

Vote 09

Department: *Economic Development, Environmental Affairs and Tourism*

Table 1: Summary of departmental allocation

R'000	
To be appropriated by Vote in 2017/18	R1 069 558
Responsible MEC	MEC for Economic Development, Environmental Affairs and Tourism
Administering Department	Department of Economic Development, Environmental Affairs and Tourism
Accounting Officer	Head of Department

Overview

Vision

Sustainable development underpinned by economic growth and sound environmental management.

Mission

To lead economic development and environmental management in the Eastern Cape.

Core functions and responsibilities

The core functions of the department are summarised as follows:

- To drive economic growth and development in the Eastern Cape;
- To develop and promote the provincial tourism sector;
- To provide consumer protection services, gambling and betting regulations, trade inspection and regulate the liquor industry; and
- To develop regulatory frameworks and monitor the implementation of policies for the protection of biodiversity and environment in the province.

Main Services

- Coordinate all strategic initiatives relating to the creation of decent work through inclusive economic growth; including the implementation of the New Growth Path (NGP) and the aligned provincial growth strategies.
- Develop and utilise strategic frameworks and partnerships for the support and promotion of sustainable Small Medium and Micro Enterprises (SMMEs) and Cooperatives as well as support local procurement in the province.
- Promote economic growth and development of local economies in partnership with key stakeholders by aligning Local Economic Development (LED) initiatives with government programmes as well as

creating and facilitating an enabling environment for implementation. This includes small town revitalisation and the development of township economies.

- Increase the number of jobs created through sector and cluster development and support sustainable initiatives in agro-processing, manufacturing and the revitalization of old industrial parks.
- Facilitate the development of strategic infrastructure projects that will stimulate the competitiveness of priority sectors in the provincial economy. Focus is placed on socio-economic infrastructure, Operation Phakisa, the Black Industrialisation Programme and support of SIPs programmes.
- Promote consumer rights, develop systems for effective regulation of the liquor, gambling and betting industries in the province.
- Provide credible information and databank that informs economic policy and planning processes.
- Establish, implement and maintain effective systems to manage the sustainable utilisation of biological resources and conservation of ecosystems.
- Establish, implement and maintain effective systems using environmental legislation to protect the environment and implement environmental awareness programmes to empower communities.
- Facilitate informed environmental decision-making through the implementation of comprehensive environmental planning and coordination mechanisms.

Demands for and expected changes in the services

The provincial labour market is beset with structural challenges including a skills mismatch between supply and demand, and high long term unemployment. The expanded definition of unemployment (which includes discouraged work-seekers) places the provincial unemployment rate at more than 40 per cent while the unemployment rate is at 26 per cent. The need for programmes that stimulate growth and employment is great. Noting the enormity of the challenges faced by the economy and the pressures placed on government through a decreasing resource envelope, the department has prioritised programmes this is guided by the Provincial Economic Development Strategy (PEDS) that focus primarily on sector development and support, Local and Regional Economic Development (LRED), skills development, infrastructure development and other catalytic projects that focus on job creation, especially youth employment.

Through the PEDS for the economic transformation of the province, the sectors that will be focused on is agro-industry, sustainable energy, ocean economy, automotive industry, light manufacturing, tourism and small businesses. The focus here will be on beneficiation and localisation of the aforementioned industries. Also the department will be undertaking economic infrastructure projects through the Eastern Cape Development Corporation to stimulate economic development in the province.

In line with the provincial decision to rationalise public entities, the focus over the 2017 MTEF will be to streamline the operations of the entities in terms of its mandate. Furthermore, a new focus is being put on the assessment of the transitional arrangements of the provincial Industrial Development Zones (IDZs) to become Special Economic Zones (SEZs) in line with enhancing regional exporting capacity and diversifying the economic sectors supported by the province.

The Acts, rules and regulations

The department operates in a highly regulated environment, with more than 100 Acts and Regulations that serve as operational boundaries of the DEDEAT Group (department & 6 public entities). The following key acts, rules and regulations are applicable to the core functions of the department: Consumer Protection Act, 2008; Broad Based Black Economic Empowerment Amended Act, 2013 Co-operatives Bank Act, 2005; Amended Co-operatives Act, 2013; National Gambling and Betting Act, 2008; National Small Business Act, 1996; National Liquor Act, 2003; Eastern Cape Liquor Act, 2003; Unfair Business Act, 1998; National Credit Act, 2006; Eastern Cape Gambling and Betting Board Act,

1997; Eastern Cape Development Corporation Act, 1997; Eastern Cape Parks and Tourism Agency Act, 2010; Nature Conservation Ordinance, 1974; Environmental Management Act, 1998; Environmental Conservation Act, 1998; National Environmental Management Air Quality Act, 2004; National Environmental Management Biodiversity Act, 2004; National Environmental Management Integrated Coastal Management Act, 2008; National Environmental Management Waste Act, 2008; and National Environmental Management Protected Areas Act, 2009.

Budget decisions

Strategic priorities inform the resource allocation within the Vote, which includes funding to the Department and its public entities.

As a percentage of the total budget the transfers to public entities has been reduced from more than 65 per cent a few years ago to approximately 57 per cent in 2017/18 while, reducing to 55 per cent over the 2017 MTEF. The sluggish economic growth and shrinking fiscus have impacted extremely on the allocation to the department and Public Entities. Of particular note, the two existing IDZs would require more funding due to requirements for co-funding as promulgated in the SEZ Regulations.

The current economic climate and the constraints placed on the provincial resource envelope dictates focus and prioritisation. Therefore, the department has to implement austerity measures and undertake service delivery re-engineering to ensure efficiency, effectiveness and value for money spending. The department has considered programmes or projects that have not delivered as intended and reprioritised the budget accordingly.

The key budget decisions have been based on the following priorities, in alignment to the PEDS and government priorities:

- Revitalising agriculture and the agro-processing value chain at R750 thousand;
- Unlocking the potential of small, medium and micro enterprises, cooperatives and township enterprises at R27.193 million;
- Operation Phakisa at R843 thousand;
- Encouraging private-sector investment at R2.405 million;
- Developing approved socio-economic infrastructure projects at R27.321 million;
- Resolving the energy challenge and encouraging investment in sustainable energy at R1.652 million; and
- Enhancing environmental and conservation awareness at R5 million.

Aligning departmental budgets to achieve government's prescribed outcomes

Decent employment through inclusive economic growth and sustainable livelihoods are the cornerstone objectives of Outcome 4. The department has aligned its plans to this national outcome by promoting the Green Economy through extensive collaboration with communities and local municipalities in creating EPWP-led initiatives and investing in research, skills and capacity development. In addition, the department will undertake market development and promote the manufacturing of solar, bio-energy and wind energy generation capabilities and applications and supporting the creation of Green Jobs in the Tourism and Environmental Management sectors. Furthermore, the department facilitates the establishment of regional economic nodes with local clustered supply and demand-side linkages, implements strategies to diversify the manufacturing sector whilst simultaneously attending to the Green Economy and labour absorption capacity, at the same time the department uses SMME and Co-operatives policies to guide and target the development of capacity and harnessing the socio-economic opportunities of the renewable energy build programme.

In support of Outcome 5 (a skilled and capable workforce to support an inclusive growth path) the department will contribute to enhancing the skills-base of the province through various capacity and skills development initiatives.

Although the mandate of the department does not include building social and economic infrastructure, it supports Outcome 6 through the existing infrastructure build programme being implemented by the Eastern Cape Development Corporation (ECDC) and Coega Development Corporation (CDC).

Outcome 7 (rural development, land and agrarian reform, and food security) is supported through collaboration with DRDAR, Trade and Sector development unit need to undertake market development and export promotion which links farmers to market, supporting sustainable economic development initiatives in agriculture and influencing collaborating departments to improve road networks linking farm and non-farm activities in strategic rural locations.

Economic growth must be balanced against sustainable resource management and use (Outcome 10). In doing so, the department develops guidelines for the protection and promotion of bio-cultural diversity; promotes the use of cleaner technologies to enhance environmental quality and supports initiatives to identify and commercialise alternate energy production.

Review of the current financial year (2016/17)

Key achievements

Infrastructure and Special Economic Zones

During the year the East London Industrial Development Zone (ELIDZ) and Coega Development Corporation (CDC) attracted 10 investors, with an investment value of approximately R2.95 billion.

Through the Integrated Social Infrastructure Delivery Programme (ISIDP) the department is at various stages of construction on 805 housing units in Kwanobuhle, Kwanontsinga, Khayamnandi and Motherwell, creating approximately 100 construction jobs. Completed projects in NMMM include the surfacing of gravel roads, roads and stormwater maintenance and waste management. Approximately 2 420 jobs were created with a project commitment value of R232.1 million. Other projects include the Makana water and sanitation intervention, security upgrades to the Fort Jackson Industrial Park, revitalization of Mdantsane Mall, and the rehabilitation of a Butterworth factory for the production of filters for Eskom. A total of R57 million has been spent on the school build programme under the socio-economic infrastructure programme, and approximately R5 million has been spent on bus depots.

Revitalisation of the prioritised industrial parks progressed with funding from the dti. This structured programme is creating jobs in and around townships and rural communities as well as developing infrastructure in support of reindustrialisation. The Ezibeleni and Komani Industrial Parks were launched during the year.

Enterprise Development

A total of 290 SMMEs were assisted for non-financial support services and 245 SMMEs received R14.657 million for development finance, whilst 60 co-operatives received non-financial support and 50 co-operatives received an amount of R12.536 million for financial support. To date, R5 million was disbursed to 5 manufacturing companies supporting the retention of 575 jobs in Nelson Mandela Bay, Buffalo City and Mthatha.

Trade and Sector Development

There have been a number of agro-industry investments in the province. At the CDC, agro-based companies have invested more than R500 million in both state and private funding. Institutional support was provided to the Chicory and Pineapple industries with the aim of establishing a conducive environment for the two industries to thrive in an environment where they compete against cheap

imports. The SMMEs in energy phase 3 project was completed in May 2016. A total of 80 companies were provided with integrated export support in the province.

A landmark workshop was held with some of the country's most influential players to help build a compelling role for the province in the country's multi-billion-rand oil and gas industry. Plans have been developed that include the pipeline distribution of gas, a 4.5 gigawatt Coega gas terminal, developing storage and regasification units and/or a land-based terminal with pipe supply to offtakers, small scale distribution of gas to industrial and commercial users and other power stations.

