

## VOTE 3: FINANCE AND ECONOMIC AFFAIRS

To be appropriated:	R1,654,261
Responsible MEC:	MEC for Finance and Economic Affairs
Administering Department:	Finance and Economic Affairs
Accounting Officer:	Head of the Department

### 1. OVERVIEW

#### Vision

To provide financial management leadership in the province and optimise our contribution to create an enabling environment for economic growth.

#### Mission

- To achieve sound public finance through the phased implementation of the PFMA by 2007.
- Achieve economic growth and development through
  - investment in strategic economic infrastructure that boosts the competitive advantages of key sectors of the economy
  - increased trade and investment
  - contributing to an ethical business and regulatory environment
- Strive towards an output driven, ethical and people-centred administration that reflects the demographics of our province through
  - the achievement of operational excellence
  - a performance management framework

### 2. REVIEW OF FY 2001-2002

The department has successfully consolidated its work in key areas of responsibility. The restructuring of the departments has been completed and has led to increased focus on delivery driven by the five-year strategic plan of the department.

#### *Management Support Services and Communication Strategy*

The department recognises the need to put much effort to improve its communication machinery to facilitate public and private sector awareness about its activities. To this end the Department undertook a Communications Audit Survey in October 2002. The purpose was to understand the perceptions of the stakeholders and the environment we communicate in. Its result were a road map to plan communications interventions properly informed by the survey. Whilst the survey has posed challenges, it has also highlighted opportunities for improvement. More importantly it has brought a paradigm shift that compels the department to view communications as a strategic element of service delivery.

#### **Media Relations**

Media training was undertaken with managers who have to directly interact with media. This is a continuous effort as the department has begun to forge closer links with the media. This has paid dividends as the department managed to lift its profile, its activities and programmes through good publicity. Over R3m worth of publicity has been generated for the department through coverage on both electronic and print media.

#### **External Communications**

##### **Website**

The unit redesigned the departments website. Because of capacity it is still at developmental stages. A person has been brought on board for the finalisation of the design as well as its maintenance.

##### **Stakeholders Relations**

Informed by the result of the communication audit, the unit undertook a stakeholders survey in September. The objective is developing a relevant stakeholders database to be able to further develop strategies of reaching them effectively.

### **Internal Communications**

The Communication Audit performed in 2002 also highlighted a number of internal communication challenges; this has resulted in the unit putting together an internal communications campaign. The department's management acknowledges that internal communications remains a challenge and therefore support all endeavours towards its improvement. This is based on the belief that our employees are our best assets and are our key stakeholders.

### **Internship**

The unit had an intake of two intern students from the Technicon SA. Through the exposure they got one, piloted a media monitoring mechanism, which became a reference for the Provincial colleagues. The same intern had successfully completed his studies and has been absorbed within the Unit as a contract worker with prospects of joining the unit permanently.

### **Provincial Treasury**

According to Section 27(4) of the PFMA and the Treasury Regulations, each department is required to submit to its Legislature a strategic plan and the proposed budget. For financial year 2002/03, departments were expected to present their strategic plans for the first time at Legislature. Departments were requested to ensure their budgets are aligned to their strategic plans.

However, ensuring the three-year strategic plans are aligned to the MTEF Budget remains a challenge for most departments. In some cases the linkages have been unclear and the 2003/04 strategic plans and budgets will need to demonstrate, more clearly, the financial implications of strategic decisions around service delivery.

On the other issues including producing the manual/guideline for service standards, this was done but in a draft form and was not finalized due to changes in plans. Customer surveys were conducted twice in a year, in June and November.

In addition, there is an exercise by Treasury of looking at the issue of relationship management to ensure better service delivery to our clients especially provincial departments and National Treasury.

The PFMA Implementation process went very well with the focus on Financial Management Capacity building. The following has been done:-

- Accredited courses by the National Validation Board were disseminated throughout the departments to assist towards capacity building efforts;
- The positions for Director: finances in departments are currently being undertaken with Treasury funding one such position in each department;
- The CFO contract with KPMG has played a pivotal role in supporting, mentoring and coaching CFOs for the past 18 months.

Although the preparation of Consolidated Financial Statements is not yet a legal requirement in terms of the PFMA, Treasury prepared a set of CFS and these were submitted to the office of the Auditor-General. This was merely done so as to begin to understand the work involved and the important issues, in advance. The legal requirement for the preparation of the Consolidated FS is effective April 2003. Good feedback and comments were received from the Auditor-General in this regard and these will be considered during the preparation of CFS as required by the PFMA.

### **Procurement reforms**

Even though the Tender Board was abolished with effect from the 1<sup>st</sup> April 2002, a lot of work had already taken place in the previous financial year to prepare for the new reforms and to manage the transition to ensure a smooth shift, as well as to minimize risks to the province.

Awareness workshops on procurement reforms and structures:

Awareness workshops on the new procurement reforms and structures gave senior managers a general background on the implementation programme for procurement reform as well as a framework to assist their relevant employees in developing such to suit their relevant departmental profiles and needs.

Accreditation of Departmental Procurement units:

New procurement reform bodies replaced the Tender Board.

Each department established a Departmental Acquisition Council (DAC) as well as a Departmental Accredited Procurement Unit (DAPU), accredited by Treasury.

The (DAPU) will be responsible for all procurement by the department – other than that performed by the Gauteng Shared Service Centre under mandate of the GSSC-AC. The number volume and complexity of the staff that constitute the (DAPU) and the (DAC) will be determined by the nature volume and complexity of the procurement that will be undertaken by the department.

The process of establishing (APU'S) in departments has to take full cognisance of the service provided by the Gauteng Shared Service Centre – so as not to duplicate capacities, roles or responsibilities. This is crucial, as the operational function will eventually migrate to the GSSC. The Departmental Acquisition Council (DAC) will direct the procurement activities performed by the GSSC on behalf of the department – once migration has taken place.

Development of best practice guidelines and policy framework:

The implementation programme is supported by the development of an extensive policy framework for procurement as well as best practise guidelines to assist departments in making the transition from the current to the new system.

Framework legislation governing preferential procurement has already been promulgated and will apply with immediate effect. These best practice guidelines would not be prescriptive in nature but will provide benchmarks that will be used to assess departmental strategies.

### **Economic Affairs**

The department through the Consumer Affairs office, implemented a Student development Program. A partnership was developed with Rand Afrikaans University (RAU), whereby ten RAU students received internship in the field of consumer protection. Furthermore, eight (8) unemployed graduates were employed on contract basis to assist with the investigation and resolving of consumer complaints and trade inspection. This was another departmental attempt in addressing unemployment in the province. Liquor Affairs is no longer part of the department's budget but has been registered as a Trading Account and finances itself through the collection of revenue.

All the components mentioned below, constitutes the Economic Cluster, which is responsible for the implementation of the departmental priorities with regards to job-creation, economic growth and development.

- Economic policy, planning and research
- Consumer affairs and business regulation
- Blue IQ
- Gauteng Tourism Authority
- Gauteng Gambling Board
- Gauteng Economic Development Agency
- Gauteng Manufacturing Advisory Centers
- Gauteng Liquor Board
- Gauteng Consumer Court

The cluster strategy adopted was that Economic Policy, Planning and Research determine the policy frameworks in consultation with key role-players. The implementation of the policies is carried out by the “agencies”(other members of the cluster) and Economic Policy, Planning and Research then monitors and evaluates the impact of the policies and performance of the agencies.

