VOTE 3

DEPARTMENT OF ECONOMIC DEVELOPMENT

To be appropriated by vote in 2017/18	R1 413 792 000
Responsible MEC	MEC for Economic Development
Administering Department	Department of Economic Development
Accounting Officer	Head of Department

1. OVERVIEW

Vision

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

Mission

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

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

Strategic Goals

The strategic outcome oriented goals of DED are:

- Gauteng's economy radically transformed;
- Gauteng's economy re-industrialised; and
- Capacitating the department for efficient and effective delivery.

Core functions and responsibilities

- Revitalisation of township economies;
- Increase the participation of small, medium and micro enterprises (SMMEs) and co-operatives (Co-ops) in the Province's mainstream economy;
- Support growth and development of the 11 identified sectors (agro-processing, automotive, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction, real estate, finance and mineral beneficiation);
- Provide research-based information to support planning, decision making and optimal resource utilisation in respect of radical economic transformation and re-industrialisation interventions ;
- Provide transversal, centralised and collaborative provincial strategic economic infrastructure projects;
- Facilitate trade and investment towards radical transformation, modernisation and re-industrialisation of Gauteng's economy
- Promote and stimulate the demand for Gauteng as a destination among domestic and international visitors (destination marketing, bidding, hosting and visitor services);and
    - Promote the socio-economic development and competitiveness of Gauteng in targeted sectors through innovation.

Main services

Enterprise Development

- Include SMMEs, township enterprises and cooperatives into the value of the eleven identified sectors;
- Build the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities; and
- Revitalise and modernise township economies.

Regional and Local Economic Development
- New, smart, green, knowledge based economy and industries;
- Green technologies, processes and industries
- Township economies; and
- Energy security and project management support.

Trade and Investment Promotion
- Attract domestic direct investment (DDI) and foreign direct investment (FDI);
- Increase trade, investment and export opportunities on the African continent and globally; and
- Invest in strategic economic infrastructure.

Sector Development
- Support high growth, competitive and labour-absorbing sectors;
- Support local manufacturing;
- Stimulate competitiveness and the transformation of identified sectors;
- Radically transform the energy sector;
- Revitalise and modernise old industries; and
- Support tourism and the creative industries.

Liquor affairs
- Effective governance and regulation of the liquor industry;
- Ensure ethical business practice and empowered stakeholders;
- Promote and maintain an effective and efficient regulatory system for the liquor industry;
- Maximise the benefits derived from the liquor industry and minimise its potential negative impact; and
- Generate revenue from the industry and the regulation services offered for socio-economic development of the province.

Consumer affairs
- Ensure awareness of consumer rights through education and awareness programmes;
- Ensure consumer protection and compliance by business with applicable consumer legislation; and
- Provide secretarial support to the Consumer Affairs court.

National Development plan (NDP)
The NDP is the major blue print for government and society at large. It aims to eradicate poverty and unemployment and build a national democratic society that is socially inclusive by 2030. The NDP gives birth to the Medium Term Strategic Framework which identifies significant actions to be prioritised in the first five years of the NDP. The NDP assumes that about 90 per cent of jobs in 2030 will be created through SMMEs. This presents an opportunity for Gauteng province to create and develop productive and manufacturing skills in order to create decent and sustainable jobs. The Department will continue its efforts to develop and increase Gauteng's Provincial Supplier Development database in order to enhance SMME participation in the economy so that they benefit from the 30 per cent set aside for township businesses. There will be a strong focus on products designated for township businesses (bakery, meat and milk products).

Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR)
GPG has adopted a 10 Pillar programme to ensure radical socio-economic transformation of the province. GDED supports the following seven TMR pillars:

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

Acts, rules and regulations
- National Tourism Act No. 24, 2014;
- National Tourism Sector Strategy 2011;
- Consumer Protection Act, 2008 ;
- Gauteng Tourism Act No. 3, 2006;
- Gauteng Enterprise Propeller Act, 2005;
- National Credit Act, 2005;
- National Environmental Management: Biodiversity Act, 2004;
- National Environmental Management: Protected Areas Act, 2003;

- Gauteng Liquor Act, 2003;
- National Protected Areas Act, 2003;
- Blue IQ Investment Holding Act, 2003;
- Gauteng Gambling Act, 1995, 1996, 2001;
- Engineering Professions Act, 2000;
- Promotion of Access to Information Act, 2000;
- Administration of Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Municipality Systems Act, 2000;
- Public Finance Management Act (PFMA), 1999;
- National Heritage Resource Act, 1999;
- Skills Development Act, 1998;
- Employment Equity Act, 1998;
- National Water Act, 1998;
- Convention Concerning the Protection of the World Cultural and Natural Heritage (adopted 1997);
- Intergovernmental Fiscal Relations Act, 1997;
- Extension of Security of Tenure Act, 1997;
- Gauteng Consumer Affairs (Unfair Business Practices) Act, 1996;
- Constitution of the Republic South African Act 108 of 1996;
- Restitution of Land Rights Act, 1994;
- Public Service Act, 1994;
- Business Act, 1991;
- Environment Conservation Act, 1989;
- Nature Conservation Ordinance, 1983;and
- Conservation of Agricultural Resources Act, 1983.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2016/17)

PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

Gauteng Enterprise Propeller (GEP)

In the period under review, the GDED through the GEP supported 504 SMMEs financially, exceeding the targeted 385 SMMEs for the 2016/17 financial year. The entity has embarked on a number of key projects aimed at promoting the growth of SMMEs and has provided non-financial support interventions to 2 078 SMMEs, with work continuing towards increasing this number to 3 300 SMMEs by the end of the 2016/17 financial year. The GEP focus remains on ensuring that cooperatives make a positive contribution to economic growth in the province and to this end 158 Cooperatives were supported financially and 376 were supported non-financially through Business Development Support interventions. The demand for capacitation and formalisation through Companies and Intellectual Property Commission (CIPC) Registrations by informal businesses continued in the period under review and 640 were supported through Business Training and CIPC registrations. This exceeded the target of 500**.**

Gauteng Tourism Authority (GTA)

The review of the Gauteng Tourism Authority (GTA) mandate has allowed the agency to focus solely on activities relating to destination promotion. The joint management forum between destination marketing and destination management work streams began to consolidate seamless operation between the different areas of responsibility. A significant total of R711.6 million value of economic benefit was generated from conferences, signature events and exhibitions hosted in Gauteng against a target of R300 million due to additional investments made in the implementation of the recently approved Events Strategy. The Increased investment in online content generation and leveraging on social media platforms to drive greater online traffic saw the target of 650 000 unique visitors to the website being exceeded achieving a total of 786 000. R4.4 billion revenue was generated from domestic tourists against a target of R5 billion. Eighty additional beneficiaries from youth employability programmes benefitted against a target of 300 through the partnership with the National Department of Tourism. A total of 334 against a target of 300 tourism SMMEs supported through the Integrated Enterprise Support Plan facilitated through our partnership with Tourism Enterprise Partnership.

Gauteng Growth and Development Agency (GGDA)

Automotive Industry Development Centre (AIDC) skills development and training programme

The Gauteng Growth and Development Agency aims to maximise the prospects of developing the Gauteng economy through facilitating trade, investment and increasing strategic economic infrastructure.

AIDC Supplier Efficiency Programme

The objective of this programme is to improve the competitiveness of companies in the Gauteng automotive component industry and related industries to enable them to participate at international supply chain level. The programme is aimed at addressing key issues of quality, cost reduction, productivity improvement and manufacturing/supply stability. The efficiency programme undertook a gap analysis of 40 companies and 127 people were employed in these companies and trained. The programme offered training in clean and lean manufacturing, quality assurance (ISO 9001), total production maintenance (TPM), rapid improvement processes (RIP) and energy savings (ISO5001).

Winterveldt Enterprise Hub (WEH)

The aim of the project is to train and mentor SMMEs from the Winterveldt area to enable them to grow their businesses. The WEH processed 90 private vehicles, 13 EMS vehicles, 4 SAPS vehicles, 2 from the Department of Labour (DoL), 2 from the Department of Health (DoH) and 2 from G-Fleet.

The Innovation Hub (TIH)

The TIH, which is managed by The Innovation Hub Management Company (TIHMC), was established by the provincial government to enhance the development of smart industries (high technology sectors) in Gauteng.

The primary sectors for TIH are ICT, biosciences and the green economy (renewable energy and low carbon economy technologies). A secondary sector is industrials, which addresses innovations falling outside the primary sectors. TIHMC Enterprise Development programmes consist of incubation programmes, the Maxum Incubator, the Climate Innovation Centre (CIC) and mLab. These programmes offer incubation support to entrepreneurs to develop sustainable businesses. The short-term outcome expected from these programmes is an increased number of commercialised innovations within TIHMC's targeted sectors, with the intent to enable the entrepreneurs to form sustainable businesses that create knowledge-based jobs.

Maxum Media Accelerator

The Maxum Media Accelerator (MMA) was established and implemented in partnership with Urban Brew and other industry partners with an amount of R2 million as funding by GEP. Forty entrepreneurs were recruited through this pilot which is is a media entrepreneurship acceleration programme that identifies, develops and supports newly formed media production companies in South Africa.

Commercialisations

Twenty commercialisations took place during the reporting year.

Climate Innovation Centre South Africa (CICSA)

The Climate Innovation Centre South Africa (CICSA) was established to provide a one-stop shop for enterprise development support to SMMEs and researchers to proactively and profitably develop, transfer and deploy advanced climate-smart/green economy technologies that meet local needs. Twenty-three companies have been recruited to date.

eKasi Programmes

eKasiLabs are innovation hub platforms aiming to promote the culture of innovation and entrepreneurship in townships. The programme entails setting up co-creation facilities accessible to local innovators and entrepreneurs. Seventy-seven companies have been incubated at eKasiLabs.

Export Development Programme Training Program

The Export Ready Training Programme forms part of the GGDA's Export Development Initiatives. The programme focuses on export capacity building and training of emerging and experienced exporters. GGDA partnered with the Department of Trade & Industry (DTI) to implement the export development programme. A total number of 157 companies had been provided with export readiness capacity building by the end of December 2016.

Consumer Affairs

The aim of the consumer affairs division is to increase the level of consumer protection and improve consumer awareness through relevant programmes. The achievement of the respective targets relating to the number of complaints received and resolved is on track. This is attributed to heightened awareness of the office mainly through education and awareness campaigns and increased media exposure. Awareness by suppliers of the redress capability of the Consumer Affairs Court contributes to the resolution of consumer complaints. The department received 1 506 complaints and resolved 1 582 complaints during the reporting period.

A total number of 370 workshops and outreach events were conducted. The annual target of 350 was exceeded due to an increased number of invitations from the GPG Transversal–Financial Literacy Project and additional requests to host

sessions of the School Olympiads Competition and ConHill Debating Competition, Ntirhisano Outreach events and the Qondi'sishishini Lakho campaign. The main campaigns during the reporting year focused on the elderly, youth, Women's Month, Disability Month and the Spend Wisely Campaign in December 2016, concentrated in Sedibeng District.

