

# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

To be appropriated by vote in 2016/17	R1 331 638 000
Responsible MEC	MEC for Economic Development
Administering Department	Department of Economic Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

#### Mission

The mission of the Department of Economic Development in quest of its vision is to:

- Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy;
- Provide an enabling policy and legislative environment for equitable economic growth and development;
- Develop and implement programmes and projects that will:
  - Revitalise Gauteng's township economies;
  - Build new smart, green, knowledge-based economy and industries;
  - Ensure decent employment and inclusion in key economic sectors;
  - Facilitate radical economic transformation, modernisation and re-industrialisation;
  - Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities;
  - and
  - Establish appropriate partnerships for delivery and ensure the DED effectively delivers on its mandate.

#### Strategic Goals

The strategic outcome oriented goals of the DED stem from its mandate, vision and mission. As stated above, the mandate, vision and mission are informed by the national and provincial political and socio-economic imperatives contained in key documents such as the National Development Plan (NDP) and Medium Term Strategic Framework (MTSF), Gauteng Vision 2055 (G2055), the 2016 State of the Nation Address (SONA) and Gauteng's State of the Province Address (SOPA).

The three strategic outcome oriented goals of the DED are:

- Advancing radical economic transformation;
- Facilitating re-industrialisation; and
- Capacitating the department for delivery and Implementation.

#### Main services

The key cross-cutting principles and outcomes that will underpin the programmes and projects of all the three objectives are:

- Promoting smart and green industrial and socio-economic development;
- Creating decent work and reducing levels of unemployment;
- Contributing to an increase in Gross Domestic Product (GDP);
- Making the economy inclusive (reversing monopoly capital's domination);
- Applying smart and green technology and processes;
- Mainstreaming the participation of the marginalised sectors of women, youth and persons with disabilities;
- Developing an appropriately skilled labour force and private sector (SMME's, co-operatives and emerging businesses) to meet and grow the economy and work in the key sectors; and
- Ensuring environmental sustainability.

### The National Development Plan

The NDP offers a long-term perspective as it defines a desired destination and the role each sector needs to play. The department will amongst others contribute towards Vision 2030 of the NDP of creating 11 million jobs through:

- Increasing exports;
- Investing in infrastructure to facilitate economic activity that is conducive to growth and job creation;
- Lowering the cost of doing business;
- Matching unemployed people to jobs;
- Providing a tax subsidy to businesses to reduce the cost of hiring people;
- Rewarding the setting up of new businesses including partnering with companies;
- Reducing the cost of living for low income and working class households;
- Reducing the cost of regulatory compliance, especially for small and medium sized firms;
- Supporting small business through better coordination of relevant agencies, development finance institutions and public and private incubators; and
- Building an expanded skills base through better education and vocational training.

### Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR)

The Gauteng Provincial Government (GPG) has adopted a 10 pillar programme to ensure radical socio-economic transformation of Gauteng. The mandate of the DED accounts for seven of these:

- Pillar 1: Radical economic transformation;
- Pillar 2: Decisive spatial transformation;
- Pillar 4: Transformation of the state and governance;
- Pillar 5: Modernisation of the public service;
- Pillar 6: Modernisation of the economy;
- Pillar 9: Re-industrialisation of Gauteng province; and
- Pillar 10: Taking the lead in Africa's new industrial revolution.

DED is committed to acting decisively and boldly to increase investment in the real economy and infrastructure, stimulate faster levels of inclusive growth, speed up social development, substantially reduce poverty and unemployment and place the economy on a qualitatively different growth path. Radical economic transformation and modernisation and re-industrialisation will underpin all DED's programmes and projects such as:

- Making Gauteng an integrated city-region;
- Transforming the state and governance;
- Modernising the economy;
- Re-industrialising Gauteng province;
- Taking the lead in Africa's new industrial revolution;
- Smart and green industrial and economic development;
- Strengthening economic trade and partnerships with African and BRICS countries;
- Addressing major structural problems by investing in skills, research, innovation, economic infrastructure;
- Supporting township enterprises, co-operatives and SMME's that meet township needs: government to provide training, funding, markets and economic infrastructure for goods produced;
- Bringing SMME's and township entrepreneurs into the key sectors of finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate;
- Promoting new industries e.g. mining beneficiation and agro-processing ;
- Linking with the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) to revitalise the township economy and infrastructure; and
- Investing in the renewal of townships.

### Acts, rules and regulations

- Municipal Finance Management Act (MFMA), 2003;
- Gauteng Liquor Act, 2003;
- National Protected Areas Act, 2003;
- Blue IQ Investment Holding Act, 2003;
- Gauteng Tourism Act, 2001;
- Promotion of Access to Information Act, 2000;
- Administration of Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Municipality Systems Act, 2000;
- Gauteng Gambling Act, 1995, 1996, 2001;
- World Heritage Convention Act, 1999;
- Public Finance Management Act (PFMA), 1999;

- Skills Development Act, 1998;
- Employment Equity Act, 1998;
- Convention Concerning the Protection of the World Cultural and Natural Heritage (adopted 1997);
- Intergovernmental Fiscal Relations Act, 1997;
- Gauteng Unfair Business Practices Act, 1996;
- Sale and Service Matters Amendment Act, 1995;
- Public Service Act, 1994;
- Business Act, 1991;
- Credit Agreements Act, 1980; and
- 2009-2014 Electoral Manifesto and MTSF

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

The department has made contribution towards the achievement and the realisation of the TMR programme with particular emphasis to the priorities relevant to GDED. By virtue of its mandate, the department subscribes to the provincial priority areas through programmes outlined below which entails the review of the current year and the outlook for the upcoming financial year.

### PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

#### Output: Re-Industrialisation to Support the Growth of Labour Intensive Industries

##### Automotive Industry Development Centre (AIDC)

The AIDC manages the Automotive Supplier Park (ASP), an automotive hub based in Rosslyn, housing various automotive component manufacturers, suppliers, and service providers to original equipment manufacturers (OEMs). It was established as a government support centre to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.

##### Low Carbon Economy Learnership Programme

The Low Carbon Economy Learnership Programme was designed for unemployed and business-minded graduates. The programme focuses on New Venture Creation (NQF Level 4) in the Green Economy Sector. The programme includes a combination of academic and practical skills training by experienced business mentors and leadership coaches. The programme also includes business management, administration, emotional Intelligence and leadership coaching. The programme has recruited a total number of 20 unemployed youth. Various learners have completed their theoretical training including the final summative assessment. Learners have been placed in different companies for workplace exposure until March 2016.

##### Coach-lab

The Coach-lab is a Post-Graduate Leadership and Business skills Development Programme aimed at instilling business principles, the value of innovative and entrepreneurial thinking amongst the participating youth through mentorship by programme partners.

The Coach-Lab programme has appointed a total number of 29 new students, comprising of students in the Coach-Lab@Hub, 10 in the Coach-Lab@JCSE and 10 in the Coach-Lab@Vaal programme. The students have gone through an induction programme and are currently receiving training and personal coaching. The Innovation Hub (TIH) Internship programme has recruited 7 unemployed.

The graduation ceremony for the 2014/2015 Coach-Lab participants was held on 29 April 2015 and students received certificates for successful completion of the programme. From the 36 students that graduated, 31 have secured employment and the remaining 5 are completing postgraduate qualification whilst seeking employment.

To date the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA) approved funding for 110 students. A total of 62 unemployed ICT and Media graduates have been recruited to participate in the programme.

##### Nissan Incubation Centre

The Automotive Incubation Centre is aimed at establishing and nurturing small and medium sized enterprises that can supply components to Nissan South Africa's production line, while receiving training on meeting international standards for automotive parts and components. The demolition works and earthworks have been completed. The building construction contract was awarded and work officially commenced in September 2015.

The anticipated completion schedule is July 2016 and operations in 2017. A total number of 4 BBBEE Incubates (engineers) for supplier development was recorded through Nissan Total Harmonious Nissan Kaizens programme. The programme in partnership with Japan and RSA intends to bolster the competitiveness of local auto industry.

#### **Winterveldt Enterprise Hub**

The Winterveldt Enterprise Hub plays a pivotal role in upskilling artisans and supporting the growth of automotive SMMEs in the Winterveldt region. The Winterveldt Enterprise Hub is operating relatively well. To date, a total number of 4 vehicles have been processed through the hub. There are presently 5 SMMEs operating from the Hub, with a total of 11 registered with the Hub.

Improved relations with Emergency Management Services (EMS) resulted in 12 ambulances being booked in for repairs. There are presently 5 SMMEs operating from the Hub, with a total of 10 registered. During the 3rd quarter, 11 vehicles were processed through the hub of which 3 were EMS vehicles.

#### **M-LAB**

The M-Lab is an initiative to support mobile application developers from concept development to the prototype testing stage. It also serves as a feeder programme into the Maxum Business Incubator pipeline. The programme has recruited 5 new mobile application developers. M-lab continued its focus on business development activities with the aim of attracting new talent and potential partners to its programme. These activities took the form of owned or sponsored events and trainings in the form of Hackathons, pitching events, workshops and technical trainings.

The M-lab also focused on the application development with the aim of finalizing the minimal viable products (apps) for further commercialisation before end of March 2016.

The mini-SASS app was officially launched at the Water Research Commission Research Development and Innovation Symposium and Water-Tech Summit. This is the first commercialised high impact solution to come out of the Code-Tribe Academy. Solutions were also presented to the Agricultural Research Council for commercialisation. M-Lab continued to build awareness for youth by hosting lectures at local universities including collaborations with CSIR and DST. The programme also continued to support Geekulcha activities in Kimberley with the aim of establishing M-Lab in the Northern Cape.

#### **Gauteng Accelerator Programme (GAP)**

The GAP is the innovation competition for Gauteng-based researchers and entrepreneurs with plans to be global leaders in the Green, Medical, ICT and Biotech sectors. The competition is aimed at identifying top local innovators and entrepreneurs looking to take their prototypes and late stage research and development (R&D) to market. The GAP Biosciences Business basics workshop took place on the 21<sup>st</sup> -22<sup>nd</sup> May 2015 by 45 people. A total number of 7 Gauteng-based researchers and entrepreneurs were awarded with the GAP Bioscience and GAP Medical. The programme also identified 12 technologies in ICT field for incubation. A total number of 2 companies have been contracted for incubation namely Commutax and m-Health studio. The remaining companies are still receiving coaching and mentoring and are in progress to sign incubation contracts.

#### **Efficiency Programme**

The efficiency programme's objective is to improve the competitiveness of SMME's in the Gauteng automotive component industry and other manufacturing industries. The programme aims to address key issues around quality, cost reduction, productivity improvement and manufacturing/supply stability. A total number of 22 companies were signed into the efficiency programme. Various interventions are planned to be undertaken with various automotive component manufacturers.

The AIDCs Strategic Enterprise Development Department (SEDD) collaborated with the Department of Trade and Industry and applied to the Government of Japan, through JICA (Japan International Cooperation Agency), to enlist experts to support the Automotive Industry competitiveness in South Africa. The JICA experts were approved by the Embassy of Japan this year and first expert Mr. Hayashi started in May 2015 hosted at AIDC ASP for a period of 2 years entailing over 8 visits of 4 weeks each.

