contract (senior management)	2	0	0	0	0	0	0	0	2
Contract (professionally qualified)	0	0	0	1	1	0	0	0	2
Contract (skilled technical)	0	0	0	0	2	0	0	0	2
Contract (semi-skilled)	4	1	0	0	2	0	0	0	7
Contract (unskilled)	13	0	0	0	20	0	0	0	33
Total	41	2	1	3	34	1	0	0	82
Employees with disabilities	0	0	0	1	2	0	0	0	3

Table 84: Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspended without payment	1	0	0	0	0	0	0	0	1
Total	1	0	0	0	0	0	0	0	1

Table 85: Skills development for the period 1 April 2016 to 31 March 2017

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	20	1	3	0	10	1	1	0	36
Professionals	20	0	0	1	20	0	0	1	42
Technicians & associate professionals	29	0	0	0	45	0	0	0	74
Clerks	10	0	0	0	37	0	0	1	48
Service & sales workers	33	0	0	0	9	0	0	0	42
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	0	0	0	0	0	0	0	0	0
Total	112	1	3	1	121	1	1	2	242
Employees with disabilities	0	0	0	0	3	0	0	0	3

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 the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and the disciplinary steps taken, is presented here.

Table 86: Signing of performance agreements by senior management service members as on 31 May 2016

Senior Management Service Level	Total Number of Funded Senior Management Service Posts	Total Number of Senior Management Service Members	Total Number of Signed Performance Agreements	Signed Performance Agreements as % of Total Number of Senior Management Service Members
Director-General/Head of Department	1	1	1	100
Salary Level 16	4	4	0	0
Salary Level 15	9	7	3	43
Salary Level 14	23	20	15	75
Salary Level 13	71	56	49	88
Total	108	88	68	77

Table 87: Reasons for not having concluded performance agreements for all senior management service members as on 31 May 2016

Reasons
Due to service termination, promotion and transfers

Table 88: Disciplinary steps taken against senior management service members for not having concluded performance agreements as on 31 May 2016

Steps
Letters issued to branch heads for corrective action

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 89: Performance rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Demographics	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost Per Beneficiary (R)
African	263	547	95.91	4 039.96	30 705.16
Female	145	286	50.7	2 238.12	15 435.32
Male	118	261	45.21	1 801.84	15 269.84
Asian	2	7	50	77.72	38 862.11
Female	2	4	50	77.72	38 862.11
Male	0	3	0	0	0
Coloured	3	11	53.57	33.59	23 784.29
Female	2	7	28.57	19.6	9 798.17
Male	1	4	25	13.99	13 986.12
White	8	14	110	175.12	53 627.58
Female	6	10	60	101.8	16 967.21
Male	2	4	50	73.32	36 660.37
Total	281	589	47.71	4 391.91	15 629.56
Employees with disabilities	5	10	50	65.51	13 102.91

Table 90: Performance rewards by salary band for the personnel below senior management service for the period 1 April 2016 to 31 March 2017

Salary Band	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost Per Beneficiary (R)
Skilled (Levels 3-5)	61	89	68.54	457.19	7 494.93
Highly-skilled production (Levels 6-8)	101	140	72.14	1 189.55	11 777.7
Highly-skilled supervision (Levels 9-12)	113	227	49.78	2 562.6	22 677.9
Contract (Levels 1-2)	0	27	0	0	0
Contract (Levels 3-5)	0	5	0	0	0
Contract (Levels 6-8)	2	6	33.33	20.06	10 028.01
Contract (Levels 9-12)	1	6	16.67	23.58	23 578.87
Total	278	500	55.6	4 252.98	15 298.47

Table 91: Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017

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	44	115	38.26	915.4	20 804.56
Biologists, botanists, zoologists & related professionals	1	2	50	25.03	25 025.92
Client information clerks (switchboard reception information clerks)	6	14	42.86	42.38	7 063.19
Communication & information related	6	10	60	123.34	20 557.32
Community development workers	1	1	100	14.89	14 893.71
Economists	0	3	0	0	0
Engineering sciences related	0	1	0	0	0
Finance & economics related	7	8	87.5	200.67	28 667.48
Financial & related professionals	13	21	61.9	215.63	16 586.8
Financial clerks & credit controllers	15	18	83.33	120.96	8 064.2
Food services aids & waiters	0	1	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisational development & related professionals	23	25	92	394.54	17 153.99
Human resources clerks	8	10	80	79.6	9 949.6
Human resources related	3	4	75	81.35	27 117.43
Information technology related	1	1	100	24.29	24 291.4
Language practitioners, interpreters & other communication	3	5	60	47.14	15 712.44
Legal related	2	4	50	63.45	31 724.97
Library, mail & related clerks	7	11	63.64	67.23	9 603.95
Logistical support personnel	3	6	50	32.78	10 926.53
Material-recording & transport clerks	12	14	85.71	104.01	8 667.15
Messengers, porters & deliverers	1	2	50	8.17	8 171.82
Meteorologists	0	2	0	0	0
Natural sciences related	13	53	24.53	277.33	21 332.91
Nature conservation & oceanographical related technician	0	1	0	0	0
Other administrative & related clerks & organisers	5	10	50	40.4	8 079.91
Other administrative policy & related officers	14	32	43.75	263.89	18 849.36
Other information technology personnel	7	9	77.78	133.55	19 078.89
Other occupations	0	2	0	0	0
Risk management & security services	12	12	100	191.91	15 992.36
Interns	0	27	0	0	0
Secretaries & other keyboard operating clerks	39	45	86.67	441.59	11 322.92
Security officers	25	37	67.57	188.79	7 551.6
Senior managers	2	66	3.03	93.39	46 692.97
Social sciences related	2	2	100	52.85	26 426.56

Table 91: Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017 (continued)

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total Within Occupation	Total Cost (R'000)	Average Cost Per Beneficiary (R)
Statisticians & related professionals	6	8	75	147.34	24 557.36
Trade/industry advisers & other related professionals	0	5	0	0	0
Youth workers	0	1	0	0	0
Total	281	589	47.71	4 391.90	15 629.56

Table 92: Performance-related awards (cash bonus) by salary band for senior management service for the period 1 April 2016 to 31 March 2017

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Number of Employees	% of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)		
Band A	2	60	3.33	76.1	38 050.66	0	59 143.23
Band B	0	17	0	0	0	0	21 085.84
Band C	1	7	14.29	62.83	62 830.50	0.01	10 554.11
Band D	0	5	0	0	0	0	9 995.29
Total	3	89	3.37	138.93	46 310.61	0.01	100 778.47

3.9 Foreign Workers

Tables 93 and 94 summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 93: Foreign workers by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	1 April 2016		31 March 2017		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Highly-skilled supervision (Levels 9-12)	1	33.33	0	0	-1	100
Senior management (Levels 13-16)	2	66.67	2	100	0	0
Total	3	100	2	100	-1	100

Table 94: Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017

Major Occupation	1 April 2016		31 March 2017		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Professionals & managers	3	100	2	100	-1	100
Total	3	100	2	100	-1	100

3.10 Leave Utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. Tables 95 to 96 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 95: Sick leave for the period 1 January 2016 to 31 December 2016

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)	629	51.83	84	16.09	7.49	469
Highly-skilled production (Levels 6-8)	1 137	52.07	138	26.44	8.24	1 361
Highly-skilled supervision (Levels 9-12)	1 542	50.78	202	38.7	7.63	3 396
Senior management (Levels 13-16)	319	52.66	57	10.92	5.6	1 180
Contract (Levels 1-2)	54	20.37	19	3.64	2.84	23
Contract (Levels 3-5)	36	41.67	8	1.53	4.5	24
Contract (Levels 6-8)	31	29.03	6	1.15	5.17	34
Contract (Levels 9-12)	17	17.65	3	0.57	5.67	40
Contract (Levels 13-16)	46	58.7	5	0.96	9.2	193
Total	3 811	50.75	522	100	7.3	6 720

Table 96: Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016

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)
Highly-skilled production (Levels 6-8)	92	100	2	28.57	46	116
Highly-skilled supervision (Levels 9-12)	233	100	3	42.85	77.67	638
Contract (Levels 1-2)	28	100	1	14.29	28	12
Contract (Levels 13-16)	11	100	1	14.29	11	39
Total	364	100	7	100	52	805

Tables 97 and 98 summarise the use 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 97: Annual leave for the period 1 January 2016 to 31 December 2016

Salary Band	Total Days Taken	Number of Employees Who Took Leave	Average Days Per Employee
Skilled (Levels 3-5)	1 939	103	18.83
Highly-skilled production (Levels 6-8)	3 126	165	18.95
Highly-skilled supervision (Levels 9-12)	5 003	253	19.77
Senior management (Levels 13-16)	1 694	85	19.93
Contract (Levels 1-2)	450	53	8.49
Contract (Levels 3-5)	165	13	12.69
Contract (Levels 6-8)	82	6	13.67
Contract (Levels 9-12)	64	8	8
Contract (Levels 13-16)	147	11	13.36
Total	12 670	697	18.18

Table 98: Capped leave for the period 1 January 2016 to 31 December 2016

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 2016
Skilled (Levels 3-5)	0	0	0	23.9
Highly-skilled production (Levels 6-8)	9	3	3	15.98
Highly-skilled supervision (Levels 9-12)	0	0	0	20.06
Senior management (Levels 13-16)	0	0	0	38.7
Total	9	3	3	25.18

Table 99 summarises payments made to employees as a result of leave that was not taken.

Table 99: Leave payouts for the period 1 January 2016 to 31 December 2016

Reason	Total Amount (R'000)	Number of Employees	Average Payment Per Employee (R)
Capped leave payouts on termination of service for current financial year	1 278	41	31 159
Current leave payout on termination of service for current financial year	580	22	26 358
Leave payout for current financial year due to non-utilisation of leave for the previous cycle	354	13	27 248
Total	2 212	76	29 100

3.11 HIV/AIDS and Health Promotion Programmes

Table 100: 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	N/A

Table 101: 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 dedicated staff members to promote the health & well-being of employees? If so, indicate the number of employees who are involved in this task & the annual budget that is available	x		There are 2 employees in the unit. There is no budget dedicated to Wellness. It is dependent on the HRM&D budget
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for the employees? If so, indicate the key elements/services of the programme	x		HIV/AIDS Programme Counselling Trauma debriefing Access to referral networks Peer education training & counselling Psycho education Lifestyle & disease management
4. Has the Department established a committee 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		Employee Health & Wellness Committee Peer Educators are appointed & deal with all the Wellness issues, including issues relating to HIV/AIDS
5. Has the Department reviewed their 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		The integrated Employee Health & Wellness Policy has been drafted and is still under discussion at the DBC
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			N/A
7. Does the Department encourage its employees to undergo voluntary counselling & testing? If so, list the results that you have achieved	x		Onsite clinics are conducted on a monthly basis where HIV testing forms part of the health risk assessments being conducted. HCT days are also held to encourage employees to test themselves. HIV/AIDS awareness days are also conducted (condom week, International HIV/AIDS Candlelight memorial & World Aids Day) to promote testing & infection prevention
8. Has the Department developed measures/indicators to monitor & evaluate the impact of the health promotion programme? If so, list these measures/indicators	x		Reports on the programme are submitted monthly & quarterly, & the programme analysis report is submitted annually

3.12 Labour Relations

Table 102: Collective agreements for the period 1 April 2016 to 31 March 2017

Subject Matter	Date
Collective agreement for recognition of improved qualification	5 May 16
Collective agreement for performance rewards for 2015/16 cycle	30 Sep 16
Disability mainstreaming policy for the Department	3 Nov 16
Policy Framework for Women Empowerment & Gender	3 Nov 16

Table 103 summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 103: Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017

Outcomes of Disciplinary Hearings	Number	% of Total	Total
Dismissal	1	100	1
Total	1	100	1

Table 104: Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017

Type of Misconduct	Number	% of Total	Total
Absenteeism	1	25	1
Misrepresentation	1	25	1
Conflict of interest	1	25	1
Accomplice to theft	1	25	1
Total	4	100	4

Table 105: Grievances lodged for the period 1 April 2016 to 31 March 2017

Number of Grievances Addressed	Number	% of Total
Number of grievances resolved	11	52
Number of grievances not resolved	10	48
Total	21	100

Table 106: Disputes lodged with the councils for the period 1 April 2016 to 31 March 2017

Number of Disputes Addressed	Number	% of Total
Number of disputes upheld	3	37.5
Number of disputes dismissed	1	12.5
Number of disputes settled	4	50
Total	8	100

Table 107: Strike actions for the period 1 April 2016 to 31 March 2017

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 108: Precautionary suspensions for the period 1 April 2016 to 31 March 2017

Precautionary Suspensions	Amount
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	582
Cost of suspensions (R'000)	1 577

3.13 Skills Development

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

Table 109: Training needs identified for the period 1 April 2016 to 31 March 2017

Occupational Categories	Gender	Employment as at 1 April 2016	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials & managers	Female	29	0	21	0	21
	Male	43	0	21	0	21
Professionals	Female	58	0	25	3	28
	Male	57	0	25	2	27
Technicians & associate professionals	Female	109	0	50	2	52
	Male	97	0	35	0	35
Clerks	Female	92	5	65	5	75
	Male	39	0	20	4	24
Service & sales workers	Female	9	0	6	0	6
	Male	42	0	30	2	32
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	21	0	0	21	21
	Male	13	0	0	13	13

Table 109: Training needs identified for the period 1 April 2016 to 31 March 2017 (continued)

Occupational Categories	Gender	Employment as at 1 April 2016	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Learnerships	Female	0	6	0	0	6
	Male	0	3	0	0	3
Gender subtotals	Female	319	11	167	31	209
	Male	294	3	131	21	155
Total		613	14	298	52	364

Table 110: Training provided for the period 1 April 2016 to 31 March 2017

Occupational Categories	Gender	Employment as at 1 April 2016	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials & managers	Female	29	0	12	0	12
	Male	43	0	24	0	24
Professionals	Female	58	0	21	3	24
	Male	57	0	21	2	23
Technicians & associate professionals	Female	109	0	45	2	47
	Male	97	0	29	0	29
Clerks	Female	92	5	38	3	46
	Male	39	0	10	5	15
Service & sales workers	Female	9	0	9	0	9
	Male	42	0	33	2	35
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	21	0	0	21	21
	Male	13	0	0	13	13
Learnerships	Female	0	6	0	0	6
	Male	0	3	0	0	3
Gender subtotals	Female	319	11	125	29	165
	Male	294	3	117	22	142
Total		613	14	242	51	307

3.14 Injury on Duty

Table 111 provides basic information on injury on duty.

Table 111: Injury on duty for the period 1 April 2016 to 31 March 2017

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

Tables 112 to 115 relay information on the use of consultants in the Department. In terms of the Public Service Regulations, 2001 “consultant” means a natural or juristic person or a partnership which provides, 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 112: Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

Project Title	Total Number of Consultants Who Worked on the Project	Duration: Work Days	Contract Value (R)
Appointment of a service provider to audit & measure the extent of Broad-Based Black Economic Empowerment (B-BBEE) at petroleum retail level for the Department for a period of 6 months	10	120	2 148 681.64
Appointment of a service provider to develop a detailed financing model for the Radioactive Waste Management Fund (RWMF) for a period of 12 weeks	5	60	1 324 680
Appointment of a panel of service providers to undertake an independent technical audit, & a Measurement & Verification (M&V) of energy savings achieved from the implementation of the Municipal Energy Efficiency & Demand Side Management (EEDSM) Programmes for the 2015/16, 2016/17 & 2017/18 financial years	16	180	7 635 994.14
Appointment of a service provider to render internal audit services for the Department for a period of 3 years	12	120	2 292 802.24
Appointment of a service provider to develop instructor & training material for first responders for nuclear & radiological emergency first responders for a period of 4 weeks & to conduct the training of emergency first responders for 5 days	2	5	469 114.56
Appointment of a service provider to provide a learnership programme in public administration (NQF Level 5) for 10 learners for the Department for a period of 12 months	4	240	380 000
Appointment of a service provider for the production, layout, design & printing of the Annual Report for the Department for the period 2015/16	2	240	289 898.17

Table 112: Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017 (continued)

Project Title	Total Number of Consultants Who Worked on the Project	Duration: Work Days	Contract Value (R)
Appointment of a service provider for the proofreading, layout, design & production of the 2017/18 Annual Performance Plan for the Department	5	40	185 911.20
Appointment of a service provider for the proofreading, layout, design & production of the 2016/17 Annual Performance Plan for the Department	5	40	199 728
Appointment of transactional advisors to review the state of readiness for the Nuclear New Build Programme (NNBP) for a period not exceeding 3 months	4	60	20 174 423.82
Appointment of a service provider to audit the monthly fuel price adjustments & fuel price media statement administered by the Department for a period of 2 years	3	480	265 152
Appointment of a service provider to conduct an energy footprint & energy savings potential study for Heavy Industry Sectors for a period of 12 months	3	240	2 888 699.98
Appointment of a service provider for an effective media monitoring technology communication service for the Department for a period of 12 months	4	240	356 145.12
Appointment of a service provider to develop a mechanism which will allow the National Nuclear Regulator (NNR) to enforce implementation of corrective action by the municipalities on issues of nuclear emergency preparedness & response for a period of 4 weeks	1	20	496 960
Appointment of a service provider to provide a learnership programme in public administration (NQF Level 5) for 10 learners for the Department for a period of 12 months	4	240	499 200
Appointment of a service provider for the procurement of the NNBP Management System	13	480	171 000 000
Procurement of Petroleum Products Licencing System Phase 3 development, maintenance & support	2	720	3 849 134.76
Procurement of application system maintenance & support service	5	480	1 872 644
Appointment of a service provider for the EHWP for a period of 2 years	3	480	785 716.75
Appointment of a Senior System Engineer for Information Communications Technology services for a period of 24 months	1	480	2 717 176.32
Appointment of Mintek to conduct research on uranium extraction techniques	9	30	1 111 500
Appointment of a service provider to perform the verification & confirmation of compulsory information submitted by Board members & senior members of the State-Owned Entities (SOEs) that report to the Minister of Energy for a period of 24 months	4	480	58 824
Appointment of Transactional Advisors: Mahlako-A-Phahla Investments (Pty) Ltd for Phase 2 of the NNBP Procurement process	3	60	56 000 000
Total Number of Projects	Total Individual Consultants	Total Duration: Work Days	Total Contract Value (R)
23	120	5 535	277 002 386.70

Table 113: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals for the period 1 April 2016 to 31 March 2017

Project Title	B-BBEE Status	Number of Consultants from B-BBEE Groups that Work on the Project
Appointment of a service provider to audit & measure the extent of B-BBEE at petroleum retail level for the Department for a period of 6 months	1	10
Appointment of a service provider to develop a detailed financing model for the RWMF for a period of 12 weeks	4	1
Appointment of a panel of service providers to undertake independent technical audit, & M&V of energy savings achieved from the implementation of EEDSM Programmes for the 2015/16, 2016/17 & 2017/18 financial years	Company 1=1 Company 2=1	2 6
Appointment of a service provider to render internal audit services for the Department for a period of 3 years	Company 1=2 Company 2=3 Company 3=1	4 4 4
Appointment of a service provider to develop instructor & training material for nuclear & radiological emergency first responders for a period of 4 weeks & to conduct the training of emergency first responders for 5 days	1	1
Appointment of a service provider to provide a learnership programme in public administration (NQF Level 5) for 10 learners for the Department for a period of 12 months	1	2
Appointment of a service provider for the production, layout, design & printing of the Annual Report for the Department for the period 2015/16	4	0
Appointment of a service provider for the proofreading/layout, design & production of the 2017/18 Annual Performance Plan for the Department	4	0
Appointment of a service provider for the proofreading, layout, design & production of the 2016/17 Annual Performance Plan for the Department	4	0
Appointment of transactional advisors to review the state of readiness for the NNBP for a period not exceeding 3 months	1	4
Appointment of a service provider to audit the monthly fuel price adjustments & fuel price media statement administered by the Department for a period of 2 years	1	2
Appointment of a service provider to conduct an energy footprint & energy savings potential study for Heavy Industry Sectors for a period of 12 months	0	1
Appointment of a service provider for an effective media monitoring technology communication service for the Department for a period of 12 months	3	0
Appointment of a service provider to develop a mechanism which will allow the NNR to enforce implementation of corrective action by the municipalities on issues of nuclear emergency preparedness & response for a period of 4 weeks	1	2
Appointment of a service provider to provide a learnership programme in public administration (NQF Level 5) for 10 learners for the Department for a period of 12 months	1	2
Appointment of a service provider for the procurement of the NNBP Management System	3	4
Procurement of Petroleum Products Licencing System Phase 3 development, maintenance & support	2	2
Procurement of application system maintenance & support service	0	2
Appointment of a service provider for EHWP for a period of 2 years	2	1
Appointment of a Senior System Engineer for ICT services for a period of 24 months	2	1
Appointment of Mintek to conduct research on uranium extraction techniques	2	6
Appointment of a service provider to perform the verification & confirmation of compulsory information submitted by Board members & senior members of the SOEs that report to the Minister of Energy for a period of 24 months	2	1
Appointment of Transactional Advisors: Mahlako-A-Phahla Investments (Pty) Ltd for Phase 2 of the NNBP Procurement process	1	2

Table 114: Report on consultant appointments using donor funds for the period 1 April 2016 to 31 March 2017

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 115: Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals for the period 1 April 2016 to 31 March 2017

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 116: Granting of employee initiated severance packages for the period 1 April 2016 to 31 March 2017

Category	Applications Received	Applications Referred to the MPSA	Applications Supported by MPSA	Packages Approved by Department
Lower skilled (Level 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly-skilled production (Levels 6-8)	0	0	0	0
Highly-skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	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 Audit of the Financial Statements

Qualified opinion

1. I have audited the Financial Statements of the Department of Energy (the Department) set out on pages 160 to 258, which comprise the Appropriation Statement, the Statement of Financial Position as at 31 March 2017, and the Statement of Financial Performance and other comprehensive income, Statement of Changes in Net Assets, and Cash Flow Statement for the year then ended, as well as the Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the Financial Statements present fairly, in all material respects, the financial position of the Department as at 31 March 2017 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 Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Irregular expenditure

3. The Department did not include the required information on irregular expenditure in the Notes to the Financial Statements, as required by Section 40(3)(i) of the PFMA. This resulted from payments made in contravention of the Supply Chain Management (SCM) requirements, resulting in irregular expenditure being understated by R98 382 000.