Gauteng Liquor Board (GLB)

The Gauteng Liquor Board is mandated to create a seamless business regulation and good governance environment that promotes ethical conduct, transforms the industry, realises sustainable revenue generation and contributes towards the radical economic transformation Pillar. The agency is currently developing projects for records management and automation of business processes. Substantial progress has been made in the automation project, the mapping phase has been completed including the design and building of the system which involves an interface with the automation project geographical information system (GIS). It is anticipated that the project will be implemented in April 2017.

Finalisation of the appointment of the service provider for the Records Management project was completed and retention schedules have been finalised and are awaiting approval. The project is currently at the testing phase, scheduled to be completed in June 2017. Total revenue of R32 million was collected in relation to liquor processes. The agency is currently in the process of reviewing the liquor licensing tariffs. A total number of 2 355 liquor applications were received and 858 issued. The Gauteng Liquor Board conducted 1 593 pre-inspections and 1 513 compliance inspections. A total number of 13.5 million people were reached through awareness programmes including those who attended the workshops and by media coverage.

Gauteng Gambling Board (GGB)

To achieve its mandate, the Gauteng Gambling Board set itself the following key targets aligned to DED's overall target: number of compliance audits, number of inspections and gambling taxes collection. Gambling tax revenue amounted to R757.1 million at the end of the third quarter the 2016/17 financial year. 520 inspections were conducted against a target of 508. A total of 130 compliance audits were completed against a target of 120. The overachievement of these targets was due to the new bookmaker licences which were issued recently.

Cradle of Humankind World Heritage Site (COHWHS)

The Cradle of Humankind World Heritage Site is mandated to protect, conserve and offer interpretation of the outstanding universal value (OUV) of the site ensuring community involvement and beneficiation to local communities in the area. In relation to management of the fossil sites, the first round of bi-annual inspections was held in June 2016 and the subsequent reports for 13 sites finalised in August/September 2016 and submitted to the South African Heritage Resources Agency in September 2016. The second round of bi-annual inspections was conducted in December 2016. The 13 reports emanating from the second round are anticipated to be finalised and submitted to the South African Heritage Resources Agency in February/March 2017.

In relation to monitoring of water resources, the first round of borehole monitoring and data capturing and assessment by the Council for Scientific and Industrial Research (CSIR) was completed. In addition, the State of Conservation Report requested by UNESCO's World Heritage Committee regarding the impact of acid mine drainage (AMD), amongst others, on the integrity and authenticity of the COHWHS was completed and submitted to the National Department of Environmental Affairs (DEA) in September 2016. This was then sent to the World Heritage Centre in Paris for tabling at the next World Heritage Committee meeting in Poland in July 2017. With regard to the schools programme, the project was completed in the current year with 2000 learners from underprivileged schools having been sponsored to visit the COHWHS Official Visitor Centres of Maropeng and Sterkfontein Caves. The visitor centres are an important resource for teachers and learners as fossil studies and evolution form part of the national curriculum.

Strategic Partnerships, Special Projects and International Relations

Special Projects, Strategic Partnerships and International Relations seek to ensure that stakeholders from all sectors of society (locally and internationally) work together to deliver special projects and related services for sustainable economic development that generates growth and creates jobs. Intergovernmental Relations (IGR) is responsible for encouraging cooperative governance between the three spheres of government in the economic sector (including Chapter 9 institutions).

The Gauteng Township Entrepreneur Awards (TEAs) were conceptualised to revitalise the Gauteng City Region townships' economy. This campaign is aimed at providing a unique platform for Gauteng township entrepreneurs to market themselves, be celebrated and be rewarded. Entrepreneurs are encouraged and inspired to build, gain confidence in their township businesses and to realise the potential economic gains for the communities in which they operate thus inspiring potential and existing township businesses to move forward in their businesses. Strategic partnerships are able to solicit strategic partners to collaborate with the department in launching the TEAs and source sponsorships.

The Eco Wash Project initiative is a partnership between the Department of Economic Development, Productivity SA and Gauteng Enterprise Propeller. It is aimed at identifying car wash owners in the townships, providing them with basic business

training offered by Productivity SA and supplying them with Eco Wash equipment which is a waterless car wash that uses one litre of water to wash 10 cars. Twenty car wash owners have benefitted from this initiative and are currently operating these machines in all five corridors.

The Massmart project is collaboration between GDED and Massmart aimed at accelerating, enhancing, promoting and consolidating GDED's and Massmart's long-term economic development, employment creation and sustainable development programmes. The project is intended to convert existing old shops within townships into more modernised and economically competitive spaces. Six spaza shops, in Attridgeville, Alexandra, Katlehong, Khutsong, Randfontein and Sebokeng, were selected for the pilot phase. Those in Attridgeville, Alexandra and Katlehong are nearing completion, with the shops still requiring minor adjustments to be complete (painting in some shops and finishing some of the shelving). The shop in Khutsong was completed and a launch date will be determined. Phase 3 of the spaza conversion in Randfontein and Sebokeng is anticipated to take place in during the last quarter of 2016/17.

Dinokeng Project

The Dinokeng Project, in partnership with the Gauteng Enterprise Propeller, continued to support and empower SMMEs and cooperatives. Ten existing and ten new SMMEs were supported, resulting in the creation of 60 jobs. Five existing and four new cooperatives were supported in Steve Bikoville, Hammanskraal, Refilwe and Cullinan. The cooperatives focused on fashion crafts (jewellery and beading), textile crafts (sewing, embroidery, silk-screening and fashion), decorative crafts (wood carving and wireworks) and functional crafts (pottery, mosaic, ceramics and moulding). The Dinokeng Project also supported one partnership between cooperatives in Refilwe and a local cooperative called Masarasarane. The game reserve sustained more than 500 jobs employed by both the Dinokeng Game Reserve Management Association (DGRMA) and the tourism product owners within the reserve.

The Dinokeng Project continued to implement an awareness programme aimed at achieving inclusive participation particularly by disadvantaged communities in the mainstream tourism economy of Dinokeng (school visits and Dinokeng Game Reserve (DGR) awareness). There are two stopovers, the Nakedi Picnic Site and the Mangala Game Viewing Deck, that are being developed along the self-drive route. This route is expected to be the main driver of revenue in the reserve and has increased its income from Phase 1 to Phase 2 by 42 per cent. It is expected that it will increase tourism numbers to the reserve, providing a variety of outdoor experiences including picnicking, game viewing, birding, conferences and hunting. The Dinokeng Project also implemented the Working on Fire programme which includes natural resource management that follows an approved environmental management plan (EMP). Part of this work included the implementation of the DGR fire management plan and 51 job opportunities were created from the project.

In Cullinan and the township of Refilwe, the Dinokeng Project is designing two gateways through the Gauteng Growth and Development Agency. These will give a sense of arrival to the town of Cullinan and in Refilwe. They will also assist with the beautification of public spaces. The gateways are expected to transform, modernise and beautify the public spaces.

Pillar 9: Re-Industrialisation of Gauteng Province

Gauteng Enterprise Propeller (GEP)

The GEP provided non-financial support to 83 industrial park-based small businesses across the province through business development support interventions in 2016/17, sustaining 121 jobs. Beneficiaries in the manufacturing, creative industries, services and automotive sectors received support through the Township Business Renewal Programme and the Community Fund Programme to enhance the growth and sustainability of their businesses. Assessments are underway in industrial parks across the Gauteng corridors with a view to provide support to a greater number of SMMEs based in these hubs.

Gauteng Growth and Development Agency

ASP infrastructure projects mini factory

The mini factory is a concept developed to accommodate tenants that may not require huge manufacturing space for their operations. The aim is to create mini factory spaces that accommodate small to medium suppliers to the auto sector. The mini factory construction was completed by the end of November 2016 and will be occupied by the end of the 2016/17 financial year.

Nissan SA Incubation Centre

Nissan SA approached GPG seeking assistance to alleviate the two-pronged challenge (i.e. advice for early career professionals and advice for employers). The GPG (through GDED) agreed to assist Nissan SA by investing R200 million in the project. The objective of the project is to design and construct a facility located within Nissan's vehicle assembly plant site to accommodate eight incubates to nurture black-owned component suppliers into the vehicle manufacturer's supply chain The size of the facility would be in the region of 6 500 square metres. The incubatees would support the automotive industry's vision 2020 requirement of increased local content. The construction work is now completed.

The Innovation Hub (TIH)

Bio Park Facility Project

The development and expansion of the Innovation Hub in the northern corridor continues to be a priority for the department. The aim of the Biosciences Park is to provide a nurturing environment for biotechnology start-ups to develop, thrive and become successful commercial players and contribute to economic growth. The establishment of the second phase of the facility was initiated in the 2015/16 financial year. The design development was completed and construction at the end of the third quarter of 2016/17 was at 58 per cent.

Industrial Development Zone (IDZ)

The Gauteng IDZ is a Special Purpose Vehicle (SPV) established to develop and operationalise the designated IDZ at OR Tambo International Airport. In line with its establishment mandate as well as the application made to the National Department of Trade and Industry (DTI) for consideration and approval of its operator permit, the Gauteng IDZ is required to promote the beneficiation of pre-selected minerals in South Africa through the establishment of a Jewellery Manufacturing Precinct.

The Gauteng IDZ's work is focused on the development of a Jewellery Manufacturing Precinct (as Phase 1 of the programme) and identification of opportunities that can be considered for expansion of its programme (Expansion phase). Implementation of both the phases is underway, with Phase 1 being at the infrastructure development and investor attraction stages.

The expansion phase is at the investigative stage. A feasibility study of other export-driven subsectors of the economy that have a catalytic impact will be undertaken for air and land freight. The expansion phase focuses on identification of opportunities in the air freight value chain as well as linkages with the Aerotropolis development framework for the Eastern Corridor of the province.

Jewellery Manufacturing Precinct

The Gauteng IDZ is presently developing a Jewellery Manufacturing Precinct (JMP) on land identified for this purpose within the OR Tambo International IDZ. Bulk infrastructure construction for green field development is underway and was reported to be 57 per cent completed by the end of the third quarter. In the period under review the following progress was recorded:

- Platforms have been completed, except for the parking which will be completed in due course
- The storm water pipe is 98 per cent complete, sewer pipe-laying is 100 per cent complete except for land on which negotiations are underway to extend the lease to accommodate additional land for the development. Water pipe-laying is 70 per cent complete.
- Excavation at the attenuation pond has been completed.
- Construction of the retaining walls has commenced and is 5 per cent complete.

Industrial Parks

The Township Enterprise Hub programme is a turnkey solution to address the objectives of the Township Economies Revitalisation Strategy. The aim of the proposed refurbishment programme is to enhance the role of SMMEs in growing the township economy. A property report was undertaken for eight industrial park sites: Sebokeng 1 (Residensia), Sebokeng 2, Eldorado Park, Vosloorus, Pennyville, Mamelodi, Lesedi and Toekomsrus. Refurbishment and upgrades are anticipated to be completed by the end of the 2016/17 financial year.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2017/18)

PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

Gauteng Enterprise Propeller (GEP)

The department will, through GEP, provide financial support to 1 385 SMMEs in line with the Township Economy Revitalisation (TER) Strategy. These businesses will mainly be funded through loans, the Community Fund and the Township Business Renewal (TBR) programme. Non-financial support interventions will be provided to 2 410 SMMEs. To address the high demand for formalisation of informal businesses, 2 400 informal businesses will benefit from Business Development Support interventions. These are aimed at providing business management skills to SMMEs, access to markets and profiling small businesses in the province to attract investment and other funding mechanisms. It is envisaged that the SMMEs will subsequently be better positioned to become active participants in the mainstream economy and positively contribute to job creation and the reduction of poverty.