#### **Ford SMME Project**

The FORD SMME Project is an Incubation Programme at the Incubation Centre located at Ford Motor Company of Southern Africa plant in Silverton. Broad Based Black Economic Empowerment (BBBEE) entrepreneurs are supported to hone their skills whilst supplying components directly to the Original Equipment Manufacture's (OEM) production line. Production at the Incubation Centre at Ford remains on-going. One incubates formally graduated in September 2015 with another given notice to graduate at the end of the financial year upon securing viable business opportunities for them. The process of identifying and recruiting the replacement of incubates has commenced. Exit strategy sessions were scheduled monthly for 3 business owners and meetings have been taking place with various stakeholders such as Ford and Tier 1's opportunities for the incubates.

## **Output: Gauteng Township Economy Revitalization**

### **Gauteng Enterprise Propeller (GEP)**

GEP supported township enterprises through, amongst others, the Incubation model, Mentoring Coaching, Skills Development Training, Investment Management, Community Fund, Business Development Support and Township Business Renewal programmes. GEP implemented the Catch-Up Plans developed to address deviations arising from the second quarter non-achievements largely due to moratorium placed on new applications and review of existing products in August and September 2015.

The expeditious processing of applications was achieved without the deployment of additional human resources while the approval of applications was achieved due to the timeous scheduling of various Committee meetings. In this regard, 49 existing SMMEs and 97 new SMMEs were supported financially. Similarly, the targets for existing and new Cooperatives supported non-financially were overachieved. A total number of existing Cooperatives supported non-financially was 177 and 153 new Cooperatives benefited from non-financial support. A total of 1 187 SMMEs were supported against the targeted 540. The efficiency of the Transnet Enterprise Hub and applications sourced during the “Qondis’ishishini lakho” campaigns, contributed to the support provided to 1 046 informal businesses.

## **Output: Trade and investment promotion**

### **Foreign Direct Investment**

One Foreign Direct Investment (FDI) project was successfully facilitated. A Chinese company has invested in the establishment of a warehouse and showroom facilities for their mesh and fence products. The total investment of this project amounts to R3 million and resulted in 18 permanent and 20 temporary jobs being realised. GGDA assisted the company to identify suitable premises and with securing a business permit for its director.

### **Domestic Direct Investment**

One (1) new DDI investment was concluded. An investment DDI company has invested an amount of R384 million from 2014 for a private hospital in Modderfontein.

### **Trade Facilitation**

A total number of 11 trade deals to the value of R174 million were recorded for quarter 2. The deals by 8 companies were exports to India, Brazil, China, Russia, Taiwan and Zimbabwe. The value of trade deals facilitated in quarter 3 amounted to R177 million derived from six (6) trade deals. A total of 3 companies (QK meats, Protectall and Urban Econ) exported deals to the United Kingdom (UK), Zambia and Democratic Republic of Congo (DRC). A further 3 smaller export orders were secured by township enterprises that were supported to participate in the Ethnique Hair and Beauty show, amounting to R24 000 from sample orders taken by buyers from Zambia and Tanzania.

### **Gauteng Tourism Authority (GTA)**

The tourism industry continued to make a mark in the economic activities. A total number of 26 tourism nodes were promoted. The promotional work takes the form of ranging from media familiarisation tours including the African Union media, to using popular events such as the Delicious International Music and Food Festival, Top Gear as well as rigorous online promotions through blogs and Tourism Indaba. Townships such as Daveyton, Mamelodi, Alexandra and Soweto benefited into these interventions.

The temporary exhibition space at Maropeng was created. The first phase planned at relocating the office space to a mezzanine level within the Tumulus Building and the second phase involved creating the temporary exhibition in the current space occupied by the offices. Due to administrative demands, there have been delays in relocating the offices and therefore delays in construction on the temporary exhibition were experienced.

Among the key successes for the period under review was the 14 Business (MICE) meetings hosted within the province. A total of 10 signature events were hosted. The hosting of these events has translated to the rand value of economic benefit of R477 million.

The unveiling of Homo Naledi fossils provided an unprecedented global marketing opportunity, which was, leveraged on virtually all media platforms domestically and globally promoting destination Gauteng. Significant to the future infrastructure developments at Maropeng, the National Department of Tourism has provided financial support for the realisation of this project.

The agency managed to complete 1 pilot for green tourism initiatives and tourism experience development work in 10 township clusters. The tourism experience development work is part of the township tourism flagship project and the initial phase included clusters in Soweto, Alexander, Mamelodi and Fordsburg.

### **Gambling and Betting**

The Gauteng Gambling Board (GGB) is a statutory body established in terms of section 3 of the Gauteng Gambling Act, No 4 of 1995 as amended. The Agency strives to regulate the industry in a transparent, fair, equitable and competent manner for the benefit of all stakeholders.

Responsible gambling awareness sessions were held aimed at educating the public on the dangers associated with gambling reached a total of 64 331 beneficiaries through 5 awareness programmes conducted. The agency also conducted 40 compliance audits and 172 inspections. Furthermore, the agency raided 15 illegal gambling outlets and confiscated 30 illegal gambling devices in the process. The rand value of economic benefit generated from business and signature events was R162 million against a target of R210 million which was partially achieved at 77 per cent.

### **Broad Based Black Economic Empowerment (B-BBEE)**

To ensure effective regulation and monitoring of the implementation of the GPG BBBEE Strategy, a total number of 7 B-BBEE Economic Opportunities Roadshows/workshops were conducted with suppliers in different databases (Public, Private and Civil Society stakeholders) in the Province. The demand for presentations that highlight economic opportunities that are presented by Local Content compliance in designated sectors and BBBEE Revised Codes of Good Practice attributed to the achievement of the set target.

The Gauteng Provincial Government (GPG) has achieved 90.5 per cent against the target of 80 per cent for the Historically Disadvantaged Individuals (HDIs). The GPG has met HDIs and Youth spends targets by 90.5 per cent and 10.7 per cent respectively. Women and PWDs spend targets were not met during the third quarter of the current financial year. The realisation of 5 per cent PWDs target still persists to be a challenge.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

### **PILLAR 1: RADICAL ECONOMIC TRANSFORMATION**

#### **Output: SMME and Cooperation Support**

##### **Gauteng Enterprise Propeller**

The agency will continue providing both financial and non-financial support services to SMMEs and cooperatives into the economic mainstream sectors. In order to revitalise and modernise the township economies reflecting radical transformation and reindustrialisation of Gauteng economy, the agency will provide support to total number of 25 small businesses in the industrial parks through Business Development Support (BDS) Interventions.

Through the implementing agencies, the Department will shift the township economies from becoming consumers of the first economy into productive centers of the economy, including providing training, handholding, creating manufacturing and productive skills to support the Gauteng economy. The Department will strive to ensure that SMME's, businesses and Co-op support yield GPG's development outcomes of creating decent work, changing the patterns of ownership and meaningful involvement of women, youth and persons with disabilities in the entrepreneurial landscape. A total number of 100 Township Businesses will be supported through the Township Business Renewal programme. The agency will also assist a total number of 750 SMMEs through Business Development Support (BDS) Interventions including 500 cooperatives in the prioritised areas. A total number of 100 cooperatives are anticipated to be funded through the Cooperative Assistance Programme (CAP).

##### **Trade and Investment Promotion**

The Department will focus on the implementation of the Trade and Investment Strategy as part of Re-industrialisation of the Gauteng Economy. The implementation of this programme will go a long way in improving and positioning Gauteng as a strategic trade partner within the African continent while partnering with strategic partners such as foreign missions and business chambers to access trade markets. As part of driving and participating within the knowledge economy, The Innovation Hub Management Company (TIHMC), will consolidate and align some of its initiatives, with the innovation competitions now falling under the Gauteng Accelerator Programme (GAP) brand. The introduction of EkasiLab programmes by the TIHMC as a response to the Township Economy Revitalisation (TER) strategy remains a key on our agenda.

Guided by the insights gained from the comprehensive township tourism research project which revealed that market access remains one of the most critical challenges confronting small businesses and in particular township-based tourism businesses, the Gauteng Tourism Authority (GTA) will facilitate market access programmes aimed at promoting destination platforms in Africa and BRICS at large. The Department anticipates in hosting 50 business and 6 signature events respectively in Gauteng. In order to benchmark tourism experiences, GTA actively participates in global bodies such as the Destination Marketing Association International (DMAI) and the United World Tourism Organisation (UNWTO) through its affiliate membership. The agency will embark on delivering the following:

- Provision of a wide-range of world-class, customer –focused and vibrant visitor experiences located throughout the province;
- Destination of choice for global, regional, national and local events;
- Offering a safe and secure destination for visitors; and
- Providing a world-class infrastructure that supports the tourism industry as well as frameworks to guide investment and operations in the sector.

### **Regulated Gambling and Betting Industry**

Through Gauteng Gambling Board (GGB), the Department will continue to regulate the gambling industry. Gambling taxes and licenses fees are a significant source of revenue for the Gauteng Province where tax revenue is used to provide essential public services such as policing, schools and to improve civic standards of living. The Gambling industry improves local economies used to build infrastructure related project. The 2014 National Gambling Board annual research bulletin declared that the Gambling industry contributed 11 billion to the GDP of SA. The agency participates in both national and international forums such as Internal Association of Gambling Regulators and Global Gaming Expo in order to be informed about the international gambling environment. The agency continues to implement programmes aimed at preventing, mitigating the risks and dangers associated with gambling activities.

## **PILLAR 6: MODERNISATION OF THE ECONOMY**

### **Output: Strategic economic infrastructure stimulating employment-led economic growth and development**

A number of major industrial development and infrastructure investment initiatives are currently underway namely:

#### **Automotive Incubation Centre at Nissan SA**

The Automotive Industry Development Centre (AIDC) will implement various interventions that are directly supporting the Government's 'integrated approach to SMME and co-operative development' programme, especially creating new (start-up) Black entrants into the automotive manufacturing sector.

On the Northern corridor, the Automotive Industry Development Centre (AIDC), through the Gauteng Automotive Learning Centre and the Nissan Simulator will continue to facilitate the training of people to be employed or become entrepreneurs in the automotive industry. The construction of the mini factory phase 2 will be completed during the financial year. The first tenant of the mini factory phase 2 will take occupation of the facility by September 2016.

Gauteng Growth Development Agency (GGDA) through the AIDC's Automotive Incubation Centre will continue to do work on the Northern corridor. At Ford in Silverton, mentoring and training Black Economic Empowerment SMMEs in the auto sector continue as planned. The first of the incubatees graduated out of 'incubation' in September last year. Two more incubatees will graduate during the course of the next financial year. They will be replaced by new incubates who will undergo the same process from the "hand-holding" phase right through to being independent operators of their own business.

The Gauteng Investment Centre (GIC) has been successful in drawing the attention of the various foreign agencies and embassies, that seek to work closely with the centre especially to create access for businesses originating from their countries keen on doing business in the province. With the growth and success of the CoachLab programme in recent years, there is potential to use the CoachLab skills and leadership training model in collaboration with relevant industries, university partners and Skills Education Training Authority's (SETA) as the basis of a variety of skills development initiatives across all priority sectors, thereby contributing to solving the country's skills deficit.

In the previous financial year, The Innovation Hub Management Company (TIHMC) introduced eKasiLab programmes aligned to Township Economy Revitalisation (TER) mandate. These programmes were successfully launched in Garankuwa and Soweto. The Automotive Industry Development Centre (AIDC) will focus on the automotive and allied sector with particular emphasis on providing facilitation and assistance to the Tier 1, 2 and 3 suppliers. The AIDC will be expanded over the next five years to include allied auto sector activities with regard to further growth anticipated in the local production.