Regulation and governance

The Eastern Cape Consumer Protection Bill, 2016 was published and public consultation meetings were held in Ntabankulu and Mthatha. Through the liquor awareness programme, 12 079 people were reached in the first half of the year while the Eastern Cape Gambling and Betting Board (ECGBB) conducted 3 gambling awareness programmes in the province. EC gambling and betting regulations have been drafted.

Research and planning

Socio economic review and outlook document was published for use in decision making. An economic research portal was created where economic research could be shared. Collaboration with universities and other research institutions has been enhanced.

Tourism Development

The Department has also launched a campaign to drive capacity development in the tourism sector, with a focus on the grading of accommodation and tourist facilities. In addition, 5 enterprises benefitted from a tourism-related training and mentorship programme that was implemented in partnership with the International Labour Organisation (ILO), with a further 10 enterprises were supported to participate in the Tourism Indaba. Through the support of the Eastern Cape Parks and Tourism Agency (ECPTA) 23 tourism enterprises attended Consumer and Trade Shows.

Environmental Management

Over 94 per cent of Environmental Impact Assessment (EIA) applications and 50 per cent of applications for waste licences were processed within timeframes. Reserves were supported with anti-poaching vehicles and equipment. Community awareness programmes, training of field rangers and anti-poaching joint operations were also conducted. Ten environmental capacity building activities were conducted while 19 environmental awareness activities were undertaken. A total of 2 672 biodiversity permits were issued during the reporting period.

Key challenges

- Despite a new organogram being approved by the MEC in 2016, the department is still operating from the 2006 structure as the Minister for Public Service and Administration must still concur with the organogram.
- The quality of applications for Local and Regional Economic Development (LRED) project funding remains a challenge. Although approximately 300 applications were received only 10 were approved.
- Limited project management skills to implement social infrastructure projects.
- A co-funding model for the SEZs has not yet been finalised and poses a challenge for the transition of IDZs to SEZs.
- Whilst the province has attracted significant investment in terms of renewable energy and is home to 16 wind farms and 1 solar farm, there are bottlenecks in terms of connectivity to the national grid. The new energy mix scenario announced by ESKOM in November 2016 has raised some positive expectations.

- Rhino poaching, sand mining and removal of protected plants and non-adherence to environmental legislation continues to be a problem in the province.

Outlook for the coming financial year (2017/18)

A major policy and regulatory issue facing the department is the implementation of the SEZ Act and its associated Regulations. The department will assist the existing IDZs to develop strategies and plans aligned to the objectives of the SEZ Act and continue to support the IDZs to work towards the conversion of IDZs into SEZs. These investment zones will attract 13 investors worth approximately R2.32 billion and create approximately 19 920 job opportunities. The department will support simultaneously by contributing to skills development by training about 7 513 people in prioritized sectors. Through the ECDC, the department will support 4 socio-economic infrastructure projects in addition to the finalization of existing housing projects being finalized by the CDC.

The department will support 300 SMMEs and 65 co-operatives with non-financial support such as business training, development of plans and marketing and provide development financing to approximately 300 SMME's and 20 co-operatives. With regard to supporting entrepreneurs and job creation, about 100 entrepreneurs will be placed in the chemistry and ICT sector incubation programmes.

Through the Eastern Cape Liquor Board (ECLB) the department will process all fully compliant liquor license applications and reach 22 000 participants through liquor consumption awareness programmes. A total of 8 gambling licenses will be issued via the ECGBB which will further enhance revenue collection in 2017/18.

The department will support and facilitate the development of tourism facilities and lobby for an investment in tourism-related infrastructure. Implementation of the newly approved tourism plan begins in 2017/18.

The Department plans to process all environmental-related applications within legislated timeframes and support sustainable environmental management and sustainable economic development, this will be achieved through collaboration with municipalities in the development of their IDPs, promote the use of cleaner technologies and support initiatives to identify and commercialise alternate energy production. In addition, the department will provide 25 environmental awareness sessions or activities, capacity building activities or workshop and 29 awareness programmes. There are also plans to create approximately 620 work opportunities through environmental programmes.

Guidelines will be finalised for the development and management of the provincial coastline in support of, and linked to, existing spatial development and planning frameworks and the gazetting of coastal management lines.

Reprioritisation

The department's utilisation of external consultants is done in areas where there are no specialised skills available, such as the manufacturing sector, automotive sector, development of systems and research.

The introduction of video conferencing when interacting with district offices has reduced traveling costs resulting in savings that will be utilised for other departmental projects. The department will continue to implement cost containment measures in line with instructions from the National and Provincial Treasuries. The department is also reviewing its communication policy and allocation of all related tools such as cell phones and utilisation of landlines in order to cut costs.

Procurement

The department will procure a number of projects through the bidding process. A number of projects will also be procured through the quotation process. The department will further ensure efficient and cost effective procurement through bulk purchasing agreements. The department will continue to outsource some functions due to the limited capacity within the department. Also it will be done with the purpose of transfer of skills to departmental staff taking into consideration the gap analysis. The procurement processes will be aligned according to the implementation date of the projects as listed in the departments' procurement plan.

Receipts and financing

Summary of receipts

Table 2: Summary of departmental receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20	
Equitable share	1 353 266	1 132 256	1 244 981	1 145 464	1 133 964	1 131 213	1 067 004	1 064 089	1 128 718	(5.7)
Conditional grants	550	2 102	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Expanded Public Works Programme Incentive Grant for Provinces	550	2 102	1 370	2026	2026	2026	2 554	-	-	26.1
Total receipts	1 353 816	1 134 358	1 246 351	1 147 490	1 135 990	1 133 239	1 069 558	1 064 089	1 128 718	(5.6)
<i>of which</i>										
Departmental receipts	125 866	261 106	230 282	181 323	227 023	224 001	249 068	272 075	297 229	11.2

Table 2 above reflects the summary of departmental receipts which consist of equitable share, conditional grants and own revenue from 2013/14 to 2019/20. The actual receipts decreased from R1.353 billion in 2013/14 to R1.133 million in the 2016/17 revised estimates. This was due to the reduction of allocation to Coega for the provincial social infrastructure programme. In 2017/18, the total receipts decrease by 5.6 per cent to R1.069 billion whilst departmental receipts increase by 11.2 per cent, driven largely by the awarding of additional licences during the past years, together with the implementation of other gambling activities (e.g. bingo).

Departmental receipts collection

Table 3: Summary of departmental receipts and collection

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20	
Tax receipts	123 484	161 090	183 996	179 390	225 090	217 857	207 381	227 083	248 656	(4.8)
Casino taxes	100 054	135 894	150 632	155 299	191 859	186 679	170 052	186 207	203 897	(8.9)
Horse racing taxes	17 872	7 634	9 294	9 223	9 223	9 620	10 099	11 059	12 109	5.0
Liquor licences	5 558	17 562	24 070	14 868	24 008	21 558	27 230	29 817	32 650	26.3
Motor vehicle licences	-	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	802	1 090	1 071	1 298	1 298	1 294	41 013	44 279	47 816	3069.5
Transfers received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	818	1 427	514	-	-	848	-	-	-	(100.0)
Interest, dividends and rent on land	331	13	73	609	609	515	646	684	726	25.4
Sales of capital assets	-	-	149	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	431	97 486	44 479	26	26	3 487	28	29	31	(99.2)
Total departmental receipts	125 866	261 106	230 282	181 323	227 023	224 001	249 068	272 075	297 229	11.2

Departmental own receipts increased from R125.866 million in 2013/14 to R224.001 million in the 2016/17 revised estimate and further increases to R249.068 million in 2017/18, driven largely by the awarding of additional licences during the past years, together with the implementation of other gambling

activities (e.g. bingo). It is anticipated that zone 4 Casino in the Mthatha region will be operational in 2018/19 as well as the impact of the revision of tariffs. The large increase of 26.3 per cent in receipts from liquor licences is as a result of an increase in liquor licence fees.

Official development assistance (donor funding)

Table 4: Summary of departmental donor funding

R' 000	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Donor organisations										
CATHSETA	600	-	-	-	-	-	-	-	-	
European Funding	-	-	-	10 300	10 300	10 300	2 200	17 500	10 300	(78.6)
European Funding	-	-	-	2 400	2 400	2 400	4 000	4 000	2 400	66.7
Total payments	600	-	-	12 700	12 700	12 700	6 200	21 500	12 700	(51.2)

Table 4 above shows that the department received donor funding of R600 thousand in the 2013/14 financial year for the skills and development. In 2014/15 to 2016/17, the European funds that were planned to be utilised for managing school's toilet waste in order to generate fertiliser and cooking gas for school garden and feeding schemes by the ECDC never materialised. The donor allocation in 2017/18 of R 6.200 million is mainly for managing school toilets waste in order to generate fertiliser and cooking gas for school garden and feeding schemes, which will be implemented by Eastern Cape Development Corporation. Included is the funding for the sustainable rural village project for Chris Hani District Municipality expansion programme amounting to R2.400 million.

Payment summary

Key assumptions

The assumptions for crafting this budget were to provide a framework to the departmental officials for setting priorities, determining service levels and allocating financial resources efficiently.

The following key assumptions were taken into consideration when this budget was formulated:

- Salary increases were taken into account as per the guidelines of CPI plus 1 per cent;
- Inflationary increases in other expenditure items are based on the following CPI rates: 6.1 per cent in 2017/18, 5.9 per cent in 2018/19 and 5.8 per cent in 2019/20 financial years; and
- Cost containment measures to be implemented as much as possible in order to ensure an efficient use of fiscal resources

Programme summary

Table 5: Summary of payments and estimates by programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
1. Administration	186 793	209 775	196 745	213 368	217 944	214 820	235 239	236 328	256 062	9.5
2. Economic Development and Tourism	881 037	621 564	760 022	627 725	616 145	616 803	531 339	499 899	525 836	(13.9)
3. Environmental Affairs	285 986	303 019	289 584	306 397	301 901	301 615	302 980	327 862	346 820	0.5
Total payments and estimates	1 353 816	1 134 358	1 246 351	1 147 490	1 135 990	1 133 239	1 069 558	1 064 089	1 128 718	(5.6)

Summary of economic classification

Table 6: Summary of payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	300 159	356 954	393 855	416 880	373 336	367 471	384 066	414 476	442 827	4.5
Compensation of employees	194 490	214 221	216 292	237 972	234 323	233 208	252 955	272 909	296 074	8.5
Goods and services	105 669	142 733	177 563	178 908	139 012	134 263	131 111	141 567	146 753	(2.3)
Interest and rent on land	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	1 038 416	728 937	756 996	588 460	658 785	680 972	667 152	634 430	669 857	(2.0)
Provinces and municipalities	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 062	(55.0)
Departmental agencies and accounts	984 223	663 996	649 828	535 440	590 940	611 950	622 782	589 555	622 570	1.8
Higher education institutions	11 064	10 315	3 433	3 220	3 045	3 045	3 100	6 223	6 571	1.8
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Non-profit institutions	1 000	2 396	978	1 300	1 300	1 432	1 783	1 444	1 525	24.5
Households	1 179	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Payments for capital assets	14 890	48 467	95 500	142 150	103 870	84 796	18 340	15 183	16 034	(78.4)
Buildings and other fixed structures	–	36 741	71 018	129 500	91 950	72 450	1 708	–	–	(97.6)
Machinery and equipment	14 890	11 068	24 482	12 650	11 920	12 346	16 632	15 183	16 034	34.7
Heritage Assets	–	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	658	–	–	–	–	–	–	–	–
Payments for financial assets	351	–	–	–	–	–	–	–	–	–
Total economic classification	1 353 816	1 134 358	1 246 351	1 147 490	1 135 990	1 133 239	1 069 558	1 064 089	1 128 718	(5.6)

Tables 5 and 6 show the summary of payments and estimates per programme and economic classification. The actual expenditure decreased from R1.353 billion in 2013/14 to a revised estimate of R1.133 billion in the 2016/17 due to reduction of allocation to Coega for the provincial social infrastructure programme. There is a further decrease to R1.069 billion in 2017/18 due to a reduction of transfers to public entities and payments for infrastructure projects.