Gauteng Tourism Authority (GTA)

The GTA will continue to implement its strategies as a DMO by bidding for and hosting business and signature events and promoting Gauteng as a destination of choice in South Africa and in Africa. The organisation will improve tourism support services by working with relevant stakeholders in the tourism industry. Through the implementation of events support programmes, township-based SMMEs will have access to markets.

Gauteng Growth and Development Agency(GGDA)

AIDC Supplier Efficiency Programme

Under this programme, the following seven key programmes will be implemented:

- Total Productive Maintenance Programme (TPM);
- Cleaner Production Programme;
- Rapid Process Improvement Programme (RPIW);
- Lean Manufacturing Programme, including collaboration initiatives with the Japanese Government
- Quality and Environmental Management Systems
- Automotive Centre for Competitiveness; and
- Support and services for BMW suppliers (new).

Commercialisations

There are existing MoUs signed with research and academic institutions in Gauteng. TIHMC has also created a platform with research councils and various universities to interact with them on matters of research and commercialisation. These agreements envisage that TIHMC will provide commercialisation support for the research outputs of these institutions. The research institutions near TIHMC Science Park also provide infrastructure space (e.g. laboratory and technical facilities for start-up companies in incubation). During the financial year 2017/18, TIHMC plans to strengthen these relationships to improve the pipeline of spinoffs from the universities and research institutions into TIHMC incubation programmes.

The Innovation Hub (TIH)

To increase its impact on industry and other partners, TIHMC plans to streamline its current programmes and activities to focus on three cluster areas: Smart Industries, Green and Biosciences. As these sectors are in themselves broad, TIHMC has identified subsectors where the organisation has internal capabilities and established linkages with industry, academic, government and research partners as subsectors in which the chance of developing viable cluster is enhanced.

Large, medium size and small companies including the start-ups in the incubation programmes will be recruited into becoming cluster members. A cluster strategy and value proposition is currently being developed for recruiting potential members. There is also a plan to recruit some of these cluster members into the Science and Technology Park as rental or anchor tenants of the park.

eKasi Programmes

eKasi Labs are extensions of TIHMC in the townships to promote the culture of innovation and entrepreneurship and innovative output in the community in line with the provincial economic policies of TMR/TER. The facilities will incorporate Mobile Application development and aspects of Fablab (Fabrication Laboratories) activities and programmes whose main objectives are to promote entrepreneurship in the area of product design and manufacturing.

It will also promote high tech skills for local entrepreneurs in the townships, provide access to infrastructure for entrepreneurs to develop new products that can be tested and modified in the market place according to customer needs, increase the diffusion and adoption of technology, and provide research, development of new tools for entrepreneurs and infrastructure to produce small batches of niche products.

The key outcomes of the programme include new generation entrepreneurship, high impact/high tech product and services, skills development and job opportunities for local communities. The budget will be reprioritised to expand the programme to the five corridors of Gauteng. In the 20I7/18 financial year eKasiLabs will be expanded to the West Rand and Sedibeng.

Consumer Affairs

In the 2017/18 financial year, there will be no changes in the services delivered. However, Consumer Affairs will be starting new projects in consumer education and awareness, in particular the Financial Education for Young Entrepreneurs Schools Competition, the Varsity Financial Literacy Programme and seminars for businesses. Consumer Affairs will continue to contribute to and facilitate revitalisation of Gauteng's township economies by supporting the development of township enterprises, co-operatives and SMMEs in its education and awareness programmes focusing on the consumer protection regulatory environment. Increased consumer satisfaction will ensure a conducive environment to increase the participation of SMMEs and co-operatives in the province's mainstream economy and contribute to the growth and development of the eleven identified sectors by developing capabilities, knowledge and awareness of the regulatory environment in which these businesses operate.

Gauteng Liquor Board (GLB)

The Gauteng Liquor Board will continue to collect revenue from its processes and move towards being self-sustainable. New liquor tariffs came into effect in December 2016 enabling the GLB to generate more revenue. Liquor compliance inspections

will continue to be undertaken including education on application procedures, responsible drinking and compliance and non-compliance issues. Penalties for non-compliance notices will be implemented and this will contribute towards revenue collection. The agency will finalise the business model for the Corporate Social Investment (CSI) expanded programme. Industry partners such as brewing companies and large retail chain stores will be brought on board to contribute towards CSI. The automation and records management projects will be fully implemented in 2017/18. The automation system is central to the Gauteng Liquor Board processes as it migrates the manual process to an automated platform. Automation will modernise the GLB processes, enhance the potential for revenue collection and contribute to the creation of a credible data base.

Gauteng Gambling Board (GGB)

Technology is a key driver of products and services in the gambling industry, therefore the agency has identified the importance of technical audits in the gambling industry. In that, the agency will continue with it efforts in conducting gambling compliance audits, inspections and gambling tax revenue from gambling regulatory processes to ensure the accuracy and completeness of revenue due to the fiscus. The board will be embarking on a projects to deal with all problems relating to illegal gambling in the Province.

Cradle of Humankind World Heritage

The Cradle of Humankind World Heritage will continue to maintain and improve the management of the fossil sites twice a year. Educational and awareness-creation projects will continue to be a key focus area with sponsored school visits to the visitor centres of Maropeng and Sterkfontein being a key project. The natural resources and cultural management of the site will continue with fire and vegetation maintenance and overall management of natural and cultural resources in the site. Landscape character assessment and a visual assessment will be undertaken including a land use audit. These technical assessments will assist with planning and development of site specific regulations in terms of the World Heritage Convention Act, 1999 and the National Environmental Management: Protected Areas Act, 2003.

Strategic Partnerships, Special Projects and International Relations

Strategic Partnerships will continue to facilitate partnerships on behalf of the Department to foster relations with the private sector which may result in more projects being identified. Through strategic partnerships and special projects, the department will engage with private sector companies to solicit sponsorship for the township awards and the budget speech networking session. Through special projects, International Relations will identify SMMEs within the township and provide them with international market exposure. This process may lead to market access for some of the SMMEs. Conversion of spaza shops will be finalised as part of radically transforming the economy.

Dinokeng Project

The Dinokeng Project will continue to engage with established businesses within the Dinokeng Game Reserve (DGR) to procure goods and services from enterprises in the surrounding townships. The DGRMA is currently developing a database of service providers within the local communities that are being used by all tourism product owners in the DGR. The Dinokeng Project also plans to establish a Dinokeng Community Development Trust to create an inclusive economy based on the Dinokeng Game Reserve tourism activities. Political instability in the area has negatively impacted the implementation of this project in the past.

The Dinokeng Project will also conduct awareness campaigns, train communities in tourism skills and place trainees for work experience. As part of stakeholder management, regular annualised dialogue with stakeholders in the broader Dinokeng project area will be conducted; these are referred to as Tourism Information Meetings (TIMs) and are in addition to project based stakeholder management. The TIMS are intended to provide feedback to stakeholders on progress that the Dinokeng Project is making in implementing its projects, and to receive feedback from stakeholders on the impact of these projects on their operations.

The DGR is implementing the Working on Fire programme, an EPWP programme supporting biodiversity management and facilitating the economic viability of the DGR through the operational funding. The Dinokeng Project will update the current Environmental Management Plan for the game reserve, which serves as a guideline for property development and management in the game reserve. The national Department of Environmental Affairs requires this update every five years. The Dinokeng Project will continue to facilitate engagements with landowners to potentially incorporate their properties into the game reserve.

PILLAR 9: RE-INDUSTRIALISATION OF GAUTENG PROVINCE

Gauteng Growth and Development Agency

Automotive Supplier Park (ASP) Infrastructure projects

The ASP will continue to be promoted as an attractive manufacturing and investment destination for the automotive sector

and +10,000 square meters of new facilities in respect of the new facilities construction for Phase 1 and 2 of the ASP will be secured.

Nissan SA Incubation Centre
During 2017/18 financial year, the Nissan SA Incubation Centre will see the start of a BEE SMME incubation intervention. Shared services for newly established companies will be put in place.

Bio Park Facility Project
During 2017/18, TIHMC will prioritise the recruitment of R&D anchor tenants at the Science Park to increase the output of R&D from the Park. TIHMC will also initiate clusters in the sectors of Smart industries, Biosciences to promote research, development of new products and services amongst cluster members, and promote spin offs with universities and research institutions. In the satellite innovation programmes, TIHMC will implement incubation programmes in film and gaming as part of the creative sectors.

Dinokeng Project
The infrastructure projects namely the design of the picnic sites, ablution facilities at Roodeplaat Dam, the design of the riverboat cruise operation facility at Roodeplaat Dam and the design of the two gateways in Cullinan by Dinokeng will be managed by the GGDA The upgrade of Roodeplaat Dam site is anticipated to increase visits to Roodeplaat and the construction of the gateways in the town will give a sense of arrival to the town of Cullinan and the township of Refilwe. The gateways are also expected to transform and modernise the public space through beautification of the space.

The Dinokeng Project will work closely with the GTA to promote and market the Dinokeng Game Reserve as a preferred destination of choice, using the tagline of “Only free roaming big five game reserve in the province”. The marketing plans include setting up a Local Tourism Association for Dinokeng, developing a Dinokeng brand strategy and implementing Dinokeng brand specific exhibitions and campaigns. Marketing of the other two hubs will be intensified as soon as the infrastructure work was completed.

4. REPRIORITISATION

The department has reprioritised the budget baselines on compensation of employees over the MTEF in line with the organisational structure which is currently under review. The review of this structure took place to reposition the department to carry out its mandate appropriately. The department is also in progress of developing job profiles and conducting job evaluation for the newly created posts including Branch: Trade and Sector under Programme: 2, as such, an amount of R24.4 million has been reprioritised over the outer years. In order to allow finalization of DPSA processes, it therefore anticipated that the implementation of the new structure will be during the 2017/18 financial year.

The R20 million per annum for the next 2 years of the MTEF for the Youth Project Management Office (PMO) which was allocated under Economic Planning was shifted to GEP for implementation. The main focus of the Youth PMO is the development of skills through placement in on-the-job training, giving youth an opportunity to get into formal employment as well as the entrepreneurial stream. In addition, an amount of R10 million is reprioritised in 2017/18 to supplement the R40 million allocated to TER projects under Programme 2.

An amount of R36 million is reprioritised over the MTEF from the Business Regulation and Governance programme to Administration programme for the mobile satellite buses project. This project ensures access to government services by going directly to communities and assisting them with various administrative functions as part of TER implementation.

The department has also transferred implementation of the Township industrial parks from Economic Planning programme to GGDA and the budget amounting to R168 million was shifted to follow the function over the MTEF.

5. PROCUREMENT

The department will ensure that all contracts are subjected to market price analysis and the concept of value for money is the core driver when negotiating contracts. The department will also continue to ensure that procurement of goods and services is done timeously.