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the Financial Statements section of my report.
5. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Material underspending of the Vote

8. As disclosed in the Appropriation Statement, the Department has materially underspent the budget on Clean Energy, Nuclear Energy, Electrification and Energy Programme and Project Management to the amount of R73 162 000.

Unauthorised expenditure

9. As disclosed in Note 11 to the Financial Statements, unauthorised expenditure to the amount of R35 744 000 was incurred, relating to overspending in the Administration programme.

Other matter paragraphs

10. The following other matter paragraphs are included in our Auditor-General's Report to draw the user's attention to matters regarding the audit, and the Auditor-General's responsibilities and report:

Unaudited supplementary schedules

11. The supplementary information set out on pages 259 to 268 does not form part of the Financial Statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the Accounting Officer for the Financial Statements

12. The Accounting Officer is responsible for the preparation and fair presentation of these Financial Statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA, 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.
13. In preparing the Financial Statements, the Accounting Officer is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the Department or to cease operations, or unless there is no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the Financial Statements

14. My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
15. A further description of my responsibilities for the audit of the Financial Statements is included in the Annexure to the Auditor's Report.

Report on the Audit of the Annual Performance Report

Introduction and scope

16. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the Performance Management and Reporting Framework, as defined in the general notice, for the following selected programmes presented in the Annual Performance Report of the Department for the year ended 31 March 2017:

Table 117: Programmes and page numbers in the Annual Report 2016/17

Programmes	Pages in the Annual Performance Report
Programme 3 – Petroleum and Petroleum Products Regulation	64 – 71
Programme 4 – Electrification and Energy Programme and Project Management	72 – 81
Programme 5 – Nuclear Energy	82 – 95
Programme 6 – Clean Energy	96 – 104

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 3: Petroleum and Petroleum Products Regulation

Reported target not consistent when compared with planned target

Achieved: 82.78% of licence inspections approved have more than 50% HDSA ownership

21. The target was reported as Achieved: 82.78% of licence inspections approved have more than 50% HDSA ownership, while the target was approved as 50% of licence applications approved have 50% BEE ownership in the Annual Performance Plan. This is not in line with the requirements of Treasury Regulation 5.2.4.

Programme 4: Electrification and Energy Programme and Project Management

Performance indicators are not well-defined and targets are not specific and measurable

Develop implementation of a project management business process

22. The target for this indicator was not specific in clearly identifying the nature and required level of performance and was not measurable during the planning process, as required by the Framework for Managing Programme Performance Information (FMPPI).

Electronic document management system

23. The target for this indicator was not specific in clearly identifying the nature and required level of performance and was not measurable during the planning process, as required by the FMPPI.

Number of reports on municipality contracts concluded through the Division of Revenue Act (DoRA) for funding in 2016/17

24. The target for this indicator was not specific in clearly identifying the nature and required level of performance and was not measurable during the planning process, as required by the FMPPI.

Programme 5: Nuclear Energy

Performance indicators are not well-defined and targets are not measurable

Funding provisions legislated for Radioactive Waste Management

25. The target for this indicator was not measurable during the planning process, as required by the FMPPI.

26. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 6: Clean Energy.

Other matters

27. I identified material findings on the usefulness of the reported performance information for the selected programmes. I draw attention to the following matters:

Achievement of planned targets

28. Refer to the Annual Performance Report on pages 34 to 104 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraphs 21 to 26 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the Annual Performance Report submitted for auditing. These material misstatements were on the reported performance information of Petroleum and Petroleum Products Regulation, Electrification and Energy Programme and Project Management, Nuclear Energy, and Clean Energy. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Report on Audit of Compliance with Legislation

Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
31. The material findings in respect of the compliance criteria for the applicable subject matter are as follows:

Procurement and contract management

32. Contracts were awarded to bidders by the Department participating in contracts procured by other organs of state with specifications and price which were not similar to those stipulated in the original contract, as required by Treasury Regulations 16A6.6.
33. Effective steps were not taken to prevent irregular expenditure, as required by Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The expenditure disclosed under Note 25 does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph.
34. Contracts were extended or modified without the approval of a properly delegated official as required by Treasury Regulation 8.2.

Other Information

35. The Department's Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report. The other information does not include the Financial Statements, the Auditor's Report thereon and those selected programmes presented in the Annual Performance Report that have been specifically reported on in the Auditor's Report.
36. My opinion on the Financial Statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial

Statements and the selected programmes presented in the Annual Performance Report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this Auditor's Report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal Control Deficiencies

38. I considered internal control relevant to my audit of the Financial Statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in qualified opinion, the findings on the performance information and the findings on compliance with legislation included in this report.

Financial and performance management

39. Management did not review and monitor compliance with applicable laws and regulations as a result of not implementing and updating the regulations and laws on the policies.
40. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information as a result of proper monitoring and oversight.

Auditor - General

Pretoria
22 September 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE A – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the Financial Statements, and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

Financial Statements

2. In addition to my responsibility for the audit of the Financial Statements as described in the auditor’s report, I also:
 - Identify and assess the risks of material misstatement of the Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - Obtain an understanding of internal control relevant to the audit 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 public’s internal control
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the energy regulator, which constitutes the accounting authority

- Conclude on the appropriateness of the departments, which constitutes the Accounting Officer’s use of the going concern basis of accounting in the preparation of the Financial Statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor’s Report to the related disclosures in the Financial Statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the Financial Statements. My conclusions are based on the information available to me at the date of the Auditor’s Report. However, future events or conditions may cause a public entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the Accounting Officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.



APPROPRIATION STATEMENTS for the year ended 31 March 2017

Table 118: Appropriation per programme

Programme	2016/17				2015/16				
	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
1. Administration	244 822	-	2 196	247 018	282 762	(35 744)	114.5	277 898	277 767
2. Energy Policy and Planning	43 518	-	(3 354)	40 164	39 878	286	99.3	40 586	38 095
3. Petroleum and Petroleum Products Regulation	77 528	-	1 473	79 001	78 991	10	100	69 008	68 958
4. Electrification and Energy Programme and Project Management	5 705 155	-	9 490	5 714 645	5 678 659	35 986	99.4	5 824 050	5 820 485
5. Nuclear Energy	880 141	-	(307)	879 834	872 451	7 383	99.2	655 116	655 029
6. Clean Energy	599 392	-	(9 498)	589 894	560 101	29 793	94.9	400 961	281 783
Total	7 550 556	-	-	7 550 556	7 512 842	37 714	99.5	7 267 619	7 142 117

Table 119: Statement of financial performance

	2016/17		2015/16	
	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	7 550 556	7 512 842	7 267 619	7 142 117
Add				
Departmental receipts	956 905		805 987	
Aid assistance	188 267		291 222	
Actual amounts per statement of financial performance (total revenue)	8 695 728		8 364 828	
Add				
Aid assistance		90 822		185 537
Actual amounts per statement of financial performance (total expenditure)		7 603 664		7 327 654

Table 120: Appropriation per economic classification

Economic Classification	2016/17					2015/16			
	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	714 502	(11 032)	(14 142)	689 328	681 997	7 331	98.9	511 807	509 309
Compensation of employees	318 297	-	-	318 297	321 466	(3 169)	101	296 219	296 009
Salaries and wages	274 149	1 709	449	276 307	283 260	(6 953)	102.5	262 359	261 008
Social contributions	44 148	(1 709)	(449)	41 990	38 206	3 784	91	33 860	35 001
Goods and services	396 205	(11 032)	(14 142)	371 031	360 532	10 499	97.2	215 588	213 299
Administrative fees	3 290	761	168	4 219	4 650	(431)	110.2	5 223	5 663
Advertising	7 189	251	514	7 954	8 362	(408)	105.1	14 708	13 785
Minor assets	2 814	(527)	-	2 287	833	1 454	36.4	1 111	1 036
Audit costs: External	3 804	19	-	3 823	3 805	18	99.5	4 243	4 233
Bursaries: Employees	755	-	-	755	555	200	73.5	614	610
Catering: Departmental activities	1 829	109	-	1 938	2 546	(608)	131.4	2 315	1 961
Communication (goods and services)	5 894	(394)	899	6 399	8 517	(2 118)	133.1	7 636	7 613
Computer services	6 125	(154)	-	5 971	10 658	(4 687)	178.5	9 875	9 839
Consultants: Business and advisory services	256 350	(12 136)	(23 589)	220 625	189 849	30 776	86.1	33 886	25 828
Legal services	441	287	-	728	2 451	(1 723)	336.7	734	924
Contractors	928	89	469	1 486	2 206	(720)	148.5	2 744	2 560
Agency and support/ outsourced services	7 877	(123)	-	7 754	1 096	6 658	14.1	2 159	3 305
Entertainment	91	(45)	-	46	8	38	16.6	23	1
Fleet services	708	155	-	863	1 275	(412)	147.7	1 440	1 586
Consumable supplies	1 730	(762)	-	968	1 032	(64)	106.6	1 232	1 042
Consumables: Stationery, printing and office supplies	5 296	(119)	-	5 177	4 722	455	91.2	4 936	4 653
Operating leases	30 932	(3 107)	-	27 825	38 955	(11 130)	140	33 993	34 063
Property payments	188	4 085	-	4 273	8 851	(4 578)	207.1	4 094	4 082

Table 120: Appropriation per economic classification (continued)

Economic Classification	2016/17						2015/16		
	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	40	254	-	294	294	-	100	239	238
Travel and subsistence	41 981	(1 912)	5 747	45 816	52 019	(6 203)	113.5	62 368	65 249
Training and development	3 888	(98)	-	3 790	4 041	(251)	106.6	4 661	4 664
Operating payments	6 433	221	-	6 654	3 988	2 666	59.9	5 121	4 898
Venues and facilities	7 422	2 174	1 650	11 246	9 818	1 428	87.3	12 211	15 373
Rental and hiring	200	(60)	-	140	-	140	-	22	93
Transfers and subsidies	6 831 959	-	14 078	6 846 037	6 816 117	29 920	99.6	6 751 374	6 628 379
Provinces and municipalities	2 131 871	-	-	2 131 871	2 131 871	-	100	2 158 239	2 158 239
Municipalities	2 131 871	-	-	2 131 871	2 131 871	-	100	2 158 239	2 158 239
Municipal bank accounts	2 131 871	-	-	2 131 871	2 131 871	-	100	2 158 239	2 158 239
Departmental agencies and accounts	62 546	-	10 000	72 546	72 546	-	100	87 140	87 140
Departmental agencies and accounts (non-business entities)	62 546	-	10 000	72 546	72 546	-	100	87 140	87 140
Foreign governments and international organisations	17 375	-	1 730	19 105	25 003	(5 898)	130.9	29 621	29 563
Public corporations and private enterprises	4 617 807	-	-	4 617 807	4 583 719	34 088	99.3	4 472 715	4 349 780
Public corporations	4 125 672	-	-	4 125 672	4 125 672	-	100	4 193 601	4 193 601
Subsidies on products and production (pc)	4 125 672	-	-	4 125 672	4 125 672	-	100	4 193 601	4 193 601
Private enterprises	492 135	-	-	492 135	458 047	34 088	93.1	279 114	156 179
Subsidies on products and production (pe)	492 135	-	-	492 135	458 047	34 088	93.1	279 114	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	156 179

Table 120: Appropriation per economic classification (continued)

Economic Classification	2016/17				2015/16				
	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
Households	2 360	-	2 348	4 708	2 978	1 730	63.2	3 659	3 656
Social benefits	351	-	2 183	2 534	2 001	533	79	2 948	2 945
Other transfers to households	2 009	-	165	2 174	977	1 197	44.9	711	711
Payments for capital assets	4 095	11 032	35	15 162	14 700	462	97	4 432	4 424
Machinery and equipment	4 095	11 032	35	15 162	14 700	462	97	4 432	4 424
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 095	11 032	35	15 162	14 700	462	97	4 432	4 424
Payments for financial assets	-	-	29	29	28	1	96.3	6	5
Total	7 550 556	-	-	7 550 556	7 512 842	37 714	99.5	7 267 619	7 142 117

Table 121: Appropriation for Programme 1: Administration

Sub-programme	2016/17				2015/16				
	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
Programme 1: Administration									
1. Ministry	29 647	(1 148)	-	28 499	39 313	(10 814)	137.9	42 308	42 298
2. Departmental Management	56 225	7 112	-	63 337	72 709	(9 372)	114.8	52 636	52 619
3. Finance Administration	34 210	2 257	13	36 480	34 695	1 785	95.1	33 327	33 294
4. Audit Services	7 777	(581)	-	7 196	6 934	262	96.4	6 767	6 698
5. Corporate Services	86 894	(7 640)	2 183	81 437	98 509	(17 072)	121	110 758	110 758
6. Office Accommodation	30 069	-	-	30 069	30 601	(532)	101.8	32 102	32 100
Total for sub-programmes	244 822	-	2 196	247 018	282 762	(35 744)	114.5	277 898	277 767

Table 12.1: Appropriation for Programme 1: Administration (continued)

Programme 1: Administration	2016/17				2015/16				
	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
Economic Classification									
Current payments	237 543	-	-	237 543	272 283	(34 740)	114.6	268 671	268 554
Compensation of employees	144 292	-	-	144 292	149 825	(5 533)	103.8	138 844	138 750
Salaries and wages	124 641	(525)	-	124 116	132 332	(8 216)	106.6	123 864	122 580
Social contributions	19 651	525	-	20 176	17 494	2 682	86.7	14 980	16 170
Goods and services	93 251	-	-	93 251	122 458	(29 207)	131.3	129 827	129 804
Administrative fees	1 690	(138)	-	1 552	1 996	(444)	128.6	2 851	2 954
Advertising	3 101	(58)	-	3 043	3 455	(412)	113.5	6 337	6 212
Minor assets	2 359	(77)	-	2 282	828	1 454	36.3	1 025	1 005
Audit costs: External	3 804	19	-	3 823	3 805	18	99.5	4 243	4 233
Bursaries: Employees	755	-	-	755	555	200	73.5	614	610
Catering: Departmental activities	527	(44)	-	483	233	250	48.3	561	287
Communication (goods and services)	3 541	72	-	3 613	6 672	(3 059)	184.7	5 883	5 852
Computer services	6 027	(56)	-	5 971	10 658	(4 687)	178.5	9 833	9 808
Consultants: Business and advisory services	4 905	(39)	-	4 866	4 720	146	97	4 199	4 025
Legal services	441	96	-	537	2 261	(1 724)	421	633	824
Contractors	840	(24)	-	816	1 538	(722)	188.5	2 677	2 514
Agency and support/ outsourced services	765	(9)	-	756	(4)	760	(0.6)	2 053	2 200
Entertainment	66	(20)	-	46	8	38	16.6	22	1
Fleet services	523	52	-	575	991	(416)	172.4	1 302	1 277
Consumable supplies	971	(358)	-	613	685	(72)	111.7	921	843
Consumables: Stationery, printing and office supplies	3 961	321	-	4 282	3 829	453	89.4	4 503	4 380

Table 121: Appropriation for Programme 1: Administration (continued)

Programme 1: Administration	2016/17				2015/16				
	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
Operating leases	30 911	(3 951)	-	26 960	38 092	(11 132)	141.3	33 192	33 165
Property payments	-	4 182	-	4 182	8 827	(4 645)	211.1	4 056	4 050
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	19 526	(44)	-	19 482	26 074	(6 592)	133.8	32 596	32 466
Training and development	3 784	-	-	3 784	4 031	(247)	106.5	4 654	4 643
Operating payments	2 331	(128)	-	2 203	1 818	385	82.5	3 234	3 279
Venues and facilities	2 280	207	-	2 487	1 386	1 101	55.7	4 438	5 103
Rental and hiring	143	(3)	-	140	-	140	-	-	72
Transfers and subsidies	3 184	-	2 183	5 367	6 832	(1 465)	127.3	4 794	4 788
Departmental agencies and accounts	985	-	-	985	985	-	100	792	792
Departmental agencies (non-business entities)	985	-	-	985	985	-	100	792	792
Foreign governments and international organisations	-	-	-	-	3 033	(3 033)	-	368	365
Households	2 199	-	2 183	4 382	2 814	1 568	64.2	3 634	3 631
Social benefits	351	-	-	2 534	2 001	533	79	2 948	2 945
Other transfers to households	1 848	-	-	1 848	813	1 035	44	686	686
Payments for capital assets	4 095	-	-	4 095	3 634	461	88.7	4 432	4 424
Machinery and equipment	4 095	-	-	4 095	3 634	461	88.7	4 432	4 424
Other machinery and equipment	4 095	-	-	4 095	3 634	461	88.7	4 432	4 424
Payments for financial assets	-	-	13	13	13	-	98.2	1	1
Total	244 822	-	2 196	247 018	282 762	(35 744)	114.5	277 898	277 767

Table 122: Appropriation for Sub-programme 1.1: Ministry

Sub-programme 1.1: Ministry	2016/17					2015/16				
	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	
Economic Classification										
Current payments	29 647	(1 148)	-	28 499	39 313	(10 814)	137.9	42 308	42 298	
Compensation of employees	18 785	(1 148)	-	17 637	21 396	(3 759)	121.3	22 642	22 638	
Salaries and wages	16 103	(717)	-	15 386	19 463	(4 077)	126.5	20 972	20 739	
Social contributions	2 682	(431)	-	2 251	1 933	318	85.9	1 670	1 900	
Goods and services	10 862	-	-	10 862	17 917	(7 055)	164.9	19 666	19 659	
Administrative fees	755	(148)	-	607	888	(281)	146.2	843	823	
Advertising	-	-	-	-	-	-	-	364	364	
Minor assets	40	(38)	-	2	-	2	-	16	-	
Catering: Departmental activities	52	(25)	-	27	5	22	20.1	41	40	
Communication (goods and services)	774	98	-	872	2 053	(1 181)	235.4	1 513	1 509	
Contractors	70	(19)	-	51	6	45	11.3	16	3	
Agency and support/ outsourced services	100	5	-	105	24	81	22.9	54	53	
Entertainment	41	(18)	-	23	8	15	33.3	16	1	
Fleet services	185	43	-	228	559	(331)	245.2	690	668	
Consumable supplies	113	(30)	-	83	51	32	61.1	81	57	
Consumables: Stationery, printing and office supplies	33	(31)	-	2	5	(3)	245.5	46	44	
Operating leases	209	200	-	409	921	(512)	225.2	995	994	
Property payments	-	-	-	-	-	-	-	9	4	
Travel and subsistence	8 214	(39)	-	8 175	12 827	(4 652)	156.9	14 580	14 722	
Operating payments	221	(8)	-	213	142	71	66.7	129	113	
Venues and facilities	55	10	-	65	428	(363)	659	273	265	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	0	(0)	-	-	-	
Total	29 647	(1 148)	-	28 499	39 313	(10 814)	137.9	42 308	42 298	

Table 123: Appropriation for Sub-programme 1.2: Departmental Management

Sub-programme 1.2: Departmental Management Economic Classification	2016/17				2015/16				
	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	56 225	7 112	-	63 337	69 675	(6 338)	110	52 267	52 254
Compensation of employees	38 887	7 112	-	45 999	48 048	(2 049)	104.5	33 607	33 604
Salaries and wages	33 842	6 660	-	40 502	42 908	(2 406)	105.9	29 922	29 862
Social contributions	5 045	452	-	5 497	5 140	357	93.5	3 685	3 742
Goods and services	17 338	-	-	17 338	21 627	(4 289)	124.7	18 660	18 650
Administrative fees	509	5	-	514	651	(137)	126.7	855	979
Advertising	2 698	(12)	-	2 686	3 376	(690)	125.7	764	820
Minor assets	23	(2)	-	21	6	15	29.9	30	-
Catering: Departmental activities	255	(4)	-	251	148	103	58.9	397	145
Communication (goods and services)	798	25	-	823	1 465	(642)	178.0	988	924
Computer services	86	(36)	-	50	14	36	28.8	85	72
Consultants: Business and advisory services	365	(46)	-	319	724	(405)	226.9	459	288
Legal services	149	4	-	153	1 707	(1 707)	-	121	120
Contractors	34	(8)	-	26	778	(625)	508.7	9	1
Agency and support/ outsourced services	13	-	-	13	26	26	-	809	960
Entertainment	179	4	-	183	203	(20)	110.9	238	234
Fleet services	78	6	-	84	114	(30)	135.6	265	74
Consumable supplies	790	(4)	-	786	658	128	83.8	120	56
Consumables: Stationery, printing and office supplies	115	24	-	139	620	(481)	446	341	319
Operating leases	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	8 185	(80)	-	8 105	9 637	(1 532)	118.9	9 258	8 947
Travel and subsistence	-	-	-	-	-	-	-	60	50
Training and development	-	-	-	-	-	-	-	-	-