Compensation of Employees increased from R194.490 million in 2013/14 to a revised estimate of R233.208 million in the 2016/17 and further to R252.955 million in 2017/18 due to the annual improvement in conditions of services (ICS adjustment) throughout the years. The 2017/18 budget includes funds to create human resource capacity in critical areas in the core programmes.

Expenditure on Goods and Services increased from R105.669 million to a revised estimate of R134.263 million in the 2016/17 as a result of funding allocated to the CDC for social infrastructure projects. In 2017/18 the budget decrease by 2.3 per cent to R131.111 million due to a change of focus in allocating funds for economic infrastructure projects.

Transfers to public entities are the main cost driver of expenditure. Transfers and Subsidies decreased from R1.038 billion in 2013/14 to a revised estimate of R680.972 million in the 2016/17 financial year. The decrease is due to the change of the economic classification of the social infrastructure programme from Transfers and Subsidies to Goods and services. Although Transfers to public entities under Departmental Agencies and Accounts decreases by 2 per cent in 2017/18, funding is allocated to the ECDC for economic infrastructure planning.

Payments for Capital assets increased from R14.890 million in 2013/14 to a revised estimate of R84.796 million in 2016/17 due to the allocation of funds for CDC social infrastructure capital projects and the purchase of new office furniture for the regional offices. In 2017/18, the budget decreases to R18.340 million due to the change in focus where funds will be allocated for the implementation of economic infrastructure projects in the province.

Expenditure by municipal boundary

Table 7: Summary of departmental payments and estimates by benefiting municipal boundary

Cat		Audited Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
		2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
R thousand											
A	Buffalo City Metro	1 257 579	1 016 281	1 171 585	1 132 839	1 063 089	1 060 588	1 014 732	1 050 663	1 117 655	(4.3)
A	Nelson Mandela Bay Metropolitan Municipality	82 000	101 303	53 000	-	58 000	58 000	40 000	-	-	(31.0)
C	Alfred Nzo District Municipality	2 700	4 290	500	1 000	1 000	1 000	-	-	-	(100.0)
B	Matatiele	2 700	-	500	-	-	-	-	-	-	
B	Umzimvubu	-	1 000	-	-	-	-	-	-	-	
B	Mbizana	-	3 290	-	-	-	-	-	-	-	
B	Ntabankulu	-	-	-	1 000	1 000	1 000	-	-	-	(100.0)
C	Alfred Nzo District	-	-	-	-	-	-	-	-	-	
C	Amathole	1 300	2 550	500	1 001	1 001	1 001	-	-	-	(100.0)
B	Mbashe	1 100	-	-	231	231	231	-	-	-	(100.0)
B	Great Kei	-	-	-	-	-	-	-	-	-	
B	Amahlathi	200	2 550	-	770	770	770	-	-	-	(100.0)
B	Ngqushwa	-	-	-	-	-	-	-	-	-	
B	Raymond Mhlaba	-	-	500	-	-	-	-	-	-	
B	Mnquma	-	-	-	-	-	-	-	-	-	
C	Amathole District	-	-	-	-	-	-	-	-	-	
C	Chris Hani District Municipality	500	1 600	4 532	1 975	1 975	1 975	2 400	-	-	21.5
B	Inxuba Yethemba	-	-	-	-	-	-	-	-	-	
B	Intsika Yethu	500	-	-	-	-	-	2 400	-	-	
B	Emalahleni (Ec)	-	1 600	4 532	1 975	1 975	1 975	-	-	-	(100.0)
B	Engcobo	-	-	-	-	-	-	-	-	-	
B	Enoch Mgijima (New)	-	-	-	-	-	-	-	-	-	
B	Sakhisizwe	-	-	-	-	-	-	-	-	-	
C	Chris Hani District	-	-	-	-	-	-	-	-	-	
C	Joe Gqabi District Municipality	3 373	2 993	800	1 000	1 000	1 000	-	-	-	(100)
B	Elundini	350	-	-	-	-	-	-	-	-	
B	Senqu	1 523	2 493	-	-	-	-	-	-	-	
B	Walter Sisulu	1 500	500	800	1 000	1 000	1 000	-	-	-	(100.0)
C	Joe Gqabi District	-	-	-	-	-	-	-	-	-	
C	O.R Tambo District Municipality	4 400	1 000	4 000	1 500	1 750	1 500	6 084	-	-	305.6
B	Ngquza Hills	-	-	3 500	-	-	-	-	-	-	
B	Port St Johns	4 400	1 000	-	-	-	-	-	-	-	
B	Nyandeni	-	-	-	500	750	500	6 084	-	-	1116.8
B	Mhlontlo	-	-	500	1 000	1 000	1 000	-	-	-	(100.0)
B	King Sabata Dalindyebo	-	-	-	-	-	-	-	-	-	
C	O.R Tambo District	-	-	-	-	-	-	-	-	-	
C	Sarah Baartman District Municipality	1 964	4 341	10 434	7 175	7 175	7 175	5 342	2 950	-	(25.5)
B	Dr Beyers Naude	-	2 000	-	-	-	-	2 554	-	-	
B	Blue Crane Route	-	-	-	-	-	-	-	-	-	
B	Makana	1 964	2 041	2 434	4 519	4 519	4 519	2 788	2 950	-	(38.3)
B	Ndlambe	-	300	-	2 656	2 656	2 656	-	-	-	(100.0)
B	Sundays River Valley	-	-	-	-	-	-	-	-	-	
B	Kouga	-	-	-	-	-	-	-	-	-	
B	Kou-Kamma	-	-	8 000	-	-	-	-	-	-	
C	Sarah Baartman District	-	-	-	-	-	-	-	-	-	
Whole Province				1 000	1 000	1 000	1 000	1 000	10 476	11 063	
Total provincial payments by district and local municipality		1 353 816	1 134 358	1 246 351	1 147 490	1 135 990	1 133 239	1 069 558	1 064 089	1 128 718	(5.6)

Table 7 above show departmental payments and estimates by municipal boundary. The budget decreased from R1.353 billion in 2013/14 to a revised estimate of R1.133 billion in the 2016/17 financial year. The Buffalo City Metropolitan Metro Municipality and Nelson Mandela Bay Metropolitan Municipality reflect the highest budget allocation as compared to other district and local municipalities due to funds allocated to public entities and head office.

Infrastructure payments

7.5.1 Departmental Infrastructure payments

Table 8: Summary of departmental infrastructure payments by Category.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Existing infrastructure assets	-	-	-	-	-	-	-	-	-	
Maintenance and repair	-	-	-	-	-	-	-	-	-	
Upgrades and additions	-	-	-	-	-	-	-	-	-	
Refurbishment and rehabilitation	-	-	-	-	-	-	-	-	-	
New infrastructure assets	-	-	-	-	-	-	-	-	-	
Infrastructure transfers	-	-	-	-	9 500	9 500	27 321	853	-	187.6
Current	-	-	-	-	-	-	-	-	-	
Capital	-	-	-	-	9 500	9 500	27 321	853	-	187.6
Infrastructure payments for financial assets	-	-	-	-	-	-	-	-	-	
Infrastructure leases	-	-	-	-	-	-	-	-	-	
Non infrastructure	-	-	-	-	-	-	-	-	-	
Total department infrastructure	-	-	-	-	9 500	9 500	27 321	853	-	187.6

Table 8 above shows the summary of infrastructure payment per category from 2013/14 to 2019/20. The infrastructure allocation in 2017/18 of R27.321 million is mainly for the planning of economic infrastructure projects.

7.5.2 Maintenance

None.

Conditional grant payments

7.6.1 Conditional grant payments by grant

Table 9: Summary of departmental conditional grants by grant

R thousand	Audited Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
EPWP	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Total	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1

7.6.2 Conditional grant payments by economic classification

Table 10: Summary of departmental conditional grants by economic classification

R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20	
Current payments	-	-	-	-	-	-	-	-	-	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	-	-	-	-	-	-	-	-	-	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Provinces and municipalities	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1

Table 9 and 10 above shows a summary of the department's conditional grants. Expenditure on Conditional Grants increased from R550 thousand in 2013/14 to R2.026 million in the 2016/17 revised estimate due to an increase in the EPWP integrated grant for provinces. The grant is utilised on projects relating to cleaning, poverty alleviation and the creation of jobs. The grant increases by 26.1 per cent to R2.554 million in 2017/18 due to job creation.

Transfers

7.7.1 Transfers to public entities

Table 11: Summary of transfers to public entities by entity

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20	
East London Industrial Developer	114 907	113 792	94 932	100 866	100 866	121 876	106 767	112 959	119 285	(12.4)
Eastern Cape Development Corpor	507 111	155 535	221 180	143 523	153 023	153 023	171 822	153 735	162 344	12.3
EC Arts Council	-	-	-	-	-	-	-	-	-	
EC Gambling and Betting Board	42 687	42 745	43 843	48 454	49 454	49 454	53 072	56 152	59 297	7.3
EC Liquor Board	41 131	42 739	43 792	46 392	48 392	48 392	55 168	58 454	61 727	14.0
EC Parks and Tourism Agency	196 387	207 882	193 081	196 205	196 205	196 205	195 953	208 255	219 917	(0.1)
Coega Development Corporation	82 000	101 303	53 000	-	43 000	43 000	40 000	-	-	(7.0)
Total departmental transfers	984 223	663 996	649 828	535 440	590 940	611 950	622 782	589 555	622 570	1.8

Table 11 show the summary of transfers to public entities. The relationship between the department and its entities is formalised through shareholder compacts and SLAs. The transfers to public entities are 56.6 per cent of the departmental budget for 2017/18.