The department has allocated funds over the MTEF to ensure that all projects critical to its mandate are delivered on time. Some of the initiatives that will impact on the procurement process are:

- Heightened public participation and outreach;
- Mid-term impact assessment;
- PMO for unemployed youth;

- Enterprise Building 2 and 3;
- Constitution Hill Visitor Centre and redevelopment of precinct;
- ICT PMO;
- Refurbishment of industrial parks;
- Tourism marketing;
- Bidding and hosting Joy of Jazz festival;
- Bidding and hosting Joburg Shopping festival; and
- Bidding and hosting the Summer Cup.

6. RECEIPTS AND FINANCING

6.1. Summary of receipts

TABLE 3.1 SUMMARY OF RECEIPTS: ECONOMIC DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Equitable share	963 353	1 101 491	1 305 610	1 331 638	1 387 699	1 387 699	1 413 792	1 506 450	1 583 355
Total receipts	**963 353**	**1 101 491**	**1 305 610**	**1 331 638**	**1 387 699**	**1 387 699**	**1 413 792**	**1 506 450**	**1 583 355**

The equitable share allocation of the department increased from R963.3 million in 2013/14 to R1.3 billion in 2015/16 which translates to an increase of 35 per cent over the three year period. The 2016/17 adjusted allocation amounted to R1.4 billion. Amongst the projects funded within the equitable share are TER projects such as SMME support, Youth PMO as well as the review of the departmental organization structure and committed projects over the MTEF period which include job creation initiatives, Nelson Mandela Centre of Memory, bidding and hosting evens. The growth also catered for core priority outputs such as the refurbishment of industrial parks in townships and Innovation Hubs which contribute to the provincial pillar of Radical Economic Transformation. The baseline increases by 5.9 per cent over the MTEF, R1.4 billion in 2017/18 to R1.6 billion in 2019/20.

6.2. Departmental receipts collection

TABLE 3.2 : DEPARTMENTAL RECEIPTS:ECONOMIC DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Tax receipts	753 404	799 823	870 999	928 873	928 873	928 874	1 014 013	1 074 860	1 139 363
Casino taxes	715 672	759 547	828 997	878 874	878 874	878 874	944 673	1 002 860	1 063 331
Horse racing taxes	37 732	40 276	42 002	50 000	50 000	50 000	69 340	72 000	76 032
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	48	17 361	374			6 781			
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	5 177	2 526	5 167	2 223	2 223	2 222	2 334	2 469	2 608
Sales of capital assets						30			
Transactions in financial assets and liabilities	5 293	753	(5 215)	292	292	552	306	324	342
Total departmental receipts	**763 922**	**820 463**	**871 325**	**931 388**	**931 388**	**938 459**	**1 016 654**	**1 077 654**	**1 142 313**

The department's source of revenue is mainly generated from casino taxes, which constitute a high proportion followed by horse racing taxes. Liquor licence fees currently do not form part of revenue sources of the department.

As of end of December 2016, the department has collected 66 percent of their appropriated target of R931 million.

Revenue enhancements being pursued in the department amongst others is Automation of liquor licence data base in accordance with the new regulations, to ensure revenue collection is maximized and surrendered to the provincial revenue

fund. This initiative is expected to be fully implemented during the 2017/18 fiscal year. The New Casino regulations are expected to be implemented during the course of 2017/18, once the process has been concluded.

The revenue initiatives cited above are instrumental in revenue growth estimate over the 2017 medium term period, to over a R1.1 billion in the outer year of the period under review.

7. PAYMENT SUMMARY

7.1 Key assumptions

The 2017 MTEF budget is informed by the NDP, MTSF, the Department of Economic Development Strategic Plan, TMR Annual Performance Plan, provincial outcomes and the GPG Programme of Action (POA). The key assumptions underpinning the budget are:

- Provision for annual salary adjustments at 7.1 per cent average; projected CPI of 6.9 percent plus 1 per cent for 2017/18; 6.6 percentage average projected CPI plus 1 per cent for 2018/19 and 5.6 percent for 2019/20.

7.2 Programme summary

TABLE 3.3: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2013/14**	**2014/15**	**2015/16**		**2016/17**		**2017/18**	**2018/19**	**2019/20**
1. Administration	132 544	168 306	202 072	227 109	237 658	237 658	287 897	289 554	305 765
2. Integrated Economic Development Services	222 076	284 020	301 958	198 345	248 645	248 645	231 613	288 524	297 228
3. Trade And Sector Development	512 185	530 906	578 254	624 317	679 700	679 700	714 211	736 861	778 127
4. Business Regulation And Governance	46 577	58 209	55 228	77 249	79 116	79 116	66 563	70 792	74 756
5. Economic Planning	13 405	19 214	133 332	204 617	142 579	142 579	113 508	120 719	127 479
Total payments and estimates	**926 787**	**1 060 655**	**1 270 844**	**1 331 638**	**1 387 699**	**1 387 699**	**1 413 792**	**1 506 450**	**1 583 355**

7.3. Summary of economic classification

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2013/14**	**2014/15**	**2015/16**		**2016/17**		**2017/18**	**2018/19**	**2019/20**
Current payments	**264 807**	**310 979**	**369 174**	**494 248**	**407 301**	**407 301**	**450 750**	**515 433**	**536 842**
Compensation of employees	110 685	134 813	165 315	230 626	193 750	193 750	244 145	258 306	275 871
Goods and services	154 122	176 166	203 859	263 623	213 551	213 551	206 605	257 127	260 971
Interest and rent on land									
Transfers and subsidies to:	**657 890**	**688 559**	**886 660**	**821 890**	**955 618**	**955 617**	**950 593**	**977 848**	**1 032 608**
Provinces and municipalities					500	500			
Departmental agencies and accounts	656 778	666 099	885 945	821 890	954 573	954 572	950 593	977 848	1 032 608
Higher education institutions									
Households	1 112	22 460	715		545	545			
Payments for capital assets	**1 619**	**6 028**	**15 008**	**15 499**	**24 758**	**24 759**	**12 449**	**13 169**	**13 905**
Buildings and other fixed structures									
Machinery and equipment	1 619	6 028	14 924	10 499	19 599	19 600	12 449	13 169	13 905
Heritage Assets									
Software and other intangible assets			84	5 000	5 159	5 159			
Payments for financial assets	**2 471**	**55 089**	**2**		**22**	**22**			
Total economic classification	**926 787**	**1 060 655**	**1 270 844**	**1 331 638**	**1 387 699**	**1 387 699**	**1 413 792**	**1 506 450**	**1 583 355**

Expenditure increased from R926 million in 2013/14 to R1.3 billion in 2015/16 as a result of the implementation of the TER projects through the department's entities and the relocation costs of offices from 94 Main Street to 56 Eloff Street.

The overall 2017/18 allocated budget increases from R1.3 billion in 2016/17 and R1.4 billion in 2017/18. Over the MTEF, the allocation increases from R1.4 billion in 2017/18 to R1.6 billion in 2019/20. The growth is attributed to additional funding for earmarked projects such as the automotive supplier park expansion, the Economic Development Plan, the Discorp Africa Project and the Cycling Festival. The MTEF allocation also caters for a range of projects such as renovation of township

industrial parks, youth employment projects, bidding and hosting of events, SMME development initiatives and the Nelson Mandela Centre of Memory.

The compensation of employees' budget increases from R230.6 million in 2016/17 to R244 million in 2017/18 due to the introduction of the trade and sector branch and to align with the new organisational structure which is currently under review. The growth in the compensation budget is 13 per cent over the MTEF from R244 million in 2017/18 to R275 million in 2019/20.

Goods and services expenditure increased from R154 million in 2013/14 to R204 million in 2015/16. The increase is linked to factors such as operational costs associated with office building, audit costs, advertising, and training incurred in 2013/14-2015/16. Over the MTEF, the allocation increases by 26.3 per cent from R206 million in 2017/18 to R260 million in 2019/20. This will make provision for the following projects and programmes: Phase 2 of Qondi'sishishini Lakho; Consumers on Wheels; school debates; tooling initiatives; State bank; the Gauteng Growth and Modernisation Programme, as well as projects that are aligned to the deliverology programme such as township brickmaking, wholesale and retail, furniture sector, benchmarking initiatives and linen clusters which is part of the clothing sector as well as township consumer cooperatives.

The expenditure for transfers and subsidies increased by 35 per cent from 2013/14 to 2015/16 which translates to a nominal value of R658 million to R886 million respectively. The budget for transfers increases from R950.9 million in 2017/18 to R1 billion in 2019/20.

The department has allocated funds over the MTEF to the GGDA's subsidiary, the Innovation Hub, which will make provision for the eKasi Labs, mLab/Code Tribe, Academy Open IX and Innovation Exchange Incubation programmes. All of these programmes are aimed at addressing issues ranging from the eradication of poverty in townships through job creation to targeting of youth unemployment, the provision of opportunities to promising township based youth as well as supporting emerging industries and the modernisation of the economy.

Over the MTEF, the department has set aside R157.8 million for tourism marketing through GTA to promote tourism and social cohesion. R25.2 million is allocated to bidding for and hosting events such as Gauteng Summer Cup and the Joburg Shopping Festival. A further R14.5 million is allocated to the Discorp Africa Project and the Cycling Festival. These events will have positive economic spinoffs for the province since they are earmarked as tourist attractions.

Capital payments significantly increases from R1.6 million in 2013/14 to R15 million in the 2015/16 financial year. Over the MTEF, the allocation increases from R12 million in 2017/18 to R13.9 million in the 2019/20 financial year. The allocation provides for the procurement of office furniture and purchasing of new computers for the newly appointed personnel. The allocated budget will also cater for the implementation of community ICT hubs so that SMMEs can access the internet; broadband; and payment for software licenses.

7.4. Infrastructure payments

7.4.1 Departmental Infrastructure payments

N/A

7.4.2 Departmental Public-Private Partnership (PPP) projects

N/A

7.5. Transfers

7.5.1. Transfers to public entities

TABLE 3.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1.Gauteng Enterprise Propeller	128 447	136 291	290 438	176 418	236 718	236 718	214 374	217 336	229 507
2.Gauteng Tourism Authority	62 019	69 530	93 798	91 994	104 744	104 744	101 165	107 038	113 032
3.Gauteng Growth and Development Agency	358 173	341 772	359 033	405 949	465 282	465 282	493 117	502 144	530 264
Total departmental transfers	**548 639**	**547 593**	**743 269**	**674 361**	**806 744**	**806 744**	**808 656**	**826 518**	**872 803**

The total expenditure for public entities increased from R549 million in 2013/14 to R743 million in 2015/16. The increase in expenditure is a result of providing support and training to informal businesses, SMMEs and cooperatives, TER initiative, PWD empowerment, refurbishment of township hubs, IDZ bulk infrastructure, youth placement and marketing Gauteng as a tourist destination

The MTEF budget increases by 8 per cent from R808.6 million in 2017/18 to R872.8 million in 2019/20. This funds projects such as the Nelson Mandela Centre of Memory, Biosciences and ACSA rental.