#### **Jewellery Manufacturing Precinct (JMP) bulk infrastructure at Airport City Industrial Development Zone (IDZ)**

The Gauteng IDZ has conceptualised and is planning for the establishment of a Jewellery Manufacturing Precinct (flagship project) on land identified for such purposes within the ORTIA Precinct. The construction of phase 2 of the JMP bulk infrastructure at Airport City IDZ will include bulk infrastructure namely bulk services, water reticulation, storm water, electrical installations and sewage pipes.

#### **Biosciences Park Facility**

The focus of the project is to construct the Biotech Park building on Land Parcel 12 starting with bulk underground services to top structure in line with tenants requirements. The construction of phase 2 of the Biosciences Park Facility at the Innovation Hub will be constructed will include the following:

- Establishment of earthworks and foundations;
- Brickwork and roofing; and
- Internal finishings.

**Output: Building an innovation and knowledge-based economy to drive competitiveness and economic growth**

The Innovation Hub will continue to do its work and programmes on the Northern Corridor. As part of revitalising the township economy, encouraging innovation, the commercialisation of ideas and driving the competitiveness of our economy. The target aims to ensure that by the end of the next financial year, there will be at least one eKasiLab Innovation Centre in each of the five development corridors. The Innovation Hub has trained over 75 township entrepreneurs through Start-up Weekends and Bootcamps run in conjunction with eKasiLabs Innovation Centres in Alexandra, Katlehong, Soweto, Sedibeng and Tshwane. This year, the Hub will expand its Start-up Weekends and Bootcamps to train at least 100 entrepreneurs in all our five development corridors.

**Output: Green economy interventions to support sustainable economic growth and interventions**

The Green Economy refers to two interlinked developmental outcomes for the South African economy:

- Growing economic activity (which leads to investment, jobs and competitiveness) in the green industry sector; and
- A shift in the economy as a whole towards cleaner industries and sectors with a low environmental impact compared to its socio-economic impact.

A total number of 30 green companies will form part of the incubation programme at the Climate Innovation Centre (CIC). Through this programme companies will be able to profitably develop, commercialize, scale-up their innovative clean technology ideas, concepts, creating jobs, accelerating a greener and more inclusive economic development in the process.

## 4. REPRIORITISATION

The department will continue to implement cost-cutting measures and re-direct funds to essential services to ensure that non-negotiable line items are adequately funded. The implementation of approved strategies critically informs the reprioritisation of the budget and projects (e.g. the shift in the management of the operations of the Hotel school from GTA to DED head office; the funding of the TIH Bioscience Park, ICT PMO SEZ and the rental of mobile buses for the outreach projects for the entire DED group. These projects are linked to the TER and have necessitated the reprioritization of the budget. The department examined the budget proposals from both its public entities and internal programmes in order to strengthen alignment with its mandate. Several budget proposals from public entities were declined and some were realigned and reprioritised. The budget reprioritisation exercise identified savings within the existing committed expenditure envelope and assigned funds to emerging priorities inter alia the tenant installation cost, enhancement of the business intelligence system as well as in the areas of enterprise development, job creation and targeted sector development. Stringent cost cutting measures were implemented and the department reduced internal costs through centralisation of common expenditure such as stationery, computer consumables, catering etc. This reprioritisation will necessitate an efficient use of resources while on the other hand ensuring that service delivery targets are achieved.

## 5. PROCUREMENT

The department has made strides in terms of improving its supply chain management practices, and drafts an annual procurement plan on the basis of the approved business plan from programmes. Contract are awarded to suitable service providers ensuring that values for money is achieved. The supply chain management unit in the department subscribes to and complies with government's guideline, policies and regulations. In the business plan and Annual Performance document, the core principle of behaviour which is made up of the five pillars of procurement are adhered to. The department strives to be the best performing unit in the province and staff members are skilled and trained to perform optimally.

The department during the MTEF process, highlighted procurement projects in the 2016/17 financial year which have an impact on the service delivery of the department. The projects are also aligned to the strategic pillar programme aligned to the TER. The procurement will be in conjunction with the projects that each programme would plan to deliver on.

Key projects to be implemented against the TER and TMR includes Regional Township Revitalisation Summits; Provincial Township Revitalisation Summit; Implementation of the 11 sector strategies; establishment and upgrade of the industrial parks/hubs; Provincial Infrastructure Summit (Energy – Green Economy); development of the Gauteng Trade and Investment Strategy; development of the Gauteng Energy Mix Plan; development of the Informal Sector Strategy; Package High Impact and viable Industrialisation Project Gauteng City Region; the Baseline Study on Local Preferential Procurement ;and the Provincial State Bank Feasibility Study.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 3.1 : SUMMARY OF RECEIPTS:DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	874 412	963 353	1 101 491	1 305 610	1 305 610	1 305 610	1 331 638	1 383 993	1 467 701
<b>Total receipts</b>	<b>874 412</b>	<b>963 353</b>	<b>1 101 491</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

The allocation increased from R874. 4 million in 2012/13 to R963 million in 2013/14, this further increased to R1.3 billion in 2015/16. Departmental allocation grew by 2 per cent in 2016/17 ,the allocation makes provision for the TER projects/ programmes that the department will embark on ;such as job creation initiatives and the Nelson Mandela Centre of Memory project . Additional funds will make provision for core priority outputs such as the refurbishment of industrial parks in townships and Innovation hubs which contributes to the provincial pillars of; Radical Economic Transformation. Over the MTEF the baseline increases to R1.4 billion and R1.5 billion for 2017/18 and 2018/19 respectively.

### 6.2 Departmental receipts collection

TABLE3.2: DEPARTMENTAL RECEIPTS:ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	719 343	753 404	799 823	804 017	804 017	804 017	928 873	988 964	1 043 682
Casino taxes	684 364	715 672	759 545	706 204	706 204	706 204	878 874	919 624	971 682
Horse racing taxes	34 979	37 732	40 278	97 813	97 813	97 813	50 000	69 340	72 000
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	288	48	17 361						
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	2 006	5 177	2 526	2 111	2 111	2 111	2 223	2 334	2 469
Sales of capital assets			44						
Transactions in financial assets and liabilities	218	5 293	709	277	277	277	292	306	324
<b>Total departmental receipts</b>	<b>721 855</b>	<b>763 922</b>	<b>820 463</b>	<b>806 405</b>	<b>806 405</b>	<b>806 405</b>	<b>931 388</b>	<b>991 605</b>	<b>1 046 476</b>

DED strategic goals include facilitating the implementation of strategic programmes that will stimulate and enhance brand, competitiveness and social transformation in Gauteng; enhance trade and export promotion and the attraction of investment resulting in the creation of decent jobs, increased tourism, and a greener economy. In achieving the goals and priorities outlined, the department's main source of funding is the equitable share. In the execution of the department's mandate of regulating the gambling industry, revenue is mainly from gambling taxes (casino, bingo, limited pay-out machines (LPM) and horse racing taxes) by Gauteng Gambling Board (GGB). The Department's other sources categorised include sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities; and sales of capital assets which are departmentally generated.

Gambling revenue is collected by the Gauteng Gambling Board (GGB) for a commission in terms of the Public Finance Management Act (No. 1 of 1999) and the Gauteng Gambling Act (No. 4 of 1995). During the 2012/13 financial year the actual collection amounted to R721.8 million before increasing to R763.9 million in 2013/14. In 2014/15 financial year the actual collection increased to R820 million. Over the 2016 MTEF, the projected revenue collection is estimated at R931.4 million for 2016/17 and R1 billion for 2018/19.

The estimated revenue collection over the MTEF is based on a number of factors such as people visiting the province for different events, activities such as the Joy of Jazz, provincial hosting of the Gauteng Summer Cup, Rand show, Gauteng Summer Cup and numbers of people visiting the province for holidays just to mention a few.

The GGB will continue implementing its mandate by attracting tourists to ensure a sustainable revenue collection including intensifying the responsible gambling awareness campaign in the domain. The GGB will continue with its programmes as planned and the baseline will not be reduced moving forward.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The department has applied the following key assumptions when compiling the budget:

- Filling of the funded vacant positions;
- Increase in personnel and performance bonuses;
- Number of staff and possible changes over MTEF;
- Medical aid contribution which increase annually;
- Basic salary costs including the Improvement in conditions of service adjustments from July each year;
- Skills development levy ;
- Inflation related adjustments;
- Implementation of cost containment;
- Reprioritisation within programmes and items; and
- Additional funding to the baseline.

### 7.2. Programme summary

TABLE 3.3: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	129 864	132 544	168 306	189 997	219 380	219 379	227 109	231 135	246 678
2. Integrated Economic Development Services	196 458	222 076	284 020	321 250	268 967	268 967	198 345	216 003	230 626
3. Trade And Sector Development	452 110	512 185	530 906	556 609	576 509	576 509	624 317	645 449	682 885
4. Business Regulation And Governance	66 734	46 577	58 209	61 261	62 061	62 062	77 249	77 939	82 825
5. Economic Planning	28 205	13 405	19 214	176 493	178 693	178 693	204 617	213 467	224 687
<b>Total payments and estimates</b>	<b>873 371</b>	<b>926 787</b>	<b>1 060 655</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

### 7.3. Summary of economic classification

TABLE 3.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>265 609</b>	<b>264 807</b>	<b>310 979</b>	<b>591 727</b>	<b>434 986</b>	<b>434 986</b>	<b>494 249</b>	<b>518 881</b>	<b>552 046</b>
Compensation of employees	110 304	110 685	134 813	215 711	181 787	181 787	230 626	242 196	256 244
Goods and services	155 305	154 122	176 166	376 016	253 199	253 199	263 623	276 684	295 802
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>590 114</b>	<b>657 890</b>	<b>688 559</b>	<b>707 748</b>	<b>861 199</b>	<b>861 199</b>	<b>821 890</b>	<b>851 113</b>	<b>900 843</b>
Provinces and municipalities									
Departmental agencies and accounts	587 495	656 778	666 099	707 443	860 543	860 543	821 890	851 113	900 843
Non-profit institutions									
Households	2 619	1 112	22 460	305	656	656			
<b>Payments for capital assets</b>	<b>6 213</b>	<b>1 619</b>	<b>6 028</b>	<b>6 135</b>	<b>9 425</b>	<b>9 425</b>	<b>15 499</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Machinery and equipment	5 855	1 619	6 028	6 135	8 225	8 225	10 499	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>11 435</b>	<b>2 471</b>	<b>55 089</b>						
<b>Total economic classification</b>	<b>873 371</b>	<b>926 787</b>	<b>1 060 655</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

For 2012/13 financial year, the expenditure amounted to R873.4 million before increasing to R926.7 million in 2013/14 financial year, which demonstrates a growth of R53.4 million. The biggest portion of the budget is allocated to agencies where the transfer is through the department. For 2013/14 financial year, an allocation of R656.7 million was transferred and in 2014/15 financial year increased to R666 million.

Over the MTEF period, the allocation increases to R1.3 billion in 2016/17 before increasing R1.5 billion in the 2018/19 financial year. The upward trend is attributable to the additional funding of R159 million which is allocated the MTEF for the refurbishment and establishments of Industrial Parks. This programme will revitalize the township within the province; it also seeks to address poverty stricken communities and the low levels of productive economic activity in the townships around Gauteng. The township industrial park refurbishment programmes will be undertaken in the context of the following objectives: supporting SMMEs; job creation; economic growth and development and state support and commitment

The department is further allocated an additional funding of R95.3 million over the MTEF for Innovation Hub to cater for eKasi Labs, mLab /Code Tribe, Academy OpenIX, Innovation Exchange Incubation Programmes, all these programmes are aimed at addressing a variety of issues ranging from the eradication of poverty in townships through job creation and targeting of youth unemployment; the provision of opportunities to promising township based youth as well as supporting emerging industries and the modernization of the economy.