The cluster objectives included:

- Sustainable economic growth,
- Facilitating the creation of new jobs and the retention of existing industries and jobs,
- Providing a comprehensive policy and legislative framework,
- Monitor and evaluate the performance of the agencies, and
- Ensuring the enhanced participation of SMEs and PDIs in departmental programmes and projects.

In delivering on these objectives the following highlights were achieved by Economic Affairs:

- Study on Local Business Services Centers (LBSC) was completed.
- Status quo analyses on SMMEs in Gauteng.

- Gauteng Manufacturing Advisory Center (GAUMAC) was launched and three regional centers opened
- Pre-qualification criteria for SMEs operating on SME Portal finalized
- Provincial liquor legislation drafted
- Study on socio-economic impacts of liberalized liquor legislation completed
- New Gauteng Tourism Act promulgated
- Amendments to the Gauteng Gambling Act passed
- New regulations for Consumer Act promulgated
- Proposals on strategies to broaden participation of PDI status companies, entities and individuals in the tourism industry undertaken
- Update on Trade and Industrial Strategy initiated
- Backlog on liquor license applications cleared
- 98% of consumer complaints resolved
- Trade inspections conducted on regular basis.

## **Blue IQ**

Blue IQ's project portfolio is made up of two distinct types of projects; both in terms of time frames and substance. On the one hand Blue IQ is undertaking urban regeneration and tourism product development projects which impact strongly on communities and specific nodes and which are characterized by shorter delivery schedules and more immediate outcomes and deliverables. These projects include: the Alrode Wadeville Industrial Corridor, Kliptown, Newtown Precinct, Constitution Hill and the two DACEL projects: Dinokeng and the World Heritage site. Bar the DACEL projects these initiatives have strong components of local government co-operation and strong involvement of local government development agencies and expertise with regard to the delivery vehicle, which Blue IQ uses to implement these initiatives.

The two DACEL projects and the Kliptown initiative remain largely in the planning phase and the last year has been spent placing the building blocks of: site plans, public participation, EIA, EMP, planning approvals, RFI's and RFP in place. This is a lengthy and cumbersome process but Blue IQ has proved time and again that good planning is essential for effective rapid delivery. All planning has run according to schedule and it is hoped that next year will see increased delivery of on the ground structures for these three projects.

With respect to Wadeville Alrode, the project is almost complete: GauMac is operating well, the access control, signage and taxi lay byes are complete and work on K123, Black Reef Road, Garfield Road and Ring Road West are all on schedule. In an attempt to bolster the sustainability of the project and to ensure the optimal usage of the newly invested infrastructure a Business Improvement District entity is being created and will be completed by the end of the year.

Newtown Phase 1 was also completed this year and Phase two is being rolled out. Chief accomplishments include: the completion of Mary Fitzgerald Square, the Bus Factory, the Music Centre, the Electric workshop and Turbine Hall phase 1 redevelopments as well as the two residential developments of Carr Gardens and Tribunal gardens. Metro mall is proceeding according to schedule, but both the M1 off ramp and the Nelson Mandela bridge are two months behind schedule due to input delivery problems and inclement weather. We are very proud to announce that of the redeveloped space available for residential and industrial/retail use we have achieved 100% occupancy – showing that the Newtown project has met a real market demand and need.

Constitution Hill is also proceeding according to schedule. All land arrangements have been completed including the relocation of the mortuary, which caused several months worth of delays. Construction of the Constitutional Court and the new super basement is on schedule and an indication of a 55% tenancy rate has already been achieved.

Turning to the second category of Blue IQ projects, which includes City deep, JIA IDZ, the Innovation Hub, the Auto Cluster and the Rapid Rail Link, these projects which focus more directly on economic activity are far more complex and multi faceted and have a longer time frame with respect to tangible delivery.

The JIA IDZ planning is mostly completed and we hope to have finalized all institutional arrangements with Denel and ACSA before the end of the calendar year. After that the project is dependant on the timing of the decision making of DTI regarding designating the area and issuing an operator permit. However we have moved ahead with the general area upgrade and tenders for the upgrading of Atlas Road and K90 are on schedule.

In June this year Blue IQ withdrew its IDZ application for City Deep. This was a strategic decision based on collected information from the skills consortium which showed that an IDZ would not solve the fundamental problems underlying City Deep which have been proved to be more operational than infrastructure based. Blue IQ is at present in negotiations with industry players in the

transport and logistics sectors and we are aiming to have a new project plan on the table by February 2003. Area upgrades are continuing and the upgrade of Lower Germiston Road was completed on schedule, while the Cleveland Link Road is out on tender.

The innovation hub has come along strongly this year in terms of planning and supportive activity, however construction of the hub that is meant to start in the first quarter of next year may well be delayed due to rescoping of the project to improve its commercial viability. This project has suffered from the effects of the global slow down, September 11th and bursting of the IT Bubble internationally and hence a more conservative approach has been adopted in the short run. Outreach and skills development programme have however been rolled out and the technopreneur programme is running at two pilot sites, the Coach lab is up and running and there are seven small ICT companies at present in the incubator.

The Auto Cluster has moved from strength to strength this year. With respect to the AIDC its relationships with the industry and National Departments has developed to the level where for example the AIDC runs the motor vehicle and component manufacturers SETA and several DTI supply side incentives geared towards the industry. 3000 student have already been trained through the AIDC programme. The Supplier Park has also taken off faster than anticipated with most of the land now obtained, site plans passed and the first tenant secured. Officially the Park will open in January 2003 but the first tenant will move in by November this year.

Finally the Rapid Rail project is progressing according to schedule. PPP approval has been obtained, the technical and economic feasibility studies are complete, EIA and EMP processes are progressing according to schedule, the route is due for finalization in December and two consortia have been short listed. All appears to be on track for the construction start date of January 2004.

Despite several frustrations in the speed of planning processes and meeting of regulatory requirements, by and large this has been an exceptionally good year for Blue IQ and virtually all projects are on track. Internally the organisation has been strengthened and its systems upgraded so that efficiency and effectiveness of the organisation is growing on a monthly basis. As these internal systems start streamlining work so Blue IQ staff will have more scope to strategically add value to the projects it manages via its implementing agents.

### 3. OUTLOOK

#### Management Support Services and Communication Strategy

The unit fully understands the challenges of the coming year and the crucial role of communicating more effectively about the department's initiatives and programmes on service delivery. To this end one of the main focuses is full capacitating of the unit for it to meet its challenges and objectives. During this period the unit will engage in a number of activities aimed at professionally supporting the department and ensuring communication of its strategic objective. The focus will be on developing an effective communication strategy with emphasises on: -

- Media relations
- Stakeholder Relations
- Intergovernmental Relations
- Education and awareness campaigns
- Co-ordinated approach with our agencies for maximum impact
- Effective internal communication

The Department of Finance and Economic Affairs (DFEA) believes in the intelligence, integrity and ability of its people to produce world-class performance. It is of fundamental importance that our employees understand that one cannot empower without first enabling. The HR unit will focus on **People & Performance Planning, Service Excellence and Organisational Development**. **People and Performance Planning** will focus on attracting, obtaining and retaining people with required competencies and attitude. It also involves marketing DFEA careers in order to supply a sufficient number of potential employees for selection. In addition, it will ensure that a continuous supply of high quality human material is available to meet the resource needs. Evidence of this will be through employees who exceed the expectations of customers and ensuring growth and competitiveness.