Amongst the earmarked project to be facilitated by Gauteng Enterprise Propeller (GEP) is the Construction of the Eco-Systems Centre in partnership with the Department of Human Settlements. The centre will house all construction manufacturing components and it will provide support to the following competencies: Brick, steel, plastic, wood and roof.

In addition, the department through the GEP will implement project Vuthela, this project is a youth accelerated job creation programme which provides youth with job readiness skills, job placement, SMME skills and cooperative development and access to market. The department has also funded TER projects such as the Eco-wash which is waterless solution aimed at saving water and to create jobs; Internet access to industrial hubs; and also the bread production cluster project which is aimed at clustering of the bread producers in the townships to produce bread for public sector institutions such as schools, prisons and hospitals and the township enterprise awards.

GEP will continue to provide non-financial support to about 5 940 SMMEs over the next three years. About 1 500 cooperatives will receive non-financial support and 664 SMMEs will benefit from GEP's financial support. Support through the Township Revitalization Programme for approximately 660 township cooperatives over the next three years will assist enterprises such as bakeries in Johannesburg, West Rand and Ekurhuleni.

GTA's expenditure was R69.5 million and R90.7 million in 2014/15 and 2015/16 respectively. The MTEF allocation increases from R101 million in 2017/18 to R113 million 2019/20. The allocation caters for projects such as hosting of the Gauteng Shopping festival, the Cycling Festival, the Discorp Africa project, Joy of Jazz and the Gauteng Summer cup and marketing of Gauteng tourism.

The Gauteng Growth and Development Agency's (GGDA) expenditure increased from R341 million in 2014/15 to R359 million in the 2015/16 financial year. The increase is attributed to the implementation of the Green Economy Strategy, IDZ bulk infrastructure, and the Biosciences Projects

One of GGDA's mandates is to assist the department to lead, facilitate and manage sustainable job creation and inclusive economic growth and development in the Gauteng City Region. The allocation for the GGDA increases from R493 million in 2017/18 to R530 million in 2019/20. The allocated budget will cater for projects such as industrial parks infrastructure projects and automotive supplier park expansion.

7.5.2. Transfers to other entities

TABLE 3.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1.Cradle of Humankind	44 115	37 736	71 377	71 283	63 583	63 583	70 706	75 254	79 468
2.Dinokeng	42 139	62 616	53 570	49 576	43 576	43 576	43 202	46 056	48 635
3.Gauteng Liqour Board	28 781	18 157	25 327	26 669	40 669	40 669	28 030	30 021	31 702
Total departmental transfers	**115 035**	**118 509**	**150 274**	**147 528**	**147 828**	**147 828**	**141 938**	**151 331**	**159 805**

Transfers to the listed trading entities increased from R115 million in 2013/14 to R150 million in 2015/16. The transfers further increase from R141.9 million in 2017/18 to R159.8 million in 2019/20.

The Cradle of Humankind World Heritage Site (COH WHS) expenditure increased from R44 million in 2013/14 to R71 million in 2015/16. The allocation increases from R70.7 million in 2017/18 to R79.5 million in 2019/20 and will make provision for a range of projects including maintaining the mountain bike trail and fossil site safety inspections.

The department has transferred the management and operations of the Garankuwa Hotel School to the Cradle of Humankind.

Expenditure for Dinokeng increased from R42 million in 2013/14 to R53.5 million in 2015/16. Over the MTEF, the budget increases from R43.2 million in 2017/18 to R48.6 million in 2019/20.

The Gauteng Liquor Board is still managed by the department. Its budget increases from R28 million in 2017/18 to R31.7 million in 2019/10.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

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

Programme objectives
Capacitate GDED financially to meet its objectives, fulfil its mission and improve service delivery.

TABLE 3.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1. Office of the MeC	12 094	9 894	10 146	12 806	9 706	9 706	14 103	14 920	15 756
2. Office of the HoD	10 072	15 770	14 089	19 712	14 463	14 463	22 726	22 764	24 038
3. Financial Management	21 974	22 428	32 310	39 824	38 954	38 955	65 216	55 236	58 327
4. Corporate Services	88 404	120 214	145 527	154 768	174 535	174 535	185 852	196 634	207 644
Total payments and estimates	**132 544**	**168 306**	**202 072**	**227 109**	**237 658**	**237 659**	**287 897**	**289 554**	**305 765**

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	**127 441**	**161 602**	**186 752**	**211 610**	**212 295**	**212 295**	**275 508**	**276 449**	**291 928**
Compensation of employees	66 827	84 924	92 750	116 586	98 239	98 239	132 431	138 285	146 029
Goods and services	60 614	76 678	94 002	95 024	114 056	114 056	143 077	138 164	145 899
Interest and rent on land									
Transfers and subsidies to:	**1 013**	**587**	**311**		**744**	**744**			
Provinces and municipalities					500	500			
Departmental agencies and accounts									
Households	1 013	587	311		244	244			
Payments for capital assets	**1 619**	**6 028**	**15 008**	**15 500**	**24 599**	**24 600**	**12 389**	**13 105**	**13 837**
Buildings and other fixed structures									
Machinery and equipment	1 619	6 028	14 924	10 500	19 599	19 600	12 389	13 105	13 837
Software and other intangible assets			84	5 000	5 000	5 000			
Payments for financial assets	**2 471**	**89**	**1**		**20**	**20**			
Total economic classification	**132 544**	**168 306**	**202 072**	**227 109**	**237 658**	**237 659**	**287 897**	**289 554**	**305 765**

The Administration budget is used for items that are centralised to Corporate Services and Financial Management such as lease payments for office buildings, security services, cleaning services, bursaries, telephone payments, tenant installation costs, LAN upgrades, payment of software licenses, disaster recover management, fleet services, municipal rates and taxes, legal costs, ICT equipment and internal audit costs.

In the 2014/15 financial year, expenditure amounted to R168 million and increased to R202 million in the 2015/16 due to the implementation of the TER projects through the Qondis'ishishini Lakho Campaigns to 65 townships. The increased expenditure can also be attributed to hosting the Infrastructure Investment Conference, the Township Entrepreneurship Awards and the Provincial and Regional Township Revitalization Summits in that financial year.

Over the MTEF, the allocation amounts to R287.9 million in 2017/18 and R305.8 million in 2019/20. The largest portion of the allocation is for corporate services which is responsible for the relocation process to the new office building and ensuring that all employees possess the necessary tools of the trade.

Compensation of employees expenditure increased from R66.8 million in 2013/14 to R85 million in 2014/15. Over the MTEF period, the allocation increases from R132 million in 2017/18 to R146 million in 2019/20. The increase is due to the implementation of the department's approved structure which is intended to increase operational capacity and ensure that all TMR, NDP and SOPA targets are met.

Goods and services expenditure in 2013/14 was R60.6 million and R94 million in 2015/16. Over the MTEF, the allocation increases from R143 million in 2017/18 to R145.9 million in 2019/20. The increase is attributed to inflation.

Machinery and equipment expenditure for 2013/14 was R1.6 million and R6 million in 2014/15. In 2015/16, it was R14.9 million. This large increase is due to the procurement of office equipment such as computers and furniture required by new personnel who joined the department. The MTEF allocation relates to various projects that Information Technology will be embarking upon such as the disaster recovery site to enable system recovery and ensure continuity during a time of emergency or disaster, and the installation costs associated with the move to the new building. The allocated budget will also cater for the implementation of community ICT hubs so that SMMEs can access the internet; broadband; and payment for software licenses.

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Programme description

To ensure radical economic transformation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

Programme objectives

- Advance economic development skills to Radically Transform and Re-Industrialise Gauteng Economy;
- Radically transform the Gauteng economy through new, smart, knowledge-based economy;
- Remodel township economies reflecting radical transformation and re-industrialisation of Gauteng's economy; and Strategic economic infrastructure that supports and facilitates radical economic transformation and re-industrialisation of Gauteng.

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1. Enterprise Development	132 596	138 479	291 337	180 817	236 718	236 718	219 386	222 304	234 753
2. Regional And Local Economic Development	1 791	7 589	(877)	1 044	1 044	1 044	1 290	1 160	1 225
3. Economic Empowerment	87 689	137 952	11 498	16 484	10 883	10 883	10 937	65 060	61 250
Total payments and estimates	**222 076**	**284 020**	**301 958**	**198 345**	**248 645**	**248 645**	**231 613**	**288 524**	**297 228**

TABLE 3.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	**93 629**	**107 261**	**11 487**	**21 927**	**11 875**	**11 875**	**17 239**	**71 188**	**67 721**
Compensation of employees	10 383	12 650	8 775	21 653	11 602	11 602	17 007	19 810	24 021
Goods and services	83 246	94 611	2 712	274	273	273	232	51 378	43 700
Interest and rent on land									
Transfers and subsidies to:	**128 447**	**152 759**	**290 471**	**176 418**	**236 768**	**236 768**	**214 374**	**217 336**	**229 507**
Provinces and municipalities									
Departmental agencies and accounts	128 447	136 291	290 438	176 418	236 718	236 718	214 374	217 336	229 507
Higher education institutions									
Non-profit institutions									
Households		16 468	33		50	50			
Payments for capital assets									
Buildings and other fixed structures									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets		**24 000**			**2**	**2**			
Total economic classification	**222 076**	**284 020**	**301 958**	**198 345**	**248 645**	**248 645**	**231 613**	**288 524**	**297 228**

Expenditure for this programme increased from R222 million in 2013/14 to R301.9 million in 2015/16. The bulk of the expenditure in this programme relates to transfers made to GEP to fund projects which support and train informal businesses, SMMEs and cooperatives. The allocation for the programme increases by 29 per cent over the MTEF at R231 million, R288 million and R297 million in 2017/18, 2018/19 and 2019/20 respectively.

In the 2015/2016 financial year, GEP achieved all of its targets largely due to the timeous approval of funding and Business Development Support interventions. The entity supported 661 SMMEs, exceeding the targeted 345. Amongst the programs GEP supported are 222 existing SMMEs and 439 new SMMEs. GEP also contributed to the Business Development intervention programmes which provided non-financial support to 838 existing Cooperatives, exceeding the set target of 500. In the same period, 808 new cooperatives benefited from non-financial support. The entity also assisted informal traders, through CIPC registrations, including those sourced at Qondi'sishishini Lakho campaigns. This led to the provision of support to 2012 informal businesses. The supported businesses exceed the targeted 500.

The transfers to the GEP increase from R214 million in 2017/18 and R229 million in 2019/20. This will enable the GEP to facilitate the implementation of projects such as the construction of the Eco system centre; the Eco car wash; internet access at industrial hubs; and the SMME support project.