To promote tourism and social cohesion, an amount of R23.8 million is allocated as additional funding over the MTEF for the bidding and hosting of events such as Gauteng Summer Cup, Joburg Shopping Festival and Joy of Jazz Festival. These events have a positive impact on the economy such as revenue generation, job creation, skills development, international exposure and increased levels of local trade and tourism development

The largest portion of the budget is allocated to entities under Programme 2 and 3 followed by Programme 1 which receives the second largest portion of the budget since it carries most of the departmental contracts such as lease payment, municipal rates and taxes, security operational center, ICT equipment and centralization of training and development.

The expenditure on compensation of employees increases from R110.3 million in 2012/13 to R134.8 million in 2014/15. Over the MTEF, compensation budget increases from R230.6 million in 2016/17 to R256.2 million in the 2018/19 financial year primarily due to the implementation of the structure, which the department will align to the needs of the province.

Goods and services have the second largest portion of the budget allocated and it is utilised for the implementation of the emerging priorities and strategic projects and programmes. Expenditure amounts to R155.3 million in 2012/13 increasing to R154.1 million in 2013/14 and further increases to R176 million in 2014/15. Over the MTEF, the allocation increases to R264 million in 2016/17, which augments to R295.8 million in 2018/19. This allocation is linked to the TER programmes, as such, the department has set aside an amount of R221 million which is allocated over the MTEF for Township Economy Revitalisation through various interventions including the:

- A total of R29.4 million has been set aside over the MTEF for Gauteng Informal Business Upliftment (GIBUS), the purpose of GIBUS is to increase recognition of informal businesses in the province and also to provide financial and non-financial support;
- An amount of R20 million has been allocated for 2016/17 to 2018/19 for the Regional Bakery Support Programme;
- An amount to the tune of R45 million has been allocated over the MTEF to townships SMMEs market access programme, this programme will provide market platforms through township SMMEs and cooperatives products exhibitions;

The allocation is also intended for the promotion and application of smart and green development, technologies, and processes, the creation of decent work and reduced levels of unemployment contribution to increased Gross Domestic Product (GDP).

The allocation for Public Entities for the 2013/14 financial year amounted to R657 million before increasing to R666 million in 2014/15 financial year to funds for key priority projects. Over the MTEF, the allocation amounts to R822 million 2016/17, R851 million and R900.8 million in 2017/18 and 2018/19 respectively. This allocation will contribute towards the following:

- Supporting the procurement of consulting engineers to undertake the detailed designs of the Jewellery Manufacturing Precinct (JMP) bulk infrastructure projects;
- ICT PMO;
- Support of township economy;
- Upgrades of picnic sites;
- Working on fire project;
- Tourism public participation;
- Hosting of the Summer cup, Joburg shopping festival, Joy of Jazz and the Gauteng tourism marketing;
- Increase domestic and export demand for South African manufactured goods;
- Building the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities; and
- Revitalizing and modernizing township economies Revitalize and modernize old industries, Tourism and Creative Industries.

Capital payments significantly declined from R6.2 million in 2012/13 to R1.6 million in the 2013/14 financial year, the expenditure augmented to R6 million in 2014/15 financial year. Over the MTEF, the allocation increases from R15 million in 2016/17 before decreasing to R14.8 million in the 2018/19 financial year. The allocation provides for the procurement of furniture and purchasing of new computers for the newly appointed personnel.

#### **7.4 Infrastructure Payments**

N/A

**7.4.1 Departmental infrastructure payments**

N/A

**7.4.2 Departmental Public-Private Partnership (PPP) projects****7.5 Transfers****7.5.2 Transfers to public entities**

TABLE3.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Gauteng Enterprise Propeller	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
2.Gauteng Tourism Agency	52 045	62 019	69 530	60 298	90 798	90 798	91 994	96 603	102 206
3.Gauteng Growth and Development Agency	293 223	358 173	341 772	338 033	359 033	359 033	405 949	415 216	439 299
<b>Total departmental transfers</b>	<b>449 568</b>	<b>548 639</b>	<b>547 593</b>	<b>528 169</b>	<b>710 269</b>	<b>710 269</b>	<b>674 361</b>	<b>695 501</b>	<b>735 840</b>

The table above shows the summary of the transfers to public entities by DED which are discussed in detail below.

The total expenditure amounted to R547.5 million for the 2014/15 financial year. Thereafter, the allocation is augmented to R674 million and R735.8 million in 2016/17 and 2017/18 respectively.

The allocation to the GEP escalates from R128.4 million in 2013/14 to R136 million in the 2014/15 financial year to cater for a targeted focus on providing support and training to informal businesses, SMME's and cooperatives. During the 2014/15 financial year the agency through partnership with an organisation also managed to support businesses owned by disabled people, the PWD Empowerment Programme comprised of the identification and assessment of potential entrepreneurs from people with disability through the database and from a network of affiliated disability service provider.

The 2016/17 MTEF allocation will make provision to the following core TER projects such as:

- The establishment of Regional Manufacturing Center of Excellence -this centre will assist to create productive skills and enhance the ailing manufacturing sector in the province. This project has enormous potential to create sustainable entrepreneurs and job opportunities.
- Infrastructure Protection of Project- the project intends to reduce the high infrastructure theft such as the stealing of cable, water leaks and theft etc. It will further enhance the productivity levels of Gauteng businesses and reduce risks related to the erosion of investor confidence. Youth employment will also be created and poverty reduced in this regard.
- Condom distribution and manufacturing will address risks associated with the shortage of condoms whilst the Waste Recycling Project will create a lot of business opportunities, direct and indirect jobs.

GEP will continue to provide non-financial support to about 4 100 SMMEs over the next three years. About 1 500 cooperatives will receive non-financial support in the next three years, 660 SMMEs will benefit from the GEP's financial support. The support to township cooperatives in the next 3 years will assist to increase production and reduce the high levels of poverty and unemployment gripping the province. Consequently, a total of three Bakeries (bread producers) will also be supported financially in three Provincial Regions, Johannesburg, West Rand and Ekurhuleni through the Township Revitalization Programme.

One of GGDA's mandates is to assist the department to lead, facilitate and manage sustainable job creation and inclusive economic growth and development in the Gauteng City Region. The key purpose is to maximize the effect of developing the economy of Gauteng through the growth of cooperatives economy, facilitation of trade and investment and increased strategic economic infrastructure.

GGDA comprises of Holdings Company and subsidiaries:

- **AIDC** - Automotive Industrial park
- **TIH** - The Innovation Hub
- **GIDZ** - Gauteng Industrial Development Zone
- **Newco** - Newtown Development Company
- **ConHill** - Constitution Hill

A total amount of R293 million was transferred in the 2013/14 financial year. The increased allocation of R342 million in the 2014/15 financial year is attributed to programmes such as Green Economy since the agency was tasked to implement aspects of the Green Strategic Programme .This programme is meant to guide the activities of departments and municipalities in pursuance of the green agenda for the Province.

An additional funding of R30 million was granted for the 2016/17 financial year for The Innovation Hub. These will cater for the following:

- **eKasi Labs:** These are micro-scale innovation centres which focus on taking innovation to township communities and fast-

track the establishment of sustainable and innovative enterprises whilst also focusing on supporting entrepreneurs in ICT, Green Economy as well as Creative Industries. One of the long terms implications of these initiatives will be eradication of poverty, particularly in the townships and job creation.

- **mLab /Code Tribe Academy:** mLab's programmes focus on the development of software development skills, mobile solutions consulting, product and enterprise acceleration, commercialisation as well as awareness campaigning around the opportunities available in the mobile industry. The Code Tribe will be focus in the 2016/17 financial year on providing opportunities for talented or promising township based youth and developing solutions that align with the eGovernment Department priorities as well as those of local government.
- **OpenIX Innovation Exchange:** It was launched late in 2012 as a platform to enable solution seekers in government and industry to identify novel technologies and approaches from entrepreneurs and researchers. For the 2016/17 financial year, Open IX will expand solution provider engagement to include township innovation challenges and also provide support for the testing and piloting of innovations within government entities in Gauteng.
- **Incubation Programmes:** Additional funding will be directed towards including emerging industries and target youth unemployment as well transformation and modernisation of the economy with a focus on ICT Digital Gaming (Maxum Digital) and Creative Industries (Maxum Media).
- **Additional Organizational Capacity:** Additional capacity will be directed towards marketing and communications as well as programmatic capacity.

The GTA allocation for the 2015/16 financial year amounts to R60 million which increases to R91.9 million in 2016/17. The allocation caters for the hosting of the Gauteng shopping festival, Joy of Jazz and the Gauteng Summer cup and marketing of Gauteng tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for the promotion and sustainable development of tourism in Gauteng.

### 7.5.3 Transfers to other entities

TABLE3.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Cradle of Humankind	57 157	44 115	37 736	85 977	71 377	71 377	71 283	78 406	82 954
2.Dinokeng	48 100	42 139	62 616	67 970	53 570	53 570	49 576	49 202	52 056
3.Gauteng Liquor Board	32 670	28 781	18 157	25 327	25 327	25 327	26 669	28 003	29 992
<b>Total departmental transfers</b>	<b>137 927</b>	<b>115 035</b>	<b>118 509</b>	<b>179 274</b>	<b>150 274</b>	<b>150 274</b>	<b>147 528</b>	<b>155 611</b>	<b>165 002</b>

Total transfers to these trading entities amounts to R137.9 million in 2012/13 decreasing to R115 million in 2013/14 before increasing marginally to R118 million in 2014/15. The allocation increases significantly to R179 million in 2015/16 and decreases to R165 million in 2018/19.

The budget for Cradle of Humankind World Heritage Site (COH WHS) fluctuates from R57 million in 2012/13 to R44 million in 2013/14 . Over the MTEF, the Cradle of Humankind allocation increases from R71.2 million in 2016/17 to R82.9 million in 2018/19. The COH WHS, as the management authority, protects preserves and interprets the outstanding universal value of the world heritage site on behalf of South Africa for future world generations.

The allocation for Dinokeng amounts to R67.9 million in 2015/16, the allocation increases from R49.5 million in the 2016/17 to R52 million in 2018/19. The entity supports the development of the North Eastern Region of the province as a tourism destination which focuses on nature, culture and history. Tourism is the key driver for the creation of an inclusive economy in this geo-spatial tourism project. The upgrade of the picnic sites in Roodeplaat Dam and provision of modern ablution facilities and upgrade of the Boekenhoutkloof and De Wagensdrift are some of the project earmarked in the 2016/17 financial year.

GLB is under Programme 4 within the department and its budget is still managed by the department. The mandate of GLB amongst other things is to manage the lodgment of liquor license applications, processing liquor license applications and renewal of licenses. The budget amounts to R25.3 million in 2015/16 and increases to R30 million in 2018/19.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide strategic leadership, support and transversal business solutions to enable the MEC, HOD and DED to effectively deliver on the mandate of the Department.

**Programme objectives**

Financial accountability and compliance reports produced aligned to the prescribed financial regulations and guidelines.