Table 123: Appropriation for Sub-programme 1.2: Departmental Management (continued)

Sub-programme 1.2: Departmental Management	2016/17						2015/16		
	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									
Operating payments	955	(85)	-	870	701	169	80.6	423	431
Venues and facilities	2 009	212	-	2 221	823	1 398	37	3 438	4 157
Rental and hiring	97	(3)	-	94	-	94	-	-	72
Transfers and subsidies	-	-	-	-	3 033	(3 033)	-	368	365
Foreign governments and international organisations	-	-	-	-	3 033	(3 033)	-	368	365
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	1	-
Total	56 225	7 112	-	63 337	72 709	(9 372)	114.8	52 636	52 619

Table 124: Appropriation for Sub-programme 1.3: Finance Administration

Sub-programme 1.3: Finance Administration	2016/17						2015/16		
	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	32 777	2 257	-	35 034	33 829	1 205	96.6	31 662	31 634
Compensation of employees	22 394	2 364	-	24 758	23 347	1 411	94.3	21 155	21 132
Salaries and wages	19 248	1 720	-	20 968	20 366	602	97.1	18 547	18 407
Social contributions	3 146	644	-	3 790	2 981	809	78.7	2 608	2 725
Goods and services	10 383	(107)	-	10 276	10 482	(206)	102	10 507	10 502
Administrative fees	252	(12)	-	240	237	3	98.6	261	256
Advertising	99	(38)	-	61	3	58	4.7	166	162
Minor assets	294	(24)	-	270	795	(525)	294.3	951	987
Audit costs: External	3 804	19	-	3 823	3 805	18	99.5	4 235	4 233
Catering: Departmental activities	55	(4)	-	51	32	19	63.2	32	28

Table 124: Appropriation for Sub-programme 1.3: Finance Administration (continued)

Sub-programme 1.3: Finance Administration	2016/17					2015/16			
	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
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (goods and services)	136	(48)	-	88	140	(52)	159.4	79	81
Computer services	348	(20)	-	328	324	4	98.8	38	42
Consultants: Business and advisory services	35	1	-	36	276	(240)	767.6	-	-
Contractors	49	(9)	-	40	9	31	23.4	11	12
Agency and support/ outsourced services	9	(6)	-	3	-	3	-	-	-
Fleet services	10	4	-	14	12	2	87.2	16	13
Consumable supplies	497	(312)	-	185	68	117	36.6	55	49
Consumables: Stationery, printing and office supplies	2 992	380	-	3 372	3 155	217	93.6	3 096	3 083
Operating leases	502	5	-	507	477	30	94	442	440
Travel and subsistence	959	(4)	-	955	836	119	87.5	892	877
Operating payments	249	(27)	-	222	247	(25)	111.3	206	213
Venues and facilities	93	(12)	-	81	66	15	81.7	27	26
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 433	-	-	1 433	854	579	59.6	1 665	1 660
Machinery and equipment	1 433	-	-	1 433	854	579	59.6	1 665	1 660
Other machinery and equipment	1 433	-	-	1 433	854	579	59.6	1 665	1 660
Payments for financial assets	-	-	13	13	12	1	95.1	-	-
Total	34 210	2 257	13	36 480	34 695	1 785	95.1	33 327	33 294

Table 125: Appropriation for Sub-programme 1.4: Audit Services

Sub-programme 1.4: Audit Services	2016/17						2015/16		
	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
Economic Classification									
Current payments	7 777	(581)	-	7 196	6 934	262	96.4	6 767	6 698
Compensation of employees	5 221	(581)	-	4 640	3 633	1 007	78.3	4 061	4 002
Salaries and wages	4 479	(515)	-	3 964	3 189	775	80.4	3 597	3 539
Social contributions	742	(66)	-	676	444	232	65.7	464	463
Goods and services	2 556	-	-	2 556	3 301	(745)	129.2	2 706	2 697
Administrative fees	42	2	-	44	33	11	75.1	54	53
Advertising	42	-	-	42	32	10	77.1	52	51
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	18	-	-	18	11	7	62.4	16	15
Communication	15	-	-	15	24	(9)	158.1	25	25
Computer services	-	-	-	-	25	(25)	-	-	-
Consultants: Business and advisory services	2 042	6	-	2 048	2 904	(856)	141.8	2 188	2 187
Fleet services	1	1	-	2	4	(2)	218.9	7	6
Consumable supplies	6	-	-	6	4	2	71.8	6	5
Consumables: Stationery, printing and office supplies	5	(5)	-	-	-	-	-	-	-
Operating leases	1	2	-	3	9	(6)	287.8	5	5
Travel and subsistence	342	(4)	-	338	227	111	67.3	325	320
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	42	(30)	-	12	-	12	-	9	9
Venues and facilities	-	28	-	28	28	0	98.9	19	18
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 777	(581)	-	7 196	6 934	262	96.4	6 767	6 698

Table 126: Appropriation for Sub-programme 1.5: Corporate Services

Sub-programme 1.5: Corporate Services	2016/17						2015/16		
	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	81 048	(7 640)	-	73 408	91 931	(18 523)	125.2	103 565	103 571
Compensation of employees	59 005	(7 747)	-	51 258	53 401	(2 143)	104.2	57 379	57 374
Salaries and wages	50 969	(7 673)	-	43 296	46 405	(3 109)	107.2	50 826	50 033
Social contributions	8 036	(74)	-	7 962	6 996	966	87.9	6 553	7 340
Goods and services	22 043	107	-	22 150	38 530	(16 380)	173.9	46 186	46 197
Administrative fees	132	15	-	147	187	(40)	127.4	838	842
Advertising	262	(8)	-	254	44	210	17.1	4 991	4 815
Minor assets	2 002	(13)	-	1 989	27	1 962	1.3	28	18
Audit costs: External	-	-	-	-	-	-	-	8	-
Bursaries: Employees	755	-	-	755	555	200	73.5	614	610
Catering: Departmental activities	147	(11)	-	136	37	99	26.9	75	60
Communication	1 818	(3)	-	1 815	2 991	(1 176)	164.8	3 278	3 313
Computer services	5 593	-	-	5 593	10 295	(4 702)	184.1	9 710	9 694
Consultants: Business and advisory services	2 463	-	-	2 463	816	1 647	33.1	1 552	1 550
Legal services	441	96	-	537	554	(17)	103.1	512	704
Contractors	572	-	-	572	745	(173)	130.2	2 641	2 497
Agency and support/ outsourced services	622	-	-	622	(28)	650	(4.6)	1 190	1 188
Entertainment	12	(2)	-	10	-	10	-	6	-
Fleet services	148	-	-	148	213	(65)	143.7	351	357
Consumable supplies	277	(22)	-	255	448	(193)	175.8	514	657
Consumables: Stationery, printing and office supplies	141	(19)	-	122	11	111	9.1	1 241	1 196

Table 126: Appropriation for Sub-programme 1.5: Corporate Services (continued)

Sub-programme 1.5: Corporate Services	2016/17				2015/16				
	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
Economic Classification									
Operating leases	15	-	-	15	8 701	(8 686)	58008.3	2 289	2 288
Property payments	-	-	-	-	5 590	(5 590)	-	1 065	1 065
Travel and subsistence	1 826	83	-	1 909	2 546	(637)	133.4	7 541	7 600
Training and development	3 784	-	-	3 784	4 031	(247)	106.5	4 594	4 593
Operating payments	864	22	-	886	727	159	82.1	2 467	2 512
Venues and facilities	123	(31)	-	92	41	51	44.8	681	637
Rental and hiring	46	-	-	46	-	46	-	-	-
Transfers and subsidies	3 184	-	2 183	5 367	3 799	1 568	70.8	4 426	4 423
Departmental agencies	985	-	-	985	985	-	100	792	792
Departmental agencies (non-business entities)	985	-	-	985	985	-	100	792	792
Households	2 199	-	2 183	4 382	2 814	1 568	64.2	3 634	3 631
Social benefits	351	-	-	351	2 001	533	79	2 948	2 945
Other transfers to households	1 848	-	-	1 848	813	1 035	44	686	686
Payments for capital assets	2 662	-	-	2 662	2 780	(118)	104.4	2 767	2 764
Machinery and equipment	2 662	-	-	2 662	2 780	(118)	104.4	2 767	2 764
Other machinery and equipment	2 662	-	-	2 662	2 780	(118)	104.4	2 767	2 764
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	86 894	(7 640)	2 183	81 437	98 509	(17 072)	121	110 758	110 758

Table 127: Appropriation for Sub-programme 1.6: Office Accommodation

Economic Classification	2016/17					2015/16			
	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	30 069	-	-	30 069	30 601	(532)	101.8	32 102	32 100
Goods and services	30 069	-	-	30 069	30 601	(532)	101.8	32 102	32 100
Operating leases	30 069	(4 182)	-	25 887	27 364	(1 477)	105.7	29 120	29 119
Property payments	-	4 182	-	4 182	3 237	945	77.4	2 982	2 981
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 069	-	-	30 069	30 601	(532)	101.8	32 102	32 100

Table 128: Appropriation for Programme 2: Energy Policy and Planning

Programme 2: Energy Policy and Planning	2016/17					2015/16			
	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
Sub-programme									
1. Policy Analysis and Research	1 868	198	-	2 066	2 056	10	99.5	2 240	1 570
2. Energy Planning	21 729	504	(3 202)	19 031	18 822	209	98.9	19 154	18 429
3. Hydrocarbon Policy	12 231	(533)	(152)	11 546	11 487	59	99.5	11 710	11 428
4. Electricity, Energy Efficiency and Environmental Policy	7 690	(169)	-	7 521	7 514	7	99.9	7 482	6 667
Total for sub-programmes	43 518	-	(3 354)	40 164	39 878	286	99.3	40 586	38 095
Economic Classification									
Current payments	43 518	-	(3 354)	40 164	39 878	286	99.3	40 586	38 095
Compensation of employees	34 769	-	(1 700)	33 069	32 805	264	99.2	31 635	31 520
Salaries and wages	29 861	672	(1 251)	29 282	29 023	259	99.1	28 025	27 958
Social contributions	4 908	(672)	(449)	3 787	3 781	6	99.9	3 610	3 562
Goods and services	8 749	-	(1 654)	7 095	7 073	22	99.7	8 951	6 574
Administrative fees	327	42	-	369	366	3	99.2	460	222
Advertising	161	(22)	-	139	138	1	99.3	213	146
Minor assets	24	(24)	-	-	-	-	-	3	-
Catering: Departmental activities	133	5	-	138	136	2	98.8	109	37
Communication	283	49	-	332	330	2	99.3	348	266
Computer services	27	(27)	-	-	-	-	-	6	-
Consultants: Business and advisory services	3 520	(800)	(1 654)	1 066	1 065	1	99.9	2 453	341
Contractors	35	(35)	-	-	-	-	-	17	-
Fleet services	-	5	-	5	4	1	82.8	2	0

Table 128: Appropriation for Programme 2: Energy Policy and Planning (continued)

Programme 2: Energy Policy and Planning	2016/17				2015/16				
	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
Consumable supplies	38	24	-	62	59	3	95.4	97	49
Consumables: Stationery, printing and office supplies	196	(182)	-	14	13	1	95.5	148	14
Operating leases	-	7	-	7	6	1	91.6	1	0
Property payment	30	(30)	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	180	-	180	180	-	100	-	-
Travel and subsistence	3 575	(337)	-	3 238	3 235	3	99.9	3 743	4 063
Training and development	104	(104)	-	-	-	-	-	7	-
Operating payment	196	516	-	712	707	5	99.3	745	742
Venues and facilities	100	733	-	833	832	1	99.9	599	693
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	43 518	-	(3 354)	40 164	39 878	286	99.3	40 586	38 095

Table 129: Appropriation for Sub-programme 2.1: Policy Analysis and Research

Sub-programme 2.1: Policy Analysis and Research Economic Classification	2016/17				2015/16				
	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	1 868	198	-	2 066	2 056	10	99.5	2 240	1 570
Compensation of employees	1 597	-	-	1 597	1 591	6	99.6	1 555	1 518
Salaries and wages	1 370	28	-	1 398	1 392	6	99.6	1 365	1 329
Social contributions	227	(28)	-	199	199	0	99.8	190	188
Goods and services	271	198	-	469	465	4	99.2	685	52
Administrative fees	62	(30)	-	32	31	1	95.7	179	2
Catering: Departmental activities	9	(8)	-	1	1	-	59.5	52	-
Communication	21	(20)	-	1	1	1	-	-	-
Consultants: Business and advisory services	39	(39)	-	-	-	-	-	13	-
Consumable supplies	-	22	-	22	21	1	97	31	-
Consumables: Stationery, printing and office supplies	19	(19)	-	-	-	-	-	61	-
Travel and subsistence	121	286	-	407	407	0	99.9	349	50
Operating payments	-	6	-	6	6	-	100	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 868	198	-	2 066	2 056	10	99.5	2 240	1 570

Table 130: Appropriation for Sub-programme 2.2: Energy Planning

Sub-programme 2.2: Energy Planning	2016/17						2015/16		
	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	21 729	504	(3 202)	19 031	18 822	209	98.9	19 154	18 429
Compensation of employees	16 039	-	(1 548)	14 491	14 290	201	98.6	14 252	14 250
Salaries and wages	13 761	146	(1 099)	12 808	12 607	201	98.4	12 592	12 596
Social contributions	2 278	(146)	(449)	1 683	1 683	-	100	1 660	1 655
Goods and services	5 690	504	(1 654)	4 540	4 532	8	99.8	4 902	4 179
Administrative fees	138	107	-	245	244	1	99.7	142	85
Advertising	161	(22)	-	139	138	1	99.3	181	141
Minor assets	19	(19)	-	-	-	-	-	3	-
Catering: Departmental activities	35	79	-	114	113	1	99.5	18	11
Communication	131	48	-	179	179	-	99.9	201	130
Computer services	27	(27)	-	-	-	-	-	6	-
Consultants: Business and advisory services	3 121	(401)	(1 654)	1 066	1 065	1	99.9	2 045	341
Fleet services	18	3	-	3	3	0	91.6	-	-
Consumable supplies	83	(7)	-	11	11	0	97.5	33	27
Consumables: Stationery, printing and office supplies	-	(79)	-	4	4	0	90.1	15	3
Operating leases	30	3	-	3	3	0	87.8	-	-
Property payments	-	(30)	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	180	-	180	180	-	100	-	-
Travel and subsistence	1 629	(455)	-	1 174	1 173	1	99.9	928	2 022
Training and development	104	(104)	-	-	-	-	-	7	-
Operating payments	184	456	-	640	637	3	99.5	741	738
Venues and facilities	10	772	-	782	782	0	100	582	682
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 729	504	(3 202)	19 031	18 822	209	98.9	19 154	18 429

Table 131: Appropriation for Sub-programme 2.3: Hydrocarbon Policy

Sub-programme 2.3: Hydrocarbon Policy	2016/17						2015/16		
	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	12 231	(533)	(152)	11 546	11 487	59	99.5	11 710	11 428
Compensation of employees	10 907	(252)	(152)	10 503	10 448	55	99.5	10 097	10 045
Salaries and wages	9 388	70	(152)	9 306	9 255	51	99.5	8 977	8 927
Social contributions	1 519	(322)		1 197	1 193	4	99.7	1 120	1 118
Goods and services	1 324	(281)	-	1 043	1 038	5	99.6	1 613	1 383
Administrative fees	86	(37)		49	48	1	99	71	68
Advertising	-	-		-	-	-	-	6	6
Minor assets	5	(5)		-	-	-	-	-	-
Catering: Departmental activities	63	(48)		15	15	-	97.3	29	23
Communication	78	10		88	87	1	99.4	84	77
Consultants: Business and advisory services	360	(360)		-	-	-	-	395	1
Contractors	35	(35)		-	-	-	-	17	-
Fleet services	-	-		-	-	-	-	1	-
Consumable supplies	11	(1)		10	9	1	90.2	18	12
Consumables: Stationery, printing and office supplies	67	(58)		9	9	-	100	47	11
Operating leases	-	-		-	-	-	-	1	-
Travel and subsistence	529	249		778	777	1	99.9	927	1 174
Operating payments	-	43		43	42	1	98.5	-	-
Venues and facilities	90	(39)		51	51	1	99	17	11
Transfers and subsidies	-	-		-	-	-	-	-	-
Payments for capital assets	-	-		-	-	-	-	-	-
Payments for financial assets	-	-		-	-	-	-	-	-
Total	12 231	(533)	(152)	11 546	11 487	59	99.5	11 710	11 428

Table 132: Appropriation for Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy

Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy	2016/17					2015/16			
	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
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 690	(169)	-	7 521	7 514	7	99.9	7 482	6 667
Compensation of employees	6 226	252	-	6 478	6 476	2	100	5 731	5 707
Salaries and wages	5 342	428	-	5 770	5 769	1	100	5 091	5 107
Social contributions	884	(176)	-	708	707	1	99.9	640	601
Goods and services	1 464	(421)	-	1 043	1 037	6	99.5	1 751	960
Administrative fees	41	2	-	43	42	1	98.6	68	68
Advertising	-	-	-	-	-	-	-	26	-
Catering: Departmental activities	26	(18)	-	8	8	-	96.2	10	4
Communication	53	11	-	64	64	-	99.2	63	58
Fleet services	9	2	-	11	11	1	69.5	1	-
Consumable supplies	27	(26)	-	1	18	1	95	15	10
Consumables: Stationery, printing and office supplies	1 296	(417)	-	879	878	1	99.9	1 539	816
Operating lease	12	11	-	23	22	1	95.7	4	4
Travel and subsistence	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 690	(169)	-	7 521	7 514	7	99.9	7 482	6 667

Table 133: Appropriation for Programme 3: Petroleum and Petroleum Energy Policy and Planning

Programme 3: Petroleum and Petroleum Energy Policy and Planning	2016/17					2015/16			
	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
Sub-programme									
1. Petroleum Compliance, Monitoring and Enforcement	13 569	571	51	14 191	14 189	2	100	13 858	13 848
2. Petroleum Licensing and Fuel Supply	24 009	(78)	225	24 156	24 152	4	100	20 686	20 740
3. Fuel Pricing	7 485	(116)	-	7 369	7 367	2	100	6 901	6 839
4. Regional Petroleum Regulation Office	32 465	(377)	1 197	33 285	33 283	2	100	27 563	27 532
Total for sub-programmes	77 528	-	1 473	79 001	78 991	10	100	69 008	68 958
Economic Classification									
Current payments	77 528	-	1 300	78 828	78 820	8	100	69 008	68 958
Compensation of employees	56 792	-	2 150	58 942	58 940	2	100	52 516	52 568
Salaries and wages	48 745	269	2 150	51 164	51 164	-	100	45 630	45 621
Social contributions	8 047	(269)	-	7 778	7 776	2	100	6 886	6 946
Goods and services	20 736	-	(850)	19 886	19 880	6	100	16 492	16 391
Administrative fees	305	251	-	556	554	2	99.6	251	296
Advertising	876	(120)	-	756	756	-	100	355	431
Minor assets	117	(116)	-	1	1	-	97.4	30	-
Catering: Departmental activities	315	(179)	-	136	135	1	99.1	81	64
Communication	632	(227)	-	405	405	-	99.9	538	674
Computer services	50	(50)	-	-	-	-	-	12	9
Consultants: Business and advisory services	9 219	2 048	(850)	10 417	10 416	1	100	9 788	10 023
Legal services	-	119	-	119	119	-	100	-	-
Contractors	21	(7)	-	14	12	2	89.1	9	7

Table 133: Appropriation for Programme 3: Petroleum and Petroleum Energy Policy and Planning (continued)

Programme 3: Petroleum and Petroleum Energy Policy and Planning	2016/17				2015/16				
	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
Agency and support/ outsourced services	11	(11)	-	-	-	-	-	1	-
Entertainment	5	(5)	-	-	-	-	-	1	-
Fleet services	144	(117)	-	27	26	1	97.6	63	32
Consumable supplies	373	(319)	-	54	53	1	97.6	64	23
Consumables: Stationery, printing and office supplies	69	(22)	-	47	47	-	99.5	64	62
Operating leases	8	14	-	22	21	1	96.7	28	26
Property payments	26	(26)	-	-	-	-	-	5	-
Transport provided: Departmental activity								1	-
Travel and subsistence	5 059	1 133	-	6 192	6 198	(6)	100.1	4 286	4 271
Training and development	-	11	-	11	11	-	96.6	-	-
Operating payments	2 328	(1 846)	-	482	482	-	100	694	254
Venues and facilities	1 121	(474)	-	647	645	2	99.6	220	218
Rental and hiring	57	(57)	-	-	-	-	-	1	-
Transfers and subsidies	-	-	122	122	122	-	99.7	-	-
Households	-	-	122	122	122	-	99.7	-	-
Other transfers to households	-	-	122	122	122	-	99.7	-	-
Payments for capital assets	-	-	35	35	35	-	99.7	-	-
Machinery and equipment	-	-	35	35	35	-	99.7	-	-
Other machinery and equipment	-	-	35	35	35	-	99.7	-	-
Payments for financial assets	-	-	16	16	15	1	94.6	-	-
Total	77 528	-	1 473	79 001	78 991	10	100	69 008	68 958