SERVICE DELIVERY MEASURES

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Performance measures	Estimated annual targets		
	2017/18	2018/19	2019/20
Number of people participated in skills development and training programmes	2 685	3 100	3 100
Number of students trained in jewellery manufacturing and design	15	15	15
Number of companies graduated with sustainable businesses from incubation	10	12	15
Number of companies intervened with efficiency improvements	30	40	40
Number of township attractions promoted	200	250	380
Number. of SMME's financially supported in the prioritized sectors	700	850	900
Number. of SMME's non-financially supported in the prioritized sectors	2 000	2 510	2 510
Number. of TER businesses funded	700	850	900
Number of Co-ops financially supported in the prioritized sectors	200	220	240
Number of Co-ops non-financially supported in the prioritized sectors	400	500	600
Number of township based Informal Business supported through Business Development Support (BDS) Interventions	1 500	2 600	2 800
Number of township tourism products showcased to market	200	300	400

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Programme description

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

Programme objectives

- Provide an enabling environment for sustainable business activities in Gauteng for radical economic transformation of Gauteng's economy;
- Create an enabling environment for economic activities that generate revenue for transformation and re-industrialisation of Gauteng economy; and
- Sustain tourism development by providing protection mechanisms for biodiversity areas and other conservation sites.

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1. Trade And Investment Promotion	1 576	5 512	476	5 515	2 515	2 515	6 021	6 370	6 728
2. Sector Development	150 925	179 637	218 745	212 853	211 903	211 903	215 073	228 348	241 135
3. Strategic Initiatives	359 684	345 757	359 033	405 949	465 282	465 282	493 117	502 144	530 264
Total payments and estimates	**512 185**	**530 906**	**578 254**	**624 317**	**679 700**	**679 700**	**714 211**	**736 861**	**778 127**

TABLE 3.12 : SUMMARY OF ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	**5 666**	**8 335**	**475**	**5 515**	**2 515**	**2 515**	**6 021**	**6 370**	**6 728**
Compensation of employees	5 519	8 213	469	5 415	2 415	2 415	6 021	6 257	6 606
Goods and services	147	122	6	100	100	100		113	122
Interest and rent on land									
Transfers and subsidies to:	**506 519**	**515 571**	**577 778**	**618 802**	**677 185**	**677 185**	**708 190**	**730 491**	**771 399**
Provinces and municipalities									
Departmental agencies and accounts	506 444	511 652	577 778	618 802	677 185	677 185	708 190	730 491	771 399
Households	75	3 919							
Payments for capital assets									
Buildings and other fixed structures									
Software and other intangible assets									
Payments for financial assets		**7 000**	**1**						
Total economic classification	**512 185**	**530 906**	**578 254**	**624 317**	**679 700**	**679 700**	**714 211**	**736 861**	**778 127**

Expenditure for this programme increased from R512 million in 2013/14 to R578 million in 2015/16. The allocation for 2016/17 was increased to R679 million during the adjustment budget due to the implementation of the township infrastructure now undertaken by GGDA, and for additional funding for the World Choir Games, the Discorp Africa Project, the Cycling Festival and the Feather awards.

The programme's budget increases from R714 million in 2017/18 to R778 million in 2019/20. A significant portion is transferred to the entities. The allocation for strategic initiatives increases by 7.5 per cent from 2017/18 to 2019/20. The budget will fund core projects such as the Nelson Mandela Centre of Memory, the Bioscience Innovation Hub, township industrial hubs, the ACSA rental Nissan Incubation centre and the AIDC mini factory.

The budget for the sector development programme, where GTA, the Cradle of Humankind and Dinokeng are placed, increases by 12 per cent over the MTEF. The allocation will make provision for projects such as the upgrade of picnic sites at Roodeplaat Dam, bidding for and hosting events and marketing Gauteng Tourism.

SERVICE DELIVERY MEASURES

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Performance measures	Estimated annual targets		
	2017/18	2018/19	2019/20
Number of Gauteng tourism marketing initiatives implemented in the key International source markets	15	20	25
Number of Gauteng tourism marketing initiatives implemented in the SADC markets	10	11	12
Number of Gauteng tourism marketing initiatives implemented in the BRICS markets	3	3	3
Number of Gauteng tourism marketing initiatives implemented in the domestic markets	7	9	11
Number of enterprises assisted through export readiness programme	240	270	300
Number of business visitations undertaken in all Gauteng municipalities	110	110	110
Number of Gauteng based firms assisted to expand operations in Africa	14	14	16
Number of fossil sites inspected	13	13	13
Number of boreholes monitored	17	17	17

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programme description

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

Programme objectives

- Provide an enabling environment for consumer satisfaction to stimulate growth of businesses;
- Properly regulate the Liquor Industry in Gauteng;
- Properly regulate the Gambling and Betting Industry in Gauteng; and
- Generate revenue from business regulation for socio-economic development of the Gauteng.

TABLE 3.13: SUMMARY OF PAYMENTS AND ESTIMATES: BUSINESS REGULATION AND GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Governance	4 011	6 384	4 177	10 202	10 069	10 069	9 201	9 737	10 282
2. IGR And Strategic Partnerships	2 047	6 291	6 803	9 625	9 588	9 588	9 634	10 194	10 765
3. Consumer Protection	18 632	27 377	26 518	30 727	18 764	18 764	19 698	20 840	22 007
4. Liquor Regulation	21 887	18 157	17 730	26 695	40 695	40 695	28 030	30 021	31 702
Total payments and estimates	**46 577**	**58 209**	**55 228**	**77 249**	**79 116**	**79 116**	**66 563**	**70 792**	**74 756**

TABLE 3.14 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	**24 672**	**21 050**	**37 373**	**50 580**	**38 360**	**38 360**	**38 534**	**40 771**	**43 054**
Compensation of employees	20 973	19 181	24 342	31 070	30 511	30 511	30 334	32 125	33 924
Goods and services	3 699	1 869	13 031	19 510	7 849	7 849	8 200	8 646	9 130
Interest and rent on land									
Transfers and subsidies to:	**21 905**	**18 159**	**17 855**	**26 669**	**40 756**	**40 756**	**28 029**	**30 021**	**31 702**
Provinces and municipalities									
Departmental agencies and accounts	21 887	18 156	17 729	26 669	40 669	40 669	28 029	30 021	31 702
Non-profit institutions									
Households	18	3	126		87	87			
Payments for capital assets									
Payments for financial assets		**19 000**							
Total economic classification	**46 577**	**58 209**	**55 228**	**77 249**	**79 116**	**79 116**	**66 563**	**70 792**	**74 756**

The expenditure for this programme increased from R47 million in 2013/14 to R55 million in 2015/16. The programme's allocation increases by 12 per cent over the MTEF which translates into a nominal value of R67 million in 2017/18 and R75 million in 2019/20.

Compensation of employees' expenditure increased from R21 million in 2013/14 to R24.3 million in 2015/16. For the 2017/18 financial year, the allocated amount is R30 million and R34 million in 2019/20.

Goods and services expenditure was R3.7 million in 2013/14 and R13 million in 2014/15. The implementation of the mobile office solution project in 2015/16 contributed to the increased spending during the expenditure cycle. This project was moved to Programme 1. This has resulted in a reduction of the budget for 2017/18 compared with 2015/16. Over the MTEF, the budget increases from R8.2 million to R9.1 million. Provision is made for the following projects: trade exchange programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; and the Consumer Affairs Office on Wheels (CAOW).

The department has allocated R28 million in 2017/18 and R32 million in the outer year of the MTEF period to augment the Compensation of Employees budget for the Liquor Board. Operational costs for the board will be funded through liquor licence collection. GLB will host programmes such as liquor education and awareness programmes which include conducting pre-inspection for the Board process to adjudicate on application, conducting road shows, holding public meetings, workshops, electronics and print media campaigns and stakeholder engagements.

SERVICE DELIVERY MEASURES

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Performance measures	Estimated annual targets		
	2017/18	2018/19	2019/20
Number of liquor social responsibility programmes supported	3	4	4
Rand value spent on Corporate Social Investment programmes	500 000	550 000	600 000
Number of liquor compliance activities conducted	3 000	3 050	3 100
Number of liquor awareness activities conducted	120	120	120
Number of gambling compliance audits conducted	180	180	180
Number of gambling inspections conducted	678	678	678
Percentage of consumer complaints handled	100%	100%	100%
Number of consumer education programmes conducted	360	400	450

PROGRAMME 5: ECONOMIC PLANNING

Programme description

To provide thought leadership to transform and re-industrialise the Gauteng City Region through policy and strategy development.

Programme objectives

- Develop informative strategies for implementing effective economic development programmes in Gauteng.

TABLE 3.15: SUMMARY OF PAYMENTS AND ESTIMATES : ECONOMIC PLANNING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
1. Policy And Planning	5 565	9 562	12 702	38 045	19 568	19 568	22 261	24 037	25 383
2. Research And Development	6 721	8 076	3 008	7 500	6 012	6 012	2 746	2 904	3 067
3. Knowledge Management	715	1 031	1 009		1 935	1 935	1 443	1 283	1 355
4. Monitoring And Evaluation	404	545	3 916	2 939	4 443	4 443	4 434	4 691	4 953
5. Economic Infrastructure Development			66 750	82 386	45 663	45 663	10 632	11 247	11 876
6. Sector And Industry Development			39 501	65 232	55 444	55 444	48 682	51 506	54 391
7. Inclusive Economy			6 446	8 514	9 514	9 514	23 310	25 051	26 454
Total payments and estimates	**13 405**	**19 214**	**133 332**	**204 617**	**142 579**	**142 579**	**113 508**	**120 719**	**127 479**

TABLE 3.16: SUMMARY OF ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	**13 399**	**12 731**	**133 087**	**204 617**	**142 256**	**142 256**	**113 448**	**120 655**	**127 411**
Compensation of employees	6 983	9 845	38 979	55 901	50 983	50 983	58 352	61 829	65 291
Goods and services	6 416	2 886	94 108	148 716	91 273	91 273	55 096	58 826	62 120
Interest and rent on land									
Transfers and subsidies to:	**6**	**1 483**	**245**		**164**	**164**			
Non-profit institutions									
Households	6	1 483	245		164	164			
Payments for capital assets					**159**	**159**	**60**	**64**	**68**
Buildings and other fixed structures									
Machinery and equipment							60	64	68
Software and other intangible assets					159	159			
Payments for financial assets		**5 000**							
Total economic classification	**13 405**	**19 214**	**133 332**	**204 617**	**142 579**	**142 579**	**113 508**	**120 719**	**127 479**

Expenditure increased from R13.4 million in 2013/14 to R133.3 million in 2015/16. During the 2014/15 financial year, projects such as the industrial high impact project, tooling initiatives, 11 sector studies, SMME support and maintenance of the Garankuwa hotel school were implemented and this contributed to the growth in expenditure. The budget for the township industrial hubs was moved from this programme to GGDA as a result of function shift; hence the reduced budget from R204 million in 2016/17 million to R114 million 2017/18.

Over the MTEF, the programme budget grows from R114 million in 2017/18 to R127 million in 2019/20. This will be spent on a range of projects and activities including implementation of the mid-term impact assessment of the TER strategy; preparing a business case for the Gauteng Provincial Government Economic modelling and capacity building; facilitation of the township brick project; and the township stock exchange strategy.

The allocation for compensation of employees increases from R58 million in 2017/18 to R65 million in the 2019/20 MTEF period.

The budget for goods and services grows from R55 million in 2017/18 to R62 million in the 2019/20 period. This will enable the implementation of projects such as the township brick project and the plastic project, the purpose of which is to grow the sector and increase the productivity and competitiveness of the plastic and chemicals sector.

