

VOTE 4

Economic Development & Tourism

To be appropriated by Vote	R190 855 000
Statutory amount	R537 000
Total	R191 392 000
Responsible MEC	Mr R. Burrows, Minister of Economic Development and Tourism
Administrating department	Department of Economic Development and Tourism
Accounting officer	Head: Economic Development and Tourism

1. Overview

Vision

To ensure that, by the year 2020, KwaZulu-Natal will be a thriving, globally competitive economy that will house dynamic industrial and service sectors, and be a world class tourism destination characterised by excellent service standards. There will be a high level of employment, raising the quality of life, and an economic environment supporting empowerment and creating prosperity for all.

Mission statement

To formulate and facilitate the implementation of strategies which create an environment conducive to sustainable economic growth and development in KwaZulu-Natal.

Core functions

The core functions of the department are as follows:

- Promoting technological innovation and increasing competitiveness in key sectors of the economy;
- Championing initiatives which improve the province's logistics capabilities and enhance key supply chains;
- Providing integrated economic project support for selected categories of projects;
- Facilitating the creation of sustainable jobs and empowerment through flagship projects;
- Promoting industrial development and stimulating international competitiveness of the economy;
- Providing meaningful support to the regeneration of small town economies;
- Supporting SMME development; and
- Rural economic development.

Main services

In executing these core functions, the department will provide the following main services:

- Provide a one-stop economic information shop;
- Contribute to the formulation of economic policy development and articulate the economic development strategy for the province;
- Develop tourism as a key sector of the economy;
- Facilitate the increase in trade between the province and other economic regions;
- Promote economic development through the championing of public-private-partnerships;
- Promote and facilitate economic empowerment programmes;
- Promote technological innovation and increasing competitiveness in the economy;
- Champion initiatives to improve the province's logistics capabilities and enhance key supply chains;
- Provide integrated economic project support for selected categories of projects;
- Provide an effective and efficient consumer protection service; and
- Ensure effective and prudent business regulation in the province.

Legislative mandate

The legislative mandate of the Department of Economic Development and Tourism stems from the Constitution of South Africa, specifically Section 125, which addresses the executive authority of provinces, as well as Schedules 4 and 5 of the Constitution.

Schedule 4 sets out the *Functional Areas of Concurrent National and Provincial Legislative Competence*, and specifically includes consumer protection, industrial promotion, provincial public enterprises (KwaZulu-Natal Ithala Development Finance Corporation Act 2 of 1999), tourism (KwaZulu-Natal Tourism Act), and trade. This schedule also covers regional planning and development, as well as urban and rural development.

Schedule 5 details the *Functional Areas of Exclusive Provincial Legislative Competence*, and specifically includes liquor licence administration (the Liquor Act of 1989) and provincial planning.

It is primarily from these sections of the National Constitution that the department has been able to more fully articulate its mandate.

Challenges and developments

In setting goals and targets for 2003/04, the department identified its role as the key facilitator in unlocking both public and private investment in the economy of the province. There are many challenges and risks accompanying this role. Firstly, the department has to prove its legitimacy and acceptability by having recognisable levels of professionalism and commitment in its own service delivery. In building a public image as the leading government facilitator of economic development, the department must have sufficient capacity and skills base. The department must therefore continue to prioritise the building of a high skills level and proficiency in economic development facilitation.

Secondly and possibly most importantly, the department aims to play a stronger co-ordinating role in the area of provincial government investment in infrastructure and projects. Along with Provincial Treasury, this department needs to give clear and convincing guidance to provincial departments as to how their spending can positively affect economic growth and actual economic project implementation. This focused co-ordination of spending and service delivery has been the primary objective of the Provincial Growth and Development Strategy (PGDS). This department can make its greatest contribution to economic growth and development if it is able to lead the development and implementation of an effective implementation framework for the PGDS, together with Provincial Treasury.

Finally, the department faces the challenge of influencing the level of public investment in various economic opportunities, so as to successfully attract private investment into these job-creating ventures. The province's decision to invest R250 million in the development of King Shaka International Airport and Dube Trade Port is expected to leverage a further R2 billion of direct short-term private investment. Similarly, this department, together with Provincial Treasury, needs to be able to convince the leadership of the province to set aside funds for specific project investments that can leverage greater levels of private investment. In this regard, the department is following the success of Gauteng's *Blue IQ* model. This province may decide not to take the same route, that is, of setting up a special company for a set of prioritised infrastructure projects, but the advantages of devoting specific and substantial funds for targeted projects to boost private investment and job creation must be seriously considered. In this regard, new strategy formulation and project development capacity is being built within the department.

The key challenge will be whether the department can successfully transfer the risk in the investment in this project to the private sector, thereby creating a value-adding Private Public Partnership (PPP). Similarly, in other initiatives, such as local economic development, agri-business projects or SMME development projects, the test for the department is the extent to which non-departmental financial resources are leveraged.