Table 134: Appropriation for Sub-programme 3.1: Petroleum Compliance, Monitoring and Enforcement

Sub-programme 3.1: Petroleum Compliance, Monitoring and Enforcement Economic Classification	2016/17					2015/16			
	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	13 569	571	-	14 140	14 139	1	100	13 858	13 848
Compensation of employees	5 242	(399)	-	4 843	4 842	1	100	4 498	4 495
Salaries and wages	4 497	(226)		4 271	4 270	1	100	3 994	3 972
Social contributions	745	(173)		572	572	-	100	504	522
Goods and services	8 327	970	-	9 297	9 297	-	100	9 360	9 353
Administrative fees	20	69		89	88	1	99.2	72	99
Advertising	48	78		126	126	-	99.9	-	-
Minor assets								6	-
Catering: Departmental activities	16			16	16	-	97.7	15	18
Communication	50	(15)		35	34	1	97.8	22	27
Consultants: Business and advisory services	7 306	660		7 966	7 965	1	100	8 343	8 209
Fleet services		1		1	1	-	51.2	-	-
Contractors								-	-
Consumable supplies		7		7	6	1	87.4	4	6
Consumables: Stationery, printing and office supplies	37	(35)		2	2	-	99.3	5	2
Operating leases		1		1	-	1	40.5	-	-
Travel and subsistence	834	53		887	892	(5)	100.6	848	953
Operating payments								37	37
Venues and facilities	16	151		167	166	1	99.6	8	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	35	35	35	-	99.7	-	-
Machinery and equipment	-	-	35	35	35	-	99.7	-	-
Other machinery and equipment	-	-	35	35	35	-	99.7	-	-
Payments for financial assets			16	16	15	1	94.6	-	-
Total	13 569	571	51	14 191	14 189	2	100	13 858	13 848

Table 135: Appropriation for Sub-programme 3.2: Petroleum Licensing and Fuel Supply

Economic Classification	2016/17						2015/16		
	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
Sub-programme 3.2: Petroleum Licensing and Fuel Supply									
Current payments	24 009	(78)	225	24 156	24 152	4	100	20 686	20 740
Compensation of employees	20 859	205	1 075	22 139	22 138	1	100	19 562	19 622
Salaries and wages	17 896	292	1 075	19 263	19 263	-	100	17 133	17 047
Social contributions	2 963	(87)		2 876	2 875	1	100	2 429	2 575
Goods and services	3 150	(283)	(850)	2 017	2 013	4	99.8	1 124	1 118
Administrative fees	67	39		106	106	-	99.8	39	53
Advertising	81	(81)		-	-	-	-	63	51
Minor assets	2	(2)		-	-	-	-	-	-
Catering: Departmental activities	71	(58)		13	13	-	97.9	10	7
Communication	106	79		185	185	-	100	93	97
Computer services	50	(50)		-	-	-	-	4	1
Consultants: Business and advisory services	1 814	(250)	(850)	714	713	1	99.9	-	-
Contractors	1	(1)		-	-	-	-	-	-
Fleet services	4	9		13	13	-	99.1	24	21
Consumable supplies	34	(15)		19	19	-	100.2	12	10
Consumables: Stationery, printing and office supplies	12	(9)		3	3	-	86.5	5	4
Operating leases	8	13		21	20	1	97.1	27	26
Travel and subsistence	672	151		823	823	-	100	765	771
Operating payments	32	(12)		20	19	1	97.4	23	15
Venues and facilities	196	(96)		100	99	1	99	59	62
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Total	24 009	(78)	225	24 156	24 152	4	100	20 686	20 740

Table 136: Appropriation for Sub-programme 3.3: Fuel Pricing

Economic Classification	2016/17						2015/16		
	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 3.3: Fuel Pricing									
Current payments	7 485	(116)	-	7 369	7 367	2	100	6 901	6 839
Compensation of employees	4 001	174	-	4 175	4 175	-	100	3 724	3 719
Salaries and wages	3 433	308	-	3 741	3 741	-	100	3 120	3 330
Social contributions	568	(134)	-	434	433	1	99.8	604	390
Goods and services	3 484	(290)	-	3 194	3 192	2	100	3 177	3 120
Administrative fees	43	15	-	58	57	1	98.5	49	49
Advertising	168	125	-	293	293	-	100	257	256
Minor assets	1	(1)	-	-	-	-	-	1	-
Catering: Departmental activities	24	(5)	-	19	19	-	97.7	25	19
Communication	86	(43)	-	43	43	-	100.4	49	61
Computer services	-	-	-	-	-	-	-	8	8
Consultants: Business and advisory services	99	1 638	-	1 737	1 737	-	100	1 429	1 800
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	3	-	3	2	1	74.9	4	2
Agency and support/ outsourced services	11	(11)	-	-	-	-	-	1	-
Fleet services	6	5	-	11	11	-	102.1	12	11
Consumable supplies	4	(1)	-	3	3	-	100	2	3
Consumables: Stationery, printing and office supplies	14	21	-	35	35	-	100	54	56
Operating leases	-	-	-	-	-	-	-	1	-
Travel and subsistence	958	(70)	-	888	888	-	100	776	747
Operating payments	1 940	(1 840)	-	100	100	-	100	444	37
Venues and facilities	130	(126)	-	4	4	-	89.1	65	71
Rental and hiring	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-

Table 136: Appropriation for Sub-programme 3.3: Fuel Pricing (continued)

Sub-programme 3.3: Fuel Pricing	2016/17				2015/16				
	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
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 485	(116)	-	7 369	7 367	2	100	6 901	6 839

Table 137: Appropriation for Sub-programme 3.4: Regional Petroleum Regulation Offices

Sub-programme 3.4: Regional Petroleum Regulation Offices	2016/17				2015/16				
	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	32 465	(377)	1 075	33 163	33 162	1	100	27 563	27 532
Compensation of employees	26 690	20	1 075	27 785	27 785	-	100	24 732	24 732
Salaries and wages	22 919	(105)	1 075	23 889	23 889	-	100	21 383	21 272
Social contributions	3 771	125	-	3 896	3 896	-	100	3 349	3 459
Goods and services	5 775	(397)	-	5 378	5 377	1	100	2 831	2 800
Administrative fees	175	128	-	303	302	1	99.8	91	95
Advertising	579	(242)	-	337	337	-	100	35	125
Minor assets	114	(113)	-	1	1	-	97.4	23	-
Catering: Departmental activities	204	(116)	-	88	88	-	99.8	31	19
Communication (goods and services)	390	(248)	-	142	142	-	100.2	374	489
Consultants: Business and advisory services	-	-	-	-	-	-	-	16	14
Legal services	20	(9)	-	11	119	-	100	-	-
Contractors	5	(5)	-	-	10	1	93	5	5
Entertainment	-	-	-	-	-	-	-	1	-

Table 137: Appropriation for Sub-programme 3.4: Regional Petroleum Regulation Offices (continued)

Sub-programme 3.4: Regional Petroleum Regulation Offices Economic Classification	2016/17				2015/16				
	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
Fleet services	134	(132)		2	2	-	86.5	27	
Consumable supplies	335	(310)		25	25	-	98.1	46	4
Consumables: Stationery, printing and office supplies	6	1		7	7	-	102.5	-	-
Operating leases	-	-		-	-	-	-	-	-
Property payments	26	(26)		-	-	-	-	5	-
Transport provided: Departmental activity	-	-		-	-	-	-	1	-
Travel and subsistence	2 595	999		3 594	3 595	(1)	100	1 897	1 799
Training and development	-	11		11	11	-	96.6	-	-
Operating payments	356	6		362	362	-	100.1	190	165
Venues and facilities	779	(403)		376	376	-	100	88	85
Rental and hiring	57	(57)		-	-	-	-	1	-
Transfers and subsidies	-	-	122	122	122	-	99.7	-	-
Households	-	-	122	122	122	-	99.7	-	-
Other transfers to households	-	-	122	122	122	-	99.7	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	32 465	(377)	1 197	33 285	33 283	2	100	27 563	27 532

Table 138: Appropriation for Programme 4: Electrification and Energy Programme and Project Management

Programme 4: Electrification and Energy Programme and Project Management	2016/17					2015/16			
	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
Sub-programme									
1. Integrated National Electrification Programme	5 662 437	(765)	3 275	5 664 947	5 630 619	34 328	99.4	5 781 098	5 775 682
2. Energy Regional Offices	15 678	1 636	2 627	19 941	19 650	291	98.5	18 388	20 271
3. Programme and Project Management Office	8 969	1 453	3 512	13 934	13 491	443	96.8	9 106	9 095
4. Electrification Infrastructure/ Industry Transformation	12 184	(1 975)	-	10 209	9 278	931	90.9	8 610	8 593
5. Community Upliftment Programmes and Projects	5 887	(349)	76	5 614	5 621	(7)	100.1	6 848	6 844
Total for sub-programmes	5 705 155	-	9 490	5 714 645	5 678 659	35 986	99.4	5 824 050	5 820 485
Economic Classification									
Current payments	60 766	-	9 447	70 213	68 303	1 910	97.3	63 870	70 718
Compensation of employees	45 749	-	-	45 749	43 841	1 908	95.8	41 809	41 797
Salaries and wages	39 290	213	-	39 503	38 475	1 028	97.4	36 741	36 806
Social contributions	6 459	(213)	-	6 246	5 366	880	85.9	5 068	4 991
Goods and services	15 017	-	9 447	24 464	24 462	2	100	22 061	28 921
Administrative fees	759	286	168	1 213	1 212	1	99.9	776	1 327
Advertising	218	933	514	1 665	1 664	1	99.9	630	852
Minor assets	314	(314)	-	-	-	-	-	31	30
Catering: Departmental activities	580	(97)	-	483	1 381	(898)	285.8	1 421	1 437
Communication	696	50	899	1 645	745	900	45.3	378	420
Computer services	21	(21)	-	-	-	-	-	16	15

Table 138: Appropriation for Programme 4: Electrification and Energy Programme and Project Management (continued)

Programme 4: Electrification and Energy Programme and Project Management	2016/17						2015/16		
	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
Consultants: Business and advisory services	1 983	(1 800)	-	183	183	-	99.7	20	19
Contractors	32	60	469	561	561	-	100	41	39
Agency and support/ outsourced services	-	7	-	7	6	1	90.2	9	9
Fleet services	41	213	-	254	253	1	99.6	73	276
Consumable supplies	253	(48)	-	205	204	1	99.4	89	103
Consumables: Stationery, printing and office supplies	122	33	-	155	154	1	99.3	21	14
Operating leases	13	821	-	834	834	-	100	772	870
Property payments	-	24	-	24	24	-	100	33	32
Transport provided: Departmental activity	40	74	-	114	114	-	100	238	238
Travel and subsistence	7 725	(1 271)	5 747	12 201	12 211	(10)	100.1	12 857	15 701
Training and development	-	(5)	-	(5)	-	(5)	-	-	21
Operating payments	254	77	-	331	325	6	98.2	156	343
Venues and facilities	1 966	978	1 650	4 594	4 592	2	100	4 479	7 153
Rental and hiring	-	-	-	-	-	-	-	21	21
Transfers and subsidies	5 644 389	-	43	5 644 432	5 610 355	34 077	99.4	5 760 175	5 749 762
Provinces and municipalities	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340
Municipalities	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340
Municipal bank accounts	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340

Table 138: Appropriation for Programme 4: Electrification and Energy Programme and Project Management (continued)

Programme 4: Electrification and Energy Programme and Project Management	2016/17						2015/16		
	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
Public corporations and private enterprises	3 698 143	-	-	3 698 143	3 664 067	34 076	99.1	3 779 835	3 769 422
Public corporations	3 526 334	-	-	3 526 334	3 526 334	-	100	3 613 243	3 613 243
Subsidies on products and production	3 526 334	-	-	3 526 334	3 526 334	-	100	3 613 243	3 613 243
Private enterprises	171 809	-	-	171 809	137 733	34 076	80.2	166 592	156 179
Subsidies on products and production (pe)	171 809	-	-	171 809	137 733	34 076	80.2	166 592	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	156 179
Households	-	-	43	43	43	-	98.9	-	-
Other transfers to households	-	-	43	43	43	-	98.9	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	5	5
Total	5 705 155	-	9 490	5 714 645	5 678 659	35 986	99.4	5 824 050	5 820 485

Table 139: Appropriation for Sub-programme 4.1: Integrated National Electrification Programme

Sub-programme 4.1: Integrated National Electrification Plan Economic Classification	2016/17						2015/16		
	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	18 048	(765)	3 247	20 530	20 278	252	98.8	20 918	25 915
Compensation of employees	10 790	1 254	-	12 044	11 796	248	97.9	10 889	10 888
Salaries and wages	9 257	1 138	-	10 395	10 457	(62)	100.6	9 683	9 649
Social contributions	1 533	116	-	1 649	1 339	310	81.2	1 206	1 239
Goods and services	7 258	(2 019)	3 247	8 486	8 483	3	100	10 029	15 027
Administrative fees	238	316	-	554	554	-	100	457	705
Advertising	166	14	-	180	179	1	99.6	15	226
Minor assets	79	(79)	-	-	-	-	-	31	30
Catering: Departmental activities	172	19	-	191	191	-	99.9	569	566
Communication	290	6	-	296	296	-	99.9	253	265
Computer services	-	-	-	-	-	-	-	7	7
Consultants: Business and advisory services	1 983	(1 983)	-	-	-	-	-	15	14
Contractors	32	6	-	38	38	-	100.1	-	-
Fleet services	14	15	-	29	28	1	96.9	30	35
Consumable supplies	27	(11)	-	16	16	-	97	17	15
Consumables: Stationery, printing and office supplies	11	(11)	-	-	-	-	-	5	4
Operating leases	10	22	-	32	32	-	100.3	15	20
Transport provided: Departmental activity	40	(16)	-	24	24	-	100	-	-
Travel and subsistence	3 471	(257)	3 076	6 290	6 290	-	100	6 585	8 569
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	129	(52)	-	77	77	-	99.5	100	99
Venues and facilities	596	(8)	171	759	759	-	100	1 930	4 472
Transfers and subsidies	5 644 389	-	28	5 644 417	5 610 340	34 077	99.4	5 760 175	5 749 762

Table 139: Appropriation for Sub-programme 4.1: Integrated National Electrification Programme (continued)

Sub-programme 4.1: Integrated National Electrification Plan Economic Classification	2016/17				2015/16				
	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
Provinces and municipalities	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340
Municipalities	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340
Municipal bank account	1 946 246	-	-	1 946 246	1 946 246	-	100	1 980 340	1 980 340
Public corporations and private enterprises	3 698 143	-	-	3 698 143	3 664 067	34 076	99.1	3 779 835	3 769 422
Public corporations	3 526 334	-	-	3 526 334	3 526 334	-	100	3 613 243	3 613 243
Subsidies and products and production (pc)	3 526 334	-	-	3 526 334	3 526 334	-	100	3 613 243	3 613 243
Private enterprises	171 809	-	-	171 809	137 733	34 076	80.2	166 592	156 179
Subsidies on products and production (pe)	171 809	-	-	171 809	137 733	34 076	80.2	166 592	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	156 179
Households	-	-	28	28	27	1	98.1	-	-
Other transfers to households	-	-	28	28	27	1	98.1	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	5	5
Total	5 662 437	(765)	3 275	5 664 947	5 630 619	34 328	99.4	5 781 098	5 775 682

Table 140: Appropriation for Sub-programme 4.2: Energy Regional Offices

Sub-programme 4.2: Energy Regional Office Economic Classification	2016/17				2015/16				
	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	15 678	1 636	2 627	19 941	19 650	291	98.5	18 388	20 271
Compensation of employees	15 184	214	-	15 398	15 110	288	98.1	13 610	13 608
Salaries and wages	13 067	82	-	13 149	13 103	46	99.6	11 823	11 820
Social contributions	2 117	132	-	2 249	2 007	242	89.2	1 787	1 788
Goods and services	494	1 422	2 627	4 543	4 540	3	99.9	4 778	6 663
Administrative fees	26	113	-	139	139	0	99.7	-	306
Advertising	-	156	-	156	155	1	99.6	72	84
Minor assets	-	-	-	-	0	(0)	-	-	-
Catering: Departmental activities	26	(19)	-	7	7	0	93.5	-	27
Communication	31	155	-	186	186	0	100	-	13
Contractors	-	-	-	-	-	-	-	-	-
Fleet services	26	187	-	213	213	0	99.8	35	231
Consumable supplies	23	(22)	-	1	21	0	99	-	19
Consumables: Stationery, printing and office supplies	-	-	-	-	1	0	62.4	-	2
Operating leases	338	783	2 496	2 727	783	0	100	755	849
Travel and subsistence	-	(107)	-	2 727	2 727	(0)	100	3 467	4 360
Operating payments	-	175	-	175	175	(0)	100	-	191
Venues and facilities	24	(20)	131	135	134	1	99.5	449	581
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	15 678	1 636	2 627	19 941	19 650	291	98.5	18 388	20 271

Table 141: Appropriation for Sub-programme 4.3: Programme and Project Management Office

Sub-programme 4.3: Programme and Project Management Office Economic Classification	2016/17				2015/16				
	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	8 969	1 453	3 504	13 926	13 483	443	96.8	9 106	9 095
Compensation of employees	6 520	-	-	6 520	6 079	441	93.2	5 643	5 640
Salaries and wages	5 594	100	-	5 694	5 304	390	93.2	4 916	4 914
Social contributions	926	(100)	-	826	775	51	93.9	727	726
Goods and services	2 449	1 453	3 504	7 406	7 404	2	100	3 463	3 456
Administrative fees	380	(230)	168	318	318	-	99.9	91	90
Advertising	42	129	514	685	685	-	100	-	-
Minor assets	231	(231)	-	-	-	-	-	-	-
Catering: Departmental activities	200	-	-	200	1 099	(899)	549.5	664	663
Communication	41	(43)	899	897	(2)	899	(0.2)	6	6
Computer services	21	(21)	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	159	-	159	159	-	100.1	-	-
Contractors	-	19	469	488	488	-	100	1	1
Agency and support/ outsourced services	-	7	-	7	6	1	90.2	9	9
Consumable supplies	18	23	-	41	41	-	100.7	8	11
Consumables: Stationery, printing and office supplies	17	130	-	147	147	-	99.9	3	2
Property payments	-	24	-	24	24	-	100	33	32
Transport provided: Departmental activity	-	90	-	90	90	-	100	238	238
Travel and subsistence	1 023	196	136	1 355	1 355	-	100	1 209	1 182

Table 141: Appropriation for Sub-programme 4.3: Programme and Project Management Office (continued)

Sub-programme 4.3: Programme and Project Management Office	2016/17				2015/16				
	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
Economic Classification									
Training and development	-	(5)		(5)		(5)	-	-	21
Operating payments	35	(16)		19	14	5	72.3	-	-
Venues and facilities	441	1 222	1 318	2 981	2 980	1	100	1 201	1 201
Transfers and subsidies	-	-	8	8	8	-	103.9	-	-
Households	-	-	8	8	8	-	103.9	-	-
Other transfers to households	-	-	8	8	8	-	103.9	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	8 969	1 453	3 512	13 934	13 491	443	96.8	9 106	9 095

Table 142: Appropriation for Sub-programme 4.4: Electricity Infrastructure/Industry Transformation

Sub-programme 4.4: Electricity Infrastructure/Industry Transformation	2016/17					2015/16			
	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
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 184	(1 975)	-	10 209	9 278	931	90.9	8 610	8 593
Compensation of employees	8 882	(1 276)	-	7 606	6 676	930	87.8	7 927	7 924
Salaries and wages	7 620	(954)	-	6 666	5 946	720	89.2	7 047	7 152
Social contributions	1 262	(322)	-	940	730	210	77.7	880	772
Goods and services	3 302	(699)	-	2 603	2 601	2	99.9	683	670
Administrative fees	57	41	-	98	98	-	99.9	26	23
Advertising	10	588	-	598	598	-	100	-	-
Catering: Departmental activities	-	74	-	74	74	-	99.9	7	1
Communication	265	(74)	-	191	191	-	99.9	52	67
Computer services	-	-	-	-	-	-	-	9	8
Consultants: Business and advisory services	-	2	-	2	2	-	100	-	-
Contractors	-	10	-	10	10	-	97	4	3
Fleet services	-	-	-	-	-	-	-	-	-
Consumable supplies	142	(28)	-	114	114	-	99.8	14	12
Consumables: Stationery, printing and office supplies	34	(28)	-	6	6	-	95.9	7	1
Travel and subsistence	2 218	(828)	-	1 390	1 390	-	100	552	545
Operating payments	60	-	-	60	59	1	99	12	10
Venues and facilities	516	(456)	-	60	60	-	100.2	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	12 184	(1 975)	-	10 209	9 278	931	90.9	8 610	8 593

Table 143: Appropriation for Sub-programme 4.5: Community Upliftment Programmes and Projects