SERVICE DELIVERY MEASURES

PROGRAMME 5: ECONOMIC PLANNING

Performance measures	Estimated annual targets		
	2017/18	2018/19	2019/20
Number of macro-economic strategies reviewed	2	1	1
Number of high impact industrialisation projects packaged	12	14	
Number of economic intelligence reports produced	4	4	4
Number of GCR EDP reports submitted	2	2	2
Number of impact assessment reports produced	2	2	2

9. OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 3.17: PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

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	154	192	192	273	299	299	314
2. Integrated Economic Development Services	23	29	77				
3. Trade And Sector Development	2	12	26				
4. Business Regulation And Governance	64	49	59	80	80	95	101
5. Economic Planning	35	34	9	97	97	93	97
Direct charges							
Total provincial personnel numbers	**278**	**316**	**363**	**450**	**476**	**487**	**512**
Total provincial personnel cost (R thousand)	110 685	134 813	165 315	193 750	244 145	258 306	275 871
Unit cost (R thousand)	398	427	455	431	513	530	539

TABLE 3.18 : SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY PROGRAMME:ECONOMIC DEVELOPMENT

	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		
R thousands	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	60	7 869	48	5 398	44	8 382	40	11	51	6 341	51	7 891	51	11 143	54	11 767	2%	23%	4%
7 – 10	100	28 388	153	40 007	171	62 139	237	9	246	57 392	250	74 132	256	85 399	269	94 651	3%	18%	33%
11 – 12	53	22 123	61	37 427	70	45 372	87		87	53 723	97	53 031	97	58 876	102	60 802	5%	4%	24%
13 – 16	38	32 758	45	50 910	60	62 572	54	12	66	76 294	78	109 091	83	102 888	87	108 651	10%	13%	40%
Other	27	19 547	9	1 071	18	3 323											0%	0%	0%
Total	**278**	**110 685**	**316**	**134 813**	**363**	**181 788**	**418**	**32**	**450**	**193 750**	**476**	**244 145**	**487**	**258 306**	**512**	**275 871**	**4%**	**13%**	**100%**
Programme																			
1. Administration	154	66 827	192	84 924	192	92 750	255	18	273	81 504	299	116 142	299	132 048	314	142 542	5%	20%	49%
2. Integrated Economic Development Services	23	10 383	29	12 650	77	8 775	(2)	2									0%	0%	0%
3. Trade And Sector Development	2	5 519	12	8 213	26	469											0%	0%	0%
4. Business Regulation And Governance	64	20 973	49	19 181	59	24 342	70	10	80	47 060	80	53 106	95	60 582	101	63 974	8%	11%	24%
5. Economic Planning	35	6 983	34	9 845	9	38 979	95	2	97	65 186	97	74 898	93	65 676	97	69 355	0%	2%	28%
Total	**278**	**110 685**	**316**	**134 813**	**363**	**165 315**	**418**	**32**	**450**	**193 750**	**476**	**244 145**	**487**	**258 306**	**512**	**275 871**	**4%**	**13%**	**100%**

Personnel cost increased from R110.6 million in 2013/14 to 134.8 million in financial year 2014/15. This was due to a number of critical posts that needed to be filled. The increase in personnel cost was due to the continuation of operationalization of the structure.

Over the MTEF, the compensation budget allocation will increase due to an increase in the number of posts as per the proposed structure which is in support of the Ten Pillar Program. The TMR Strategy and the GCR Economic Development Plan are a cornerstone to the rationalization of the Departmental functional and organizational structure. As such, the department has also embarked on a process to realign the current structure with the new mandate of the department. This will increase compensation of employees from R244 million in 2017/18 to R275.8 million in 2019/20.

9.2. Training

TABLE3.19: PAYMENTS ON TRANING BY PROGRAMME

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2013/14**	**2014/15**	**2015/16**		**2016/17**		**2017/18**	**2018/19**	**2019/20**
Number of staff	278	316	363	450	450	450	476	487	512
Number of personnel trained	388	400	487	377	377	377	497	526	556
of which									
Male	164	164	211	128	128	128	227	240	254
Female	224	236	276	249	249	249	270	286	302
Number of training opportunities	400	720	750	117	117	117	125	131	139
of which									
Tertiary	75	80	135	77	77	77	81	83	88
Workshops	300	550	500	15	15	15	17	19	20
Seminars	10	75	100						
Other	15	15	15	25	25	25	27	29	31
Number of bursaries offered	75	80	75	49	49	49	55	57	60
Number of interns appointed	15	50	30	63	63	63	65	65	69
Number of learnerships appointed	66	70	25	20	20	20	15	15	16
Number of days spent on training	1 425	2 550	2 595	2 595	2 595	2 595	2 725	2 883	3 044
Payments on training by programme									
1. Administration	452	2 310	2 245	2 306	2 306	2 306	3 474	3 673	3 879
2. Integrated Economic Development Services	452	578							
3. Trade And Sector Development									
4. Business Regulation And Governance	452	578							
5. Economic Planning	452	578							
Total payments on training	**1 808**	**4 044**	**2 245**	**2 306**	**2 306**	**2 306**	**3 474**	**3 673**	**3 879**

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes and bursary opportunities. The bursaries awarded in 2013/14 and 2015/16 financial year increased considerably due to the number of applicants that met the requirements and qualified for approval. Furthermore, bursaries were awarded to an additional 32 employees for the 2016/17 financial year.

To ensure internal capacity, the department has filled most of the vacant positions at senior management and lower levels as per the approved structure. The budget for training is centralised in Programme 1 under Human Capital Management for better coordination and management. The training budget constitutes 1 per cent of the compensation budget in line with the directive on training budget as determined by DPSA.

In the 2017/18 financial year, the department will implement a framework of courses, experiential learning and capacity development for each level of staff using the different methodologies of learning, i.e. e-learning, classroom learning and on-the job training. This will include technical skills, foundation skills, behavioural skills and leadership development. To ensure succession planning and retention of skills, there will be a focus on preparing supervisory levels (MMS and SMS) for the next level of management based on the competency framework for SMS. The training budget also makes provision for graduate development initiatives through the appointment of interns and graduate trainees with scarce and critical skills in core business units. To ensure compliance with the standards of operational skills sectors, affiliation to professional bodies will also be provided for.

9.3 Reconciliation of structural changes

N/A

Annexure to the Estimates of Provincial Revenue and Expenditure

TABLE 3.20: SPECIFICATION OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome 2013/14	Outcome 2014/15	Outcome 2015/16	Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimates 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20
Tax receipts	**753 404**	**799 823**	**870 999**	**928 873**	**928 873**	**928 874**	**1 014 013**	**1 074 860**	**1 139 363**
Casino taxes	715 672	759 547	828 997	878 874	878 874	878 874	944 673	1 002 860	1 063 331
Horse racing taxes	37 732	40 276	42 002	50 000	50 000	50 000	69 340	72 000	76 032
Sales of goods and services other than capital assets	**48**	**17 361**	**374**			**6 781**			
Sale of goods and services produced by department (excluding capital assets)	48	17 361	374			6 781			
Sales by market establishments		17 361							
Administrative fees									
Other sales	48		374			6 781			
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land	**5 177**	**2 526**	**5 167**	**2 223**	**2 223**	**2 222**	**2 334**	**2 469**	**2 608**
Interest	5 177	2 526	5 167	2 223	2 223	2 222	2 334	2 469	2 608
Dividends									
Rent on land									
Sales of capital assets						**30**			
Land and sub-soil assets									
Other capital assets						30			
Transactions in financial assets and liabilities	**5 293**	**753**	**(5 215)**	**292**	**292**	**552**	**306**	**324**	**342**
Total departmental receipts	**763 922**	**820 463**	**871 325**	**931 388**	**931 388**	**938 459**	**1 016 654**	**1 077 654**	**1 142 313**

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

R thousand	Outcome 2013/14	Outcome 2014/15	Outcome 2015/16	Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimates 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20
Current payments	**264 807**	**310 979**	**369 174**	**494 248**	**407 301**	**407 301**	**450 750**	**515 433**	**536 842**
Compensation of employees	110 685	134 813	165 315	230 626	193 750	193 750	244 145	258 306	275 871
Salaries and wages	110 685	118 427	144 485	197 829	167 625	167 625	208 463	222 588	238 154
Social contributions		16 386	20 830	32 796	26 125	26 125	35 682	35 718	37 717
Goods and services	154 122	176 166	203 859	263 623	213 551	213 551	206 605	257 127	260 971
Administrative fees	220	237	1 159	1 208	2 358	2 358	897	925	978
Advertising	2 695	4 969	23 720	7 150	7 685	7 685	15 703	16 394	17 312
Minor assets	414	159	186	524	525	525	325	344	363
Audit cost: External	2 935	3 862	4 293	4 620	3 920	3 920	5 001	4 758	5 024
Bursaries: Employees	372	336	799	700	700	700	1 000	1 058	1 117
Catering: Departmental activities	1 535	1 724	1 054	2 239	4 347	4 347	4 104	4 392	4 642
Communication (G&S)	6 515	4 937	4 826	4 625	3 737	3 737	4 555	5 348	5 648
Computer services	10 647	8 950	7 619	19 412	20 551	20 551	26 684	28 232	29 813
Consultants and professional services: Business and advisory services	86 932	100 722	79 624	38 484	75 727	75 727	40 529	35 043	37 006
Legal services	1 678	5 507	2 742	2 720	3 119	3 119	4 364	4 619	4 878
Contractors	2 264	4 268	14 311	104 996	11 270	11 270	18 584	76 609	70 343
Agency and support / outsourced services	726	837	389	386	1 988	1 988	11 225	1 298	1 371
Entertainment	3	1	2	100	9	9	47	88	91
Fleet services (including government motor transport)	1 556	1 250	4 442	3 274	3 838	3 838	2 137	2 262	2 388
Inventory: Food and food supplies		523	1		1	1			
Inventory: Materials and supplies		91	197	(2)			21	22	23
Consumable supplies	774	1 305	581	877	2 782	2 782	486	513	542
Consumable: Stationery, printing and office supplies	4 424	2 243	2 841	4 109	3 860	3 860	5 198	5 574	5 887
Operating leases	8 901	9 886	12 362	17 140	29 291	29 291	25 378	26 850	28 354
Property payments	14 654	17 922	27 261	20 156	20 144	20 144	24 250	25 657	27 094