**Service Excellence** will focus on instilling and sustaining a performance culture. This will build and enhance the relationship between performers and managers, resulting in sound labour relations. Inherent in service excellence is developing our employees and measuring, assessing and rewarding performance.

**World-class Organisational Development** will be evident in the organizational design based on the Department of Finance and Economic Affairs vision mission and values and in the implementation of work design evaluation and an effective organization structure, which will allow for the appropriate levels of remuneration.

#### Financial Management

The department is aligning its financial processes, controls and reporting with the requirements of the PFMA.

The strategy followed is:

- Improving and deepening financial management skills for programme managers.
- Introducing appropriate project management methodologies for the activities of department.
- The implementation of an Action Plan drawn-up in line with the Auditor General's recommendations
- Management letter issued with the audit of the 2000/2001 financial years with specific time frames for resolving identified problem areas.
- The involvement of the Internal Audit Unit to periodically assess our systems of internal control and compliance and highlight problem areas.
- Training of personnel in generic financial controls, monitoring and reporting.

#### **External Focus**

- The services delivery of suppliers is remunerated timeously and efficiently.
- The annual report content, is informative and a reasonable reflection of the state of affairs of the department. This serves as point of references by external parties interested in partnering with the department in business.

#### **Provincial Treasury**

Treasury's efforts will again be anchored on the implementation of the Public Finance Management Act (PFMA) in GPG, and strive for the improvement of financial management in an attempt to ensure quality service delivery.

The coming financial year brings about the implementation of the Generally Recognised Accounting Practices (GRAP) guidelines. The PFMA defines GRAP as "an accounting practice complying in material respects with the standards issued by the Accounting Standards Board." This is a requirement in terms of S216 of the Constitution, that requires national legislation to prescribe measures to ensure transparency by introducing Generally Recognised Accounting Practice to the three spheres of government. Treasury is due to receive these guidelines from National Treasury in December 2002.

It is anticipated that implementation will commence in during the early months of the year 2003. Coupled with that is the challenge of funding to see the implementation process through.

Treasury will for the first time produce the consolidated annual financial statements in 2003/04 financial year as required by legislation. It is also a year in which we have to realize the achievement of an unqualified audit report on the consolidated financial statements for the province. To successfully achieve the output, a concerted effort of planning and preparation from all the parties namely, Treasury, departments and the Office of the Auditor General has to be applied.

In conjunction with the Department of Public Service and Administration and the State Attorney, Treasury will look into mapping out a detailed process towards financial misconduct investigations and charges in GPG. The Treasury Regulations provide broad guidelines in this regard, and there is a need to develop a process tailored to the needs of GPG.

#### **Procurement Reform**

Provincial Treasury will continue to offer support and play an oversight role in the process of procurement reform in the Province.

#### **Establishment of Provincial Public Private Partnerships unit (PPPs)**

Treasury will have to build the necessary capacity to establish the provincial PPP unit. This work will be carried out in a team effort between the National PPP unit and Treasury. Once the unit has been established, the overall function of the unit will be to create an enabling environment and to facilitate successful implementation of affordable PPP's within the province. The main objectives of the unit will be to:

- Communicate government's strategy to departments
- Assist provincial departments in preparing cost-effective and affordable PPP projects.
- Supporting capacity enhancement activities by initiating, managing and where appropriate, offering technical assistance and training activities.

The medium term budgeting is a continuous process that culminates each year in tabling of the annual budget at Legislature.

Since the introduction of the MTEF, substantial progress has been made in reforming the budget process to optimise the benefits of medium term budgeting. As part of the reforms Treasury has initiated a process of analysing departmental budget submissions at

program and sub program level. This is to improve the alignment between the government's priorities, departmental strategic plans and budgets. This process is intended to determine whether the reprioritization process within the MTEF baseline has been undertaken by departments in the context of allocative efficiency. The next time around, this review process will be enhanced taking into account lessons from the initial implementation.

Other areas where budget reforms are implemented focuses mainly on improving the budget preparation process and the budget control processes. These include:

Budget Policy Unit, which will focus on implementing the provincial capital policy and improving capital budgeting decision-making.

Budget Management, which will focus on improving the quality of reporting on the budget and collating the budget information by developing a database.

Investigating issues of costing that will best inform budget making.

Through KM we are implementing we will establish best practices for Treasury to ensure we become a leading Treasury in the country.

Performance standards - finalisation of core expectations with departments and Treasury

Carry out research to that we can advice the Executives and departments on budgetary and financial management issues.

Conduct a research on the current taxes before introducing the provincial tax and improving revenue collection by provincial department.

## **Economic Affairs**

Economic development and growth will continue to be the focus area. The establishment of a fully capacitated research component will assist in ensuring that the department effectively carries out its policy role. The changes in the international environment have increased the significance of the Department's leadership role. With the completion revision of the Trade and Industrial Strategy, the focus will be on addressing any new findings and making adjustments to policies and strategies where necessary.

The targeted approach of GEDA will result in increased activity around investment attraction both internal and external, together with new work on trade and production. We will keep a much more closer contact with our strategic foreign partners to ensure that we respond and take advantage of any opportunities that arise.

The second phase for the implementation of the new Liquor Act will occur. The Act will introduce the concept of self-regulation to the industry. The main thrust of the Act will also be to ensure that the retailing of liquor occurs within a regulated environment.

The implementation of the mobile Consumer Clinic and inclusion of consumer education into the school curriculum will ensure the increased awareness on consumer rights and resolution.

It is hoped that the policy environment on limited payout machines will have been finalised. The socio-economic study on gambling will be completed allowing the department and the Gauteng Gambling Board to consider these aspects in regulating the industry.

The department will consolidate its our work on SME development through the SME portal in the Shared Service Centre and the Manufacturing Advice Centres.

## **Blue IQ**

While the first two years of Blue IQ's life have been dominated by institutional arrangements, contractual negotiations and the planning for the physical construction of infrastructure, the year ahead will be characterized by construction delivery and the commercialisation of the opportunities this infrastructure presents.

The purpose of Blue IQ has always been to: grow the economy, to create employment and to change the sectoral make up of provincial GGP. Strategic infrastructure is a crucial pillar for such a new growth trajectory but the real challenge lies in creating new industries, attracting new factories and companies and negotiating local and foreign direct investment to populate this infrastructure. Such investment and attraction has a long lead-time, with some industries taking as long as 24 to 36 months to get from an

expression of interest to a firm commitment. As such it is crucial that Blue IQ assist its implementing agents in their commercialisation strategies and efforts to attract tenants and investors to their projects.

The year ahead will thus entail the continued management and delivery of physical infrastructure and the supply side of the projects while simultaneously ensuring that substantive work is completed on the demand side of the projects. Marketing and branding efforts will be stepped up, investment and locational analyses will be deepened and specific focus will be applied to possible IPP investments in co-operation with DTI.