Sub-programme 4.5: Community Upliftment Programmes and Projects Economic Classification	2016/17						2015/16		
	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	5 887	(349)	69	5 607	5 614	(7)	100.1	6 848	6 844
Compensation of employees	4 373	(192)	-	4 181	4 180	1	100	3 740	3 738
Salaries and wages	3 752	(153)	-	3 599	3 665	(66)	101.8	3 272	3 271
Social contributions	621	(39)	-	582	515	67	88.5	468	467
Goods and services	1 514	(157)	69	1 426	1 434	(8)	100.6	3 108	3 106
Administrative fees	58	46	-	104	104	-	100.1	202	203
Advertising	-	46	-	46	46	-	100.8	543	542
Minor assets	4	(4)	-	-	-	-	-	-	-
Catering: Departmental activities	182	(171)	-	11	10	1	93.2	181	181
Communication	69	6	-	75	75	-	100.3	67	69
Consultants: Business and advisory services	--	22	-	22	21	1	97.5	5	5
Contractors	-	25	-	25	25	-	100	36	35
Fleet services	1	11	-	12	12	-	101.1	8	10
Consumable supplies	66	(53)	-	13	12	1	94.8	50	47
Consumables: Stationery, printing and office supplies	37	(36)	-	1	1	-	58.3	6	5
Operating leases	3	16	-	19	19	-	100	2	2
Travel and subsistence	675	(275)	39	439	449	(10)	102.3	1 044	1 044
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	30	(30)	-	-	-	-	-	44	43
Venues and facilities	389	240	30	659	659	-	99.9	899	899
Rental and hiring	-	-	-	-	-	-	-	21	21
Transfers and subsidies	-	-	7	7	7	-	96	-	-
Households	-	-	7	7	7	-	96	-	-
Other transfers to households	-	-	7	7	7	-	96	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 887	(349)	76	5 614	5 621	(7)	100.1	6 848	6 844

Table 144: Appropriation for Programme 5: Nuclear Energy

Programme 5: Nuclear Energy	2016/17				2015/16				
	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
Sub-programme									
1. Nuclear Safety and Technology	865 907	(529)	(307)	865 071	859 004	6 067	99.3	641 542	641 492
2. Nuclear Non-Proliferation and Radiation Security	8 304	3	-	8 307	8 303	4	99.9	7 185	7 168
3. Nuclear Policy	5 930	526	-	6 456	5 145	1 311	79.7	6 389	6 369
Total for sub-programmes	880 141	-	(307)	879 834	872 451	7 383	99.2	655 116	655 029
Economic Classification									
Current payments	222 331	(11 032)	(12 037)	199 262	191 393	7 869	96.1	25 321	25 273
Compensation of employees	19 429	-	365	19 794	19 790	4	100	17 059	17 039
Salaries and wages	16 799	627	365	17 791	17 789	2	100	15 332	15 320
Social contributions	2 630	(627)	-	2 003	2 001	2	99.9	1 727	1 719
Goods and services	202 902	(11 032)	(12 402)	179 468	171 603	7 865	95.6	8 262	8 234
Administrative fees	79	76	-	155	153	2	98.7	391	386
Advertising	1 470	(984)	-	486	486	-	99.9	1 588	1 572
Minor assets	-	4	-	4	4	-	99.7	-	-
Catering: Departmental activities	129	252	-	381	380	1	99.7	84	81
Communication	237	2	-	239	237	2	99.1	269	277
Consultants: Business and advisory services	197 543	(11 459)	(12 402)	173 682	165 829	7 853	95.5	748	752
Legal services	-	72	-	72	71	1	98.8	51	50
Contractors	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	1
Consumable supplies	5	22	-	27	25	2	92.9	23	19
Consumables: Stationery, printing and office supplies	883	(287)	-	596	595	1	99.9	132	130

Table 144: Appropriation for Programme 5: Nuclear Energy (continued)

	2016/17				2015/16				
	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
Programme 5: Nuclear Energy									
Operating leases	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 948	234	-	2 182	2 181	1	99.9	3 131	3 177
Training and development	-	8	-	8	8	-	95.1	1	-
Operating payments	608	1 028	-	1 636	1 634	2	99.9	1 844	1 791
Venues and facilities	657 810	-	11 730	669 540	670 027	(487)	100.1	629 795	629 756
Transfers and subsidies	40 936	-	10 000	50 936	50 936	-	100	21 487	21 487
Departmental agencies and accounts	40 936	-	10 000	50 936	50 936	-	100	21 487	21 487
Departmental agencies (non-business entities)	17 375	-	1 730	19 105	19 753	(648)	103.4	27 925	27 886
Foreign governments and international organisations	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Public corporations and private enterprises	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Public corporations	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Subsidies, and products and productions (pe)	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Households	161	-	-	161	-	161	-	25	25
Other transfers to households	161	-	-	161	-	161	-	25	25
Payments for capital assets	-	11 032	-	11 032	11 031	1	100	-	-
Machinery and equipment	-	11 032	-	11 032	11 031	1	100	-	-
Other machinery and equipment	-	11 032	-	11 032	11 031	1	100	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	880 141	-	(307)	879 834	872 451	7 383	99.2	655 116	655 029

Table 145: Appropriation for Sub-programme 5.1: Nuclear Safety and Technology

Economic Classification	2016/17						2015/16		
	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	208 918	(11 561)	(12 037)	185 320	177 945	7 375	96	11 747	11 736
Compensation of employees	10 221	(858)	365	9 728	9 728	-	100	8 507	8 501
Salaries and wages	8 809	(398)	365	8 776	8 777	(1)	100	7 649	7 648
Social contributions	1 412	(460)		952	951	1	99.9	858	853
Goods and services	198 697	(10 703)	(12 402)	175 592	168 217	7 375	95.8	3 240	3 236
Administrative fees	31	31		62	61	1	99.1	131	128
Advertising	155	(56)		99	99	-	99.7	474	468
Minor assets	-	4		4	4	-	99.7	-	-
Catering: Departmental activities	61	40		101	101	-	99.7	61	60
Communication	148	(17)		131	130	1	99.5	155	164
Consultants: Business and advisory services	197 532	(11 948)	(12 402)	173 182	165 812	7 370	95.7	465	470
Fleet services	-	-		-	-	-	-	-	1
Consumable supplies	5	8		13	12	1	92.9	11	8
Consumables: Stationery, printing and office supplies	11	(10)		1	-	1	38.8	1	-
Operating leases	-	-		-	-	-	-	-	-
Transport provided: Departmental activity	-	-		-	-	-	-	-	-
Travel and subsistence	594	317		911	911	0	99.9	1 361	1 408
Operating payments	-	8		8	8	0	95.1	-	-
Venues and facilities	160	920		1 080	1 079	1	99.9	581	530

Table 145: Appropriation for Sub-programme 5.1: Nuclear Safety and Technology (continued)

Economic Classification	2016/17					2015/16			
	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	656 989	-	11 730	668 719	670 027	(1 308)	100.2	629 795	629 756
Departmental agencies and accounts	40 936	-	10 000	50 936	50 936	-	100	21 487	21 487
Departmental agencies (non-business entities)	40 936	-	10 000	50 936	50 936	-	100	21 487	21 487
Foreign governments and international organisations	16 715	-	1 730	18 445	19 753	(1 308)	107.1	27 925	27 886
Public corporations and private enterprises	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Public corporations	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Subsidies on products and production (pc)	599 338	-	-	599 338	599 338	-	100	580 358	580 358
Households	-	-	-	-	-	-	-	25	25
Other transfers to households	-	-	-	-	-	-	-	25	25
Payments for capital assets	-	11 032	-	11 032	11 031	1	100	-	-
Machinery and equipment	-	11 032	-	11 032	11 031	1	100	-	-
Other machinery and equipment	-	11 032	-	11 032	11 031	1	100	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	865 907	(529)	(307)	865 071	859 004	6 067	99.3	641 542	641 492

Table 146: Appropriation for Sub-programme 5.2: Nuclear Non-Proliferation and Radiation Security

Economic Classification	2016/17				2015/16				
	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
Sub-programme 5.2: Nuclear Non-Proliferation and Radiation Security									
Current payments	8 304	3	-	8 307	8 303	4	99.9	7 185	7 168
Compensation of employees	7 511	(153)	-	7 358	7 357	1	100	6 633	6 620
Salaries and wages	6 494	88	-	6 582	6 582	-	100	5 954	5 945
Social contributions	1 017	(241)	-	776	776	-	100	679	675
Goods and services	793	156	-	949	945	4	99.6	552	549
Administrative fees	14	12	-	26	25	1	96.5	17	16
Advertising	16	(16)	-	-	-	-	-	1	-
Catering: Departmental activities	21	(19)	-	2	2	-	88.9	9	7
Communication	60	35	-	95	94	1	99	112	112
Consultants: Business and advisory services	11	(11)	-	-	-	-	-	2	2
Contractors	-	-	-	-	-	-	-	-	-
Consumable supplies	-	7	-	7	6	1	89.6	5	5
Consumables: Stationery, printing and office supplies	34	(34)	-	-	-	-	-	1	1
Operating leases	-	-	-	-	-	-	-	-	-
Travel and subsistence	618	174	-	792	791	1	99.9	404	406
Operating payments	-	-	-	-	-	-	-	1	-
Venues and facilities	19	8	-	27	26	1	97.8	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	8 304	3	-	8 307	8 303	4	99.9	7 185	7 168

Table 147: Appropriation for Sub-programme 5.3: Nuclear Policy

Sub-programme 5.3: Nuclear Policy	2016/17						2015/16		
	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
Economic Classification									
Current payments	5 109	526	-	5 635	5 145	490	91.3	6 389	6 369
Compensation of employees	1 697	1 011	-	2 708	2 705	3	99.9	1 919	1 919
Salaries and wages	1 496	937	-	2 433	2 431	2	99.9	1 729	1 727
Social contributions	201	74	-	275	274	1	99.7	190	191
Goods and services	3 412	(485)	-	2 927	2 441	486	83.4	4 470	4 450
Administrative fees	34	33	-	67	66	1	99.2	243	242
Advertising	1 299	(912)	-	387	387	-	100	1 113	1 104
Catering: Departmental activities	47	231	-	278	277	1	99.8	14	14
Communication	29	(16)	-	13	13	-	96.3	2	1
Consultants: Business and advisory services	-	500	-	500	17	483	3.4	281	280
Legal services	-	72	-	72	71	1	98.8	51	50
Contractors	-	-	-	-	-	-	-	-	-
Consumable supplies	-	7	-	7	7	-	96	7	6
Consumables: Stationery, printing and office supplies	838	(243)	-	595	595	-	100	130	129
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	736	(257)	-	479	479	-	99.9	1 366	1 363
Training and development	-	-	-	-	-	-	-	-	-
Venues and facilities	429	100	-	529	529	-	100	1 263	1 261
Transfers and subsidies	821	-	-	821	-	821	-	-	-
Foreign governments and international organisations	660	-	-	660	-	660	-	-	-
Households	161	-	-	161	-	161	-	-	-
Other transfers to households	161	-	-	161	-	161	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 930	526	-	6 456	5 145	1 311	79.7	6 389	6 369

Table 148: Appropriation for Programme 6: Clean Energy

Programme 6: Clean Energy	2016/17				2015/16				
	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
Sub-programme									
1. Energy Efficiency	564 528	20 389	(8 683)	576 234	547 763	28 471	95.1	325 321	271 072
2. Renewable Energy	27 055	(21 526)	-	5 529	4 616	913	83.5	69 823	4 913
3. Climate Change and Designated National Authority	7 809	1 137	(815)	8 131	7 722	409	95	5 817	5 798
Total for sub-programmes	599 392	-	(9 498)	589 894	560 101	29 793	94.9	400 961	281 783
Economic Classification									
Current payments	72 816	-	(9 498)	63 318	31 321	31 997	49.5	44 351	37 710
Compensation of employees	17 266	-	(815)	16 451	16 264	187	98.9	14 356	14 336
Salaries and wages	14 813	453	(815)	14 451	14 477	(26)	100.2	12 767	12 722
Social contributions	2 453	(453)	-	2 000	1 787	213	89.3	1 589	1 613
Goods and services	55 550	-	(8 683)	46 867	15 056	31 811	32.1	29 995	23 375
Administrative fees	130	244	-	374	370	4	99	494	477
Advertising	1 363	502	-	1 865	1 864	1	99.9	5 585	4 571
Minor assets	-	-	-	-	-	-	-	22	-
Catering: Departmental activities	145	172	-	317	282	35	88.9	59	55
Communication	505	(340)	-	165	128	37	77.4	220	124
Computer services	-	-	-	-	-	-	-	8	8
Consultants: Business and advisory services	39 180	(86)	(8 683)	30 411	7 636	22 775	25.1	16 678	10 667
Legal services	-	-	-	-	-	-	-	50	50
Contractors	-	95	-	95	95	-	100	-	-
Agency and support/ outsourced services	7 101	(110)	-	6 991	1 094	5 897	15.6	96	1 095
Entertainment	20	(20)	-	-	-	-	-	-	-
Fleet services	-	2	-	2	-	2	8.4	-	-

Table 148: Appropriation for Programme 6: Clean Energy (continued)

Programme 6: Clean Energy	2016/17					2015/16			
	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
Consumable supplies	90	(83)	-	7	6	1	88.4	38	4
Consumables: Stationery, printing and office supplies	65	18	-	83	83	-	100	68	53
Operating leases	-	2	-	2	1	1	69.8	-	1
Property payments	132	(65)	-	67	-	67	-	-	-
Travel and subsistence	4 148	(1 627)	-	2 521	2 120	401	84.1	5 755	5 573
Operating payments	1 324	1 594	-	2 918	649	2 269	22.2	291	281
Venues and facilities	1 347	(298)	-	1 049	728	321	69.4	631	415
Transfers and subsidies	526 576	-	-	526 576	528 780	(2 204)	100.4	356 610	244 073
Provinces and municipalities	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Municipalities	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Municipal bank accounts	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Departmental agencies and accounts	20 625	-	-	20 625	20 625	-	100	64 861	64 861
Departmental agencies (non-business entities)	20 625	-	-	20 625	20 625	-	100	64 861	64 861
Foreign governments and international organisations	-	-	-	-	2 216	(2 216)	-	1 328	1 313
Public corporations and private enterprises	320 326	-	-	320 326	320 314	12	100	112 522	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and productions (pc)	-	-	-	-	-	-	-	-	-
Private enterprises	320 326	-	-	320 326	320 314	12	100	112 522	-
Subsidies on products and productions (pe)	320 326	-	-	320 326	320 314	12	100	112 522	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	599 392	-	(9 498)	589 894	560 101	29 793	94.9	400 961	281 783

Table 149: Appropriation for Sub-programme 6.1: Energy Efficiency

Sub-programme 6.1: Energy Efficiency	2016/17					2015/16			
	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
Economic Classification									
Current payments	58 577	(236)	(8 683)	49 658	18 983	30 675	38.2	33 572	26 999
Compensation of employees	5 700	23	-	5 723	5 722	1	100	5 015	5 007
Salaries and wages	4 890	243	-	5 133	5 160	(27)	100.5	4 492	4 490
Social contributions	810	(220)	-	590	562	28	95.3	523	517
Goods and services	52 877	(259)	(8 683)	43 935	13 261	30 674	30.2	28 557	21 992
Administrative fees	99	88	-	187	187	-	99.9	440	424
Advertising	978	622	-	1 600	1 599	1	100	5 577	4 571
Minor assets	-	-	-	-	-	-	-	22	-
Catering: Departmental activities	85	169	-	254	255	(1)	100.4	38	34
Communication	419	(326)	-	93	93	-	99.5	188	93
Consultants: Business and advisory services	38 874	(8 683)	(8 683)	30 191	7 636	22 555	25.3	16 663	10 653
Contractors	-	95	-	95	95	-	100	-	-
Agency and support/ outsourced services	7 101	(110)	-	6 991	1 094	5 897	15.6	96	1 095
Entertainment	20	(20)	-	-	-	-	-	-	-
Fleet services (including Government motor transport)	-	2	-	2	-	2	8.4	-	-
Consumable supplies	83	(82)	-	1	1	-	73	35	3
Consumables: Stationery, printing and office supplies	65	18	-	83	83	-	100	64	51
Operating leases	-	2	-	2	1	1	69.8	-	-
Travel and subsistence	2 958	(1 869)	-	1 089	1 088	1	99.9	4 841	4 699
Operating payments	1 224	1 594	-	2 818	601	2 217	21.3	19	10
Venues and facilities	971	(442)	-	529	528	1	99.8	574	359

Table 149: Appropriation for Sub-programme 6.1: Energy Efficiency (continued)

Sub-programme 6.1: Energy Efficiency	2016/17				2015/16				
	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
Economic Classification									
Transfers and subsidies	505 951	20 625	-	526 576	528 780	(2 204)	100.4	291 749	244 073
Provinces and municipalities	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Municipalities	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Municipality bank account	185 625	-	-	185 625	185 625	-	100	177 899	177 899
Departmental agencies and accounts	-	20 625	-	20 625	20 625	-	100	-	64 861
Department agencies (non-business entities)	-	20 625	-	20 625	20 625	-	100	-	64 861
Foreign governments and international organisations	-	-	-	-	2 216	(2 216)	-	1 328	1 313
Public corporations and private enterprises	320 326	-	-	320 326	320 314	12	100	112 522	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Private enterprises	320 326	-	-	320 326	320 314	12	100	112 522	-
Subsidies on products and production (pe)	320 326	-	-	320 326	320 314	12	100	112 522	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	564 528	20 389	(8,683)	576 234	547 763	28 471	95.1	325 321	271 072

Table 150: Appropriation for Sub-programme 6.2: Renewable Energy

Sub-programme 6.2: Renewable Energy Economic Classification	2016/17				2015/16				
	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	6 430	(901)	-	5 529	4 616	913	83.5	4 962	4 913
Compensation of employees	4 670	(596)	-	4 074	4 073	1	100	4 122	4 114
Salaries and wages	4 007	(436)	-	3 571	3 571	-	100	3 635	3 597
Social contributions	663	(160)	-	503	503	-	99.9	487	517
Goods and services	1 760	(305)	-	1 455	542	913	37.3	840	799
Administrative fees	20	-	-	20	17	3	86.6	30	28
Advertising	385	(238)	-	147	147	-	99.7	8	-
Catering: Departmental activities	50	-	-	50	14	36	28.8	12	12
Communication	57	(2)	-	55	18	37	33.6	16	15
Fleet services	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	2	-
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	4	2
Operating leases	-	-	-	-	-	-	-	-	1
Property payments	132	(65)	-	67	67	67	-	-	-
Travel and subsistence	672	-	-	672	272	400	40.5	439	413
Operating payments	100	-	-	100	48	52	47.9	272	271
Venues and facilities	344	-	-	344	25	319	7.3	57	56
Transfers and subsidies	20 625	(20 625)	-	-	-	-	-	64 861	-
Departmental agencies and accounts	20 625	(20 625)	-	-	-	-	-	64 861	-
Departmental agencies (non-business entities)	20 625	(20 625)	-	-	-	-	-	64 861	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	27 055	(21 526)	-	5 529	4 616	913	83.5	69 823	4 913

Table 151: Appropriation for Sub-programme 6.3: Climate Change and Designated National Authority

Sub-programme 6.3: Climate Change and Designated National Authority	2016/17					2015/16			
	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
Economic Classification									
Current payments	7 809	1 137	(815)	8 131	7 722	409	95	5 817	5 798
Compensation of employees	6 896	573	(815)	6 654	6 468	186	97.2	5 219	5 215
Salaries and wages	5 916	646	(815)	5 747	5 746	1	100	4 640	4 636
Social contributions	980	(73)	-	907	722	185	79.6	579	579
Goods and services	913	564	-	1 477	1 253	224	84.9	598	583
Administrative fees	11	156	-	167	166	1	99.5	24	25
Advertising	-	118	-	118	118	-	99.8	-	-
Catering: Departmental activities	10	3	-	13	12	1	95.3	9	9
Communication	29	(12)	-	17	17	-	98.3	16	16
Computer services	-	-	-	-	-	-	-	8	8
Consultants: Business and advisory services	306	(86)	-	220	-	220	-	15	14
Legal services	-	-	-	-	-	-	-	50	50
Consumable supplies	7	(1)	-	6	5	1	91	1	1
Operating leases	-	-	-	-	-	-	-	-	-
Travel and subsistence	518	242	-	760	760	-	100	475	461
Venues and facilities	32	144	-	176	175	1	99.5	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 809	1 137	(815)	8 131	7 722	409	95	5 817	5 798

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2017

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-H) to the Annual Financial Statements.

2. Detail of Specifically and Exclusively Appropriated Amounts Voted for (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	247 018	282 762	(35 744)	-14.47

The R35.74 million or 14.47% budget overspending in this programme is due to a number of contributors. There was an overspending of R5.53 million under "Compensation of employees", due to the budget reductions implemented by the National Treasury in the 2015 Medium-Term Expenditure Framework (MTEF) process, as well as an inadequate budget allocation for filled posts. Under "Goods and services", there was an overspending of R29.21 million, mainly due to the operating leases for office accommodation and property payments as a result of increased payments. This was owing to the relocation of several regional offices as well as budget reductions implemented in previous MTEF cycles. Under "Legal services", the Earth Life Nuclear legal challenge, which was unforeseen and unavoidable, also contributed towards the overspending. The procurement of a Virtual Private Network (VPN) system, additional software packages and the difference in the rand-dollar exchange rate associated with the procurement of software licences resulted in an overspending under "Computer services". Lastly, "Transfer payments" in the form of foreign membership fees for multilateral organisations, which were rolled over from the 2015/16 financial year, resulted in the net budget overspending.