**TABLE 3.7: SUMMARY OF PAYMENTS AND ESTIMATES ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The Mec	13 973	12 094	9 894	11 200	11 200	11 200	12 806	14 103	14 920
2. Office Of The Hod	16 454	10 072	15 770	19 000	14 700	14 700	19 712	21 196	22 425
3. Financial Management	18 599	21 974	22 428	40 474	41 474	41 474	39 824	41 738	46 296
4. Corporate Services	80 838	88 404	120 214	119 323	152 006	152 005	154 768	154 099	163 037
<b>Total payments and estimates</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

**TABLE 3.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>121 273</b>	<b>127 441</b>	<b>161 602</b>	<b>183 692</b>	<b>209 575</b>	<b>209 573</b>	<b>211 610</b>	<b>217 134</b>	<b>231 866</b>
Compensation of employees	55 157	66 827	84 924	116 500	107 365	107 366	116 586	130 254	139 947
Goods and services	66 116	60 614	76 678	67 192	102 210	102 207	95 024	86 880	91 920
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2 472</b>	<b>1 013</b>	<b>587</b>	<b>305</b>	<b>515</b>	<b>516</b>			
Provinces and municipalities									
Non-profit institutions									
Households	2 472	1 013	587	305	515	516			
<b>Payments for capital assets</b>	<b>6 091</b>	<b>1 619</b>	<b>6 028</b>	<b>6 000</b>	<b>9 290</b>	<b>9 290</b>	<b>15 500</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 090	10 500	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>28</b>	<b>2 471</b>	<b>89</b>						
<b>Total economic classification</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

The Administration budget is used for the items that are centralized to Corporate Services and Financial Management such as lease payments for office buildings, security services, cleaning services, bursaries, moving of bulk filers, tenant installation costs, municipal rates and taxes, legal costs, ICT equipment and internal audit cost that are allocated under the CFO's office. During 2012/13 financial year, the allocation increased from R129.9 million to R132.5 million in 2013/14.

In 2014/15 financial year the budget increased to R168 million and further increases to R219 million in the 2015/16 adjustment budget, the increase is due to the implementation of the TER projects through the Road Shows to 65 Townships through the Qondis'ishishini Lakho Campaign. The department hosted its inaugural Infrastructure investment conference and the Township Entrepreneurship awards 2015/16 financial year and it held provincial and regional Township Revitalization Summits within the same financial year.

Over the MTEF, the allocation amounts to R227 million in 2016/17 and increases to R247 million in 2018/19 financial year. The largest portion of the allocation is allocated to corporate services as certain services, such as payment of leases, municipal rates and taxes, provision of ICT equipment and training of personnel, are centralized. Furthermore, this branch is responsible for the relocation process to the new office building and ensuring that all employees have the necessary tools of trade.

The Compensation of Employees expenditure increased from R66.8 million in 2013/14 to R85 million in 2014/15 financial year. For the 2015/16 financial year, the allocation increases from R107 million to R140 million in 2018/19 financial year. The increase is caused by the implementation of the department's approved structure, which is intended in closing the gaps by capacitating the department in areas where there is lack of capacity in order to achieve the objectives set on the TMR, NDP and SOPA commitments.

In the 2012/13 financial year, the Goods and Services expenditure amounts to R66.1 million and decreased to R60.6 million in 2013/14 financial year. During the 2014/15 financial year, the expenditure amounted to R76.7 million. Over the MTEF, the allocation decreases from R95 million in 2016/17 to R87 million in 2017/18. This decrease is attributed to the discontinuation of certain projects as well as the tenant installation costs that the department will incur for relocating to a new building since these are once off costs.

Machinery and Equipment expenditure for 2012/13 financial year amounts to R6 million before it decreases to R1.6 million in 2013/14 financial year. In 2014/15 financial year, the expenditure further increases to R6 million. The immense increase is due to the procurement of office equipment such computers, furniture caused by the number of new personnel that have joined the department including software. The allocation further increased in 2015/16 financial year to R8 million. The increase in 2016/17 of R10 million relates to various projects that Information Technology will be embarking upon such as the disaster recovery site for the purposes of system recovery and continuity during the time of emergency or disaster and the installation cost associated to the move to the new building. The allocated budget will also cater for the implementation of community ICT hubs that will be used for SMMEs to access internet and broadband and payment of software licenses.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of In-Year-Monitoring (IYM) reports produced	12	12	12
No. of interim Annual Financial Statement (AFS) reports compiled	4	4	4

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

#### Programme description

The purpose of this programme is to ensure radical economic transformation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

- Radically transforming the Gauteng economy through new, smart, knowledge-based economy;
- Revitalise and modernize township economies reflecting radical transformation and re-industrialisation for Gauteng economy;
- Appropriately skilled human resource and businesses to radically transform and re-industrialise Gauteng economy; and
- Green industries contributing to energy security to radically transform and re-industrialise Gauteng economy.

TABLE 3.9: SUMMARY OF PAYMENTS AND ESTIMATES: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Enterprise Development	111 142	132 596	138 479	131 938	261 388	261 388	180 817	188 374	199 300
2. Regional And Local Economic Development	4 864	1 791	7 589	2 000	120	120	1 044	1 096	1 160
3. Economic Empowerment	80 452	87 689	137 952	187 312	7 459	7 459	16 484	26 533	30 166
<b>Total payments and estimates</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

TABLE3.10 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>86 124</b>	<b>93 629</b>	<b>107 261</b>	<b>191 412</b>	<b>8 509</b>	<b>8 509</b>	<b>21 927</b>	<b>32 321</b>	<b>36 290</b>
Compensation of employees	18 008	10 383	12 650	3 980	6 580	6 580	21 653	17 414	16 286
Goods and services	68 116	83 246	94 611	187 432	1 929	1 929	274	14 907	20 004
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>104 354</b>	<b>128 447</b>	<b>152 759</b>	<b>129 838</b>	<b>260 458</b>	<b>260 458</b>	<b>176 418</b>	<b>183 682</b>	<b>194 335</b>
Provinces and municipalities									
Departmental agencies and accounts	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Households	54		16 468		20	20			
<b>Payments for capital assets</b>	<b>71</b>								
Buildings and other fixed structures									
Machinery and equipment	71								
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>5 909</b>		<b>24 000</b>						
<b>Total economic classification</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

The expenditure for this programme in 2012/13 is R196 million and R222 million in 2013/14 showing an increase of R26 million and it further increases to R284 million in 2013/14.

Over the MTEF, the allocation grows from R198 million in 2016/17 to R216 million for 2017/18 and to R230 million in 2018/19. This allocation caters for transfers to GEP, which provides support to SMME's, township enterprises and cooperatives participating in mainstream economic activities as part of a radically transformed and re-industrialized Gauteng economy. These funds also make provision for Green industries that contribute to energy security, which serves an important element of radically transforming and re-industrializing Gauteng's economy. For Economic Empowerment Sub-programme provision is made towards contributing to Youth PMO and ICT PMO SEZ etc.

The expenditure for Compensation of Employees amounts to R18 million and declines to R10.4 million in 2012/13 and 2013/14 respectively, before increasing to R13 million in 2014/15. Over the MTEF, the budget increases significantly to R21.6 million in 2016/17 before decreasing to R17.4 million in 2017/18, and further declines to R16.3 million in the 2018/19 financial year.

The department will transfer R176 million in 2016/17 and R194 million 2018/19 to GEP. The agency will continue supporting small businesses that participated in the supplier development programmes, township businesses through the township business renewal-funding scheme, existing SMME's financially in the 11 sectors and youth graduates.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of innovations commercialised	27	30	32
No. of entrepreneurs in Ekasi Labs programmes recruited (Soweto, Garankuwa, Mamelodi, Tembisa, Alexandra, Mohlakeng, Sebokeng)	150	150	150
No. of Indigenous Knowledge System entrepreneurs in BioPark recruited	5	5	5
No. of new companies in the Maxum Media Accelerator incubated	10	10	10
No. of existing SMME's financially supported in the prioritized sectors	115	110	110
No. of new SMME's financially supported in the prioritized sectors	230	215	215
No. of existing Co-ops financially supported in the prioritized sectors	100	100	100
No. of new Cooperatives financially supported in the prioritized sectors	110	120	130
No. of TER businesses funded	400	400	400
No. of existing SMME's non-financially supported in the prioritized sectors	1400	1350	1350
No. of BEE SMMEs at Nissan Incubation Centre incubated	8	8	8
No. of BEE SMMEs at Ford Incubation Centre incubated	6	6	6
No. of people participating in skills development and training programmes	3463	3234	3551

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

#### Programme purpose

To ensure re-industrialisation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

- Tourism workforce skills development that support and facilitate radical economic transformation;
- Increase Trade Activities In Gauteng Leading To Radical Economic Transformation of Gauteng's Economy;
- Facilitate Investment That Supports Modernisation And Re-Industrialisation of Gauteng's Economy;
- Increase Global Trade Activities In Gauteng; and
- Grow the visitor economy by stimulating demand through effective tourism marketing and promotion.

TABLE 3.11: SUMMARY OF PAYMENTS AND ESTIMATES: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Trade And Investment Promotion		1 576	5 512	4 331	1 731	1 731	5 515	6 021	6 370
2. Sector Development	157 302	150 925	179 637	214 245	215 745	215 745	212 853	224 212	237 216
3. Strategic Initiatives	294 808	359 684	345 757	338 033	359 033	359 033	405 949	415 216	439 299
<b>Total payments and estimates</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

TABLE 3.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 585</b>	<b>5 666</b>	<b>8 335</b>	<b>4 331</b>	<b>1 731</b>	<b>1 731</b>	<b>5 515</b>	<b>6 021</b>	<b>6 370</b>
Compensation of employees		5 519	8 213	4 231	1 631	1 631	5 415	5 916	6 259
Goods and services	1 585	147	122	100	100	100	100	105	111
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>450 525</b>	<b>506 519</b>	<b>515 571</b>	<b>552 278</b>	<b>574 778</b>	<b>574 778</b>	<b>618 802</b>	<b>639 428</b>	<b>676 515</b>
Provinces and municipalities									
Departmental agencies and accounts	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Households		75	3 919						
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>			<b>7 000</b>						
<b>Total economic classification</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

The expenditure for this programme increased from R452 million in 2012/13 to R512 million in the 2013/14 financial year whilst an amount of R530.9 million was incurred by the department in 2014/15. The allocation for 2015/16 was increased to R576.5 million during the adjustment budget to cater for amongst other things the maintenance of the existing hubs such as Winterveld and Mohlakeng hubs. An increase is observed over the MTEF from R624 million in 2016/17, to R683 million in 2018/19. The biggest portion of the allocation is reflected under the sub-programme Strategic Initiative and Sector Development due to the transfer to GGDA, GTA (Cradle of Humankind and Dinokeng) of which all entities are under the control of the department which implements various projects on its behalf.

In the 2012/13 financial year, the expenditure for Strategic initiatives grows from R295 million to R359.7 million in the 2013/14 financial year before decreasing to R345.7 million in the 2014/15 financial year. Over the MTEF, the budget increases from R406 million in 2016/17 to R439 million in 2018/19. GGDA forms part of the strategic initiative unit, which is responsible for the implementation of the Nelson Mandela center of memory, Bioscience Innovation Hub, ICT PMO SEZ, Nissan Incubation center and the AIDC mini factory.