In addition Blue IQ will consider the possibility of including one or possible two additional projects to the stable of current projects. The inclusion of new projects will be premised on the new version of the Trade and Industrial Strategy as well as the new economic situation South Africa finds itself in given changes in global activity.

#### 4. REVENUE AND FUNDING

**Table 4.1 : Departmental revenue - Department of Finance and Economic Affairs**

<b>R' 000</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>	<b>04/05</b>	<b>05/06</b>
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>EST. ACTUAL</b>	<b>VOTED</b>	<b>MTEF</b>	<b>MTEF</b>
<b>Voted by the Legislature</b>	297,344	653,703	960,241	1,654,261	1,853,101	3,082,983
<b>Statutory amounts</b>						
Vulindlela			1,667			
PFMA	3,000	4,667	3,210			
<b>Total funding</b>	<b>300,344</b>	<b>658,370</b>	<b>965,118</b>	<b>1,654,261</b>	<b>1,853,101</b>	<b>3,082,983</b>

**Table 4.2: DEPARTMENTAL REVENUE COLLECTION**

<b>Department Revenue</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimated Actual</b>	<b>Voted</b>	<b>MTEF</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tax revenue</b>	<b>296,414</b>	<b>298,750</b>	<b>322,870</b>	<b>332,772</b>	<b>346,084</b>	<b>356,464</b>
Casino Taxes	224,043	229,294	269,885	283,379	294,715	303,555
Horseracing	67,367	63,692	47,041	49,393	51,369	52,909
Other taxes	5,004	5,764	5,944			
<b>Non -Tax revenue</b>	<b>136,663</b>	<b>221,466</b>	<b>176,812</b>	<b>149,793</b>	<b>163,275</b>	<b>166,166</b>
Interest	76,825	186,416	170,659	143,431	156,340	158,607
Other revenue	59,796	27,701	1,266	1,035	1,129	1,230
Rent	42	2,216				
Fees, fines & forfeiture		5,133	4,887	5,327	5,806	6,329
<b>Capital revenue</b>	<b>-</b>					
<b>Total</b>	<b>433,077</b>	<b>520,216</b>	<b>499,682</b>	<b>482,565</b>	<b>509,359</b>	<b>522,630</b>
Less: Direct charges						
Gambling taxes		25,078	14,633	16,639	17,304	17,823
<b>Total Own Revenue</b>	<b>433,077</b>	<b>495,138</b>	<b>485,049</b>	<b>465,926</b>	<b>492,055</b>	<b>504,807</b>



**Table 5: BASIC SERVICE DELIVERY INDICATORS FOR THE VOTE**

Service Delivery Indicators	Years			
	2000/01	2001-02	Expected 2002-03	Average growth
Number of days to close a month	10	10	10	-
Number of days to close a year	30	30	30	-
Number of days to process payment	30	30	30	-
Turnaround time to reconciling the bank account	30 days	30 days	30 days	-
Percentage of SME's paid within 14 days of invoice	75%	85%	90%	5%
% Growth in provincial own revenue		31%	-2%	
Number of tenders issued	50%	53%	60%	10%
% Awarded to SME's/BEE's				
Disabled persons				
Women				
Previously disadvantaged groups				
Number of SME's capacitated				
Number of consumer complaints	2,287	2,986	3,886	30%
% Resolved within standard timeframe	65%	76%	80%	11%
Number of liquor licenses processed	2,100	2,500	3,500	
Number of hearings on liquor licence contraventions	11	36	75	100%
Turnaround time to approving liquor license	90 days	45 days	45 days	-

## SUMMARY OF EXPENDITURE: FINANCE AND ECONOMIC AFFAIRS

### SUMMARY OF EXPENDITURE AND ESTIMATES

Programmes	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual R'000	R'000	R'000	R'000
1.Management	3,602	4,192	5,485	4,505	5,414	5,907
2.Support Services	35,563	46,842	56,936	59,366	65,394	69,119
3.Provincial Treasury	76,448	48,230	44,714	41,679	44,801	46,457
4.Economic Affairs	31,965	42,617	76,804	77,347	80,035	81,041
5.Blue IQ	152,766	373,865	620,288	1,471,364	1,657,458	2,880,459
6.Corporate IT		98,335	160,891			
Other expenses		44,289				
<b>Total for Programme</b>	<b>300,344</b>	<b>658,370</b>	<b>965,118</b>	<b>1,654,261</b>	<b>1,853,101</b>	<b>3,082,983</b>

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

GFS Classification	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual R'000	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees	33,526	46,448	62,964	54,215	57,747	61,709
Use of goods and services	96,346	248,252	186,843	117,823	119,859	120,514
Recurrent maintenance						
Property expenses	4,794	5,941	5,785	6,040	6,195	6,248
Consumption of fixed assets						
Subsidies (Transfers to agencies)	23,100	32,200	58,557	57,700	57,700	57,700
Grants						
Social benefits		45				
Transfers to local government						
Other expenses		44,289				
<b>Total Current</b>	<b>157,766</b>	<b>377,175</b>	<b>314,149</b>	<b>235,778</b>	<b>241,501</b>	<b>246,171</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>142,578</b>	<b>281,195</b>	<b>650,969</b>	<b>1,418,483</b>	<b>1,611,600</b>	<b>2,836,812</b>
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	9,216	11,500	71,160	2,846	3,963	4,502
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>	<b>133,362</b>	<b>269,695</b>	<b>579,809</b>	<b>1,415,637</b>	<b>1,607,637</b>	<b>2,832,310</b>
Local government			264,386	24,900	14,038	
Local government agencies				256,863	217,875	138,747
Provincial entities				277,835	152,124	111,544
Provincial public entities				174,489	129,600	90,019
Other capital transfers	133,362	269,695	315,423	681,550	1,094,000	2,492,000
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>142,578</b>	<b>281,195</b>	<b>650,969</b>	<b>1,418,483</b>	<b>1,611,600</b>	<b>2,836,812</b>
<b>Total GFS classification</b>	<b>300,344</b>	<b>658,370</b>	<b>965,118</b>	<b>1,654,261</b>	<b>1,853,101</b>	<b>3,082,983</b>

## SUMMARY OF TRANSFERS

### Transfers to Public Entities

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
GFS Classification	Audited	Audited	Estimated	Budget	MTEF	MTEF	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>PUBLIC ENTITIES</b>							
Gauteng Economic Development Agency	3,800	3,900	28,900	28,900	28,900	28,900	123,300
Gauteng Tourism Agency	13,800	28,300	28,800	28,800	28,800	28,800	156,800
Gauteng Gambling Board	6,000						6,000
Dept of Education & Training (Special Education)			857				857
<b>Total for Public Entities</b>	<b>23,100</b>	<b>32,200</b>	<b>57,557</b>	<b>57,700</b>	<b>57,700</b>	<b>57,700</b>	<b>286,957</b>
<b>LOCAL GOVERNMENT (BLUE IQ)</b>							
Local Government			264,386	24,900	14,038		303,324
Local Government Agency				256,863	217,875	138,747	613,485
Provincial Entities				277,835	152,124	111,544	541,503
Provincial Public Entities				174,489	129,600	90,019	394,108
Other Capital Transfers	133,362	269,695	315,423	681,550	1,094,000	2,492,000	4,986,030
<b>Total for Local Government</b>	<b>133,362</b>	<b>269,695</b>	<b>579,809</b>	<b>1,415,637</b>	<b>1,607,637</b>	<b>2,832,310</b>	<b>6,838,450</b>
<b>TOTAL TRANSFERS</b>	<b>156,462</b>	<b>301,895</b>	<b>638,366</b>	<b>1,473,337</b>	<b>1,665,337</b>	<b>2,890,010</b>	<b>7,125,407</b>