Programme 2	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Energy Policy and Planning	40 164	39 878	286	0.71

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

Programme 3	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Petroleum and Petroleum Products Regulation	79 001	78 991	10	0.01

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	5 714 645	5 678 659	35 986	0.63

The net budget underspending of R35.99 million or 0.63% in this programme is mainly due to the “Compensation of employees”, attributable to vacancies, specifically at senior management level, amounting to an underspending of R1.91 million. Additionally, under “Transfer payments”, the release of R34.08 million in payments for the Non-Grid Electrification Programme was delayed due to the physical verification that had to be performed by the Department for installed Solar Water Home Systems (SWHS) prior to the disbursement of these payments.

Programme 5	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Nuclear Energy	879 834	872 451	7 383	0.84

The net-budget underspending of R7.38 million or 0.84% falls under “Goods and services”, and is mainly due to the delay in disbursement of payments in the Nuclear New Build Programme (NNBP), which was because of the verification of work which had to be performed. This verification as well as the confirmation of the deliverables, as per the contract agreement, was finalised towards the end of the financial year.

Programme 6	Final Appropriation	Actual Expenditure	Variance	Variance of Final Appropriation
	R'000	R'000	R'000	%
Clean Energy	589 894	560 101	29 793	5.05

The net underspending of R29.79 million or 5.05% in this programme is mainly due to unspent funds attributable to “Goods and services”, due to the delays in concluding collaboration agreements with selected municipalities as key role-players in the installation phase of the Solar Water Heater Programme (SWHP). The installation-related services that were delayed include, but are not limited to, social facilitation and technical feasibility assessments, which are contingent upon municipal identification of the targeted residential areas.

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	318 297	321 466	(3 169)	-1
Goods and services	371 031	360 532	10 499	2.83
Transfers and subsidies				
Provinces and municipalities	2 131 871	2 131 871	-	0
Departmental agencies and accounts	72 546	72 546	-	0
Public corporations and private enterprises	4 617 807	4 583 719	34 088	0.74
Foreign governments and international organisations	19 105	25 003	(5 898)	-30.87
Households	4 708	2 978	1 730	36.75
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	15 162	14 700	462	3.05
Payments for financial assets	29	28	1	3.75
Total	7 550 556	7 512 842	37 714	0.5

Compensation of employees

There was a R3.17 million (1%) overspend on the budget for "Compensation of employees". The overspending is as a result of:

- Budget reductions implemented by National Treasury as of the 2015/16 financial year
- Contract positions carried additional to the establishment and unavoidable overtime payments

Goods and services

A net budget underspending of R10.5 million or 2.83% is mainly as a result of planned projects which were not finalised by year-end, as anticipated. The affected projects are as follows:

- SWHP: The implementation of this project in 2016/17 was negatively affected by the delay in finalising the Framework agreements with selected municipalities as role-players in the implementation of the programme. This process delayed the installation aspect of the programme and associated services, mainly the social facilitation and technical feasibility assessments which are contingent upon municipal identification of the targeted residential areas. This delay attributed to a budget underspending in Programme 6: Clean Energy
- NNBP: There was a delay in disbursement of payments in the NNBP due to the verification of work which had to be performed. The said verification and confirmation of the deliverables, as per the contract agreement, was finalised towards the end of the financial year

The study to investigate the impact of non-radiological effects was planned to be procured in the financial year under review. However, after interrogation of the scope of work for the said projects, it was decided that the acquisition must be deferred to allow the Department to study the market and decide on the most suitable acquisition strategy.

Increased operational costs in Programme 1 were due to the relocation of regional offices from office accommodation that was shared with the Department of Mineral Resources (DMR) to office space that is managed by the Department.

Transfers and subsidies

The Department disbursed payments of R6.81 billion from a budget allocation of R6.85 billion to public entities, municipalities and implementing agents during the 2016/17 financial year, resulting in a net budget underspending of R29.92 million or 0.4% due to the following:

- An underspending of R34.08 million from the Integrated National Electrification Programme (INEP) Non-grid Electrification Programme that could not be disbursed owing to the late completion of the verification process. The release of payments was delayed due to the time required by the Department to perform a physical verification of installed units prior to the disbursement of payments
- "Households" underspent by R1.73 million. The payments in this item are mainly in relation to leave gratuity to employees following the termination of their services and payments for bursaries granted to non-employees in terms of learnership programmes funded by Sector Education and Training Authorities (SETAs) which are affiliated with the Department
- Due to international membership fees, there was an overspending of R5.89 million. This was because of a payment of R2.72 million to the African Petroleum Producers Association (APPA), outstanding from the 2015/16 financial year; the funds could not be rolled over and were subsequently paid in the 2016/17 financial year. Additionally, there was a payment of R311 000 to the International Energy Forum (IEF) for 2016/17 membership fees, as well as the payment to the Generation IV International Forum (GIF) for 2015/16 and 2016/17. All the above-mentioned membership fees were not catered for, due to budget reductions implemented in the 2016/17 financial year

Payments for capital assets

The underspending of R462 000 or 3.05% is as a result of the delays in the relocation of the Gauteng regional office.

Payments for financial assets

Losses incurred by the Department as a result of theft and losses and/or debt written off are classified as "Payments for financial assets". These financial transactions are allocated under the individual programme (Branch) where the theft or loss originated and are not catered for when compiling the budget. As such, they generate an overspending in the respective programme under the item "Theft and losses". The expenditure was defrayed during the final virement at year-end in order not to reflect excess expenditure in the Departmental budget. As at 31 March 2017, the Departmental Vote reflected R27 913.28 for financial assets.

4.3 Per conditional grant

Energy	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance of Final Appropriation %
INEP	1 946 246	1 946 246	0	100
Energy Efficiency and Demand Side Management (EEDSM)	185 625	185 625	0	100



STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	7 550 556	7 267 619
Departmental revenue	2	956 905	805 987
Aid assistance	3	188 267	291 222
TOTAL REVENUE		8 695 728	8 364 828
EXPENDITURE			
Current expenditure			
Compensation of employees	4	321 466	296 009
Goods and services	5	360 531	213 300
Total current expenditure		681 997	509 309
Transfers and subsidies			
Transfers and subsidies	7	6 816 117	6 628 379
Aid assistance	3	90 822	185 537
Total transfers and subsidies		6 906 939	6 813 916
Expenditure for capital assets			
Tangible assets	8	14 700	4 424
Total expenditure for capital assets		14 700	4 424
Payments for financial assets	6	28	5
TOTAL EXPENDITURE		7 603 664	7 327 654
SURPLUS FOR THE YEAR		1 092 064	1 037 174
Reconciliation of net surplus for the year			
	Note	2016/17 R'000	2015/16 R'000
Voted funds		37 714	125 502
Annual appropriation		37 714	125 502
Departmental revenue and National Revenue Fund (NRF) receipts	15	956 905	805 987
Aid assistance	3	97 445	105 685
SURPLUS FOR THE YEAR		1 092 064	1 037 174

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		74 191	126 589
Unauthorised expenditure	9	50 604	14 860
Cash and cash equivalents	10	22 396	110 276
Prepayments and advances	11	906	1 023
Receivables	12	285	430
Non-current assets		2 238	2 205
Investments	13	2 205	2 205
Receivables	12	33	-
TOTAL ASSETS		76 429	128 794
LIABILITIES			
Current liabilities		74 117	126 398
Voted funds to be surrendered to the NRF	14	73 458	125 502
Departmental revenue and NRF Receipts to be surrendered to the NRF	15	406	360
Payables	16	253	536
Non-current liabilities			
TOTAL LIABILITIES		74 117	126 398
NET ASSETS		2 312	2 396
Represented by:			
Capitalisation reserve		2 205	2 205
Recoverable revenue		107	191
Total		2 312	2 396

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017

Note	2016/17 R'000	2015/16 R'000
Capitalisation reserves		
Opening balance	2 205	2 205
Closing balance	2 205	2 205
Recoverable revenue		
Opening balance	191	100
Transfers:	(84)	91
Debts revised	12	39
Debts recovered (included in Departmental receipts)	(160)	(261)
Debts raised	64	313
Closing balance	107	191
Total	2 312	2 396

CASH FLOW STATEMENT for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		8 695 728	8 364 717
Annual appropriated funds received	1.1	7 550 556	7 267 619
Departmental revenue received	2	956 256	805 387
Interest received	2.2	649	489
Aid assistance received	3	188 267	291 222
Net increase in working capital		(35 798)	616
Surrendered to NRF		(1 082 361)	(2 024 974)
Surrendered to Reconstruction and Development Programme (RDP) Fund/Donor		(97 445)	(105 685)
Current payments		(646 253)	(509 309)
Payments for financial assets		(28)	(5)
Transfers and subsidies paid		(6 906 939)	(6 813 916)
Net cash flow available from operating activities	17	(73 096)	(1 088 556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(14 700)	(4 424)
Proceeds from sale of capital assets	2	-	111
Net cash flows from investing activities		(14 700)	(4 313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(84)	91
Net cash flows from financing activities		(84)	91
Net (decrease)/increase in cash and cash equivalents		(87 880)	(1 092 778)
Cash and cash equivalents at beginning of period		110 276	1 203 054
Cash and cash equivalents at end of period	18	22 396	110 276

ACCOUNTING POLICIES

for the year ended 31 March 2017

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 (PFMA) 1999, (Act No. 1 of 1999) (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act (DoRA).

1. Basis of Preparation

The Annual Financial Statements have been prepared in accordance with the Modified Cash Standard (MCS).

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 Rand 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's 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 the actual amounts for each programme and economic classification is included in the Appropriation Statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise 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
- 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.

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 unused 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 an 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 are 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 are 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 for this 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 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 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-Participation Programme (PPP) 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, the rights and obligations of the Department are all recorded in the notes to the Annual Financial Statements.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

1. Annual Appropriation

1.1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act, 2013 (and the Adjustments Appropriation Act), 2014 for National Departments (Voted funds) and Provincial Departments.

	2016/17			2015/16	
	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	247 018	244 822	2 196	277 898	246 598
Energy Policy and Planning	40 164	43 518	(3 354)	40 586	44 096
Petroleum and Petroleum Products	79 001	77 528	1 473	69 008	73 378
Electrification and Energy Programme	5 714 645	5 705 155	9 490	5 824 050	5 813 822
Nuclear Energy	879 834	880 141	(307)	655 116	653 898
Clean Energy	589 894	599 392	(9 498)	400 961	435 827
Total	7 550 556	7 550 556	-	7 267 619	7 267 619

* Funds not requested/not received refers to virements between programmes.

2. Departmental Revenue

	Note	2016/17 R'000	2015/16 R'000
Sale of goods and services other than capital assets	2.1	4 209	3 885
Interest, dividends and rent on land	2.2	649	489
Sale of capital assets	2.3	-	111
Transactions in financial assets and liabilities	2.4	950 302	800 443
Transfer received	2.5	1 745	1 059
Departmental revenue collected		956 905	805 987

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the Department		4 209	3 885
Sales by market establishment		144	141
Administrative fees		3 944	3 631
Other sales		121	113
Total		4 209	3 885

2.2 Interest, dividends and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest	2	649	489
Total		649	489

2.3 Sale of capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		-	111
Machinery and equipment	2	-	111
Total		-	111

2.4 Transactions in financial assets and liabilities

	Note	2016/17 R'000	2015/16 R'000
Receivables		127	192
Other receipts including recoverable revenue	2	950 175	800 251
Total		950 302	800 443

2.5 Transfers received

	Note	2016/17 R'000	2015/16 R'000
Other Governmental units	2	1 745	1 059
Total		1 745	1 059

3. Aid Assistance

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	-
Revenue	Annex 1F	188 267	291 222
Expenditure	Annex 1F	90 822	185 537
Transferred from the Statement of Financial Performance		97 445	105 685
Paid during the year*	Annex 1F	(97 445)	(105 685)
Closing balance		-	-

*Funds amounting to R 97 445 million were surrendered to the RDP Fund during the current financial year.

4. Compensation of Employees

4.1 Salaries and wages

	2016/17 R'000	2015/16 R'000
Basic salary	215 443	198 704
Performance award	4 553	4 262
Service based	443	165
Compensative/circumstantial	10 050	9 284
Periodic payments	26	131
Other non-pensionable allowances	52 745	48 462
Total	283 260	261 008

4.2 Social contributions

	2016/17 R'000	2015/16 R'000
Employer contributions		
Pension	27 480	25 201
Medical	10 683	9 760
Bargaining council	43	40
Total	38 206	35 001
Total compensation of employees	321 466	296 009
Average number of employees	589	610

5. Goods and Services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		4 650	5 662
Advertising		8 362	13 785
Minor assets	5.1	833	1 036
Bursaries (employees)		555	610
Catering		2 546	1 961
Communication		8 517	7 613
Computer services	5.2	10 658	9 839
Consultants: Business and advisory services*		189 849	25 828
Legal services		2 451	924
Contractors		2 206	2 560
Agency and support/outsourced services		1 096	3 305
Entertainment		8	1
Audit cost – external	5.3	3 805	4 233
Fleet services		1 275	1 586
Consumables	5.4	5 754	5 695
Operating leases		38 955	34 063
Property payments	5.5	8 851	4 083
Rental and hiring		-	93
Transport provided as part of Departmental activities		294	238
Travel and subsistence	5.6	52 019	65 250
Venues and facilities		9 818	15 373
Training and development		4 041	4 664
Other operating expenditure	5.7	3 988	4 898
Total		360 531	213 300

*The increase in Consultants: Business and advisory services is the expenditure for the Nuclear New Build Programme.

5.1 Minor assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets	5	833	1 036
Heritage assets		-	48
Machinery and equipment		833	986
Transport assets		-	2
Total		833	1 036

5.2 Computer services

	Note	2016/17 R'000	2015/16 R'000
State Information Technology Agency (SITA) computer services	5	5 627	8 123
External computer service providers*		5 031	1 716
Total		10 658	9 839

*The increase in external computer service providers is as a result of Microsoft licenses' renewal.

5.3 Audit cost: external

	Note	2016/17 R'000	2015/16 R'000
Regularity audits	5	3 650	4 233
Computer audits		155	-
Total		3 805	4 233

5.4 Consumables

	Note	2016/17 R'000	2015/16 R'000
Consumable supplies	5	1 032	1 789
Uniform and clothing		267	89
Household supplies		538	474
Building material and supplies		31	60
Communication accessories		-	1
IT consumables		37	171
Other consumables		159	994
Stationery, printing and office supplies		4 722	3 906
Total		5 754	5 695

5.5 Property payments

	Note	2016/17 R'000	2015/16 R'000
Municipal services*	5	4 672	2 981
Property maintenance		18	
Other**		4 161	1 102
Total		8 851	4 083

*The increase in municipal services is due to lease contracts signed in the financial year under review for the regional offices.

**Other covers security and cleaning services and the increase is due to the regional offices.

5.6 Travel and subsistence

	Note	2016/17	2015/16
	5	R'000	R'000
Local		42 632	50 074
Foreign		9 387	15 176
Total		52 019	65 250

5.7 Other operating expenditure

	Note	2016/17	2015/16
	5	R'000	R'000
Professional bodies, membership and subscription fees		519	783
Resettlement costs		520	573
Other (includes printing, publication and courier services etc.)		2 949	3 542
Total		3 988	4 898

6. Payments for Financial Assets

	Note	2016/17	2015/16
		R'000	R'000
Debts written off	6.1	1	-
Other material losses written off	6.2	27	5
Total		28	5

6.1 Debt written off

	Note	2016/17	2015/16
		R'000	R'000
Staff debt (telephone)	6	1	-
Total		1	-

6.2 Other material losses written off

	Note	2016/17	2015/16
	6	R'000	R'000
Fruitless and wasteful expenditure (interest paid on membership fees and pension fund)		27	5
Total		27	5

7. Transfers and Subsidies

	Note	2016/17 R'000	2015/16 R'000
Provinces and municipalities	34	2 131 871	2 158 239
Departmental agencies and accounts	Annex 1B	72 546	87 140
Foreign governments and international organisations	Annex 1D	25 003	29 563
Public corporations and private enterprises	Annex 1C	4 583 719	4 349 780
Households	Annex 1E	2 978	3 657
Total		6 816 117	6 628 379

8. Expenditure for Capital Assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets	8.1	14 700	4 424
Machinery and equipment	30.1	14 700	4 424
Total		14 700	4 424

8.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted Funds R'000	Aid Assistance R'000	Total R'000
Tangible assets	14 700	-	14 700
Machinery and equipment	14 700	-	14 700
Total	14 700	-	14 700

8.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted Funds R'000	Aid Assistance R'000	Total R'000
Tangible assets	4 424	-	4 424
Machinery and equipment	4 424	-	4 424
Total	4 424	-	4 424

9. Unauthorised Expenditure

9.1 Reconciliation of unauthorised expenditure

	2016/17 R'000	2015/16 R'000
Opening balance	14 860	14 860
As restated	14 860	14 860
Unauthorised expenditure – discovered in the current year	35 744	-
Closing balance	50 604	14 860

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2016/17 R'000	2015/16 R'000
Current	34 740	-
Capital	(461)	-
Transfers and subsidies	16 325	14 860
Total	50 604	14 860

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2016/17 R'000	2015/16 R'000
Unauthorised expenditure relating to overspending of the Vote or main division within the Vote	35 744	-
Expenditure incurred not in accordance with Vote 28 in the 2010/11 financial year	14 860	14 860
Total	50 604	14 860

9.4 Details of unauthorised expenditure – current year

Incident	Disciplinary Steps Taken	2016/17 R'000
Programme 1: Administration	Reported to Accounting Officer, Executive Authority and National Treasury through In-Year-Monitoring	35 744
Total		35 744

10. Cash and Cash Equivalents

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		
Cash receipts	22 271	110 188
Cash on hand	46	46
Investments (domestic)	79	42
Total	22 396	110 276

11. Prepayments and Advances

	Note	2016/17 R'000	2015/16 R'000
Travel and subsistence		35	88
Advances paid	11.1	871	935
Total		906	1 023

11.1 Advances paid

	Note	2016/17 R'000	2015/16 R'000
National departments	Annex 8A	871	935
Total		871	935

12. Receivables

	Note	2016/17			2015/16		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	12.1	15	-	15	148	-	148
Recoverable expenditure	12.2	-	-	-	28	-	28
Staff debt	12.3	270	33	303	227	-	227
Fruitless and wasteful expenditure	12.4	-	-	-	27	-	27
Total		285	33	318	430	-	430

12.1 Claims recoverable

	Note	2016/17 R'000	2015/16 R'000
National departments	12	15	148
Total		15	148

12.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17 R'000	2015/16 R'000
Salaries: Tax debt	12	-	8
Disallowance miscellaneous		-	14
Salaries: Reversal		-	6
Total		-	28

12.3 Staff debt

	Note	2016/17 R'000	2015/16 R'000
Staff debtors*	12	303	227
Total		303	227

*Staff debt comprises disallowance, study and telephones.

12.4 Fruitless and wasteful expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		27	15
Interest paid on International Membership fees		-	-
Interest paid on Pension Fund fees		-	12
Less amounts written off		(27)	-
Total	2	-	27

13. Investments

	Note	2016/17 R'000	2015/16 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

	2016/17 R'000	2015/16 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 2017.