Expenditure by public entities decreased from R984.223 million in 2013/14 to a revised estimate of R611.950 million in 2016/17. In 2017/18, the transfers are expected to further increase by 1.8 per cent for Coega Development Corporation (CDC) as this is mainly to support the transition of CDC towards the Special Economic Zone (SEZ) as required by the new SEZ Act.

7.7.2 Transfers to other entities

Table 12: Summary of transfers to other entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Rhodes University	1 964	2 041	2 233	2 919	2 778	2 778	2 919	2 950	3 115	5.1
Fort Hare University	1 100	–	–	231	197	197	–	–	–	(100.0)
Nelson Mandela Metropolitan University	8 000	5 274	1 200	70	70	70	3 094	3 273	3 456	4320.0
LRED Fund	28 827	26 765	23 796	32 226	32 226	32 226	22 676	23 903	25 242	(29.6)
Chemin Incubation	–	1 800	1 800	1 800	1 800	2 100	1 890	2 000	2 112	(10.0)
Non Profit Institutions	1 000	1 266	978	1 300	1 300	1 432	1 365	1 444	1 525	(4.7)
Total departmental transfers	40 891	37 146	30 007	38 546	38 371	38 803	31 944	33 570	35 450	(17.7)

Table 12 above provides for all departmental transfers to other entities such as Higher Education Institutions, Public Corporations and Private Enterprises and Non Profit Institutions. Transfers to other entities decreased from R40.891 million in 2013/14 to R38.803 million in the 2016/17 revised estimate and further decreases to R31.944 million in 2017/18 due to a reduction in the funds for Shale Gas Exploration programme undertaken by the NMMU and the LRED funds. The partnership between the department and the Rhodes University's labour market research unit will continue in 2017/18.

The LRED funds are transferred to businesses and industries from different sectors such as agriculture, manufacturing, tourism, agro-processing, aquaculture, renewable energy, services, mining and construction. The transfer to the Chemin Incubator is for training and support materials for the students being trained in the chemistry sector incubation programme.

7.7.3 Transfers to local government by category

Table 13: Transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Category A	–	–	55 000	–	15 000	15 000	–	–	–	(100.0)
Category B	11 573	14 103	7 800	8 526	8 526	8 776	11 038	–	–	25.8
Category C	550	4 602	13 332	1 975	1 975	1 975	–	–	–	(100.0)
Unallocated	–	–	–	1 000	1 000	1 000	1 000	10 476	11 063	0.0
Total departmental transfers	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 063	(55.0)

The transfers to municipalities increases from R12.123 million 2013/14 to R26.751 million in the 2016/17 revised estimate due funds allocated for Integrated Social Infrastructure Development programme implemented by Coega through Nelson Mandela Bay Municipality (NMBM). The department, in partnership with local municipalities has been utilising these grants to create jobs on environmental sector projects.

7.7.4 Transfers to local government by grant name

Table 14: Transfers to local government by name

R thousand	Audited Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
EPWP	550	1 472	1 370	2 026	2 026	2 026	2 554	–	–	26.1
Total	550	1 472	1 370	2 026	2 026	2 026	2 554	–	–	26.1

The transfers of the conditional grant by the department increased from R550 thousand to a revised estimate of R2.026 million in 2016/17 due to an increase in the EPWP integrated grant for provinces.

The grant is utilised on projects relating to cleaning, poverty alleviation and the creation of jobs. The grant increases by 26.1 per cent to R2.554 million in 2017/18 due to job creation.

Programme description

Programme 1: Administration

Objectives: Provide leadership, strategic management, direction, financial and human capital management in accordance with legislation, regulations and policies of the department and its public entities. The Programme is divided into 4 sub-programmes:

- **Office of the MEC:** To effectively and efficiently manage and direct the activities of the MEC;
- **Office of the HOD:** To manage and direct the departmental transversal administrative programmes that give leadership to the department and effectively maintain an oversight function of the whole department's mandate and function;
- **Financial Management:** To provide an effective financial management function and ensure implementation of the PFMA and other related financial regulations and policies; and
- **Corporate Services:** Ensure adequate provision of institutional capacity through effective human capital management and organisational development interventions.

Table 15: Summary of departmental payments and estimates by sub-programme: P1-Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
1. Office of the MEC	5 994	1 197	1 451	1 352	2 252	2 069	1 918	2 030	2 144	(7.3)
2. Office of the HOD	54 869	56 470	53 169	59 615	62 641	62 521	70 700	62 872	72 141	13.1
3. Financial Management	76 670	96 865	96 167	96 536	97 983	94 951	105 499	110 822	117 779	11.1
4. Corporate Services	49 260	55 243	45 958	55 865	55 067	55 279	57 122	60 604	63 998	3.3
Total payments and estimates	186 793	209 775	196 745	213 368	217 944	214 820	235 239	236 328	256 062	9.5

Table 16: Summary of departmental payments and estimates by economic classification: P1 – Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	170 465	195 439	179 299	199 085	204 391	200 515	217 051	221 615	240 524	8.2
Compensation of employees	95 184	106 807	103 037	113 787	112 510	111 782	127 475	126 689	140 284	14.0
Goods and services	75 281	88 632	76 262	85 298	91 881	88 733	89 576	94 926	100 240	0.9
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 095	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	1 095	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Payments for capital assets	14 882	11 726	14 617	11 310	10 580	10 837	15 215	13 684	14 451	40.4
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 882	11 068	14 617	11 310	10 580	10 837	15 215	13 684	14 451	40.4
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	658	-	-	-	-	-	-	-	-
Payments for financial assets	351	-	-	-	-	-	-	-	-	-
Total economic classification	186 793	209 775	196 745	213 368	217 944	214 820	235 239	236 328	256 062	9.5

Tables 15 and 16 above, shows that actual expenditure increased from R186.793 million 2013/14 to R214.820 million in the 2016/17 revised estimate. In 2017/18, the budget increases by 9.5 per cent to R235.239 million.

Compensation of Employees increased from R95.184 million in 2013/14 to a revised estimate of R111.782 million in the 2016/17 due to annual ICS adjustments. In 2017/18, the budget increases to R127.475 or by 14 per cent due to annual ICS adjustments and the filling of posts within Financial Management.

Goods and Services increased from R75.281 million in 2013/14 to a revised estimate of R88.733 million in the 2016/17 due to the re-alignment of the available funds towards the support of core programmes on ICT related services, fleet services and operating leases. The 2017/18 budget increases by 0.9 per cent.

Transfers and Subsidies increased from R1.095 million in 2013/14 to revised estimate of R3.468 million in the 2016/17 due to staff exiting the department as a result of natural attrition and the payment of leave gratuities. In 2017/18, the budget decreases to R2.973 million due to the fluctuation of the attrition rate.

Payments for Capital assets decreased from R14.882 million in 2013/14 to revised estimate of R10.837 million in the 2016/17 due estimated reduction in cost for purchase of furniture for the regional offices, quad bikes for the Green Scorpions, and the provision of departmental fleet. The increase in the 2017/18 budget of 40.4 per cent to R15.215 million makes allowance for additional vehicles for the department.

Programme 2: Economic Development and Tourism

Objectives: Promoting and administering sustainable economic development and job creation: The programme is divided into 5 sub-programmes:

- **Integrated Economic Development Services:** Promotes and supports economic development through shared partnership;
- **Trade and Sector Development:** Stimulates economic growth through industry development, trade and investment promotion;
- **Business Regulation and Governance:** Ensures an enabling socially responsible business environment that allows for predictability;
- **Economic Planning:** Develops provincial economic policies and strategies to achieve and measure sustainable economic development; and
- **Tourism:** Creates an enabling tourism environment through legislation, policy and strategy development. Also creates the demand and supply for tourism.

Table 17: Summary of departmental payments and estimates sub-programme: P2 –Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
1. Integrated Economic Development Services	128 616	136 081	145 339	175 053	175 053	175 423	168 534	181 289	191 443	(3.9)
2. Trade And Sector Development	637 967	365 246	492 933	323 561	309 881	310 553	215 757	162 946	169 229	(30.5)
3. Business Regulation & Governance	106 861	107 677	111 916	117 001	120 054	120 270	130 667	138 333	146 862	8.6
4. Economic Planning	4 551	4 606	5 510	7 446	6 771	6 330	6 982	8 353	8 821	10.3
5. Tourism	3 042	7 954	4 324	4 664	4 386	4 227	9 399	8 978	9 481	122.4
Total payments and estimates	881 037	621 564	760 022	627 725	616 145	616 803	531 339	499 899	525 836	(13.9)

Table 18: Summary of departmental payments and estimates by economic classification: P2 – Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	51 668	82 029	129 863	120 544	76 189	74 618	69 486	80 600	83 157	(6.9)
Compensation of employees	36 108	39 605	41 370	44 202	43 802	43 089	46 532	53 620	57 406	8.0
Goods and services	15 560	42 424	88 493	76 342	32 387	31 529	22 954	26 980	25 751	(27.2)
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	829 361	502 794	549 276	376 981	447 306	468 866	459 405	418 516	441 852	(2.0)
Provinces and municipalities	1 550	4 350	65 300	500	15 500	15 750	-	-	-	(100.0)
Departmental agencies and accounts	787 836	456 114	456 747	339 235	394 735	415 745	431 829	386 590	408 239	3.9
Higher education institutions	11 064	10 315	3 433	3 220	3 045	3 045	3 100	6 223	6 571	1.8
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Non-profit institutions	-	1 100	-	-	-	-	-	-	-	-
Households	84	-	-	-	-	-	-	-	-	-
Payments for capital assets	8	36 741	80 883	130 200	92 650	73 319	2 448	783	827	(96.7)
Buildings and other fixed structures	-	36 741	71 018	129 500	91 950	72 450	1 708	-	-	(97.6)
Machinery and equipment	8	-	9 865	700	700	869	740	783	827	(14.8)
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total economic classification	881 037	621 564	760 022	627 725	616 145	616 803	531 339	499 899	525 836	(13.9)

Tables 17 and 18 above show expenditure and the budget allocation for Programme 2. The transfers to the entities include the ECDC, CDC, ELIDZ, ECLB and ECGBB and account for 79.7 per cent of the programme's budget in 2017/18. The expenditure decline from R881.037 million in 2013/14 to a revised estimate of R616.803 million in the 2016/17 due to the reduction in the social infrastructure programme implemented by Coega. The further decrease to R531.339 million in 2017/18 is due to the change in focus towards the allocation for planning of economic infrastructure programme.