## PROGRAMME DESCRIPTIONS AND INPUT

### 1. Programme 1 –MANAGEMENT

#### Key Government Objectives

- To provide strategic leadership to the department
- To effectively and efficiently manage the Department of Finance and Economic Affairs

## Summary of Expenditure: Programme 1

### EXPENDITURE AND ESTIMATES

Sub-programmes	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual R'000	R'000	R'000	R'000
MEC	903	605	742	786	857	934
MEC's Office	802	1,739	2,662			
HoD's Office	1,897	1,848	2,081	3,719	4,557	4,973
<b>Total for programme 1</b>	<b>3,602</b>	<b>4,192</b>	<b>5,485</b>	<b>4,505</b>	<b>5,414</b>	<b>5,907</b>

### GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES

GFS Classification	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual R'000	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees	2,320	2,809	2,405	1,781	1,942	2,117
Use of goods and services	1,212	1,308	2,733	2,624	3,363	3,672
Recurrent maintenance						
Property expenses						
Consumption of fixed assets						
Subsidies						
Grants						
Social benefits						
Transfers to local government						
Other expenses						
<b>Total Current</b>	<b>3,532</b>	<b>4,117</b>	<b>4,117</b>	<b>4,405</b>	<b>5,305</b>	<b>5,789</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>70</b>	<b>75</b>	<b>347</b>	<b>100</b>	<b>109</b>	<b>118</b>
Compensation of employees						
Use of goods and services						
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	70	75	347	100	109	118
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Other capital transfers						
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>70</b>	<b>75</b>	<b>347</b>	<b>100</b>	<b>109</b>	<b>118</b>
<b>Total GFS classification</b>	<b>3,602</b>	<b>4,192</b>	<b>5,485</b>	<b>4,505</b>	<b>5,414</b>	<b>5,907</b>

## Programme 2 –SUPPORT SERVICES

### Key Government Objectives

#### Communications Strategy

Plan, co-ordinate and monitor publicity and marketing campaigns of the department with a view to monitor and evaluate the service delivery of the department.

#### Human Resources

To render a best practice human resource management service

#### Chief Financial Officer

Provide efficient financial management for the department.

Ensure efficient and timeous procurement of goods and services.

#### Information Technology

Provide the foundation which information, management and communication can be addressed in a holistic way

Explore and align the IT strategy to the business strategy.

#### Logistics

To render real time logistical services to the department

#### Financial Administration

To provide efficient general accounting services to the departments of the Gauteng Provincial Government.

#### Programme policy development

Review and ensure compliance to internal policies of the department

### Summary of Expenditure: Programme 2

#### EXPENDITURE AND ESTIMATES

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
Sub-programmes	R'000	R'000	Actual	R'000	R'000	R'000
			R'000			
Communication and Strategy	986	2,879	2,980	4,824	5,158	5,313
Human Resources	696	1,776	3,427	5,010	5,170	5,259
Chief Financial Officer		10,614	8,523	8,252	8,994	9,863
Information Technology		437	1,717	3,239	3,431	3,740
Logistics	14,640	10,191	12,000	12,825	13,195	13,823
MEC's Office				3,735	4,071	4,137
Financial Administration	19,241	20,945	28,289	21,481	25,375	26,984
<b>Total for Programme 2</b>	<b>35,563</b>	<b>46,842</b>	<b>56,936</b>	<b>59,366</b>	<b>65,394</b>	<b>69,119</b>

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

GFS Classification	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees	15,099	23,352	29,383	31,682	33,109	35,014
Use of goods and services	13,594	18,043	20,174	20,000	23,432	24,759
Recurrent maintenance						
Property expenses	4,646	4,613	5,749	6,000	6,151	6,200
Consumption of fixed assets						
Subsidies						
Grants						
Social benefits		43				
Transfers to local government						
Other expenses						
<b>Total Current</b>	<b>33,339</b>	<b>46,051</b>	<b>55,306</b>	<b>57,682</b>	<b>62,692</b>	<b>65,973</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>2,224</b>	<b>791</b>	<b>1,630</b>	<b>1,684</b>	<b>2,702</b>	<b>3,146</b>
Compensation of employees						
Use of goods and services						
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	2,224	791	1,630	1,684	2,702	3,146
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Other capital transfers						
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>2,224</b>	<b>791</b>	<b>1,630</b>	<b>1,684</b>	<b>2,702</b>	<b>3,146</b>
<b>Total GFS classification</b>	<b>35,563</b>	<b>46,842</b>	<b>56,936</b>	<b>59,366</b>	<b>65,394</b>	<b>69,119</b>

**Programme 3- PROVINCIAL TREASURY**
**Key Government Objectives:**

Fiscal planning and Budget management within the context of economic growth and job creation.  
The creation of a conducive policy and legal framework that encourages best practices in the public  
Finance management.

**Programme policy development**

Determine a capital expenditure policy framework for the Province  
Determine a viable costing methodology for the Province  
Produce guidelines on performance measurement, monitoring and evaluation  
Determine risk management policy for the Province

### Summary of Expenditure: Programme 3

#### EXPENDITURE AND ESTIMATES

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
GFS Classification			Actual			
	R'000	R'000	R'000	R'000	R'000	R'000
Budget Office	2,753	3,708	4,523	5,361	6,953	7,543
Finance and Cash Management	11,386	37,512	32,191	30,156	31,331	31,975
Procurement	5,112	7,010	8,000	6,162	6,517	6,939
Shared Services Centre	57,197					
<b>Total for Programmes 3</b>	<b>76,448</b>	<b>48,230</b>	<b>44,714</b>	<b>41,679</b>	<b>44,801</b>	<b>46,457</b>

#### GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
GFS Classification			Actual			
	R'000	R'000	R'000	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees	11,435	9,348	11,532	9,005	9,416	10,263
Use of goods and services	58,944	38,091	32,799	32,255	34,928	35,696
Recurrent maintenance						
Property expenses						
Consumption of fixed assets						
Subsidies						
Grants						
Social benefits						
Transfers to local government						
Other expenses						
<b>Total Current</b>	<b>70,379</b>	<b>47,439</b>	<b>44,331</b>	<b>41,260</b>	<b>44,344</b>	<b>45,959</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>6,069</b>	<b>791</b>	<b>383</b>	<b>419</b>	<b>457</b>	<b>498</b>
Compensation of employees						
Use of goods and services						
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	6,069	791	383	419	457	498
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Other capital transfers						
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>6,069</b>	<b>791</b>	<b>383</b>	<b>419</b>	<b>457</b>	<b>498</b>
<b>Total GFS classification</b>	<b>76,448</b>	<b>48,230</b>	<b>44,714</b>	<b>41,679</b>	<b>44,801</b>	<b>46,457</b>