14. Voted Funds to be Surrendered to the Revenue Fund

	2016/17 R'000	2015/16 R'000
Opening balance	125 502	1 217 681
As restated	125 502	1 217 681
Transfer from Statement of Financial Performance	37 714	125 502
Unauthorised expenditure for current year	35 744	-
Paid during the year	(125 502)	(1 217 681)
Closing balance	73 458	125 502

15. Departmental Revenue and NRF Receipts to be Surrendered to the Revenue Fund

	2016/17 R'000	2015/16 R'000
Opening balance	360	1 666
Transfer from Statement of Financial Performance	956 905	805 987
Paid during the year	(956 859)	(807 293)
Closing balance	406	360

16. Payables: Current

	Note	2016/17 R'000	2015/16 R'000
Clearing accounts	16.1	28	137
Other payables	16.2	225	399
Total		253	536

16.1 Clearing accounts

	Note	2016/17 R'000	2015/16 R'000
	16		
Salaries: Reversal control		8	130
Salaries: Income tax		20	7
Total		28	137

16.2 Other payables

	Note	2016/17 R'000	2015/16 R'000
	16		
Licence fee received		225	399
Total		225	399

17. Net Cash Flow Available from Operating Activities

	2016/17 R'000	2015/16 R'000
Net surplus as per Statement of Financial Performance	1 092 064	1 037 174
Add back non-cash/cash movements not deemed operating activities	(1 165 160)	(2 125 730)
(Increase)/decrease in receivables – current	112	(119)
Decrease in prepayments and advances	117	663
Increase in payables – current	(283)	72
Proceeds from sale of capital assets		(111)
Expenditure on capital assets	14 700	4 424
Surrenders to Revenue Fund	(1 082 361)	(2 024 974)
Surrenders to RDP Fund/Donor	(97 445)	(105 685)
Net cash flow generated by operating activities	(73 096)	(1 088 556)

18. Reconciliation of Cash and Cash Equivalents for Cash Flow Purposes

	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account	22 271	110 188
Cash on hand	46	46
Cash with commercial banks (local)	79	42
Total	22 396	110 276

19. Contingent Liabilities and Contingent Assets

	Note	2016/17 R'000	2015/16 R'000
Liable to nature			
Other guarantees	Annex 3A	20 000	20 000
Claims against the Department	Annex 3B	76 578	15 399
Total		96 578	35 399

20. Commitments

	2016/17 R'000	2015/16 R'000
Current expenditure	183 357	18 967
Approved and contracted	183 357	18 967
Capital expenditure	-	144 851
Approved and contracted	-	144 851
Total commitments	183 357	163 818

21. Accruals and Payables Not Recognised

21.1 Accruals

	30 Days	30+ Days	2016/17 R'000 Total	2015/16 R'000 Total
Listed by economic classification				
Goods and services	7 097	-	7 097	8 460
Interest and rent on land	-	-	-	-
Transfers and subsidies	25 262	-	25 262	-
Total	32 359	-	32 359	8 460

	2016/17 R'000	2015/16 R'000
Listed by programme level		
Programme 1: Administration	4 422	5 083
Programme 2: Energy Policy and Planning	739	188
Programme 3: Petroleum and Petroleum Products Regulation	580	2 062
Programme 4: Electrification and Energy Programme and Project Management	18 581	818
Programme 5: Nuclear Energy	94	242
Programme 6: Clean Energy	7 943	67
Total	32 359	8 460

21.2 Payables not recognised

	30 Days	30+ Days	2016/17 R'000 Total	2015/16 R'000 Total
Listed by economic classification				
Goods and services	26 246	-	26 246	4 718
Transfer and subsidies	52 391	-	52 391	-
Total	78 638	-	78 638	4 718

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Programme 1: Administration		326	4 717
Programme 2: Energy Policy and Planning		17	-
Programme 3: Petroleum and Petroleum Products Regulation		1 839	1
Programme 4: Electrification and Energy Programme and Project Management		18 832	-
Programme 5: Nuclear Energy		24 000	-
Programme 6: Clean Energy		33 624	-
Total		78 638	4 718

Included in the above are the following:

	Note	2016/17 R'000	2015/16 R'000
Confirmed balance with departments	Annex 5	1 040	4 717
Confirmed with other Government entities	Annex 5	5	1
Total		1 045	4 718

22. Employee Benefits

	2016/17 R'000	2015/16 R'000
Leave entitlement*	12 737	10 754
Service bonus (thirteenth cheque)	7 655	7 385
Performance awards**	4 774	4 280
Capped leave commitments	2 002	1 911
Other	438	342
Total	27 606	24 672

*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 employees" budget.

The leave with credit balances amounts to R193 762.72 (2016/17).

23. Lease Commitments

23.1 Operating leases expenditure

2016/17	Buildings and Other Fixed Structures R'000	Machinery and Equipment R'000	Total R'000
Not later than 1 year	34 043	5 255	39 298
Later than 1 year and not later than 5 years	168 095	4 377	172 472
Later than 5 years	3 933	-	3 933
Total lease commitments	206 071	9 632	215 703

2015/16	Buildings and Other Fixed Structures R'000	Machinery and Equipment R'000	Total 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	8 256	245 356

24. Accrued Departmental Revenue

Note	2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	2 877	2 644
Total	2 877	2 644

24.1 Analysis of accrued Departmental revenue

Note	2016/17 R'000	2015/16 R'000
Opening balance	2 644	2 544
Less: amounts received	(3 017)	(2 755)
Add: amounts recognised	3 250	2 855
Closing balance	2 877	2 644

25. Irregular Expenditure

25.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	-
Add: irregular expenditure – relating to current year*	25.2	76 824	678
Less: current year amounts condoned	25.3	(341)	(678)
Closing balance		76 482	-

*Included in this amount is a total of R 56 308 million irregular expenditure, incurred during the current financial year, as proper Supply Chain Management processes were not followed and R 20 174 million due to deviation from the stipulations of TR16A6 regarding the contract price.

Analysis of awaiting condonation per age classification

	2016/17 R'000	2015/16 R'000
Current year	76 482	-
Prior year	-	-
Total	76 482	-

25.2 Details of irregular expenditure: current year

Incident	Disciplinary Steps Taken/Criminal Proceedings	2016/17 R'000
Supply Chain Processes not fully complied with in procurement of goods and services	Investigation is underway in line with Treasury Regulations governing irregular expenditure	76 824
Total		76 824

25.3 Details of irregular expenditure condoned

Incident	Condoned by Accounting Officer	2015/16 R'000
Supply Chain Processes not fully complied with in procurement of goods and services	Investigation is underway in line with Treasury Regulations governing irregular expenditure	341
Total		341

26. Fruitless and Wasteful Expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	15
As stated		-	15
Fruitless and wasteful expenditure – relating to prior year		7	-
Fruitless and wasteful expenditure – relating to current year		9	12
Less: amounts transferred to receivables for recovery	12.4	-	(27)
Closing balance		16	-

26.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary Steps Taken/Criminal Proceedings	2016/17 R'000
No shows	Investigations are in progress	4
Traffic fines		5
Total		9

27. Related Party Transactions

	2016/17 R'000	2015/16 R'000
Payments made		
Transfers	670 899	666 706
Total	670 899	666 706

27.1 Related party transactions

	Note	2016/17 R'000	2015/16 R'000
Guarantees issued – Necsa	Annex 3A	20 000	20 000
Total		20 000	20 000

27.2 Related Party Relationships

Entity	Relationship
Central Energy Fund (CEF)	State Owned Entity (SOE) of Department
South African Nuclear Energy Corporation (Necsa)	SOE of Department
National Energy Regulator of South Africa (NERSA)	SOE of Department
National Nuclear Regulator (NNR)	SOE of Department
National Radioactive Waste Disposal Institute (NRWDI)	SOE of Department
South African National Energy Development Institute (SANEDI)	SOE of Department

28. Key Management Personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers	2	4 211	4 195
Officials:			
Levels 15 to 16	11	15 426	15 200
Level 14	24	22 256	23 652
Total		41 894	43 047

29. Provisions

29.1 Reconciliation of movement in provisions – 2016/17

	Environmental Rehabilitation Liability R'000	Total Provisions R'000
Opening balance	-	3 643 364
Transfer of provision to Necsa	-	(3 643 364)
Closing balance	-	-

29.2 Reconciliation of movement in provisions – 2015/16

	Environmental Rehabilitation Liability R'000	Total Provisions R'000
Opening balance	3 643 364	3 643 364
Change in provision due to change in estimation of inputs	(3 643 364)	(3 643 364)
Closing balance	-	-

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).

Necsa carries the legal liability for the costs of decontamination and decommissioning of the past strategic nuclear facilities, which is licensed and still in operation at Necsa, but the State and/or the Minister of Energy has a funding responsibility in this regard.

30. 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	46 314	14 787	299	60 802
Transport assets	3 035	-	-	3 035
Computer equipment	24 646	13 699	277	38 067
Furniture and office equipment	13 648	947	14	14 581
Other machinery and equipment	4 985	141	8	5 118
Total movable tangible capital assets	46 536	14 787	299	61 024

*Disposals include assets sold, donated and written off.

30.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2017

	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	14 700	98	-	(11)	14 787
Computer equipment	13 607	92	-	-	13 699
Furniture and office equipment	947	-	-	-	947
Other machinery and equipment	146	6	-	(11)	141
Total additions to movable tangible capital assets	14 700	98	-	(11)	14 787

30.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2017

	Sold for Cash	Non-cash Disposal	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
Machinery and equipment	-	299	299	-
Transport assets	-	-	-	-
Computer equipment	-	277	277	-
Furniture and office equipment	-	14	14	-
Other machinery and equipment	-	8	8	-
Total disposal of movable tangible capital assets	-	299	299	-

30.3 Movement for 2015/16

Movement in tangible capital assets per asset register for the year ended 31 March 2016

	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	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 movable tangible capital assets	42 430	-	4 473	367	46 536

30.4 Minor assets

Movement in minor assets per the asset register for the year ended 31 March 2017

	Heritage Assets R'000	Machinery and Equipment R'000	Total R'000
Opening balance	185	7 041	7 226
Additions	-	829	829
Disposals	-	(30)	(30)
Total minor assets	185	7 840	8 025

	Heritage Assets R'000	Machinery and Equipment R'000	Total R'000
Number of R1 minor assets	-	87	87
Number of minor assets at cost	83	4 896	4 979
Total number of minor assets	83	4 983	5 066

30.5 Minor assets

Movement in minor assets per the asset register for the year ended 31 March 2016

	Heritage Assets R'000	Machinery and Equipment R'000	Total 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 R'000	Machinery and Equipment R'000	Total R'000
Number of R1 minor assets	-	91	91
Number of minor assets at cost	83	4 593	4 676
Total minor assets	83	4 684	4 767

30.6 Movable assets written off

Movable assets written off for the year ended 31 March 2017

	Machinery and Equipment R'000	Total R'000
Assets written off*	275	275
Total movable assets written off	275	275

* Assets written off refers to lost assets only.

Movable assets written off for the year ended 31 March 2016

	Machinery and Equipment R'000	Total R'000
Assets written off	195	195
Total movable assets written off	195	195

31. Intangible Capital Assets

31.1 Movement for 2016/17

Movement in intangible capital assets per asset register for the year ended 31 March 2017

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	3 585	-	-	3 585
Total intangible capital assets	3 585	-	-	3 585

31.2 Movement for 2015/16

Movement in intangible capital assets per asset register for the year ended 31 March 2016

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	3 585	-	-	3 585
Total intangible capital assets	3 585	-	-	3 585

32. Statement of Conditional Grants and Other Transfers Paid To Municipalities

Name of Municipality	Division of Revenue Act			Grant Allocation			Transfer			Re-allocations by National Treasury or National Department %
	R'000	Roll-Overs	Adjustments	Total Available	R'000	R'000	R'000	R'000	R'000	
Abaqulusi Local Municipality	20 000	-	-	20 000	-	-	20 000	-	-	-
Albert Luthuli Local Municipality	958	-	-	958	-	-	958	-	-	-
Alfred Nzo District Municipality	8 000	-	-	8 000	-	-	8 000	-	-	-
Amahlathi Local Municipality	5 000	-	-	5 000	-	-	5 000	-	-	-
Beaufort West Local Municipality	4 500	-	-	4 500	-	-	4 500	-	-	-
Bela Bela Local Municipality	28 000	-	-	28 000	-	-	28 000	-	-	-
Bergvliet Local Municipality	2 000	-	-	2 000	-	-	2 000	-	-	-
Big 5 Hlabisa Local Municipality	20 000	-	-	20 000	-	-	20 000	-	-	-
Bitou Local Municipality	8 000	-	-	8 000	-	-	8 000	-	-	-
Blouberg Local Municipality	9 000	-	-	9 000	-	-	9 000	-	-	-
Blue Crane Route Local Municipality	5 000	-	-	5 000	-	-	5 000	-	-	-
Bojanala Platinum District Municipality	5 000	-	-	5 000	-	-	5 000	-	-	-
Breede Valley Local Municipality	4 000	-	-	4 000	-	-	4 000	-	-	-
Buffalo City Metropolitan Municipality	25 000	-	-	25 000	-	-	25 000	-	-	-
Bushbuckridge Local Municipality	5 000	-	-	5 000	-	-	5 000	-	-	-
Camdeboo Local Municipality	8 000	-	-	8 000	-	-	8 000	-	-	-
Cape Agulhas Local Municipality	1 000	-	-	1 000	-	-	1 000	-	-	-
Cederberg Municipality	3 000	-	-	3 000	-	-	3 000	-	-	-
City Of Cape Town Metropolitan Municipality	15 000	-	-	15 000	-	-	15 000	-	-	-
City Of Johannesburg Metropolitan Municipality	50 000	-	-	50 000	-	-	50 000	-	-	-
City Of Matlosana Local Municipality	16 800	-	-	16 800	-	-	16 800	-	-	-

Name of Municipality	Grant Allocation				Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000		
City Of Tshwane Metropolitan Municipality	40 000	-	-	40 000	40 000	-	-	
Dihlabeng Local Municipality	9 000	-	-	9 000	-	-	-	
Dikgatlong Local Municipality	2 500	-	-	2 500	1 600	-	-	
Dipaleseng Local Municipality	7 000	-	-	7 000	7 000	-	-	
Ditsobotla Local Municipality	5 000	-	-	5 000	5 000	-	-	
Drakenstein Local Municipality	10 000	-	-	10 000	10 000	-	-	
eDumbe Local Municipality	18 000	-	-	18 000	19 500	-	-	
Ekurhuleni Metropolitan Municipality	55 000	-	-	55 000	55 000	-	-	
Elias Motsoaledi Local Municipality	13 000	-	-	13 000	13 000	-	-	
Elundini Local Municipality	14 500	-	-	14 500	17 500	-	-	
Emadlangeni Municipality	9 000	-	-	9 000	9 000	-	-	
Emakhazeni Local Municipality	8 000	-	-	8 000	8 000	-	-	
Emalahleni Municipality (Eastern Cape)	9 317	-	-	9 317	9 317	-	-	
Emalahleni Municipality (Mpumalanga)	44 000	-	-	44 000	47 200	-	-	
Emfuleni Local Municipality	4 000	-	-	4 000	2 885	-	-	
Emthanjeni Local Municipality	3 000	-	-	3 000	3 000	-	-	
Endumeni Local Municipality	10 000	-	-	10 000	10 000	-	-	
Engcobo Local Municipality	30 000	-	-	30 000	30 000	-	-	
eThekweni Metropolitan Municipality	31 000	-	-	31 000	31 000	-	-	
Ezinqolweni Municipality	7 000	-	-	7 000	-	-	-	
Gamagara Local Municipality	20 000	-	-	20 000	22 000	-	-	
Ga-Segonyana Local Municipality	-	-	-	-	2 000	-	-	
George Local Municipality	9 500	-	-	9 500	9 500	-	-	
Govan Mbheki Local Municipality	5 000	-	-	5 000	5 000	-	-	
Great Kei Local Municipality	4 000	-	-	4 000	4 000	-	-	

Name of Municipality	Grant Allocation				Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000		
Greater Giyani Local Municipality	7 000	-	-	7 000	10 000	-	-	
Greater Kokstad Local Municipality	-	-	-	-	2 500	-	-	
Greater Letaba Local Municipality	7 000	-	-	7 000	7 000	-	-	
Greater Tzaneen Local Municipality	32 000	-	-	32 000	32 000	-	-	
Fetakgomo-Greater Tubatse Local Municipality	80 000	-	-	80 000	80 000	-	-	
Hessequa Local Municipality	3 000	-	-	3 000	3 000	-	-	
Hibiscus Coast Local Municipality	-	-	-	-	7 000	-	-	
Impendle Local Municipality	8 000	-	-	8 000	8 000	-	-	
Ingquza Hill Municipality	7 032	-	-	7 032	7 032	-	-	
Ingwe/Kwa Sani Local Municipality	12 000	-	-	12 000	12 000	-	-	
Tsolwana/Inkwanca/Lukanji Municipality	5 000	-	-	5 000	5 000	-	-	
Intsika Yeithu Local Municipality	16 500	-	-	16 500	16 500	-	-	
Inxuba Yethemba Local Municipality	9 000	-	-	9 000	11 250	-	-	
Jozini Local Municipality	18 000	-	-	18 000	18 000	-	-	
Kai !Garib Local Municipality	5 000	-	-	5 000	5 000	-	-	
Kannaland Local Municipality	16 000	-	-	16 000	16 000	-	-	
Kareeberg Local Municipality	1 000	-	-	1 000	1 000	-	-	
Karoo Hoogland Local Municipality	1 600	-	-	1 600	1 600	-	-	
Kgatelopele Local Municipality	1 500	-	-	1 500	-	-	-	
Khara Hais Local Municipality	12 000	-	-	12 000	12 000	-	-	
King Sabata Dalindyebo Local Municipality	33 000	-	-	33 000	22 000	-	-	
Knysna Local Municipality	3 001	-	-	3 001	3 001	-	-	
Kopanong Local Municipality	5 000	-	-	5 000	5 000	-	-	
Kouga Local Municipality	6 000	-	-	6 000	6 000	-	-	
KwaDukuza Local Municipality	10 000	-	-	10 000	10 000	-	-	
Ladysmith/Indaka Local Municipality	10 000	-	-	10 000	11 500	-	-	

Name of Municipality	Grant Allocation			Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	
Laingsburg Local Municipality	1 999	-	-	1 999	1 999	-	-
Langeberg Local Municipality	1 221	-	-	1 221	1 221	-	-
Lekwa Local Municipality	7 000	-	-	7 000	7 000	-	-
Lekwa-Teemane Local Municipality	15 000	-	-	15 000	15 000	-	-
Lephalale Local Municipality	7 000	-	-	7 000	7 000	-	-
Lesedi Local Municipality	6 000	-	-	6 000	6 000	-	-
Medibeng Municipality	12 304	-	-	12 304	11 304	-	-
Mafube Local Municipality	11 000	-	-	11 000	11 572	-	-
Magareng Local Municipality	3 000	-	-	3 000	5 000	-	-
Makana Local Municipality	4 000	-	-	4 000	4 000	-	-
Makhado Local Municipality	24 625	-	-	24 625	21 625	-	-
Makhuduthamaga Local Municipality	7 000	-	-	7 000	7 000	-	-
Maleiswail/Gariep Local Municipality	5 000	-	-	5 000	5 000	-	-
Maluti-A-Phofung Local Municipality	3 000	-	-	3 000	-	-	-
Mandeni Local Municipality	10 000	-	-	10 000	10 000	-	-
Mangaung Metropolitan Municipality	15 500	-	-	15 500	15 500	-	-
Mantisopa Local Municipality	2 000	-	-	2 000	2 000	-	-
Maphumulo Local Municipality	15 100	-	-	15 100	15 100	-	-
Maquassi Hills Local Municipality	3 000	-	-	3 000	3 000	-	-
Masilonyana Local Municipality	6 000	-	-	6 000	6 000	-	-
Mataiele Local Municipality	80 000	-	-	80 000	80 000	-	-
Matzikama Local Municipality	3 000	-	-	3 000	3 000	-	-
Mbhashe Local Municipality	17 000	-	-	17 000	17 000	-	-
Mbizana Local Municipality	25 000	-	-	25 000	25 000	-	-
Mbombela Local Municipality	21 000	-	-	21 000	21 000	-	-

Name of Municipality	Grant Allocation			Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	
Merafong City Local Municipality	15 000	-	-	15 000	15 000	-	-
Metsimaholo Local Municipality	18 000	-	-	18 000	18 000	-	-
Mfofozi Municipality	8 000	-	-	8 000	9 725	-	-
Mhontlo Local Municipality	12 500	-	-	12 500	12 500	-	-
Midvaal Local Municipality	9 000	-	-	9 000	9 000	-	-
Mkhambathini Local Municipality	10 000	-	-	10 000	10 000	-	-
Mkhondo Local Municipality	4 000	-	-	4 000	4 000	-	-
Mnquma Local Municipality	5 000	-	-	5 000	5 000	-	-
Modimolle/Mookgophong Local Municipality	8 000	-	-	8 000	7 400	-	-
Mogalakwena Local Municipality	14 000	-	-	14 000	14 000	-	-
Molemole Local Municipality	1 204	-	-	1 204	-	-	-
Moghaka Local Municipality	7 000	-	-	7 000	7 000	-	-
Mossel Bay Local Municipality	10 000	-	-	10 000	11 857	-	-
Mpofana Local Municipality	8 000	-	-	8 000	8 000	-	-
Msinga Local Municipality	25 000	-	-	25 000	25 000	-	-
Msukaligwa Local Municipality	12 000	-	-	12 000	12 000	-	-
Msunduzi Local Municipality	16 000	-	-	16 000	16 000	-	-
Mthonjaneni Local Municipality	8 500	-	-	8 500	8 500	-	-
Mtubatuba Local Municipality	14 000	-	-	14 000	14 000	-	-
Musina Local Municipality	3 000	-	-	3 000	3 600	-	-
Nala Local Municipality	11 000	-	-	11 000	13 250	-	-
Naledi Municipality	18 000	-	-	18 000	19 725	-	-
Nama Khoi Local Municipality	-	-	-	-	1 500	-	-
Ndlambe Local Municipality	5 500	-	-	5 500	5 500	-	-
Ndwendwe Local Municipality	8 000	-	-	8 000	9 725	-	-