Compensation of Employees increased from R36.108 million in 2013/14 to a revised estimate of R43.089 million in 2016/17 due to the filling of vacant posts to strengthen the functional programme performance and enhancing the oversight function of public entities. The budget increases by 8 per cent in 2017/18 due to the ICS inflationary adjustments.

Goods and Services increased from R15.560 million in 2013/14 to a revised estimate of R31.529 million in the 2016/17 mainly due to the reclassification of social infrastructure projects implemented by the CDC. In 2017/18, the budget decreases to R22.954 million due to a change in focus towards planning of economic infrastructure projects that will be implemented by the ECDC.

Transfers and Subsidies decreased from R829.361 million in 2013/14 to R468.886 million in 2016/17 revised estimate due to the reclassification of social and infrastructure projects and also the implementation of the LRED projects impacted the spending trend. In 2017/18, the budget further decreases by 2 per cent to R459.405 million due to the funds allocated for the planning of economic infrastructure projects.

Payment for Capital assets expenditure increased from R8 thousand in 2013/14 to a revised estimate of R73.319 million in the 2016/17 due to funds allocated for the capital funding of the provincial infrastructure programme. The decline to R2.448 million in 2017/18 is as a result of the shift in focus by implementing the planning for economic infrastructure.

Service Delivery Measures

Table 19: Selected service delivery measures for the programme: P2: Economic Development and Tourism

Selected Programme Performance Indicators	Revised Estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20
Number of economic development projects funded at local and regional levels	0	10	13	15
Number of sustainable energy initiatives facilitated	0	6	6	6
Number of SMMEs assisted with non-financial support services	15	300	300	310
Number of SMMEs received development finance	41	300	300	310
Number of jobs created/ facilitated	0	21 933	23 438	24 871
Number of investments realized	0	13	14	15

The department plans to increase the number of cooperatives funded in 2017/18 and also increase the number of SMMEs supported. On the investment front for the province, the number of investments realised is expected to grow over the 2017 MTEF as a means to address the economic challenges in the country and worldwide.

Programme 3: Environmental Affairs

Objectives: Administers environmental policies that are cascaded from national level in line with the mandate of the department. It regulates environmental management through instruments such as the environmental impact assessments, compliance and enforcement, air quality, waste and biodiversity management tools. The programme is divided into 5 sub-programmes:

- **Environmental Policy, Planning and Coordination:** Ensure the integration of environment objectives in national, provincial and local government planning, including provincial growth and development strategies, and local economic developments plans and integrated plans;
- **Compliance and Enforcement:** Ensure that environmental compliance monitoring systems are established and implemented and ensure the enforcement of legislation and environment authorisations;
- **Environmental Quality Management:** Establish legislation, policies, norms, standards and guidelines for environmental impact management, air quality management and management of waste and pollution at provincial and local sphere of government;
- **Biodiversity Management:** Promote equitable and sustainable use of ecosystem goods and services to contribute to economic development, by managing biodiversity, and its components, processes, habitats and functions. Effectively mitigate threats to biodiversity; and
- **Environmental Empowerment Services:** Implement and enhance programmes to interact with stakeholders and empower communities with government in implementing environmental and social economic programmes.

Table 20: Summary of departmental payments and estimates sub-programme: P3 – Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
1. Environmental Policy, Planning and Coordination	22 971	25 171	20 261	25 361	22 849	22 563	24 528	23 073	24 365	8.7
2. Compliance and Enforcement	39 946	43 118	43 957	47 243	46 743	47 015	42 940	54 505	58 155	(8.7)
3. Environmental Quality Management	12 659	14 130	17 836	18 535	18 535	18 280	21 132	21 756	22 974	15.6
4. Biodiversity Management	201 362	211 755	198 385	204 259	202 489	202 614	202 423	215 303	227 360	(0.1)
5. Environmental Empowerment Services	9 048	8 845	9 145	10 999	11 286	11 143	11 957	13 225	13 966	7.3
Total payments and estimates	285 986	303 019	289 584	306 397	301 901	301 615	302 980	327 862	346 820	0.5

Table 21: Summary of departmental payments and estimates by economic classification: P3 – Environmental Affairs.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	78 026	79 486	84 693	97 251	92 755	92 337	97 529	112 261	119 146	5.6
Compensation of employees	63 198	67 809	71 885	79 983	78 012	78 337	78 948	92 600	98 384	0.8
Goods and services	14 828	11 677	12 808	17 268	14 744	14 001	18 581	19 661	20 762	32.7
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	207 960	223 533	204 891	208 506	208 506	208 638	204 774	214 885	226 918	(1.9)
Provinces and municipalities	10 573	14 355	10 832	11 001	11 001	11 001	12 038	10 476	11 062	9.4
Departmental agencies and accounts	196 387	207 882	193 081	196 205	196 205	196 205	190 953	202 965	214 331	(2.7)
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 000	1 296	978	1 300	1 300	1 432	1 783	1 444	1 525	24.5
Households	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	640	640	640	677	716	756	5.8
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	640	640	640	677	716	756	5.8
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total economic classification	285 986	303 019	289 584	306 397	301 901	301 615	302 980	327 862	346 820	0.5

Tables 20 and 21 above reflect expenditure increasing from R285.986 million in 2013/14 to a revised estimate of R301.615 million in the 2016/17, with a minor increase of 0.5 per cent in 2017/18.

Compensation of Employees increased from R63.198 million in 2013/14 to a revised estimate of R78.337 million in the 2016/17 due to the filling of posts for environmental officers and law enforcement officers to continue strengthening capacity in the programme. In 2017/18, the budget increases slightly by 0.8 per cent to R78.948 million due to staff reaching retirement age and the posts not being filled in 2017/18.

Goods and Services decreased from R14.828 million in 2013/14 to a revised estimate of R14.001 million in 2016/17. In 2017/18, the budget increases by 32.7 per cent to R18.581 million due the development of the Estuary Management Plan, implementation of the Biodiversity Conservation Strategy Action Plan, the development of a Species Management Plan, review of provincial Integrated Waste Management Programmes (IWMPs) research on pollution challenges from disposable nappies and the development of a provincial recycling strategy.

Transfers and Subsidies increased marginally from R207.960 million in 2013/14 to a revised estimate of R208.638 million in 2016/17. Transfers to municipalities for the funding for environmental awareness and job creation is anticipated to increase by 9.4 per cent in 2017/18 through the support of the EPWP initiatives that create jobs through environmental management programmes, although the transfers to ECPTA decrease by 2.7 per cent due to programme reprioritisation and a focus on the Rhino conservation programme.

Service Delivery Measures

Table 22: Selected service delivery measures for the programme: P3: Environmental Affairs

Selected Programme Performance Indicators	Revised Estimate 2016/17	Medium-term estimates		
		2017/18	2018/19	2019/20
Number of enforcement actions finalised for non-compliance with	61	66	66	66
Percentage of EIAs finalised within legislated time frames	1000	98%	98%	98%
Number of work opportunities created through environmental programmes	355	320	352	387
Number of environmental capacity building activities conducted	8	25	25	25
Number of hectares in the conservation estate	0	620,135	628,135	642,135

The department plans to increase the number of permits issued within legislative time frames through environmental programmes. The department will ensure that protected areas are approved with management plans.

Other programme information

Personnel numbers and costs by programme

Table 23: Personnel numbers and costs

Personnel numbers	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
1. Administration	348	371	293	327	307	305	313
2. Economic Development And Tourism	94	111	97	97	104	106	108
3. Environmental Affairs	177	170	165	161	187	190	190
Direct charges	–	–	–	–	–	–	–
Total provincial personnel numbers	619	652	555	585	598	601	611
Total provincial personnel cost (R thousand)	194 490	214 221	216 292	233 208	252 955	272 909	296 074
Unit cost (R thousand)	314	329	390	399	423	454	485

Personnel numbers and costs by component

Table 24: Personnel numbers and costs per component

R thousands	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2013/14		2014/15		2015/16		2016/17				2017/18		2018/19		2019/20		2016/17 - 2019/20		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	134	18 499	162	18 072	142	23 247	126	11	137	29 048	100	22 468	105	24 041	108	26 174	-7.6%	-3.4%	9.9%
7 – 10	383	80 680	401	86 325	306	118 554	319	6	325	125 243	382	157 581	375	164 471	378	171 649	5.2%	11.1%	57.5%
11 – 12	45	27 082	46	27 659	39	35 261	48	3	51	36 284	49	34 388	53	41 083	55	54 526	2.5%	14.5%	16.4%
13 – 16	36	27 927	26	34 147	38	36 890	36	6	42	40 833	37	36 718	38	40 974	38	41 373	-3.3%	0.4%	15.4%
Other	21	40 302	17	48 018	30	2 340	30	–	30	1 800	30	1 800	30	2 340	32	2 352	2.2%	9.3%	0.8%
Total	619	194 490	652	214 221	555	216 292	559	26	585	233 208	598	252 955	601	272 909	611	296 074	1.5%	8.3%	100.0%
Programme																			
1. Administration	348	95 184	371	106 807	293	103 037	320	7	327	111 782	307	127 475	305	126 689	313	140 284	-1.4%	7.9%	47.2%
2. Economic Development And Tourism	94	36 108	111	39 605	97	41 370	90	7	97	43 089	104	46 532	106	53 620	108	57 406	3.6%	10.0%	19.2%
3. Environmental Affairs	177	63 198	170	67 809	165	71 885	149	12	161	78 337	187	78 948	190	92 600	190	98 384	5.7%	7.9%	33.6%
Direct charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	619	194 490	652	214 221	555	216 292	559	26.0	585	233 208	598	252 955	601	272 909	611	296 074	1.5%	8.3%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	508	119 041	541	138 772	430	138 803	348	26	374	149 774	387	163 177	390	177 169	400	189 972	2.3%	8.2%	64.8%
Public Service Act appointees still to be covered by OSDs	111	75 449	111	75 449	125	75 449	176	–	176	81 334	176	87 678	176	93 640	176	98 884	–	6.7%	34.4%
Professional Nurses, Staff Nurses and Nursing Assistants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Legal Professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Social Services Professions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Engineering Professions and related occupations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Medical and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Therapeutic, Diagnostic and other related Allied Health Professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Educators and related professionals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others such as interns, EPWP, learnerships, etc	–	–	–	–	–	2 040	35	–	35	2 100	35	2 100	35	2 100	35	2 218	–	1.8%	0.8%
Total	619	194 490	652	214 221	555	216 292	559	26	585	233 208	598	252 955	601	272 909	611	291 074	1.5%	7.7%	100.0%

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment

Tables 23 and 24 shows personnel numbers and cost by programme and component for the 2017 MTEF period. The total personnel numbers decrease slightly from 619 in 2013/14 to 585 in 2016/17 revised estimate. The department is focussing on increasing the numbers on core programmes to improve service delivery. The shift towards service delivery programmes is further enhanced through the decision to not fill vacant posts at lower levels in Programme 1 excepting Financial Management, rather focusing on process optimisation and efficiencies, especially in regional offices.