Cradle of Humankind, Dinokeng, and GTA (Gauteng Tourism Authority) are placed under Sector and Development program. The expenditure for this program grew from R157 million in 2012/13 to R179 million in 2014/15. Over the MTEF, the allocation for this sub-programme increases from R213 million in 2016/17 financial year, to R237 million in 2018/19.

The upgrade of the picnic sites in Roodeplaat Dam and provision of modern ablution facilities, upgrade of the Boekenhoutkloof and De Wagensdrift are some of the project earmarked by Dinokeng in the 2016/17 financial year and over the MTEF. The Cradle of Humankind will implement the working on fire, Mountain bike trail maintenance, community Arts and Craft beneficiation, sponsor school visits to the official Visitor Centers of the COHWHS projects over the MTEF.

The allocated funds under this programme also cater for the hosting of the Gauteng Shopping festival, Joy of Jazz and the Gauteng Summer cup as well as the marketing of Gauteng Tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centers, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for the promotion and sustainable development of tourism in Gauteng.

The expenditure for Compensation of Employees amounted to R6 million in 2013/14 and R8.2 million in 2014/15. Over the MTEF, the budget of R5.4 million is allocated for compensation in 2016/17 and R6.3 million in 2018/19. The allocation under Goods and Services is mainly for operational costs, such as catering, travelling and venue and facilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of people in Tourism skills development enrolled	1500	1600	-
No. of business events supported	50	55	60
No. of signature events supported	6	8	9
No. of regional events incubated	5	7	9
Rand value of economic benefit from business and signature events generated	1.5bn	1.7bn	2bn
Rand value of FDI facilitated	R2bn	R2.5bn	R3bn
Rand value of DDI facilitated	R1bn	R 1.5bn	R2bn

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of enterprises through export readiness programme assisted	200	200	200
No. of trade deals for Gauteng based Firms facilitated	40	50	50
No. of destination platforms in Africa market promoted	5	6	7
No. of destination platforms BRICS market promoted	2	3	3

## PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Programme description

To create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards achievement of TMR goals.

### Programme objectives

- Increased consumer satisfaction that secures long term sustainability and facilitates the growth of businesses;
- A properly regulated liquor industry in Gauteng that generates revenue towards socio-economic development of the province;
- A properly regulated Gambling and Betting Industry that generates revenue towards the socio-economic development of the province; and
- Stakeholders from all three spheres of government and from other sectors of society working jointly to radically transform and re-industrialise Gauteng's economy.

TABLE 3.12: SUMMARY OF PAYMENTS AND ESTIMATES: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Governance	16 297	4 011	6 384	9 170	10 150	10 150	10 202	8 577	9 074
2. IGR And Strategic Partnerships	1 542	2 047	6 291	8 738	6 258	6 258	9 625	9 634	10 192
3. Consumer Protection	16 225	18 632	27 377	18 026	20 326	20 327	30 727	31 699	33 537
4. Liquor Regulation	32 670	21 887	18 157	25 327	25 327	25 327	26 695	28 030	30 021
<b>Total payments and estimates</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

TABLE 3.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>33 578</b>	<b>24 672</b>	<b>21 050</b>	<b>35 934</b>	<b>36 728</b>	<b>36 730</b>	<b>50 580</b>	<b>49 936</b>	<b>52 833</b>
Compensation of employees	28 973	20 973	19 181	28 400	21 400	21 400	31 070	31 951	33 805
Goods and services	4 605	3 699	1 869	7 534	15 328	15 330	19 510	17 985	19 028
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>32 707</b>	<b>21 905</b>	<b>18 159</b>	<b>25 327</b>	<b>25 333</b>	<b>25 332</b>	<b>26 669</b>	<b>28 003</b>	<b>29 992</b>
Provinces and municipalities									
Departmental agencies and accounts	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Households	37	18	3		6	5			
<b>Payments for capital assets</b>	<b>51</b>								
Buildings and other fixed structures									
Machinery and equipment	51								
<b>Payments for financial assets</b>	<b>398</b>		<b>19 000</b>						
<b>Total economic classification</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

The expenditure for the 2012/13 financial year amounted to R66.7 million and R46.6 million in the 2013/14 financial year. For the 2014/15 financial year the expenditure amounted to R58 million.

Over the 2016/17 MTEF, the allocation increased from R77.2 million to R77.9 million which further increases to R82.8 million in the 2018/19 financial year, the increase is due to the rental of mobile buses, continuous implementation of consumer programs and allocation for the Gauteng Liquor Board.

In the 2013/14 financial year, the expenditure for Consumer Protection was R18.6 million that increased to R27.4 million in 2014/15 financial year; this is because of the number of increase in the consumer programme and supporting the alignment of DED's Agencies to implement the work of the Department. The allocation for IGR and Governance share a small portion of the allocation.

The compensation expenditure for 2012/13 amounted to R28.9 million before decreasing to R20.9 million in the 2013/14 financial year. The decrease was due to the number of staff who left the department due to various reasons. An amount of R19.1 million was incurred in the 2014/15 financial year; this was due to the finalization of matching and placing of personnel. In 2016/17 MTEF the allocation amounted to R31 million and R 33.9 million in 2018/19 financial year.

Goods and Services recorded an expenditure to the tune of R4.6 million in 2012/13, a decrease is also observed in the 2013/14 and 2014/15 financial year by amount of R3.7 million and R1.8 million respectively.

Over the MTEF, the budget increase from R77.2 million to R77.9 million and R82.8 million for 2016/17, 2017/18 and 2018/19 respectively. This increase is due to various programs that will be implemented: such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; the Consumer Affairs Office on Wheels (CAOW); the consumer affairs court holds its sittings in the metro and districts of Gauteng province to create more access to communities. These continuous projects will continue to happen in the outer years in order for Consumer protection to be relevant to the provincial TMR program.

For 2016/17 financial year, the allocation for GLB will contribute towards education and awareness programmes such as liquor abuse, Conduct pre-inspection for the Board process to adjudicate on application, conduct roadshows, public meetings, workshops, electronics, and print media campaigns including conducting stakeholder engagements. Gauteng Liquor Board regulates the liquor industry and maximizes benefits from the industry for socio-economic development.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of consumer complaints received	1 850	1 950	2 050
No. of consumer complaints resolved	1 850	1 950	2 050
No. of consumer education programs conducted	350	360	400
No. of liquor social responsibility programmes supported	2	3	4
Rand Value of CSI expanded	R450 000	R500 000	R550 000
Rand value of revenue from regulation processes generated	R40 500 000	R50 000 000	R50 500
No. of gambling compliance audits conducted	180	180	180
No. of gambling inspections conducted	678	678	678
Rand value on Corporate Social Investment spent	R12.454 m	R13.227 m	R13.949 m
Rand value of tax collected	R1 009.6 m	R1070.2 m	R1134.4 m
No. of JSE listed companies through Strategic Partnerships collaborated	6	7	7
No. of Projects in line with Strategic Partnerships supported	6	7	7

### PROGRAMME 5: ECONOMIC PLANNING

#### Programme description

To co-ordinate provincial internal facilities that makes business activity possible, including communications, transportation and distribution networks, financial institutions and markets and energy supply systems.

#### Programme objectives

- Revitalise and modernise industries reflecting reindustrialisation of Gauteng's economy;
- To have comprehensive, informative policies and strategies for implementing strategic economic development programmes in Gauteng; and
- Strategic economic infrastructure that supports and facilitates radical economic transformation and re-industrialisation of Gauteng.

TABLE 3.14: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Policy And Planning	8 198	5 565	9 562	16 608	20 646	20 646	38 045	47 426	50 176
2. Research And Development	4 809	6 721	8 076	8 000	6 500	6 500	7 500	9 236	9 772
3. Knowledge Management	3 025	715	1 031						
4. Monitoring And Evaluation	12 173	404	545	3 824	3 215	3 215	2 939	8 846	9 358
5. Economic Infrastructure Development				96 900	96 900	96 900	82 386	83 532	87 215
6. Sector And Industry Development				38 760	41 031	41 030	65 232	52 751	55 810

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
7. Inclusive Economy				12 400	10 400	10 401	8 514	11 677	12 355
<b>Total payments and estimates</b>	<b>28 205</b>	<b>13 405</b>	<b>19 214</b>	<b>176 493</b>	<b>178 693</b>	<b>178 693</b>	<b>204 617</b>	<b>213 467</b>	<b>224 687</b>

TABLE 3.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>23 049</b>	<b>13 399</b>	<b>12 731</b>	<b>176 358</b>	<b>178 443</b>	<b>178 443</b>	<b>204 617</b>	<b>213 468</b>	<b>224 687</b>
Compensation of employees	8 166	6 983	9 845	62 600	44 811	44 810	55 901	56 661	59 947
Goods and services	14 883	6 416	2 886	113 758	133 632	133 633	148 716	156 807	164 740
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>56</b>	<b>6</b>	<b>1 483</b>		<b>115</b>	<b>115</b>			
Households	56	6	1 483		115	115			
<b>Payments for capital assets</b>				<b>135</b>	<b>135</b>	<b>135</b>			
Buildings and other fixed structures									
Machinery and equipment				135	135	135			
<b>Payments for financial assets</b>	<b>5100</b>		<b>5 000</b>						
<b>Total economic classification</b>	<b>28 205</b>	<b>13 405</b>	<b>19 214</b>	<b>176 493</b>	<b>178 693</b>	<b>178 693</b>	<b>204 617</b>	<b>213 467</b>	<b>224 687</b>

For 2012/13 financial year, the expenditure amounted to R28.2 million before decreasing to R13.4 million in 2013/14. The reduction was due to research work that was done internally and not outsourced. For the 2014/15 financial year, the expenditure is recorded as R19.2 million, the funds were reprioritised towards TER projects. Over the 2016/17 MTEF, the total programme budget grows from R204.6 million in 2016/17 financial year to R224.6 million in 2018/19.

The focus of the programme is the development of evidence based policies and tracking the contribution of the GEGDS. The Economic Planning programme will continue to provide thought leadership to transform and re-industrialise the economic Gauteng City Region through, policy and strategy development. In this regard, a data-driven research will define the research and intelligence reports produced by Research and Knowledge Management sub-programme, hence the continuous subscription to datasets. The programme will focus on the development of evidence-based macro-policies, strategies, tracking the performance of the economy and how the global, national and local economic developments impact on Gauteng City Region economy and coordination of employments and youth programmes.

During the 2014/15 financial year, the major cost drivers were the business and advisory services on the development of the GEGDS (2014-2019) amounting to R1.38 million, the West Rand and Sedibeng Regional Economic and Industrial Plans amount to R1.5 million as well as the subscription to economic datasets, which are tools for evidence-based research. The remainder of the macro strategies listed above were developed through internal capacity.

The core outputs for this programme for over the MTEF will be; the implementation of the mid-term impact assessment of the TER strategy, the Impact assessment for the bilateral agreement and twin agreement, economic intervention workshops, Gauteng industrialization high impact projects, Gauteng Tooling initiative, Township Stock Exchange strategy, Business case for State bank, Gauteng fashion council, University of Johannesburg J Sector Strategy, the Coordination of Government industrialization activities and regular monitoring reports on the performance of township economy.

For Compensation of Employees the allocation fluctuates from R8.2 million in 2012/13 decreasing to R6.9 million in the 2013/14 main appropriation. The compensation budget significantly increases to R9.8 million in 2014/15. Over the 2016/17 MTEF, the allocation increases even further to R55.9 million, R56.6 million and R59.9 million in 2016/17, 2017/18 and 2018/19 respectively. The increase in personnel is due to the newly created sub-programme to cater for the emerging priorities emanating from TER.