**Programme 4- ECONOMIC AFFAIRS****Key Government Objectives**

Ensuring a comprehensive policy and legislative framework

Enhanced participation of SMEs

Protect the consumer in Gauteng

Regulating business activity in Gauteng

To promote economic development in Gauteng, through the creation and facilitation of an enabling environment for increased job creation

**SUMMARY OF EXPENDITURE: PROGRAMME 4****EXPENDITURE AND ESTIMATES**

Sub-programmes	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual R'000	R'000	R'000	R'000
Consumer Affairs and Business Regulation	7,541	5,158	10,804	11,053	12,458	13,079
Economic Policy, Planning and Research	24,424	37,459	66,000	66,294	67,577	67,962
<b>Total for Programme 4</b>	<b>31,965</b>	<b>42,617</b>	<b>76,804</b>	<b>77,347</b>	<b>80,035</b>	<b>81,041</b>

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

GFS Classification	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees	4,672	5,339	9,191	8,287	9,033	9,846
Use of goods and services	3,415	4,560	8,168	11,025	12,936	13,097
Recurrent maintenance						
Property expenses	148	298	36	40	44	48
Consumption of fixed assets						
Subsidies	23,100	32,200	58,557	57,700	57,700	57,700
Grants						
Social benefits						
Transfers to local government						
Other expenses						
<b>Total Current</b>	<b>31,335</b>	<b>42,399</b>	<b>75,952</b>	<b>77,052</b>	<b>79,713</b>	<b>80,691</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>630</b>	<b>218</b>	<b>852</b>	<b>295</b>	<b>322</b>	<b>350</b>
Compensation of employees						
Use of goods and services						
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	630	218	852	295	322	350
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Other capital transfers						
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>630</b>	<b>218</b>	<b>852</b>	<b>295</b>	<b>322</b>	<b>350</b>
<b>Total GFS classification</b>	<b>31,965</b>	<b>42,617</b>	<b>76,804</b>	<b>77,347</b>	<b>80,035</b>	<b>81,041</b>

**Programme 5-BLUE IQ**
**7.1 Key Government Objectives**

Investment in key economic sectors to improve the competitiveness of the financial services (tourism), manufacturing (high-value added) and the 'smart' sectors of the economy to enable increased private sector investment that will lead to sustained economic growth and increased labour absorption

Ten specific economic zones and projects have been identified for attention. Each has its own strategy for enhancement of its attributes, that can attract investment, and each has its own approach to promotion of public and private investment. The zones have been selected for their strategic importance to the economy.

The zones that are being developed include:

**1. The City Deep Container Terminal**

City Deep is an important transport logistics centre in the province, allowing manufacturers easy and cost effective access to export markets by rail and road through the ports of Durban, Maputo and others. An industrial development zone has been identified in the area, which will provide manufacturers with direct access to container terminals and inter-modal freight transport services. Investment targets include the freight, transport and logistics industry, as well as manufacturers of transport sensitive products.

The following projects are listed for the medium term, namely:

- N17 / Vickers road interchange
- N3 north ramps and connection to Lower Germiston road
- N17 / Heidelberg road interchange
- Upgrade Heidelberg road
- East-west link south of railway (Rosherville road)
- East-west link north of railway (Rosherville road)
- Upgrade Vickers road

## **2. Johannesburg International Airport (JIA) and Surroundings**

JIA is the passenger and freight hub for Southern Africa. Linked by means of road and rail to the City Deep container terminals and to warehousing and cargo movement capacity in the vicinity, it sets the platform for international trade and investment. The airport, and an identified IDZ site will allow manufacturers of high-value, low-bulk goods access to international markets. Investment targets are in tourism, transport and freight, electronics and IT, perishables, and in aerospace and avionics.

- Programmed infrastructure and Timelines

The following projects are still in the initial design stage, namely:

- Access roads for IDZ area
- Elizabeth road / N12 interchange
- Upgrading of Atlas road (K157)
- K90/R21 interchange and link

## **3. The Alberton-Germiston Industrial Regeneration corridor**

This area currently hosts a high concentration of manufacturing enterprises, yet it has experienced poor levels of economic growth in the last decade. The establishment of a Manufacturing Advice Centre (on-stream in mid 2001) and infrastructure investments will help firms in the area retain jobs and compete in international markets through upgrading technology, improving productivity and re-investing in the business environment. Collaboration among firms and between business and government is seen as vital for regeneration of industry in the area.

The following projects are listed for the medium term, namely:

- Widening of Black Reef Road
- Widening of Grey avenue into Wadeville
- Upgrading of Garfield road in Alrode
- Ring road west extension (link to City Deep)

## **4. Rosslyn Auto cluster**

This initiative aims to further develop an already growing automotive sector by promoting collaboration between firms, promoting technology development and improving skills of the work force. An important focus will also be investment in the infrastructure and systems for efficient logistics in the automotive sector. The Automotive Industry Development Centre (AIDC) has been established to undertake a range of programmes targeted at the automotive industry. An infrastructure master plan for the area has been completed and is being assessed in terms of required infrastructural investment.

- Programmed infrastructure and Timelines

The AIDC company and its Advisory Board are currently busy with the process of determining the critical infrastructure necessary for success of the Rosslyn Auto cluster. This process is expected to be finalized by end March 2002, and there after design of infrastructure will commence. This infrastructure will include a supplier park with associated road construction and related infrastructure.

## **5. Newtown Cultural Precinct**

In Newtown, a dedicated implementation agency has been established to take the lead in building a vibrant cultural and creative industries hub to contribute towards the revitalisation of the Johannesburg CBD. Investment projects being promoted are in arts and crafts, jewellery, design, music, film and multi-media production. Besides promoting these investments the agency will concentrate on upgrading existing facilities, and improving the business environment. Four substantial infrastructure interventions are underway, including the construction of the Nelson Mandela bridge, connecting Braamfontein to Newtown and off-ramps to provide easier access from the highway. The Metro Market project, providing taxi ranking facilities and managed informal trading space has already commenced, and a programme of renovations to buildings in the precinct kicks off in February 2001. 5 housing projects in the areas, providing a mixed income range have been approved and area scheduled to commence construction in Quarter 2, 2001.

The following projects are listed for the medium term, namely:

- Renovations of buildings within the Newtown precinct
- Metro Market
- Nelson Mandela Bridge
- Carr Street Off and On ramps
- 5 housing developments

## **6. Innovation Hub**

In partnership with the CSIR and the University of Pretoria (UP), the provincial government aims to increase the “smart” sector’s contribution to GGP by new IT and electronics businesses. It aims to do this by supporting the skills and ideas of new, dynamic entrepreneurs. The project is located northeast of Pretoria near the CSIR and the university. Facilities will include sophisticated fibre optic / ISDN infrastructure, an entrepreneurial business support centre, educational support, and an “e-Incubator” with sophisticated research capacity. The Hub company has been established and delivery of the required infrastructure (buildings and bulk) is underway. Business programmes have been scoped and are currently being rolled out in areas such as incubation, tenant management, and industry education liaison.