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Transport provided: Departmental activity	8								
Travel and subsistence	4 082	2 020	4 277	7 238	7 913	7 913	8 396	8 936	9 436
Training and development	443	1 562	2 060	2 306	3 306	3 306	2 577	2 726	2 878
Operating payments	211	105	177	2 875	184	184	800	846	894
Venues and facilities	2 133	2 492	2 840	6 286	5 507	5 507	3 541	3 787	3 997
Rental and hiring		258	6 096	12 200	789	789	803	847	892
Interest and rent on land									
Transfers and subsidies	**657 890**	**688 559**	**886 660**	**821 890**	**955 618**	**955 617**	**950 593**	**977 848**	**1 032 608**
Provinces and municipalities					500	500			
Provinces					500	500			
Provincial Revenue Funds									
Provincial agencies and funds					500	500			
Departmental agencies and accounts	656 778	666 099	885 945	821 890	954 573	954 572	950 593	977 848	1 032 608
Social security funds									
Provide list of entities receiving transfers	656 778	666 099	885 945	821 890	954 573	954 572	950 593	977 848	1 032 608
Non-profit institutions									
Households	1 112	22 460	715		545	545			
Social benefits	1 112	19 086	523		531	531			
Other transfers to households		3 374	192		14	14			
Payments for capital assets	**1 619**	**6 028**	**15 008**	**15 499**	**24 758**	**24 759**	**12 449**	**13 169**	**13 905**
Machinery and equipment	1 619	6 028	14 924	10 499	19 599	19 600	12 449	13 169	13 905
Transport equipment			2 120		2 064	2 064	6 464	6 836	7 217
Other machinery and equipment	1 619	6 028	12 804	10 499	17 535	17 536	5 985	6 333	6 688
Software and other intangible assets			84	5 000	5 159	5 159			
Payments for financial assets	**2 471**	**55 089**	**2**		**22**	**22**			
Total economic classification	**926 787**	**1 060 655**	**1 270 844**	**1 331 638**	**1 387 699**	**1 387 699**	**1 413 792**	**1 506 450**	**1 583 355**

TABLE 3.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Current payments	**127 441**	**161 602**	**186 752**	**211 610**	**212 295**	**212 295**	**275 508**	**276 449**	**291 928**
Compensation of employees	66 827	84 924	92 750	116 586	98 239	98 239	132 431	138 285	146 029
Salaries and wages	66 827	73 729	80 287	99 847	84 689	84 689	113 372	118 655	125 300
Social contributions		11 195	12 463	16 739	13 550	13 550	19 059	19 630	20 729
Goods and services	60 614	76 678	94 002	95 024	114 056	114 056	143 077	138 164	145 899
Administrative fees	122	191	609	223	214	214	284	299	316
Advertising	1 210	4 595	16 631	7 150	7 485	7 485	15 000	15 870	16 759
Minor assets	414	159	186	524	525	525	325	344	363
Audit cost: External	2 935	3 862	4 293	4 620	3 920	3 920	5 001	4 758	5 024
Bursaries: Employees	372	336	799	700	700	700	1 000	1 058	1 117
Catering: Departmental activities	460	1 041	339	475	515	515	1 096	1 154	1 219
Communication (G&S)	6 265	4 937	4 772	4 625	3 725	3 725	4 555	5 348	5 648
Computer services	10 325	8 950	7 619	19 412	20 551	20 551	26 684	28 232	29 813

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Consultants and professional services: Business and advisory services	655	4 309	2 168	863	1 363	1 363	3 122	3 298	3 483
Legal services	1 678	5 507	2 742	2 720	2 665	2 665	4 364	4 618	4 877
Contractors	2 124	4 125	8 683	5 735	8 736	8 736	6 217	3 948	4 169
Agency and support / outsourced services	726	837	389	386	1 606	1 606	11 193	1 263	1 334
Entertainment	4		2	4	4	4	3	2	2
Fleet services (including government motor transport)	1 514	1 250	4 442	3 274	3 838	3 838	2 137	2 262	2 388
Inventory: Food and food supplies		523	1		1	1			
Inventory: Materials and supplies		89	197						
Inventory: Medical supplies									
Consumable supplies	767	1 300	576	877	2 588	2 588	437	462	488
Consumable: Stationery, printing and office supplies	4 411	2 243	2 834	3 727	3 309	3 309	4 234	4 489	4 740
Operating leases	7 750	9 874	12 362	15 115	27 765	27 765	25 377	26 850	28 354
Property payments	15 055	17 923	17 713	16 156	16 144	16 144	24 250	25 657	27 094
Transport provided: Departmental activity	8								
Travel and subsistence	2 561	829	1 767	1 899	2 367	2 367	3 644	3 857	4 073
Training and development	443	1 561	2 060	2 306	3 306	3 306	2 472	2 615	2 761
Operating payments	155	2	97	875	130	130	400	423	447
Venues and facilities	660	1 977	2 452	3 159	2 049	2 049	1 179	1 252	1 321
Rental and hiring		258	269	200	550	550	103	106	109
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	**1 013**	**587**	**311**		**744**	**744**			
Provinces and municipalities					500	500			
Provinces					500	500			
Provincial agencies and funds					500	500			
Non-profit institutions									
Households	1 013	587	311		244	244			
Social benefits	1 013	213	265		244	244			
Other transfers to households		374	46						
Payments for capital assets	**1 619**	**6 028**	**15 008**	**15 500**	**24 599**	**24 600**	**12 389**	**13 105**	**13 837**
Machinery and equipment	1 619	6 028	14 924	10 500	19 599	19 600	12 389	13 105	13 837
Transport equipment			2 120		2 064	2 064	6 464	6 836	7 217
Other machinery and equipment	1 619	6 028	12 804	10 500	17 535	17 536	5 925	6 269	6 620
Software and other intangible assets			84	5 000	5 000	5 000			
Payments for financial assets	**2 471**	**89**	**1**		**20**	**20**			
Total economic classification	**132 544**	**168 306**	**202 072**	**227 109**	**237 658**	**237 659**	**287 897**	**289 554**	**305 765**

TABLE 3.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Current payments	**93 629**	**107 261**	**11 487**	**21 928**	**11 875**	**11 875**	**17 239**	**71 188**	**67 721**
Compensation of employees	10 383	12 650	8 775	21 653	11 602	11 602	17 007	19 810	24 021
Salaries and wages	10 383	11 510	7 757	18 305	10 929	10 929	13 397	16 649	20 683

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation 2016/17	Adjusted appropriation	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Social contributions		1 140	1 018	3 348	673	673	3 610	3 161	3 338
Goods and services	83 246	94 611	2 712	274	273	273	232	51 378	43 700
Administrative fees	85	18	12	19	18	18	26	27	29
Advertising	1 020	135	1 083						
Bursaries: Employees									
Catering: Departmental activities	73	15	5	(1)				35	37
Communication (G&S)									
Computer services	7								
Consultants and professional services: Business and advisory services	81 123	94 126	1 500						
Contractors				94			132	51 164	43 474
Entertainment				(1)				16	16
Inventory: Materials and supplies				(1)					
Consumable supplies	3								
Consumable: Stationery, printing and office supplies								64	68
Travel and subsistence	780	227	112	28	70	70	6		
Training and development									
Operating payments	3	58			54	54			
Venues and facilities	141	32		136	131	131	68	72	76
Transfers and subsidies	**128 447**	**152 759**	**290 471**	**176 418**	**236 768**	**236 768**	**214 374**	**217 336**	**229 507**
Provinces and municipalities									
Departmental agencies and accounts	128 447	136 291	290 438	176 418	236 718	236 718	214 374	217 336	229 507
Social security funds									
Provide list of entities receiving transfers	128 447	136 291	290 438	176 418	236 718	236 718	214 374	217 336	229 507
Non-profit institutions									
Households		16 468	33		50	50			
Social benefits		16 468	20		50	50			
Other transfers to households			13						
Payments for capital assets									
Payments for financial assets		**24 000**			**2**	**2**			
Total economic classification	**222 076**	**284 020**	**301 958**	**198 345**	**248 645**	**248 645**	**231 613**	**288 524**	**297 228**

TABLE 3.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome 2013/14	2014/15	2015/16	Main appropriation 2016/17	Adjusted appropriation	Revised estimate	Medium-term estimates 2017/18	2018/19	2019/20
Current payments	**5 666**	**8 335**	**475**	**5 515**	**2 515**	**2 515**	**6 021**	**6 370**	**6 728**
Compensation of employees	5 519	8 213	469	5 415	2 415	2 415	6 021	6 257	6 606
Salaries and wages	5 519	7 340	430	5 394	2 394	2 394	5 894	6 234	6 582
Social contributions		873	39	21	21	21	127	23	24
Goods and services	147	122	6	100	100	100		113	122
Administrative fees	3	18							
Advertising									
Bursaries: Employees									
Catering: Departmental activities		1	6	20	20	20		22	26
Contractors		50							
Agency and support / outsourced services									
Entertainment									
Transport provided: Departmental activity									
Travel and subsistence	144	53		50	50	50		56	59
Training and development									
Operating payments									
Venues and facilities				30	30	30		35	37
Transfers and subsidies	**506 519**	**515 571**	**577 778**	**618 802**	**677 185**	**677 185**	**708 190**	**730 491**	**771 399**
Departmental agencies and accounts	506 444	511 652	577 778	618 802	677 185	677 185	708 190	730 491	771 399
Provide list of entities receiving transfers	506 444	511 652	577 778	618 802	677 185	677 185	708 190	730 491	771 399

TABLE 3.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2013/14**	**2014/15**	**2015/16**		**2016/17**		**2017/18**	**2018/19**	**2019/20**
Current payments	**13 399**	**12 731**	**133 087**	**204 617**	**142 256**	**142 256**	**113 448**	**120 655**	**127 411**
Compensation of employees	6 983	9 845	38 979	55 901	50 983	50 983	58 352	61 829	65 291
Salaries and wages	6 983	8 875	34 709	47 766	43 654	43 654	50 175	53 906	56 925
Social contributions		970	4 270	8 135	7 329	7 329	8 177	7 923	8 366
Goods and services	6 416	2 886	94 108	148 716	91 273	91 273	55 096	58 826	62 120
Administrative fees	5	3	448	819	2 120	2 120	508	547	578
Advertising		110	5 960				208		
Catering: Departmental activities	48	22	200	889	2 653	2 653	1 649	1 743	1 841
Communication (G&S)			22		12	12			
Computer services	316								
Consultants and professional services: Business and advisory services	4 701	2 034	71 294	35 321	71 430	71 430	37 062	31 380	33 138
Legal services								1	1
Contractors	1	19	5 592	99 167	2 504	2 504	9 722	18 838	19 892
Agency and support / outsourced services								1	1
Entertainment				24	5	5	1	23	24
Fleet services (including government motor transport)	28								
Housing									
Inventory: Materials and supplies		1							
Consumable supplies	1	4			194	194			
Consumable: Stationery, printing and office supplies				381	545	545	939	994	1 050
Operating leases				2 000	1 500	1 500			
Property payments	(1)	(1)	9 548	4 000	4 000	4 000			
Transport provided: Departmental activity									
Travel and subsistence	161	434	766	2 404	3 361	3 361	3 219	3 408	3 598
Training and development		1							
Operating payments		11	80	2 000					
Venues and facilities	1 156	248	137	1 711	2 871	2 871	1 088	1 150	1 215
Rental and hiring			61		78	78	700	741	782
Transfers and subsidies	**6**	**1 483**	**245**		**164**	**164**			
Non-profit institutions									
Households	6	1 483	245		164	164			
Social benefits	6	1 483	112		150	150			
Other transfers to households			133		14	14			
Payments for capital assets					**159**	**159**	**60**	**64**	**68**
Machinery and equipment							60	64	68
Other machinery and equipment							60	64	68
Software and other intangible assets					159	159			
Payments for financial assets		**5 000**							
Total economic classification	**13 405**	**19 214**	**133 332**	**204 617**	**142 579**	**142 579**	**113 508**	**120 719**	**127 479**