Payments on training by programme

Table 25: Summary of payments on training by programme

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
1. Administration	2 453	2 356	4 300	5 043	5 043	5 043	1 249	1 512	1 597	(75.2)
2. Economic Development And Tourism	113	1 981	1 069	2 167	2 167	2 167	–	–	–	(100.0)
3. Environmental Affairs	3 923	1 177	1 185	1 356	1 356	1 356	–	–	–	(100.0)
Total payments on training	6 489	5 514	6 554	8 566	8 566	8 566	1 249	1 512	1 597	(85.4)

Payments on training are centralised in Programme 1 as from 2017/18 onwards. Table 25 above reflects an increase from R6.489 million in 2013/14 to R8.566 million in the 2016/17 revised estimate. In 2017/18 there is a decrease to R1.249 million in 2017/18. The department has taken a decision to be more strategic in the implementation of training and therefore the budget reduces to prioritise core training and bursaries to departmental employees.

Information on training

Table 26: Information on training

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Number of staff	619	652	555	600	600	585	598	601	611	2.2
Number of personnel trained	30	250	260	260	260	260	120	100	140	(53.8)
of which										
Male	18	100	105	105	105	105	55	38	85	(47.6)
Female	12	150	155	155	155	155	65	62	55	(58.1)
Number of training opportunities	4	45	50	50	50	50	17	24	22	(66.0)
of which										
Tertiary	3	8	10	10	10	10	2	3	1	(80.0)
Workshops	1	5	8	8	8	8	10	15	15	25.0
Seminars	–	10	8	8	8	8	5	6	6	(37.5)
Other	–	22	24	24	24	24	–	–	–	(100.0)
Number of bursaries offered	74	185	190	190	190	190	80	80	80	(57.9)
Number of interns appointed	–	35	35	30	30	30	30	30	30	0.0
Number of learnerships appointed	2	–	–	20	20	20	100	100	100	400.0
Number of days spent on training	20	25	30	30	30	30	5	5	5	(83.3)
Payments on training by programme										
1. Administration	2 453	2 356	4 300	5 043	5 043	5 043	1 249	1 512	1 597	(75.2)
2. Economic Development And Trade	113	1 981	1 069	2 167	2 167	2 167	–	–	–	(100.0)
3. Environmental Affairs	3 923	1 177	1 185	1 356	1 356	1 356	–	–	–	(100.0)
Total payments on training	6 489	5 514	6 554	8 566	8 566	8 566	1 249	1 512	1 597	(85.4)

It is evident from Table 26 above that there was a steady increase in the number of people trained from 250 in 2014/15 to a revised estimate of 260 in the 2016/17. The number of people trained in 2017/18 reduces to 120, which is in line with reduction in budget.

9.5 Reconciliation of structural changes

None.

**Annexure to the
Estimates of Provincial Revenue
and Expenditure**

**Department of Economic Development,
Environmental Affairs and Tourism**

Estimates of the Provincial Revenue and Expenditure (EPRE) - 2017/2018 Financial Year

Table B. 1: Specification of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Tax receipts	123 484	161 090	183 996	179 390	225 090	217 857	207 381	227 083	248 656	(4.8)
Casino taxes	100 054	135 894	150 632	155 299	191 859	186 679	170 052	186 207	203 897	(8.9)
Horse racing taxes	17 872	7 634	9 294	9 223	9 223	9 620	10 099	11 059	12 109	5.0
Liquor licences	5 558	17 562	24 070	14 868	24 008	21 558	27 230	29 817	32 650	26.3
Motor vehicle licences	-	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	802	1 090	1 071	1 298	1 298	1 294	41 013	44 279	47 816	3069.5
Sale of goods and services produced by department (excluding capital assets)	802	1 090	1 071	1 298	1 298	1 294	41 013	44 279	47 816	3069.5
Sales by market establishments	802	1 090	1 071	1 298	1 298	1 294	41 013	44 279	47 816	3069.5
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	818	1 427	514	-	-	848	-	-	-	(100.0)
Interest, dividends and rent on land	331	13	73	609	609	515	646	684	726	25.4
Interest	331	13	73	609	609	515	646	684	726	25.4
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	149	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	149	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	431	97 486	44 479	26	26	3 487	28	29	31	(99.2)
Total departmental receipts	125 866	261 106	230 282	181 323	227 023	224 001	249 068	272 075	297 229	11.2

Table B. 2: Details of payments and estimates by economic classification: Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20	
Current payments	300 159	356 954	393 855	416 880	373 336	367 471	384 066	414 476	442 827	4.5
Compensation of employees	194 490	214 221	216 292	237 972	234 323	233 208	252 955	272 909	296 074	8.5
Salaries and wages	194 490	214 221	186 936	217 407	204 129	202 834	220 452	238 196	259 414	8.7
Social contributions	-	-	29 356	20 565	30 194	30 374	32 503	34 713	36 660	7.0
Goods and services	105 669	142 733	177 563	178 908	139 012	134 263	131 111	141 567	146 753	(2.3)
Administrative fees	46	107	175	472	398	363	364	293	309	0.3
Advertising	4 325	2 461	1 343	2 576	1 461	1 626	1 900	2 246	2 371	16.9
Minor assets	689	32	42	757	652	667	756	862	910	13.3
Audit cost: External	3 447	4 937	3 730	5 161	4 400	4 120	4 552	4 575	4 831	10.5
Bursaries: Employees	1 285	1 764	1 215	1 892	1 381	1 393	1 509	1 944	2 052	8.3
Catering: Departmental activities	2 091	2 559	1 784	1 632	2 407	2 240	2 573	2 416	2 550	14.8
Communication (G&S)	3 818	3 565	3 552	4 068	3 816	3 482	3 153	3 246	3 428	(9.4)
Computer services	9 284	5 110	11 218	15 300	12 056	12 392	12 613	12 935	13 661	1.8
Consultants and professional services: Business and advisory services	7 780	3 116	15 115	67 827	14 416	13 947	17 992	20 810	19 135	29.0
Infrastructure and planning	-	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	50	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-	-
Legal services	4 415	2 365	1 748	5 199	3 046	3 144	4 705	7 605	8 030	49.7
Contractors	1 019	566	55 463	178	6 044	5 606	5 875	5 453	5 759	4.8
Agency and support / outsourced services	-	39 828	13 549	278	13 070	13 323	3 286	-	-	(75.3)
Entertainment	223	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	5 491	4 502	3 820	6 384	6 000	3 650	5 440	6 646	7 018	49.0
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	65	69	73	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	263	-	-	108	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	30	32	34	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	72	-	241	10	10	11	1	1	10.0
Inventory: Medical supplies	-	-	-	-	10	8	2	-	-	(75.0)
Inventory: Medicine	6	-	-	-	-	-	39	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	561	-	95	106	58	58	111	118	124	91.4
Consumable supplies	1 112	1 845	1 787	1 129	3 534	3 034	1 737	1 476	1 560	(42.7)
Consumable: Stationery, printing and office supplies	3 298	-	1 514	3 526	1 630	1 673	2 779	4 360	4 605	66.1
Operating leases	18 510	37 039	32 155	32 051	29 102	29 115	27 929	29 618	31 276	(4.1)
Property payments	2 978	3 626	3 837	5 774	4 935	5 362	6 132	8 773	9 264	14.4
Transport provided: Departmental activity	-	-	-	-	30	30	-	-	-	(100.0)
Travel and subsistence	26 851	20 405	18 681	13 815	21 087	20 252	20 333	18 550	19 590	0.4
Training and development	1 830	2 378	940	1 350	1 921	1 998	1 429	1 512	1 597	(28.5)
Operating payments	74	1 547	2 010	2 716	2 137	1 973	1 566	2 916	3 079	(20.6)
Venues and facilities	6 177	4 611	3 429	5 927	4 796	4 251	3 229	4 441	4 790	(24.0)
Rental and hiring	96	298	361	441	615	547	951	669	706	73.9
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 038 416	728 937	756 996	588 460	658 785	680 972	667 152	634 430	669 857	(2.0)
Provinces and municipalities	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 062	(55.0)
Provinces	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-
Municipalities	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 062	(55.0)
Municipalities	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 062	(55.0)
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	984 223	663 996	649 828	535 440	590 940	611 950	622 782	589 555	622 570	1.8
Social security funds	-	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	984 223	663 996	649 828	535 440	590 940	611 950	622 782	589 555	622 570	1.8
Higher education institutions	11 064	10 315	3 433	3 220	3 045	3 045	3 100	6 223	6 571	1.8
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
Private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Subsidies on production	-	-	-	-	-	-	-	-	-	-
Other transfers	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Non-profit institutions	1 000	2 396	978	1 300	1 300	1 432	1 783	1 444	1 525	24.5
Households	1 179	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Social benefits	1 095	2 610	1 529	1 673	1 673	2 168	2 973	1 029	1 087	37.1
Other transfers to households	84	-	1 300	1 300	1 300	1 300	-	-	-	(100.0)
Payments for capital assets	14 890	48 467	95 500	142 150	103 870	84 796	18 340	15 183	16 034	(78.4)
Buildings and other fixed structures	-	36 741	71 018	129 500	91 950	72 450	1 708	-	-	(97.6)
Buildings	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	36 741	71 018	129 500	91 950	72 450	1 708	-	-	(97.6)
Machinery and equipment	14 890	11 068	24 482	12 650	11 920	12 346	16 632	15 183	16 034	34.7
Transport equipment	6 446	11 068	17 088	5 576	5 576	5 732	7 432	7 252	7 658	29.7
Other machinery and equipment	8 444	-	7 394	7 074	6 343	6 614	9 200	7 931	8 376	39.1
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	658	-	-	-	-	-	-	-	-
Payments for financial assets	351	-	-	-	-	-	-	-	-	-
Total economic classification	1 353 816	1 134 358	1 246 351	1 147 490	1 135 990	1 133 239	1 069 558	1 064 089	1 128 718	(5.6)