- Programmed infrastructure and Timelines

Master planning for the site has been completed and the award for the construction is anticipated in the 3<sup>rd</sup> quarter of 2002 with an expected 20-month construction period

## **7. The Gautrain Rapid Rail Link**

A new rapid rail transport system is planned to serve Gauteng's major economic centres of Johannesburg, the Johannesburg International Airport and Pretoria. The area between the two cities, incorporating the Johannesburg International Airport, is by far the most rapidly growing development corridor in South Africa. The SDI Rail Link will assist not only in addressing the traffic congestion and transportation needs, but also to stimulate economic growth and employment creation. A planning and implementation study, including a feasibility evaluation was commenced with in the second quarter of 2000. The project has progressed well and two Cabinet Memoranda have already been submitted. In this year further financial evaluation will be undertaken and the technical planning will be refined for tender purposes. The tender process will also commenced during 2001.

## **8. The Cradle of Humankind**

The Cradle of Humankind World Heritage Site covers over 47000 hectares located in the north-western corner of Gauteng. It is an area that contains a complex of paleo-anthropological sites that have yielded valuable evidence of the origins of humankind. A detailed plan has been drawn up to promote public and private sector investment in a carefully worked out programme to promote environmental, cultural and ecological resource management and to

promote the tourism potential of the area. A master planning process covering land use, tourism and marketing, physical infrastructure, land access and security financing and an investment strategy is underway.

- Programmed infrastructure and Timelines

Master planning has been completed. The award of the contract to design, build and operate the Interpretation Centre will be awarded in the 2<sup>nd</sup> quarter of 2002 with a 24-month construction period. Other bulk infrastructure delivery is expected during 2002.

## **9. Dinokeng**

This initiative aims to establish a biosphere type reserve in the northeast quadrant of the province. The main objectives are to establish a reserve that can accommodate the 'Big Five' and to promote a local economy based on eco-tourism and wildlife. A feasibility study has been conducted and eight strategic interventions for implementation have been set in motion. The Provincial Department of Agriculture, Conservation and Environment are managing the project. The key interventions include land use planning and zoning, a Big 5 anchor project, a range of community-based projects, the establishment of an advisory centre, and investments in law enforcement and regulation. The private sector has already indicated a keen interest in the tourism potential of this project. A master planning process is underway.

- Programmed infrastructure and Timelines

A team of consultants has already been appointed to work and finalize master plan. This plan includes tourism information centres/gateways, Leeuwfontein and Roodeplaat development, Big Five Reserve infrastructure and Rust der Winter development, amongst other things.

## **10. Constitutional hill**

This project is a joint venture between with the department of Justice, Public Works, the Johannesburg Metropolitan council and the Gauteng Provincial Government to build the constitutional court and locate the constitutional commissions in the precinct. It will be located at the old Johannesburg Fort site. The project will be fully integrated into the surrounding areas and will promote access to the public to create a vibrant community oriented environment. Specific interventions include investing in roads and services, public space infrastructure, the conversion of the women's prison to commissions office, rehabilitation the of recreational grounds, including the provision of sports facilities and refurbishment of the Governor's residence as public space. Further phasing will release land parcels for the development of a commercial and housing precinct. A company has been formed as to implement the projects, and construction has begun in quarter 4, 2001 with completion scheduled for quarter 3, 2003.

## **11. Kliptown**

To develop Kliptown into a major national heritage site and a tourist destination

**Summary of Expenditure: Programme 5**

**EXPENDITURE AND ESTIMATES**

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
Sub-programmes	R'000	R'000	Actual	R'000	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000
Blue IQ Management	19,404	49,409	47,479	55,727	49,821	48,149
Blue IQ Management Office	19,404	3,479	47,479	4,008	4,840	5,099
Communication & Public relations		28,041		43,719	38,981	39,050
Professional advisory services		17,889		8,000	6,000	4,000
<b>Projects</b>	<b>133,362</b>	<b>324,456</b>	<b>572,809</b>	<b>1,415,637</b>	<b>1,607,637</b>	<b>2,832,310</b>
JIA economic zone & IDZ		7,040	35,487	85,750	69,419	39,045
City Deep Transport Logistics Hub		6,619	4,150	32,345	19,193	
Gauteng Auto cluster		22,386	116,212	110,243	41,787	10,000
Innovation hub			60,605	64,246	87,813	80,019
Wadeville/Alrode Industrial Corridor		18,405	10,170	33,900	14,038	
Newtown Precinct economic zone		155,289	68,943	28,999	10,907	
Constitutional Hill		51,224	43,400	117,092	113,548	60,000
Cradle of Humankind WHS		7,590	88,747	150,969	47,705	45,669
Dinokeng		7,132	8,319	39,116	33,000	26,830
Gautrain rapid rail link		29,680	100,906	659,000	1,094,000	2,492,000
Kliptown		19,089	35,868	93,977	76,227	78,747
<b>Total for Programme 5</b>	<b>152,766</b>	<b>373,865</b>	<b>620,288</b>	<b>1,471,364</b>	<b>1,657,458</b>	<b>2,880,459</b>

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

GFS Classification	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
	R'000	R'000	Actual	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees		1,824	1,335	3,460	4,247	4,469
Use of goods and services	19,181	102,253	38,818	51,919	45,201	43,290
Recurrent maintenance						
Property expenses						
Consumption of fixed assets						
Subsidies						
Grants						
Social benefits						
Transfers to local government						
Other expenses						
<b>Total Current</b>	<b>19,181</b>	<b>104,077</b>	<b>40,153</b>	<b>55,379</b>	<b>49,448</b>	<b>47,759</b>
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>	<b>133,585</b>	<b>269,788</b>	<b>580,135</b>	<b>1,415,985</b>	<b>1,608,010</b>	<b>2,832,700</b>
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment	223	93	326	348	373	390
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Local government			264,386	24,900	14,038	
Local government agencies				256,863	217,875	138,747
Provincial entities				277,835	152,124	111,544
Provincial public entities				174,489	129,600	90,019
Other capital transfers	133,362	269,695	315,423	681,550	1,094,000	2,492,000
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>	<b>133,585</b>	<b>269,788</b>	<b>580,135</b>	<b>1,415,985</b>	<b>1,608,010</b>	<b>2,832,700</b>
<b>Total GFS classification</b>	<b>152,766</b>	<b>373,865</b>	<b>620,288</b>	<b>1,471,364</b>	<b>1,657,458</b>	<b>2,880,459</b>

**Programme 6 –CORPORATE IT**
**8.1 Key Government Objectives**

- To render information management and information technology advisory and support to GPG.
- To establish ,maintain and upgrade wide area and local area networks and computer telephony.
- To provide information management, systems development and implementation services.
- To provide architecture a-d standards and to do research,
- To render transversal administrative services to the chief directorate informatics.
- To provide a comprehensive legal services to GPG.