2. Review of the current financial year – 2002/03

In 2002/03, the department moved its focus from conceptualisation to project delivery, in a more determined way. Some of the more notable achievements, as well as problem areas, are discussed below.

There was great progress with regard to the department's flagship project, the Dube Trade Port, incorporating King Shaka International Airport. National Cabinet gave full support for Durban International Airport to be re-located to La Mercy by 2006, and gave support in principle to the establishment of Dube Trade Port, including an Industrial Development Zone, Cyber Port, Cyber Village and Perishables Centre. The project implementation plan is now being finalised with the appointed financial advisers, and the formulae for the envisaged PPP should be known in 2003.

In the area of trade and investment promotion, the department's most recently listed public entity, Trade and Investment KwaZulu-Natal (TIK), was given R14 million with which it created the institutional foundation for the province to significantly increase both fixed investment and exports. During 2002, TIK facilitated foreign direct investment into the province, valued at over R200 million. The agency and the department also played a role in helping to facilitate local fixed investments (that is, local company expansion and new company establishment), valued at over R18 billion. With regard to exports, there is now a full database of provincial exporters, and the department has completed a comprehensive analysis of export trends from the province from 1994 to 2001, a sound information base from which to plan. TIK developed a consolidated export support strategy, which will be fully implemented in 2003/04.

In the area of SMME development, the department again focused on giving material assistance to the establishment and development of small businesses. The department engaged financial institutions with regard to improving access to finance for emerging entrepreneurs from historically disadvantaged backgrounds. This included support for the KZN Business Rehabilitation Trust Fund, the development of community banking, and close co-operation with bodies such as Finasol and FSA. The department facilitated the establishment of community banks in five areas, namely Maphumulo, Nongoma, Mahlabathini, Dundee, and Newcastle. The operations of the KZN Manufacturing Advisory Centre (KZNMAC) were expanded to Durban, Pietermaritzburg, Port Shepstone and Richards Bay. These centres continue to provide valuable consultancy services to improve the performance of local SMMEs.

During this period, the SMME component focused on supporting the development of a leather and footwear-manufacturing park around Umlazi, as well as the development of a furniture-manufacturing cluster in Richards Bay. The department also supported the development of small black-owned businesses around the automotive component's supply industries. Work is underway to promote small

and micro businesses around the arts and crafts, entertainment and tourism industries. These projects will see the emergence of new businesses and more job opportunities.

In the area of local economic development (LED), to date 63 job creation projects have been, or are in the process of being implemented in the province. The involvement of the LED component has created 1 496 temporary, and 854 permanent jobs. One significant investment has been the aluminium cluster programme, where, with an investment of seed capital of only R370 000, the department unlocked a further R3,5 million for the development of aluminium enterprises.

Eight local economic regeneration studies have been completed so far this year, and the individual and consolidated studies have resulted in several potential opportunities.

During 2002/03, the department endeavoured to make real its commitment to sustainability in rural economic development (RED), by making greater advances in the sector of agri-business. With the implementation of at least 6 on-the-ground initiatives, the department, together with its partners (the Department of Agriculture and Environmental Affairs and other sectors), have started to move from a phase of *opportunity identification* to *project implementation*. In-roads have been made into high-value economic activities such as cut flowers, organic vegetables, ground-nut processing, organic sugar production and honey manufacturing.

Through close co-ordination and monitoring of the memoranda of understanding with public entities, the department ensured that these entities deliver on their mandates and targets. The department is confident that government has received value for money in its financial support for these entities.

3. Outlook for the coming financial year – 2003/04

The department is set to make major advances in the implementation of its flagship project, the Dube Trade Port, in the 2003/04 financial year. It is aimed to have an implementation plan finalised with stakeholders and investors before the year-end. The department will also draft an action plan for transport infrastructure development, following on the results of the R5 million Integrated Freight Rail Link Study. This plan should dovetail very closely with the planning for the concessioning of Durban port operations. The trade and investment promotion strategies of the province will be closely aligned with these developments.

In rural economic development, the department plans to strengthen the process of identifying new market opportunities for niche products in the agri-processing sector, but simultaneously start to pilot these opportunities with both established and emerging black empowerment formations. The support for SMME development will take a few exciting steps forward in 2003/04, with the development of focused sector SMME support strategies, the upgrading of 13 local business service centres, and the operation of a growing provincial Black Economic Empowerment Fund and Centre.

With regard to Black Economic Empowerment (BEE), the department will be engaging with two major industries to develop a consensus-driven set of action plans for the fast-tracking of black empowerment in those sectors in KwaZulu-Natal. This will be in line with the growing trend to facilitate and speed up BEE within the economy.