Estimates of the Provincial Revenue and Expenditure (EPRE) - 2017/2018 Financial Year

Table B.2A: Details of payments and estimates by economic classification: P1

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20	
Current payments	170 465	195 439	179 299	199 085	204 391	200 515	217 051	221 615	240 524	8.2
Compensation of employees	95 184	106 807	103 037	113 787	112 510	111 782	127 475	126 689	140 284	14.0
Salaries and wages	95 184	106 807	88 600	103 770	97 195	96 716	111 335	109 452	122 082	15.1
Social contributions	-	-	14 437	10 017	15 315	15 066	16 140	17 237	18 202	7.1
Goods and services	75 281	88 632	76 262	85 298	91 881	88 733	89 576	94 926	100 240	0.9
Administrative fees	10	96	168	203	342	317	205	136	144	(35.3)
Advertising	2 304	921	624	1 109	634	862	838	841	889	(2.8)
Minor assets	628	30	42	757	652	667	425	862	910	(36.3)
Audit cost: External	3 447	4 937	3 730	5 161	4 400	4 120	4 552	4 575	4 831	10.5
Bursaries: Employees	1 285	1 764	1 215	1 892	1 381	1 393	1 509	1 944	2 052	8.3
Catering: Departmental activities	446	585	326	386	454	494	408	919	968	(17.5)
Communication (G&S)	2 388	3 478	3 552	4 068	3 816	3 482	2 860	2 895	3 057	(17.9)
Computer services	9 174	4 132	7 993	10 148	10 871	10 704	11 383	10 113	10 680	6.3
Consultants and professional services: Business and advisory services	5 383	1 530	5 557	2 054	4 627	4 578	6 518	2 240	2 366	42.4
Infrastructure and planning	-	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-	-
Legal services	3 625	1 859	1 748	3 551	3 046	3 144	3 353	4 547	4 801	6.6
Contractors	970	409	114	178	5 563	5 105	5 364	5 453	5 759	5.1
Agency and support / outsourced services	-	8 861	-	-	20	273	44	-	-	(83.9)
Entertainment	223	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	5 491	4 502	3 820	6 384	6 000	3 650	5 440	6 646	7 018	49.0
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	263	-	-	108	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	72	-	135	10	10	11	-	-	10.0
Inventory: Medical supplies	-	-	-	-	10	8	-	-	-	(100.0)
Inventory: Medicine	6	-	-	-	-	-	39	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	534	-	-	-	-	-	-	-	-	-
Consumable supplies	821	1 790	989	472	2 219	1 919	938	746	788	(51.1)
Consumable: Stationery, printing and office supplies	1 894	-	818	2 200	1 119	1 262	2 173	2 985	3 153	72.2
Operating leases	18 510	37 039	32 155	32 051	29 102	29 115	27 929	29 618	31 276	(4.1)
Property payments	2 978	3 626	3 837	5 774	4 935	5 362	6 132	8 773	9 264	14.4
Transport provided: Departmental activity	-	-	-	-	30	30	-	-	-	(100.0)
Travel and subsistence	12 971	8 342	6 322	4 607	8 213	7 908	6 131	7 383	7 797	(22.5)
Training and development	1 478	2 238	940	1 350	1 916	1 993	1 429	1 512	1 597	(28.3)
Operating payments	47	861	1 727	2 116	1 827	1 682	1 347	2 359	2 490	(19.9)
Venues and facilities	405	1 560	585	594	695	655	548	379	400	(16.3)
Rental and hiring	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 095	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	1 095	2 610	2 829	2 973	2 973	3 468	2 973	1 029	1 087	(14.3)
Social benefits	1 095	2 610	1 529	1 673	1 673	2 168	2 973	1 029	1 087	37.1
Other transfers to households	-	-	1 300	1 300	1 300	1 300	-	-	-	(100.0)
Payments for capital assets	14 882	11 726	14 617	11 310	10 580	10 837	15 215	13 684	14 451	40.4
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 882	11 068	14 617	11 310	10 580	10 837	15 215	13 684	14 451	40.4
Transport equipment	6 446	11 068	7 223	5 576	5 576	5 732	7 432	7 252	7 658	29.7
Other machinery and equipment	8 436	-	7 394	5 734	5 003	5 105	7 783	6 432	6 793	52.5
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	658	-	-	-	-	-	-	-	-
Payments for financial assets	351	-	-	-	-	-	-	-	-	-
Total economic classification	186 793	209 775	196 745	213 368	217 944	214 820	235 239	236 328	256 062	9.5

Table B.2B: Details of payments and estimates by economic classification: P2

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	51 668	82 029	129 863	120 544	76 189	74 618	69 486	80 600	83 157	(6.9)
Compensation of employees	36 108	39 605	41 370	44 202	43 802	43 089	46 532	53 620	57 406	8.0
Salaries and wages	36 108	39 605	36 392	39 324	38 065	37 496	40 553	47 234	50 660	8.2
Social contributions	–	–	4 978	4 878	5 737	5 593	5 979	6 386	6 746	6.9
Goods and services	15 560	42 424	88 493	76 342	32 387	31 529	22 954	26 980	25 751	(27.2)
Administrative fees	36	10	4	183	10	10	59	62	65	490.0
Advertising	1 826	913	628	944	826	763	952	657	693	24.8
Minor assets	–	–	–	–	–	–	–	–	–	–
Audit cost: External	–	–	–	–	–	–	–	–	–	–
Bursaries: Employees	–	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	1 037	750	871	946	1 176	972	1 261	1 104	1 167	29.7
Communication (G&S)	659	13	–	–	0	–	150	350	370	–
Computer services	110	978	3 225	2 867	1 185	1 687	1 230	1 553	1 640	(27.1)
Consultants and professional services: Business and advisory services	2 108	1 586	8 319	62 776	7 551	7 182	7 307	15 000	12 999	1.7
Infrastructure and planning	–	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	–	–	–	–
Scientific and technological services	–	–	–	–	–	–	–	–	–	–
Legal services	–	506	–	708	–	–	1 110	645	681	–
Contractors	47	45	55 304	–	413	437	250	–	–	(42.8)
Agency and support / outsourced services	–	30 967	13 549	278	13 050	13 050	2 553	–	–	(80.4)
Entertainment	–	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–	–
Inventory: Leamer and teacher support material	–	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–	–
Medsas inventory interface	–	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	–	–	–	–	–	–	–
Consumable supplies	–	1	–	–	–	–	–	–	–	–
Consumable: Stationery, printing and office supplies	38	–	83	720	–	–	606	697	736	–
Operating leases	–	–	–	–	–	–	–	–	–	–
Property payments	–	–	–	–	–	–	–	–	–	–
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–	–
Travel and subsistence	5 652	4 270	4 525	3 094	5 093	4 944	4 765	4 654	4 914	(3.6)
Training and development	203	38	–	–	5	5	–	–	–	(100.0)
Operating payments	–	573	63	300	97	82	219	221	234	165.9
Venues and facilities	3 791	1 677	1 831	3 526	2 636	2 126	1 992	2 036	2 252	(6.3)
Rental and hiring	53	97	91	–	346	271	500	–	–	84.5
Interest and rent on land	–	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	829 361	502 794	549 276	376 981	447 306	468 866	459 405	418 516	441 852	(2.0)
Provinces and municipalities	1 550	4 350	65 300	500	15 500	15 750	–	–	–	(100.0)
Provinces	–	–	–	–	–	–	–	–	–	–
Provincial Revenue Funds	–	–	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	–	–	–	–	–	–	–	–
Municipalities	1 550	4 350	65 300	500	15 500	15 750	–	–	–	(100.0)
Municipalities	1 550	4 350	65 300	500	15 500	15 750	–	–	–	(100.0)
Municipal agencies and funds	–	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	787 836	456 114	456 747	339 235	394 735	415 745	431 829	386 590	408 239	3.9
Social security funds	–	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	787 836	456 114	456 747	339 235	394 735	415 745	431 829	386 590	408 239	3.9
Higher education institutions	11 064	10 315	3 433	3 220	3 045	3 045	3 100	6 223	6 571	1.8
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Public corporations	–	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–	–
Private enterprises	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Subsidies on production	–	–	–	–	–	–	–	–	–	–
Other transfers	28 827	30 915	23 796	34 026	34 026	34 326	24 476	25 703	27 042	(28.7)
Non-profit institutions	–	1 100	–	–	–	–	–	–	–	–
Households	84	–	–	–	–	–	–	–	–	–
Social benefits	–	–	–	–	–	–	–	–	–	–
Other transfers to households	84	–	–	–	–	–	–	–	–	–
Payments for capital assets	8	36 741	80 883	130 200	92 650	73 319	2 448	783	827	(96.7)
Buildings and other fixed structures	–	36 741	71 018	129 500	91 950	72 450	1 708	–	–	(97.6)
Buildings	–	–	–	–	–	–	–	–	–	–
Other fixed structures	–	36 741	71 018	129 500	91 950	72 450	1 708	–	–	(97.6)
Machinery and equipment	8	–	9 865	700	700	869	740	783	827	(14.8)
Transport equipment	–	–	9 865	–	–	–	–	–	–	–
Other machinery and equipment	8	–	–	700	700	869	740	783	827	(14.8)
Heritage Assets	–	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–	–
Total economic classification	881 037	621 564	760 022	627 725	616 145	616 803	531 339	499 899	525 836	(13.9)

Estimates of the Provincial Revenue and Expenditure (EPRE) - 2017/2018 Financial Year