**Summary of Expenditure: Programme 6**

**EXPENDITURE AND ESTIMATES**

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
Sub-programmes			Actual			
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate IT		98,335				
Enterprise Networks			66,445			
System Development			2,502			
Fin.& Administration Informatics			3,065			
Architect, Standard and Research			88,684			
Legal Advice			195			
<b>Total for Programmes 6</b>		<b>98,335</b>	<b>160,891</b>			

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Audited	Audited	Estimated	Budget	MTEF	MTEF
GFS Classification			Actual			
	R'000	R'000	R'000	R'000	R'000	R'000
<b>CURRENT</b>						
Compensation of employees		3,776	9,118			
Use of goods and services		83,997	84,151			
Recurrent maintenance						
Property expenses		1,030				
Consumption of fixed assets						
Subsidies						
Grants						
Social benefits						
Transfers to local government						
Other expenses						
<b>Total Current</b>		<b>88,803</b>	<b>93,269</b>			
<b>CAPITAL</b>						
<b>NEW CAPITAL WORKS</b>		<b>9,532</b>	<b>67,622</b>			
Compensation of employees						
Use of goods and services						
<b>Non financial assets</b>						
Buildings and structures						
Machinery and equipment		9,532	67,622			
<b>Other assets</b>						
Work in progress						
<b>Capital transfers to:</b>						
Other capital transfers						
<b>Non produced assets</b>						
Other capital transfers						
<b>Financial assets</b>						
<b>Total Capital</b>		<b>9,532</b>	<b>29,641</b>			
<b>Total GFS classification</b>		<b>98,335</b>	<b>160,891</b>			



## DEPARTMENTAL OUTPUTS

### PROGRAMME 2 –Support Service Communication Strategy

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Improve the quality of service of the department	Conduct of a survey on departmental services	Quality survey	1	1	1	60%	Independent consultants  Independent consultants
	Develop an effective communication strategy	Timeliness & Quality	80%	90%	95%		
	Professional support to the MEC and Department	Timeliness & Quality	80%	90%	95%		

### Human Resources

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Sound labour relations (Enhance the performer and employer)  DFEA employer of choice Capacity building	Policy development and implementation	Quality	1	1	1	80%	Independent consultants
			80%	90%	95%		
Implementation of EAP	Recruitment and selection	% Of compliance	1	1	1	80%	National policy
	Optimum skills in the department Training of employees	Number of Skilled employees	1	1	1		
	Policy development and implementation	Timeliness & Quality					

## Financial Management

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Increased SME support	Procurement of 50% of goods & services from SMEs (excluding BLUE IQ)	% Of compliance	90%	98%	99%	60% of procurement done by the department	Procurement reports
	Co ordination of Budget input	Timeliness 31 July	100%	100%	100%	Treasury prescribed templates	Management report Treasury templates Financial management reports
	Co ordination of Strategic Plan Input	Timeliness July 31	100%	100%	100%	Treasury prescribed templates	Management report Treasury templates Financial management reports
	Compilation of annual financial statements and financial input to annual report	Timeliness 31 May	100%	100%	100%	Treasury prescribed templates	Financial management reports Treasury guidelines
Unqualified audit report	Improved internal control processes  Progressing Implementation of PFMA plans  Involvement of Audit Committees and Internal Audit	Progressive reduction of Audit queries, standing committee queries	80%	90%	100%	Limited time spent by AG in the department  Limited queries on management letter  Improved Auditor General relationship	Financial management report  Auditor General reports Internal Audit and Audit Committee reports

**Informatics Technology:**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Monitoring network to minimize down times	Upgrading of networks	Timelines connectivity	80%	90%	99%	Within 31 days	
Server upgrades and implementation	Major works and general repairs	Timelines	80%	90%	99%	Within 30 days	
Guidance and support on systems	Implementation of directorate specific systems (Vulindlela projects)	Timeliness	80%	90%	99%	Within 30 Days	
Improved system usage (E-mails and Internet)	Policy documents	Quality	1	1	1	80%	

**Financial Administration**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Sound public finances	Close books and provide assistance to departments in compiling financial statements within 90 days	Timeliness	1	1	1	95	PFMA
	Monthly closure of books within 10 days of the month	Timeliness	1	1	1	10	PFMA

**PROGRAMME 3– PROVINCIAL TREASURY**

**Budget Office:**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Sound public finances	Ratio of current expenditure to budget	%	95%	98%	98%	Allowable over/under spend is 5% of the Expenditure	PFMA
	Ratio of capital expenditure to budget	%	85%	90%	95%	Allowable over/under spend is 5% of the Expenditure	PFMA
	Ratio of actual collection to budget (Revenue)	%	100%	100%	100%	Maximizing of revenue collection	Revenue bill

**Finance and Cash Management**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Consolidated Financial Statements	Submission of Consolidated Financial Statements to the AG	Timeliness & Quality	1	1	1	On the 30 June of every financial year	PFMA
	Compile the provincial quarterly consolidated financial management progress report	Timeliness & Quality	4	4	4	Within 20 days of the end of quarter	PFMA

**Procurement**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Increased participation of BEEs and SMEs in provincial procurement	% Contracts awarded to BEEs and SMEs	% Of contracts awarded	20%	25%	30%	20%	Procurement annual report

**PROGRAMME 4– ECONOMIC AFFAIRS**

**Consumer Affairs**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Increased economic activity	Process all liquor license applications on time.	Timeliness	Within 45 days	Within 45 days	Within 45 days	Within 45 days of receipt of application	Internal audit reports
	Process and resolve all liquor license disputes on time	Timeliness	Within 90 days	Within 90 days	Within 90 days	Maximum 90 days	Audit of licence disputes received
Increased levels of consumer protection	Conduct trade inspections for compliance with business regulation	Number per month	200	250	300	Resolved within 365 days	Internal audit report
	Resolve all consumer complaints received	Number of disputes resolved	300	325	350	95%	Audit of complaints received
	Conduct consumer education awareness programs	Number of consumer campaigns  Implementation of school consumer education curriculum	120 campaigns per annum  All grade seven learners	130  All grade eight learners	140  All grade nine learners	Increase in number of complains lodged with the office  100% of learners	Audit of complaints received  Learners reports

**Economic Policy, Planning and Research**

Outcome	Description of Outputs	Unit of Measure	Output Targets			Standard	Source of data
			03/04	04/05	05/06		
Growth in Provincial Economy	Increased investment to facilitate job creation	Amount earned	R510 m	R1.5b	R1.5b	3,5%	TISA/ GEDA, Trade and industry strategy
Decreased unemployment	Facilitate Job creation through investments generated	Number of jobs created/annum	3,500	4,000	4,500	95%	StatsSA
Increased revenue collection	Collect all gambling tax revenue due to the Province.	Revenue collected/annum	R294 m	R310 m	R320 m	98%	GGB
Growth in the provincial tourism industry	Promote Gauteng as a business tourist destination	Number of tourists visiting Gauteng	1.1 m	1.2 m	1.2 m	98%	ACSA

**Personnel table 7.5.9.1**

Programme	At 31 March 2004		At 31 March 2005		At 31 March 2006	
	R' 000	FTE	R' 000	FTE	R' 000	FTE
1.Management	1,781	6	1,942	6	2,117	6
2.Support Services	31,682	229	33,109	343	35,014	343
3.Treasury	9,005	56	9,416	56	10,263	56
4.Economic Affairs	8,287	46	9,033	46	9,846	46
5.Blue IQ	3,460	15	4,247	17	4,469	171
	54,215	352	57,747	468	61,709	468

The number of personnel is constant through out the MTEF. However only 352 posts will be filled. Two units will be migrating to the GSSC, namely Financial Administration and Procurement units. This migration will result in the reduction of personnel numbers in DFEA.