The outlook for small business development in the coming year does not look very positive, given the great need for “soft” loan financing and investment in the emerging business sector. At national level, the Department of Trade and Industry (DTI) is presently restructuring its financial support schemes for SMMEs, and these changes may alleviate the situation. In addition, the province has Ithala as a resource for this sector. But greater financial support is needed to subsidise the business development services of Ithala and the department, so that there can be dedicated service capacity for prospective entrepreneurs. Thus, while many new business ideas are being developed through the activities, studies and processes of the department and its public entities, funding constraints with respect to small business finance and support services may result in below optimal achievement in this area.

The department has planned a number of activities in 2003/04, to both share information with the public, and to increase stakeholder participation. The department and its public entities will continue to conduct tourism safety awareness road-shows across the province. The value of these road-shows is already being seen in key tourism areas, such as UKhahlamba-Drakensberg. The Consumer Affairs component of the department will also be running road-shows and workshops with rural communities on consumer rights.

Two major summits are planned for interaction with the key decision-makers of the province. The first, scheduled for the first quarter of 2003/04, is a Provincial Investment Summit, to plan for improved promotion of fixed investment into the province. The second is a summit on Local Economic Development, scheduled for the second quarter, where local authorities, together with national and provincial government, as well as relevant agencies, will try and find ways to boost local job creation.

Finally, two key stakeholder conferences are also planned. One conference will focus on BEE in KwaZulu-Natal, and will highlight the role that government can play in helping economic sectors to transform more rapidly. A second conference will focus on SMME development, where the new schemes of the DTI and the new offerings of the provincial entities will be discussed.

4. Revenue and financing

4.1 Summary of revenue

Table 4.1 below shows the sources of funding used for Vote 4. Changes in policy options proposed by the Minister of Economic Development and Tourism in respect of 2001/2002, were financed by an increase in the MTEF baseline. An additional R10 million was granted from 2003/04 onwards, to be used to fund the province's aviation and charter strategy for tourism promotion.

Table 4.1 Summary of revenue

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Equitable share	118,970	149,026	163,063	191,392	206,812	218,621
Conditional grants						
Other (specify)						
Total: Revenue	118,970	149,026	163,063	191,392	206,812	218,621

4.2 Departmental revenue collection

Table 4.2 gives a summary of the revenue generated by the department. The revenue item: re-imbursements is a provision for administration costs relating to the liquor licence administration which is re-imbursed to the department by the South African Revenue Services. This item is in line with the projected level of activity in the liquor licensing administration section. The other revenue reflected is mainly in respect of collection of staff debts relating to previous financial years.

The projected decrease in other revenue collection relates to the nature of the debts being collected. Most of the debts relate to balances recorded in prior financial years, and as such should be collected in the current financial year. Therefore the value of revenue recovered by this means will reduce substantially in the MTEF period, as the balances are finally settled.

Table 4.2 Departmental revenue collection

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current revenue	786	824	843	700	600	600
Tax revenue	0	0	0	0	0	0
Casino taxes						
Motor vehicle licences						
Horse racing						
Other taxes						
Non-tax revenue	786	824	843	700	600	600
Interest						
Health patient fees						
Reimbursements	271	647	600	600	600	600
Other sales						
Other revenue	515	177	243	100	0	0
Capital revenue	0	0	0	0	0	0
Sale of land and buildings						
Sale of stock, livestock, etc						
Other capital revenue						
Total: Revenue	786	824	843	700	600	600

5. Expenditure summary

This section summarises the expenditure and budgeted estimates for the vote in terms of programmes and economic classification. Details according to GFS classification as well as the standard item classification are presented in *Annexure to Vote 4 – Economic Development and Tourism*.

5.1 Programme summary

The department's budget is made up of six programmes that are directly linked to the core functions of the department as given in Table 4.3. Previously the department had four programmes and subsequently increased them from four to six with effect from the 2003/04 financial year. In the process, three programmes were re-named. Programme 2, previously called Integrated Planning and Economic Development, is now named Spatial Economic Co-ordination. This programme has two sub-programmes now known as Agri-business and Community Projects. These sub-programmes were previously called Rural Economic Development and Special Projects. Programme 3: Small, Micro and Medium Size Enterprises (SMME) and Trade has been changed to Sector and Business Development. Within programme 3 there are now five sub-programmes, namely, Business Development (SMME), Liquor Licensing Administration, Consumer Affairs, Black Economic Empowerment and Social Development. Programme 4: Auxilliary and Associated Services is now referred to as Tourism, Trade and Investment and caters for transfers to public entities as well as the purchase of vehicles for departmental use. Programme 5: Policy Development is new with two sub-programmes. The aims of this programme are to formulate economic framework within the province and to provide policy for strategic projects. Finally, Programme 6: Special Projects is now a new programme as opposed to previously being a sub-programme of Programme 2. The main objective of the programme is the development of the Dube Trade Port.