Table B.2C: Details of payments and estimates by economic classification: P3

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20	
Current payments	78 026	79 486	84 693	97 251	92 755	92 337	97 529	112 261	119 146	5.6
Compensation of employees	63 198	67 809	71 885	79 983	78 012	78 337	78 948	92 600	98 384	0.8
Salaries and wages	63 198	67 809	61 944	74 313	68 870	68 622	68 564	81 510	86 672	(0.1)
Social contributions	–	–	9 941	5 670	9 142	9 715	10 384	11 090	11 712	6.9
Goods and services	14 828	11 677	12 808	17 268	14 743	14 001	18 581	19 661	20 762	32.7
Administrative fees	–	1	3	86	46	36	100	95	100	177.8
Advertising	195	627	91	523	1	1	110	748	789	10900.0
Minor assets	61	2	–	–	–	–	331	–	–	–
Audit cost: External	–	–	–	–	–	–	–	–	–	–
Bursaries: Employees	–	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	608	1 224	587	300	777	774	904	393	415	16.8
Communication (G&S)	771	74	–	–	–	–	143	1	1	–
Computer services	–	–	–	2 285	–	1	–	1 269	1 341	(100.0)
Consultants and professional services: Business and advisory services	289	–	1 239	2 997	2 238	2 187	4 167	3 570	3 770	90.5
Infrastructure and planning	–	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	50	–	–	–
Scientific and technological services	–	–	–	–	–	–	–	–	–	–
Legal services	790	–	–	940	–	–	242	2 413	2 548	–
Contractors	2	112	45	–	68	64	261	–	–	307.8
Agency and support / outsourced services	–	–	–	–	–	–	689	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	65	69	73	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	30	32	34	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	106	–	–	–	1	1	–
Inventory: Medical supplies	–	–	–	–	–	–	2	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–	–
Medsas inventory interface	–	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	27	–	95	106	58	58	111	118	124	91.4
Consumable supplies	291	54	798	657	1 315	1 115	799	730	772	(28.3)
Consumable: Stationery, printing and office supplies	1 366	–	613	606	511	411	–	678	716	(100.0)
Operating leases	–	–	–	–	–	–	–	–	–	–
Property payments	–	–	–	–	–	–	–	–	–	–
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–	–
Travel and subsistence	8 228	7 793	7 834	6 114	7 781	7 400	9 437	6 514	6 879	27.5
Training and development	149	102	–	–	–	–	–	–	–	–
Operating payments	27	113	220	300	213	209	–	336	355	(100.0)
Venues and facilities	1 981	1 374	1 013	1 807	1 465	1 470	689	2 026	2 138	(53.1)
Rental and hiring	43	201	270	441	269	276	451	669	706	63.4
Interest and rent on land	–	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	207 960	223 533	204 891	208 506	208 506	208 638	204 774	214 885	226 918	(1.9)
Provinces and municipalities	10 573	14 355	10 832	11 001	11 001	11 001	12 038	10 476	11 062	9.4
Provinces	–	–	–	–	–	–	–	–	–	–
Provincial Revenue Funds	–	–	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	–	–	–	–	–	–	–	–
Municipalities	10 573	14 355	10 832	11 001	11 001	11 001	12 038	10 476	11 062	9.4
Municipalities	10 573	14 355	10 832	11 001	11 001	11 001	12 038	10 476	11 062	9.4
Municipal agencies and funds	–	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	196 387	207 882	193 081	196 205	196 205	196 205	190 953	202 965	214 331	(2.7)
Social security funds	–	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	196 387	207 882	193 081	196 205	196 205	196 205	190 953	202 965	214 331	(2.7)
Higher education institutions	–	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–	–
Public corporations	–	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–	–
Private enterprises	–	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–	–
Non-profit institutions	1 000	1 296	978	1 300	1 300	1 432	1 783	1 444	1 525	24.5
Households	–	–	–	–	–	–	–	–	–	–
Social benefits	–	–	–	–	–	–	–	–	–	–
Other transfers to households	–	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	–	640	640	640	677	716	756	5.8
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–	–
Other fixed structures	–	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	640	640	640	677	716	756	5.8
Transport equipment	–	–	–	–	–	–	–	–	–	–
Other machinery and equipment	–	–	–	640	640	640	677	716	756	5.8
Heritage Assets	–	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–	–
Total economic classification	285 986	303 019	289 584	306 397	301 901	301 615	302 980	327 862	346 820	0.5

Table B.3: Conditional grants payments and estimates by economic classification: Summary

R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20	
Current payments	-	-	-	-	-	-	-	-	-	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	-	-	-	-	-	-	-	-	-	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Provinces and municipalities	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	550	1 472	1 370	2 026	2 026	2 026	2 554	-	-	26.1

Table B.4: Transfers to local government by category and municipality – Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2016/17
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20	
Category A	-	-	55 000	-	15 000	15 000	-	-	-	(100.0)
Buffalo City	-	-	-	-	-	-	-	-	-	
Nelson Mandela Bay	-	-	55 000	-	15 000	15 000	-	-	-	(100.0)
Category B	11 573	14 103	7 800	8 526	8 526	8 776	11 038	-	-	25.8
Dr Beyers Naude	-	2 000	-	-	-	-	2 554	-	-	
Blue Crane Route	-	-	-	-	-	-	-	-	-	
Makana	-	-	-	1 600	1 600	1 600	-	-	-	(100.0)
Ndlambe	1 500	300	-	2 656	2 656	2 656	-	-	-	(100.0)
Sunday's River Valley	-	-	-	-	-	-	-	-	-	
Kouga	-	-	-	-	-	-	-	-	-	
Kou-Kamma	-	-	-	-	-	-	-	-	-	
Mbashe	-	-	-	-	-	-	-	-	-	
Mnquma	-	-	-	-	-	-	-	-	-	
Great Kei	-	-	-	-	-	-	-	-	-	
Amahlathi	200	2 550	-	770	770	770	-	-	-	(100.0)
Ngqushwa	-	-	-	-	-	-	-	-	-	
Raymond Mhlaba	-	-	500	-	-	-	-	-	-	
Inxuba Yethemba	-	-	-	-	-	-	-	-	-	
Intsika Yethu	500	-	-	-	-	-	2 400	-	-	
Emalahleni (Ec)	-	1 623	200	-	-	-	-	-	-	
Engcobo	-	-	-	-	-	-	-	-	-	
Sakhisizwe	-	-	-	-	-	-	-	-	-	
Enoch Mgijima	-	-	-	-	-	-	-	-	-	
Elundini	350	-	-	-	-	-	-	-	-	
Senqu	1 523	2 340	-	-	-	-	-	-	-	
Walter Sisulu	-	500	500	1 000	1 000	1 000	-	-	-	(100.0)
Ngquza Hills	-	-	3 500	-	-	-	-	-	-	
Port St Johns	4 800	1 000	-	-	-	-	-	-	-	
Nyandeni	-	-	1 800	500	500	750	6 084	-	-	711.2
Mhlontlo	-	-	500	1 000	1 000	1 000	-	-	-	(100.0)
King Sabata Dalindyebo	-	-	-	-	-	-	-	-	-	
Matatiele	-	-	500	-	-	-	-	-	-	
Umtzimvubu	2 700	500	300	-	-	-	-	-	-	
Mbizana	-	3 290	-	-	-	-	-	-	-	
Ntabankulu	-	-	-	1 000	1 000	1 000	-	-	-	(100.0)
Category C	550	4 602	13 332	1 975	1 975	1 975	-	-	-	(100.0)
Sarah Baartman	-	-	8 000	-	-	-	-	-	-	
Amathole	-	-	-	1 975	1 975	1 975	-	-	-	(100.0)
Chris Hani	550	4 602	4 532	-	-	-	-	-	-	
Joe Gqabi	-	-	800	-	-	-	-	-	-	
O. R. Tambo	-	-	-	-	-	-	-	-	-	
Alfred Nzo	-	-	-	-	-	-	-	-	-	
Unallocated	-	-	-	1 000	1 000	1 000	1 000	10 476	11 063	0.0
Total transfers to municipalities	12 123	18 705	76 132	11 501	26 501	26 751	12 038	10 476	11 063	(55.0)

Table B.5: Payments of infrastructure by category (Projects list)

No.	Project name	Project Status	Municipality / Region	Type of infrastructure	Project duration		Source of funding	Budget programme name	Delivery Mechanism (Individual project or)	Total project cost	Expenditure to date from previous	Total available		MTEF Forward estimates	
					Date: Start	Date: Finish						2017/18	2018/19	MTEF	2019/20
R thousands															
6. Infrastructure transfers - capital															
1	Prefeasibility planning	Inception & Assessment	EC-WHOLE	Economic Infrastructure	11/2016	3/2017	Equitable share	DEDEAT Economic Infrastructure	-	2 000	-	-	-	-	-
2	Dimbaza Industrial Park Fencing	Tender Documents	Buffalo City	Industrial Park Security & Guardhouse	12/2016	11/2017	Equitable share	Economic Development & Economic	-	34 591	-	2 897	-	-	-
3	Wild Coast SEZ/Industrial Estate	Planning	KSD	Industrial Park Security & Guardhouse	12/2016	09/2017	Equitable share	Economic Development & Economic	-	18 000	-	1 080	283	-	-
4	Fort Jackson Fencing	Construction	Buffalo City	Industrial Park Security & Guardhouse	11/2016	3/2017	Equitable share	Economic Development & Economic	-	15 000	8 304	3 391	-	-	-
5	Revitalization of Mdantsane Mall	Tender Documents	Buffalo City	Top infrastructure refurbishment of ECDC	04/2017	03/2019	Equitable share	Economic Development & Economic	-	58 000	-	5 000	-	-	-
6	Rehabilitation of Buttenworth Factory	Planning	Mnquma Municipality	Top infrastructure refurbishment of ECDC	11/2016	03/2017	Equitable share	Economic Development & Economic	-	11 000	-	6 830	570	-	-
7	Nyandeni Informal Trade Infr Project	Concept plan developed	Nyandeni LM	Informal trading stalls, market area with water	02/2017	06/2019	Equitable share	Economic Development & Economic	-	4 200	-	-	-	-	-
8	Upgrade of Road to Rance Timbers Sawmill	Master Plan	Amahlathi LM	Rehabilitation of access road	11/2017	05/2018	Equitable share	Economic Development & Economic	-	56 000	-	1 680	-	-	-
9	Dimbaza Industrial Park Road Upgrade	Concept & designs	Buffalo City	Road upgrade	04/2017	05/2018	Equitable share	Economic Development & Economic	-	30 846	-	2 330	-	-	-
10	Ingquza Hill LM Informal Trade	Concept & designs	Ingquza Hill LM	Informal trading stalls, market area with water	05/2017	03/2018	Equitable share	Economic Development & Economic	-	6 400	-	-	-	-	-
11	Somerset East Industrial Park	Master Plan	Blue Crane Route	Economic Infrastructure	11/2017	12/2019	Equitable share	Economic Development & Economic	-	110 000	54 000	2 913	-	-	-
12	Uitenhage multi-sector business incubation centre	Master Plan	Nelson Mandela Bay Metro	Economic Infrastructure	04/2017	03/2020	Equitable share	Economic Development & Economic	-	22 000	-	1 200	-	-	-
Total Infrastructure transfers - capital										368 037	62 304	27 321	853		

◆ END OF EPRE ◆