Goods and Services grows from R14.8 million in 2012/13 before decreasing R6.4 million in the 2013/14 financial year. An amount of R2.8 million was incurred in the 2014/15 financial year this reduction is due to the implementation of cost cutting measures. Over the MTEF, the allocation for 2016/2017 financial year amounts to R148.7 million of which R50 million is for the refurbishment of the Industrial parks. The allocation further increases to R164.7 million in 2018/19 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: ECONOMIC PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of industrial parks in townships refurbished	5	5	5
Gauteng Industrial Policy Action Plan (IPAP) developed	Develop Gauteng Industrial Policy Action Plan (IPAP)	Update Gauteng Industrial Policy Action Plan (IPAP) in line industrial development	Update Gauteng Industrial Policy Action Plan (IPAP) in line industrial development
Gauteng Black Industrialists Policy Framework developed	Develop Gauteng Black industrialist policy framework	-	-
High impact industrialization projects packaged	Package 12 high impact industrialization projects	Package 13 high impact industrialization projects	Package 14 high impact industrialization projects
Bi-annual GCR Monitoring Economic Plan developed	Develop Bi-annual GCR Monitoring Economic Plan	-	-
TER impact assessment conducted	Conduct TER impact assessment	-	-
Impact assessment on Gauteng Automotive investment conducted	Conduct impact assessment on Gauteng Automotive investment	-	-
Phase 2 Mini Factory 11 at the Rosslyn ASP constructed	Construct Phase 2 Mini Factory 11 at the Rosslyn ASP	-	-
Phase 2 JMP bulk infrastructure at Airport City IDZ constructed	Construct Phase 2 JMP bulk infrastructure at Airport City IDZ	-	-
Phase 2 of the Biosciences Park Facility at The Innovation Hub constructed	Construct Phase 2 of the Biosciences Park Facility at The Innovation Hub	-	-
Phase 2 AIDC Nissan Incubation Centre constructed	Construct Phase 2 AIDC Nissan Incubation Centre	-	-

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 3.16: PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

Personnel numbers	As at						
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
1. Administration	152	154	192	192	273	273	277
2. Integrated Economic Development Services	43	23	29	77			
3. Trade And Sector Development		2	12	26			
4. Business Regulation And Governance	66	64	49	59	80	80	80
5. Economic Planning	21	35	34	9	97	97	93
<b>Total provincial personnel numbers</b>	<b>282</b>	<b>278</b>	<b>316</b>	<b>363</b>	<b>450</b>	<b>450</b>	<b>450</b>
Total provincial personnel cost (R thousand)	110 304	110 685	134 813	181 787	230 626	242 196	256 244
Unit cost (R thousand)	391	398	427	501	513	538	569

TABLE 3.17 :SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

R thousands	Actual						Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF		
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		% Costs of Total
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	
Salary level																	
1-6	113	15 738	60	7 869	48	5 398	33	11	44	8 382	51	9 009	51	11 143	5%	10%	4%
7-10	43	14 194	100	28 388	153	40 007	162	9	171	62 139	246	69 803	246	78 694	13%	8%	31%
11-12	73	27 653	53	22 123	61	37 427	70	70	70	45 372	87	63 273	87	63 519	8%	12%	25%
13-16	41	34 395	38	32 758	45	50 910	48	12	60	62 572	66	100 110	66	102 888	3%	18%	39%
Other	12	18 324	27	19 547	9	1 071	18	18	18	3 323					-100%	-100%	0%
<b>Total</b>	<b>282</b>	<b>110 304</b>	<b>278</b>	<b>110 685</b>	<b>316</b>	<b>134 813</b>	<b>331</b>	<b>32</b>	<b>363</b>	<b>181 788</b>	<b>450</b>	<b>242 196</b>	<b>450</b>	<b>256 244</b>	<b>7%</b>	<b>12%</b>	<b>100%</b>
<b>Programme</b>																	
1. Administration	152	55 157	154	66 827	192	84 924	174	18	192	97 305	273	114 192	277	129 986	13%	10%	50%
2. Integrated Economic Development Services	43	18 008	23	10 383	29	12 650	75	2	77	36 190					-100%	-100%	5%
3. Trade And Sector Development			2	5 519	12	8 213	26	26	26	13 531					-100%	-100%	2%
4. Business Regulation And Governance	66	28 973	64	20 973	49	19 181	49	10	59	28 338	80	47 060	80	60 582	11%	29%	21%
5. Economic Planning	21	8 166	35	6 983	34	9 845	7	2	9	6 424	97	74 898	93	65 676	118%	117%	22%
Direct charges															0%	0%	0%
<b>Total</b>	<b>282</b>	<b>110 304</b>	<b>278</b>	<b>110 685</b>	<b>316</b>	<b>134 813</b>	<b>331</b>	<b>32</b>	<b>363</b>	<b>181 788</b>	<b>450</b>	<b>242 196</b>	<b>450</b>	<b>256 244</b>	<b>7%</b>	<b>12%</b>	<b>100%</b>

Personnel cost increases from R110.3 million to R134.8 million in financial year 2014/15. This is due to a number of critical posts where filled and completed in financial year 2014/15. The increase in personnel cost is due to the continuation of operationalization of the structure. The personnel cost and number as provided in the revised column indicate the current posts filled and personnel cost to date.

Over the MTEF, the compensation budget allocation will increase due to an increase in the staff compliment resulting from the recruitment drive of filling all vacant posts in the structure. The department has also created new positions in order to ensure that it meets its new mandate. The department also embarked in a process of realigning the current structure to the new mandate of the department, which will increase the compensation of employees from R230.6 million in 2016/17 to R256.2 million in 2018/19.

## 9.2. Training

TABLE3.18: PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>1 186</b>	<b>452</b>	<b>2 310</b>	<b>3 237</b>	<b>2 245</b>	<b>2 245</b>	<b>2 306</b>	<b>2 527</b>	<b>2 674</b>
Payments on tuition	300	140	1 076	1 137	1 030	1 030	950	820	868
Other	886	312	1 234	2 100	1 215	1 215	1 356	1 707	1 806
<b>2. Integrated Economic Development Services</b>	<b>24</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	18								
Payments on tuition		140	269						
Other	6	312	309						
<b>3. Trade And Sector Development</b>	<b>10</b>								
Subsistence and travel	10								
<b>4. Business Regulation And Governance</b>	<b>48</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	48								
Payments on tuition		140	269						
Other		312	309						
<b>5. Economic Planning</b>	<b>131</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	131								
Payments on tuition		140	269						
Other		312	309						
<b>Total payments on training</b>	<b>1 399</b>	<b>1 808</b>	<b>4 044</b>	<b>3 237</b>	<b>2 245</b>	<b>2 245</b>	<b>2 306</b>	<b>2 527</b>	<b>2 674</b>

TABLE 3.18: INFORMATION ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff									
Number of personnel trained	302	388	400	420	420	487	475	497	526
of which									
Male	130	164	164	185	185	211	220	227	240
Female	172	224	236	235	235	276	255	270	286
Number of training opportunities	399	400	720	750	750	750	727	897	949
of which									
Tertiary	68	75	80	135	135	135	185	194	206
Workshops	321	300	550	500	500	500	450	630	667
Seminars	10	10	75	100	100	100	80	60	63
Other		15	15	15	15	15	12	13	13
Number of bursaries offered	70	75	80	75	75	75	85	89	94
Number of interns appointed	33	15	50	30	30	30	40	42	44
Number of learnerships appointed		66	70	25	25	25	35	40	42
Number of days spent on training	963	1 425	2 550	2 595	2 595	2 595	2 595	2 725	2 883

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in Skills Development Programmes, Management Development Programmes and Bursary opportunities. In line with the priority of government to build the capacity of the state and to operate as a developmental state, the department continued to provide graduate trainee programme opportunities to young people in the province.

It is to be noted that the bursaries awarded in the 2012/13, 2013/14, and 2014/15 financial year had increased considerably compared to the previous financial year due to number of bursary applicants that met bursary requirements and qualified for approval.

The department has filled most of the vacant positions for both senior management and lower levels as per the approved structure to ensure internal capacity. The budget for training is centralised in Programme 1 under Human Capital Management for better coordination and management. The training budget constitutes 1 per cent of the entire departmental compensation budget.

In the 2016/17 financial year, the department will implement a framework of courses, experiential learning, and capacity development requirements for each level of staff. This framework offers learning programmes under four pillars, namely technical skills, foundation skills, behavioral skills, and leadership development. Longer-term capacity development is addressed through the awarding of bursaries to employees with priority given to first time qualifications and lower level employees.

To further enrich succession planning and retention of skills, development initiatives will focus on preparing supervisory levels (MMS and SMS) for the next level of management competence based on the competency framework for SMS. The training budget also makes provision for graduate development initiatives through the appointment of interns and graduates trainees with scarce and critical skills in core business units. In order to ensure compliance to the standards of operations skills sectors, affiliation to professional bodies will be also be provided for.

### **9.3. Reconciliation of structural changes**

**N/A**

## **ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 3.19: SPECIFICATION OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>	<b>719 343</b>	<b>753 404</b>	<b>799 823</b>	<b>804 017</b>	<b>804 017</b>	<b>804 017</b>	<b>928 873</b>	<b>988 964</b>	<b>1 043 682</b>
Casino taxes	684 364	715 672	759 545	706 204	706 204	706 204	878 874	919 624	971 682
Horse racing taxes	34 979	37 732	40 278	97 813	97 813	97 813	50 000	69 340	72 000
<b>Sales of goods and services other than capital assets</b>	<b>288</b>	<b>48</b>	<b>17 361</b>						
Sale of goods and services produced by department (excluding capital assets)	288	48	17 361						
Sales by market establishments			17 361						
Other sales	288	48							
<b>Interest, dividends and rent on land</b>	<b>2 006</b>	<b>5 177</b>	<b>2 526</b>	<b>2 111</b>	<b>2 111</b>	<b>2 111</b>	<b>2 223</b>	<b>2 334</b>	<b>2 469</b>
Interest	2 006	5 177	2 526	2 111	2 111	2 111	2 223	2 334	2 469
<b>Sales of capital assets</b>			<b>44</b>						
<b>Transactions in financial assets and liabilities</b>	<b>218</b>	<b>5 293</b>	<b>709</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>292</b>	<b>306</b>	<b>324</b>
<b>Total departmental receipts</b>	<b>721 855</b>	<b>763 922</b>	<b>820 463</b>	<b>806 405</b>	<b>806 405</b>	<b>806 405</b>	<b>931 388</b>	<b>991 605</b>	<b>1 046 476</b>