Name of Municipality	Grant Allocation			Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	
Nelson Mandela Bay Metropolitan Municipality	35 000	-	-	35 000	35 000	-	-
Newcastle Local Municipality	7 000	-	-	7 000	8 000	-	-
Ngqushwa Local Municipality	4 000	-	-	4 000	4 000	-	-
Ngwathe Local Municipality	9 850	-	-	9 850	9 850	-	-
Nkandla Local Municipality	18 000	-	-	18 000	18 000	-	-
Nkomazi Local Municipality	9 000	-	-	9 000	9 000	-	-
Nkonkobe/Nxuba Local Municipality	5 000	-	-	5 000	5 000	-	-
Nongoma Local Municipality	14 000	-	-	14 000	14 000	-	-
Nquthu Local Municipality	18 000	-	-	18 000	18 000	-	-
Ntabankulu Local Municipality	40 000	-	-	40 000	42 000	-	-
Nyandeni Local Municipality	9 000	-	-	9 000	11 250	-	-
Okhahlamba Local Municipality	11 500	-	-	11 500	11 500	-	-
Oudtshoorn Local Municipality	8 000	-	-	8 000	8 000	-	-
Overstrand Local Municipality	5 000	-	-	5 000	5 000	-	-
Phokwane Local Municipality	1 500	-	-	1 500	2 500	-	-
Pietermaritzburg Local Municipality	7 000	-	-	7 000	7 000	-	-
Polokwane Local Municipality	45 000	-	-	45 000	45 000	-	-
Port St Johns Local Municipality	20 000	-	-	20 000	13 000	-	-
Prince Albert Local Municipality	1 000	-	-	1 000	1 000	-	-
Ramotshere Moiloa Local Municipality	-	-	-	-	2 000	-	-
Rand West City Local Municipality	17 000	-	-	17 000	17 000	-	-
Renosterberg Local Municipality	1 000	-	-	1 000	1 000	-	-
Richmond Local Municipality	9 000	-	-	9 000	9 000	-	-
Richtersveld Local Municipality	1 500	-	-	1 500	1 500	-	-

Name of Municipality	Grant Allocation				Transfer			Re-allocations by National Treasury or National Department %
	Division of Revenue Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000		
Sakhisizwe Local Municipality	2 000	-	-	2 000	2 000	-	-	
Saldanha Bay Local Municipality	2 000	-	-	2 000	2 000	-	-	
Senqu Local Municipality	3 000	-	-	3 000	3 000	-	-	
Setso Local Municipality	6 000	-	-	6 000	6 000	-	-	
Sisonke District Municipality	8 000	-	-	8 000	8 000	-	-	
Siyancuma Local Municipality	4 000	-	-	4 000	5 300	-	-	
Siyathemba Local Municipality	5 000	-	-	5 000	1 100	-	-	
Sol Plaatje Local Municipality	7 400	-	-	7 400	7 400	-	-	
Stellenbosch Local Municipality	13 000	-	-	13 000	13 000	-	-	
Sunday's River Valley Local Municipality	9 000	-	-	9 000	10 750	-	-	
Swartland Local Municipality	6 000	-	-	6 000	6 000	-	-	
Swellendam Local Municipality	2 000	-	-	2 000	2 000	-	-	
Thaba Chweu Local Municipality	-	-	-	-	500	-	-	
Theewaterskloof Local Municipality	6 500	-	-	6 500	6 500	-	-	
Thulamela Local Municipality	50 000	-	-	50 000	50 000	-	-	
Tokologo Local Municipality	-	-	-	-	3 000	-	-	
Tswaing Local Municipality	1 500	-	-	1 500	1 500	-	-	
Ubuhlebezwe Local Municipality	30 000	-	-	30 000	30 000	-	-	
Ulundi Local Municipality	25 000	-	-	25 000	25 000	-	-	
Umdoni Local Municipality	-	-	-	-	8 000	-	-	
Umhlabuyalingana Local Municipality	20 000	-	-	20 000	20 000	-	-	
uMlalazi Local Municipality	8 000	-	-	8 000	8 000	-	-	
uMngeni Local Municipality	6 000	-	-	6 000	6 000	-	-	
uMshwathi Local Municipality	5 000	-	-	5 000	5 000	-	-	

Name of Municipality	Grant Allocation				Transfer		
	Division of Revenue Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %
Umsobomvu Local Municipality	10 500	-	-	10 500	11 915	-	-
Umtshezi/Imbabazane Local Municipality	10 000	-	-	10 000	10 000	-	-
Umvoti Local Municipality	25 000	-	-	25 000	25 000	-	-
Umzimkhulu Local Municipality	25 000	-	-	25 000	25 000	-	-
Umzimvubu Local Municipality	15 000	-	-	15 000	17 500	-	-
Umzumbhe Local Municipality	9 000	-	-	9 000	9 000	-	-
uPhongolo Local Municipality	18 000	-	-	18 000	18 000	-	-
Ventersdorp/Tlokwe Local Municipality	2 060	-	-	2 060	2 060	-	-
Victor Khanye Local Municipality	12 400	-	-	12 400	8 000	-	-
Vulamehlo Local Municipality	8 000	-	-	8 000	-	-	-
Witzenberg Local Municipality	5 000	-	-	5 000	5 000	-	-
Total	2 131 871	-	-	2 131 871	2 131 871	-	-

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

Annexure 1A

Statement of conditional grants and other transfers paid to municipalities

Name of Municipality	Grant Allocation			Transfer		2015/16 Division of Revenue Act R'000		
	Division of Revenue Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000		Funds Withheld R'000	Re-allocations by National Treasury or National Department %
EEDSM	185 625	-	-	185 625	192 625	-	-	177 899
INEP	1 946 246	-	-	1 946 246	1 939 246	-	-	1 980 340
Total	2 131 871	-	-	2 131 871	2 131 871	-	-	2 158 239

Annexure 1B

Statement of transfers to departmental agencies and accounts

Department/Agency/ Account	Transfer Allocation			Transfer		2015/16 Appropriation Act R'000	
	Adjusted Appropriation R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000		Available Funds Transferred %
NMR	40 936	-	-	40 936	40 936	100	21 487
SANEDI	20 625	-	-	20 625	20 625	100	64 861
Chemical Industry SETA	493	-	-	493	493	100	396
Energy and Water SETA	492	-	-	492	492	100	396
NRWDI	10 000	-	-	10 000	10 000	100	-
Total	72 546	-	-	72 546	72 546	100	87 140

Annexure 1C

Statement of transfers/subsidies to public corporations and private enterprises

Name of Public Corporation/Private Enterprise	Transfer Allocation			Expenditure			2015/16		
	Adjusted Appropriation Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available Funds Transferred %	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Transfers	4 125 672			4 125 672	4 125 672	100			4 193 601
Eskom (INEP and EEDSM)	3 526 334			3 526 334	3 526 334	100			3 613 243
Necsa	599 338			599 338	599 338	100			580 358
Subtotal	4 125 672			4 124 672	4 125 672				4 193 601
Private Enterprises									
Transfers	492 135			492 135	458 047	93.1			156 179
Non-grid household	171 809			171 809	137 733	80.2			156 179
SWHP service providers	320 326			320 326	320 314	100			-
Subtotal	492 135			492 135	458 047	93.1			156 179
Total	4 617 807			4 617 807	4 583 719	99.3			4 349 780

Annexure 1D

Statement of transfers to foreign government and international organisations

Foreign Government/International Organisation	Transfer Allocation			Expenditure		2015/16	
	Adjusted Appropriation Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available Funds Transferred %	Appropriation Act R'000
Transfers							
International Atomic Energy Agency (IAEA)	1 730	-	-	1 730	1 726	100	3 000
APPA	-	-	-	-	2 722	-	-
GIF 2015/16	660	-	-	660	583	88	457
African Regional Cooperation Agreement for Research Development and Training	-	-	-	-	-	-	3 943
GIF 2016/17	-	-	-	-	529	-	-
International Partnership for Energy Efficiency Cooperation (IPEEC)	-	-	-	-	1 205	-	-
International Renewable Energy Agency (IRENA)	-	-	-	-	1 011	-	1 313
IEF	-	-	-	-	311	-	365
IAEA - Fees	16 715	-	-	16 715	16 916	101	20 484
Total	19 105	-	-	19 105	25 003	-	29 563

Annexure 1E

Statement of transfers to households

Households	Transfer Allocation			Expenditure		2015/16 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
Leave gratuity paid to employees	351	-	273	624	1 036	166
Bursary non-employees	2 009	-	-	2 009	811	686
Post-retirement benefits	-	-	1 910	1 910	965	2 345
Donations and gifts	-	-	-	-	17	25
Claims against the state	-	-	-	-	149	-
Total	2 360	-	2 183	4 543	2 978	3 657

Annexure 1F

Statement of aid assistance received

Name of Donor	Purpose	Opening Balance R'000	Revenue R'000	Expenditure R'000	Surrendered to RDP R'000	Closing Balance R'000
Received in cash						
*RDP Fund - Government of the Kingdom of Denmark, Renewable Energy Development Programme	Denmark, Renewable Energy Development Programme surrendering 2015/16 funds	-	23 498	-	23 498	-
RDP Fund - Government of the Kingdom of Denmark, Renewable Energy Development Programme	Denmark, Renewable Energy Development Programme	-	22 362	2 362	-	-
European Union (EU) Commission (General Budget Support (GBS) Funding) - Implementation of smart metering in the South-African electricity industry	Implementation of smart metering in the South African electricity industry	-	68 460	68 460	-	-
*EU Commission (GBS Funding) - Implementation of smart metering in the South-African electricity industry	Implementation of smart metering in the South African electricity industry. Surrendering 2015/16 funds	-	73 947	-	73 947	-
Total		-	188 267	90 822	97 445	-

*Funds amounting to R97 445 271.50 were surrendered to the RDP Funds during the year under review.

Annexure 1G

Statement of gifts, donations and sponsorships received

Name of Organisation	Nature of Gift, Donation or Sponsorship	2016/17 R'000	2015/16 R'000
Received in kind			
Carbon Sequestration Leadership Forum	Air transport tickets, accommodation and meals		
Government of the Republic of Korea	Air transport tickets, accommodation and meals		
IAEA	Air transport tickets and daily allowance		
Embassy of Denmark	Air transport tickets and daily allowance		
Subtotal		-	-
Total		-	-

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		Number of Shares Held		Cost of Investment		Net Asset Value of Investment		Profit/(Loss) for the Year		Losses Guaranteed	
		R'000	2015/16	R'000	2015/16	R'000	2016/17	R'000	2015/16	R'000	2016/17		2015/16
National/provincial public entity													
Necsa	Schedule 2	100	100	2 205	2 205	2 205	2 205	2 205	1 085 314	-	5 384	-	No
CEF	Schedule 2	100	100	1	1	-	-	-	14 882 403	-	(172 416)	-	No
Total				2 206	2 206	2 205	2 205	2 205	15 967 717		(167 032)		

Annexure 2B

Statement of investments in and amounts owing by/to entities (continued)

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	
		2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Controlled entities		-	-	-14 882 403	-	-	-	-	-
GEF	Financing and promotion of the acquisition of, research into and exploitation of energy-related products and technology								
Total		-	-	14 882 403	-	-	-	-	-

Annexure 3A

Statement of financial guarantees issued as at 31 March 2017 – local

Guarantor Institution	Guarantee in Respect of	Original Guaranteed Capital Amount R'000	Opening Balance 1 April 2016 R'000	Guarantees Draw Downs During the Year R'000	Guarantees Repayments/ Cancelled/ Reduced/ Released During the Year R'000	Revaluations R'000	Closing Balance 31 March 2017 R'000	Guaranteed Interest for Year Ended 31 March 2017 R'000	Realised Losses Not Recoverable i.e. Claims Paid Out R'000
Total		20 000	20 000	-	-	-	20 000	-	-

Annexure 3B

Statement of contingent liabilities as at 31 March 2017

Nature of Liability	Opening Balance 1 April 2016 R'000	Adjustment to the Opening Balance	Liabilities Incurred During the Year R'000	Liabilities Paid/ Cancelled/Reduced During the Year R'000	Liabilities Recoverable (Provide Details Hereunder) R'000	Closing Balance 31 March 2017 R'000
Claims against the Department	15 399	(1)	61 179	-	-	76 578
Total	15 399	(1)	61 179	-	-	76 578

Annexure 4

Claims recoverable

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	Cash in Transit at Year End 2016/17 Receipt Date up to 6 Working Days after Year End	Amount R'000
	2016/17 R'000	2015/16 R'000	2016/17 R'000	2015/16 R'000			
Department							
South African Police Services (SAPS)	3	-	-	-	3	3	-
Independent Police Investigation Directorate	11	23	-	-	11	23	-
Department of Correctional Services	1	123	-	-	1	123	-
Total	15	146	-	-	15	146	-

Annexure 5

Inter-government payables

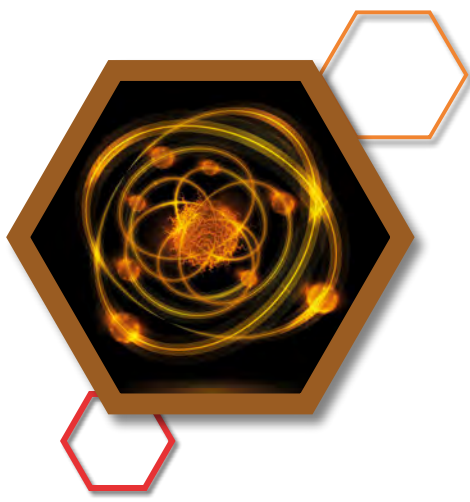
Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2016/17 Payment Date up to 6 Working Days Before Year End	Amount R'000
	2016/17 R'000	2015/16 R'000	2016/17 R'000	2015/16 R'000	2016/17 R'000	2015/16 R'000		
Departments								
Current								
Department of Human Settlement and Housing Development	-	259	-	-	-	-	-	259
SAPS	-	1 115	-	-	-	-	-	1 115
Gauteng Provincial Government (G-Fleet)	1 015	1 318	-	-	1 015	1 318	-	2 333
Department of Public Works	-	2 015	-	-	-	2 015	-	2 015
Department of Economic Development and Tourism	14	-	-	-	14	-	-	14
Department of Justice and Constitutional Development	12	-	-	-	12	-	-	12
Department of Public Enterprises	-	10	-	-	-	10	-	10
Subtotal	1 040	4 717	-	-	1 040	4 717	-	5 757
Other government entities								
Deeds Registration Trading Account (Petroleum)	5	1	-	-	5	1	-	6
Subtotal	-	-	-	-	-	-	-	-
Total	1 045	4 718	-	-	1 045	4 718	-	5 763

Annexure 6

Inter-entity advances paid (note 14)

Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	2016/17 R'000	2015/16 R'000	2016/17 R'000	2015/16 R'000	2016/17 R'000	2015/16 R'000
National departments						
Department of International Relations and Cooperation	871	734	-	-	871	734
Department of Communication and Information Systems	-	202	-	-	-	202
Total	871	935	-	-	871	935





ANNEXURE

1. LIST OF ACRONYMS

Acronym	Description
20YRLFMP	20-Year Liquid Fuels Master Plan
ADAM	Approach to Distribution Asset Management
ADEPI	L'Agence pour le Développement et la Promotion d'Inga
AEMFC	African Exploration Mining and Financing Corporation
AENE	Adjusted Estimates of National Expenditure
AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
ANA	Angola-Namibia Transmission Line
APP	Annual Performance Plan
APPA	African Petroleum Producer Association
AU	African Union
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BBL	Oil Barrel
BFP	Basic Fuel Price
BOSA	Botswana-South Africa Transmission Line
BRF	Biofuels Regulatory Framework
BRICS	Brazil, Russia, India, China and South Africa
BSS	Benchmark Service Station
CCS	Carbon Capture and Storage
CCSP	Carbon Capture and Storage Project
CCT	Clean Coal Technology
CEF	Central Energy Fund
CEM	Clean Energy Ministerial
CEIMS	Central Energy Information Management Systems
CHIETA	Chemical Industries Education and Training Authority
CIPPPP	Coal Independent Power Producer Procurement Programme
c/Kg	Cents per kilogram
c/l	Cents per litre
CNSS	Centre for Nuclear Safety and Security
CPI	Consumer Price Index
COE	Compensation of Employees
CoGTA	Cooperative Governance and Traditional Affairs
CSIR	Council for Scientific and Industrial Research
CSLA	Chief State Law Advisor
CSLF	Carbon Sequestration Leadership Forum

Acronym	Description
DEA	Department of Environmental Affairs
DIRCO	Department of International Relations and Cooperation
DMR	Department of Mineral Resources
DoH	Department of Health
DOPE	Department of Public Enterprises
DoRA	Division of Revenue Act
DoT	Department of Transport
DPE	Department of Public Enterprises
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
DRDLR	Department of Rural Development and Land Reform
DWA	Department of Water Affairs
EAP	Employee Assistance Programme
EC	Eastern Cape
EDMS	Electronic Document Management System
EE	Energy Efficiency
EEDSM	Energy Efficiency and Demand Side Management
EHWP	Employee Health and Wellness Programme
EMP	Electrification Master Plan
ENE	Energy of National Expenditure
EWSETA	Energy and Water Sector Education and Training Authority
EU	European Union
EXCO	Executive Committee
FOSAD	Forum of South African Director-Generals
FTE	Full-Time Employment
G20	Group 20
GBS	General Budget Support
GEPF	Government Employees Pension Fund
GHG	Greenhouse Gas
GIF	Generation International Forum
GIMP	Gas Infrastructure Master Plan
GIP	Gas Infrastructure Plan
GTPP	Gas-to-Power Programme
GWh	Gigawatt hours
HDI	Historically Disadvantaged Individual
HDSA	Historically Disadvantaged South African
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HOA	Home Owners Allowance
HR	Human Resources
HRM & D	Human Resources Management and Development
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
IBT	Inclining Block Tariff
ICT	Information and Communications Technology

Acronym	Description
IDC	Industrial Development Corporation
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
INIR	Integrated Nuclear Infrastructure Review
IOP	Institutional Operational Plan
IP	Illuminating Paraffin
IPEEC	International Partnership for Energy Efficiency Cooperation
IPP	Independent Power Producer
IRENA	International Renewable Energy Agency
IRP	Integrated Resource Plan
IRRS	Integrated Regulatory Review Service
ISC	Interim Steering Committee
IT	Information Technology
ITAC	International Trade Administration Commission of South Africa
JODI-Oil	Joint (Organisations) Oil Data Initiative
KPA	Key Performance Area
kWh	Kilowatt hours
KZN	KwaZulu-Natal
LCE	Low-Carbon Economy
LFC	Liquid Fuels Charter
LPG	Liquefied Petroleum Products
M&V	Measurement and Verification
MANCO	Management Committee
MCEB	Ministry for Climate, Energy and Buildings
MCS	Modified Cash Standard
MDZ	Magisterial District Zone
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MOZISA	Mozambique-Zimbabwe-South Africa Transmission Line
MPAT	Management Performance Assessment Tool
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MV	Medium Voltage
MW	Mega Watt
NDP	National Development Plan
NDPSP	National Development Policy Support Programme
Necsa	South African Nuclear Energy Corporation (SOC) Limited
NEE	National Energy Efficiency
NEEP	Nuclear Energy Expansion Programme
NEES	National Energy Efficiency Strategy and Action Plan

Acronym	Description
NERSA	National Energy Regulator of South Africa
NFC	Nuclear Fuel Cycle
NGR	National Gas Regulator
NIEP	National Institute for Economic Policy
NNBP	Nuclear New Build Programme
NNR	National Nuclear Regulator
NPT	Nuclear Non-Proliferation Treaty
NRF	National Revenue Fund
NRWDI	National Radioactive Waste Disposal Institute
NSWHP	National Solar Water Heater Programme
NTI	New To Industry
OAG	Office of Accounting General
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational Health and Safety
PASA	Petroleum Agency South Africa
PCSP	Pilot Carbon Dioxide Storage Project
PetroSA	Petroleum Oil & Gas Corporation South Africa (SOC) Limited
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PJ	Petajoules
PMDS	Performance Management and Development System
PMO	Programme Management Office
PPI	Producer Price Index
PPP	Public Participation Programme
PPRA	Petroleum Pipelines Regulatory Authority
PSA	Public Service Act
PSCBC	Public Service Coordinating Bargaining Council
PSP	Principal Support Provider
PV	Photovoltaic
RadCon	Directorate of Radiation Control
RAS	Regulatory Accounting System
RDP	Reconstruction and Development Programme
REDIS	Renewable Energy Data and Information Service
REIPP	Renewable Energy Independent Power Producer
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RFP	Request for Proposal
RWMF	Radio Waste Management Fund
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANEDI	South African National Energy Development Institute
SAPS	South African Police Service
SARETEC	South African Renewable Energy Technology Centre
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts

Acronym	Description
SE4ALL	Sustainable Energy for All
SEIAS	Socio Economic Impact Assessment System
SETA	Sector Education and Training Authority
SHS	Solar Home System
SIP	Strategic Integrated Project
SITA	State Information Technology Agency
SLA	State Law Advisor
SMS	Senior Management Service
SNEL	Société Nationale d'Électricité
SOC	State-Owned Company
SOE	State-Owned Entity
SOOG	Strategic Outcomes-Orientated Goal
SSP	Sector Skills Plans
SWH	Solar Water Heater
SWHP	Solar Water Heater Programme
SWHS	Solar Water Heater Systems
SWS	Solar Water Systems
ToU	Time of Use
TWh	Terawatt Hours
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
VPN	Virtual Private Network
WASA	Wind Atlas for South Africa
WOESA	Women in Oil and Energy South Africa
WSP	Workplace Skills Plan
YTD	Year to Date
ZESCO	Zambia Electricity Supply Company
ZESA	Zimbabwe Electricity Supply Authority

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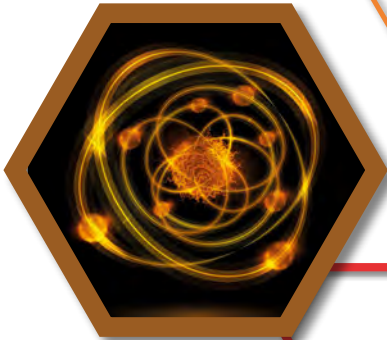
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