TABLE 3.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>121 273</b>	<b>127 441</b>	<b>161 602</b>	<b>183 692</b>	<b>209 575</b>	<b>209 573</b>	<b>211 610</b>	<b>217 134</b>	<b>231 866</b>
Compensation of employees	55 157	66 827	84 924	116 500	107 365	107 366	116 586	130 254	139 947
Salaries and wages	47 091	66 827	73 729	101 586	93 988	93 988	99 847	111 511	120 117
Social contributions	8 066		11 195	14 914	13 377	13 378	16 739	18 743	19 830
Goods and services	66 116	60 614	76 678	67 192	102 210	102 207	95 024	86 880	91 919
Administrative fees	120	122	191	173	417	417	223	235	248
Advertising	4 083	1 210	4 595	7 885	8 411	8 411	7 150	3 801	4 021
Minor Assets	55	414	159	500	249	249	524	550	582
Audit cost: External	3 092	2 935	3 862	4 400	4 340	4 340	4 620	4 542	4 805
Bursaries: Employees	369	372	336	700	900	900	700	772	817
Catering: Departmental activities	1 239	460	1 041	529	3 246	3 246	475	499	528
Communication (G&S)	6 874	6 265	4 937	3 976	3 976	3 976	4 625	3 281	3 472
Computer services	4 827	10 325	8 950	12 800	17 077	17 074	19 412	8 216	8 693
Consultants and professional services: Business and advisory services	7 524	655	4 309	4 051	3 523	3 523	863	( 46)	( 48)
Consultants and professional services: Scientific and technological services				200	200	200		( 1)	( 1)
Consultants and professional services: Legal costs	3 511	1 678	5 507	6 000	5 723	5 723	2 720	6 615	6 999
Contractors	1 245	2 124	4 125	1 572	16 030	16 030	5 735	5 671	6 000
Agency and support / outsourced services	391	726	837	1 585	1 575	1 575	386	2 989	3 163
Entertainment	31	4			5	5	4	4	4
Fleet services (including government motor transport)	1 119	1 514	1 250	2 500	3 700	3 700	3 274	3 438	3 638
Inventory: Food and food supplies	340		523	520	156	156			
Inventory: Materials and supplies	417		89	150	150	150			
Inventory: Medical Supplies								104	110
Consumable supplies	292	767	1 300	68	83	83	877	817	864
Consumable: Stationery, printing and office supplies	3 701	4 411	2 243	3 579	6 960	6 960	3 727	3 914	4 141
Operating leases	2 721	7 750	9 874	4 353	8 321	8 321	15 115	16 613	17 577
Property payments	16 528	15 055	17 923	2 463	8 537	8 537	16 156	18 014	19 059
Transport provided: Departmental activity		8							
Travel and subsistence	4 679	2 561	829	1 923	2 352	2 352	1 899	2 090	2 211
Training and development	825	443	1 561	5 140	1 845	1 845	2 306	2 422	2 562
Operating payments	448	155	2	524	1 044	1 044	875	906	958
Venues and facilities	1 685	660	1 977	1 101	3 109	3 109	3 159	1 212	1 282
Rental and hiring			258	500	281	281	200	223	236

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>2 472</b>	<b>1 013</b>	<b>587</b>	<b>305</b>	<b>515</b>	<b>516</b>			
Households	2 472	1 013	587	305	515	516			
Social benefits	2 472	1 013	587	305	515	516			
<b>Payments for capital assets</b>	<b>6 091</b>	<b>1 619</b>	<b>6 028</b>	<b>6 000</b>	<b>9 290</b>	<b>9 290</b>	<b>15 500</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Other fixed structures					1 200	1 200			
Machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 090	10 500	9 000	9 522
Transport equipment						( 258)			
Other machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 348	10 500	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>28</b>	<b>2 471</b>	<b>89</b>						
<b>Total economic classification</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

TABLE 3.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>86 124</b>	<b>93 629</b>	<b>107 261</b>	<b>191 412</b>	<b>8 509</b>	<b>8 509</b>	<b>21 927</b>	<b>32 322</b>	<b>36 290</b>
Compensation of employees	18 008	10 383	12 650	3 980	6 580	6 580	21 653	17 414	16 286
Salaries and wages	16 463	10 383	11 510	3 800	6 400	6 400	18 305	13 610	12 261
Social contributions	1 545		1 140	180	180	180	3 348	3 805	4 025
Goods and services	68 116	83 246	94 611	187 432	1 929	1 929	274	14 907	20 004
Administrative fees	40	85	18	41	41	41	19	45	48
Advertising	18	1 020	135		149	149			
Minor Assets	12								
Catering: Departmental activities	234	73	15	30	10	10	( 1)	33	35
Computer services	1 311	7							
Consultants and professional services: Business and advisory services	61 575	81 123	94 126	86 617	1 517	1 517		( 631)	( 668)
Contractors	34			100 383			94	15 213	20 327
Entertainment				14	14	14	( 1)	15	16
Inventory: Materials and supplies	2						( 1)		
Consumable supplies		3							
Consumable: stationery, printing and office supplies	394			55				61	64
Operating leases	218	11		129					
Travel and subsistence	1 740	780	227	34	119	119	28	29	30
Training and development	53								
Operating payments	62	3	58						
Venues and facilities	2 423	141	32	129	79	79	136	143	151
<b>Transfers and subsidies</b>	<b>104 354</b>	<b>128 447</b>	<b>152 759</b>	<b>129 838</b>	<b>260 458</b>	<b>260 458</b>	<b>176 418</b>	<b>183 682</b>	<b>194 335</b>
Departmental agencies and accounts	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Provide list of entities receiving transfers	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Households	54		16 468		20	20			
Social benefits	54		16 468		20	20			
<b>Payments for capital assets</b>	<b>71</b>								
Machinery and equipment	71								
Other machinery and equipment	71								
<b>Payments for financial assets</b>	<b>5 909</b>		<b>24 000</b>						
<b>Total economic classification</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

TABLE 3.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 585</b>	<b>5 666</b>	<b>8 335</b>	<b>4 331</b>	<b>1 731</b>	<b>1 731</b>	<b>5 515</b>	<b>6 021</b>	<b>6 370</b>
Compensation of employees		5 519	8 213	4 231	1 631	1 631	5 415	5 916	6 259
Salaries and wages		5 519	7 340	4 211	1 611	1 611	5 394	5 894	6 235
Social contributions			873	20	20	20	21	22	24
Goods and services	1 585	147	122	100	100	100	100	105	111
Administrative fees	5	3	18						
Catering: Departmental activities	3		1	20	20	20	20	21	22
Consultants and professional services: Business and advisory services	1 471								
Contractors			50						
Travel and subsistence	106	144	53	50	50	50	50	53	56
Venues and facilities				30	30	30	30	32	33
<b>Transfers and subsidies</b>	<b>450 525</b>	<b>506 519</b>	<b>515 571</b>	<b>552 278</b>	<b>574 778</b>	<b>574 778</b>	<b>618 802</b>	<b>639 428</b>	<b>676 515</b>
Departmental agencies and accounts	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Provide list of entities receiving transfers	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Households		75	3 919						
Social benefits		75	919						
Other transfers to households			3 000						
<b>Payments for financial assets</b>			<b>7 000</b>						
<b>Total economic classification</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

TABLE 3.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>33 578</b>	<b>24 672</b>	<b>21 050</b>	<b>35 934</b>	<b>36 728</b>	<b>36 730</b>	<b>50 580</b>	<b>49 936</b>	<b>52 832</b>
Compensation of employees	28 973	20 973	19 181	28 400	21 400	21 400	31 070	31 951	33 805
Salaries and wages	25 590	20 973	16 973	24 261	18 821	18 821	26 518	27 243	28 823
Social contributions	3 383		2 208	4 139	2 579	2 579	4 552	4 708	4 981
Goods and services	4 605	3 699	1 869	7 534	15 328	15 330	19 509	17 985	19 028
Administrative fees	1	5	7	31	236	236	147	49	52
Advertising	150	465	129						
Minor Assets	111								
Bursaries: Employees				330					
Catering: Departmental activities	530	954	645	550	621	621	856	584	618
Communication (G&S)	4	250							
Computer services		( 1)							
Consultants and professional services: Business and advisory services	1 471	453	253	5 083	7 471	7 471	2 301	1 566	1 657
Consultants and professional services: Legal costs	186								
Contractors	153	139	74						
Agency and support / outsourced services				39				32	34
Entertainment		( 1)	1	62	36	36	73	45	47
Fleet services (including government motor transport)		14							
Inventory: Materials and supplies	3		1	18				21	22
Consumable supplies	9	3	1						
Consumable: stationery, printing and office supplies	341	13		23				25	27
Operating leases	552	1 140	12				26	27	29
Property payments	50	( 400)							
Travel and subsistence	484	436	477	546	1 532	1 534	2 857	2 638	2 791
Training and development								105	111
Operating payments	118	53	34						
Venues and facilities	442	176	235	852	632	632	1 250	893	945
Rental and hiring					4 800	4 800	12 000	12 000	12 696

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>32 707</b>	<b>21 905</b>	<b>18 159</b>	<b>25 327</b>	<b>25 333</b>	<b>25 332</b>	<b>26 669</b>	<b>28 003</b>	<b>29 992</b>
Departmental agencies and accounts	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Provide list of entities receiving transfers	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Households	37	18	3		6	5			
Social benefits	37	18	3		6	5			
<b>Payments for capital assets</b>	<b>51</b>								
Machinery and equipment	51								
Other machinery and equipment	51								
<b>Payments for financial assets</b>	<b>398</b>		<b>19 000</b>						
<b>Total economic classification</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

TABLE 3.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>23 049</b>	<b>13 399</b>	<b>12 731</b>	<b>176 359</b>	<b>178 444</b>	<b>178 444</b>	<b>204 617</b>	<b>213 468</b>	<b>224 687</b>
Compensation of employees	8 166	6 983	9 845	62 600	44 811	44 810	55 901	56 661	59 947
Salaries and wages	7 506	6 983	8 875	55 140	39 351	39 350	47 766	48 484	51 296
Social contributions	660		970	7 460	5 460	5 460	8 135	8 177	8 651
Goods and services	14 883	6 416	2 886	113 759	133 633	133 634	148 716	156 807	164 740
Administrative fees	147	5	3	163	163	163	819	203	215
Advertising			110					20	21
Catering: Departmental activities	44	48	22	918	856	856	889	957	1 013
Computer services	1 595	316			456	456			
Consultants and professional services: Business and advisory services	11 595	4 701	2 034	14 980	123 254	123 254	15 321	44 562	47 145
Consultants and professional services: Infrastructure and planning				1 370	98	98			
Consultants and professional services: Scientific and technological services							20 000	20 000	20 000
Consultants and professional services: Legal costs				90 303				374	396
Contractors	49	1	19	3 020	5 331	5 331	99 167	74 270	78 578
Agency and support / outsourced services	14							79	84
Entertainment				31	31	31	24	25	27
Fleet services (including government motor transport)		28							
Inventory: Food and food supplies	9								
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	3		1					( 6)	( 7)
Inventory: Other supplies	3								
Consumable supplies		1	4						
Consumable: stationery, printing and office supplies	29			145	240	240	381	112	119
Operating leases							2 000		
Property payments		( 1)	( 1)				4 000	2 000	2 116
Transport provided: Departmental activity								6 000	6 348
Travel and subsistence	1 318	161	434	876	1 625	1 626	2 404	3 462	3 663
Training and development			1		400	400			
Operating payments	2		11		100	100	2 000	2 003	2 120
Venues and facilities	75	1 156	248	1 953	1 018	1 018	1 711	2 744	2 903
Rental and hiring					61	61			
<b>Transfers and subsidies</b>	<b>56</b>	<b>6</b>	<b>1 483</b>		<b>115</b>	<b>115</b>			
Households	56	6	1 483		115	115			
Social benefits	56	6	1 483		115	115			

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Payments for capital assets</b>				135	135	135			
Machinery and equipment				135	135	135			
Other machinery and equipment				135	135	135			
<b>Payments for financial assets</b>	5 100		5 000						
<b>Total economic classification</b>	28 205	13 405	19 214	176 493	176 493	176 493	204 617	213 467	224 687