Table 4.3 provides a summary of the vote's expenditure and budgeted estimates by programmes over the MTEF. Explanations of the major trends are given in some detail in section 5.2 below.

Table 4.3 Summary of expenditure and estimates by Programme

Programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Administration	14,347	21,273	28,910	28,933	31,599	33,640
Spatial Economic Co-ordination	6,327	5,293	23,486	16,725	18,237	19,396
Business & Sector Development	7,865	15,088	20,904	31,649	34,511	36,703
Tourism, Trade & Investment	83,961	85,207	87,663	96,028	102,824	108,028
Policy Development	0	0	0	3,788	4,131	4,393
Special Projects	3,018	4,405	12,445	13,732	14,973	15,924
Sub-total	115,518	131,266	173,408	190,855	206,275	218,084
Statutory payment	471	519	502	537	537	537
Total	115,989	131,785	173,910	191,392	206,812	218,621

5.2 Summary of economic classification

The summary of expenditure and budgeted estimates per GFS classification is given in Table 4.4. With regard to the consistent increase in personnel expenditure, the department plans to significantly strengthen its capacity at management level. The strategic planning process has also resulted in a change to the structure of the department, in order to increase sound corporate governance. Corporate governance capacity will be increased by way of recruitment of skilled management personnel.

The upward trend in current transfer payments is as a result of a strategic decision to cease the acquisition of share capital in Ithala in the 2001/02 financial year. As a result, the subsidy to Ithala was increased. The decision to cease the acquisition of share capital in Ithala in 2001/02 resulted in the major downward trend in capital expenditure. The funding to the KwaZulu-Natal Tourism Authority was similarly increased, to cater for the aviation and charter strategy, aimed at increasing tourism to the province. The main factors contributing to the upward trend in other current expenditure was the devolution of auditors' remuneration, and the provision of office accommodation from other departments.

Table 4.4 Summary of expenditure and estimates - GFS classification

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	85,540	128,701	171,874	187,669	202,800	214,390
Personnel	13,603	16,850	20,931	31,885	34,769	36,979
Transfer	55,857	83,520	87,553	96,028	102,824	108,028
Other current	16,080	28,331	63,390	59,756	65,208	69,383
Capital expenditure	29,978	2,565	1,534	3,186	3,475	3,694
Acquisition of capital assets	978	2,565	1,534	3,186	3,475	3,694
Transfer payments	29,000	0	0	0	0	0
Sub-total	115,518	131,266	173,408	190,855	206,275	218,084
Statutory payment	471	519	502	537	537	537
Total	115,989	131,785	173,910	191,392	206,812	218,621

6. Programme description

The services rendered by this department are categorised under six programmes, the details of which are discussed at greater length below. The expenditure and budgeted estimates for each programme are summarised in terms of the economic classification. Details according to the GFS and standard item classifications are presented in *Annexure to Vote 4 – Economic Development and Tourism*.

6.1 Programme 1: Administration

Programme 1 consists of four sub-programmes, namely Ministry, Finance and General Administration, Human Resource Management, and Communication, Publicity and Information. The main objective is policy formulation by the Minister and the department's management, as well as the following:

- To keep full and proper records of the financial affairs of the department in accordance with the norms and standards of the PFMA and to render administrative and office services;
- To ensure that all aspects of human resources are executed in accordance with the regulations;
- To ensure that the department complies with all relevant labour laws and other legal imperatives;
- To render and facilitate IT and information support to the department; and
- Provision of legal support to the department.

The expenditure trend of this programme shows an increase over the period 2000/01 to 2005/06, as illustrated in Tables 4.5 and 4.6. This increase can mainly be ascribed to the need to increase capacity within the finance section, to meet the challenges of the PFMA. In addition, more resources have been provided in the MTEF period to strengthen corporate governance of the department. The devolution of the budget for rental of office accommodation by the Department of Works, as well as the devolution of funds by the Provincial Treasury relating to audit fees, have also contributed to this increase. Finally, the call by the Office of the Premier for departments to set aside a budget and programmes for HIV/AIDS and transversal issues contributed as well.

Table 4.5 Summary of expenditure and estimates by sub-programme: Programme 1

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Ministry	2,178	3,104	6,189	3,528	3,847	4,092
Finance & General Administration	12,169	13,681	14,052	16,969	18,553	19,765
Human Resource Management		3,284	4,666	3,681	4,014	4,269
Communication, Publicity & Information		1,204	4,003	4,755	5,185	5,514
<u>Legal Services</u>						
Total	14,347	21,273	28,910	28,933	31,599	33,640

Table 4.6 Summary of expenditure and estimates - GFS classification: Programme 1

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	13,620	20,727	27,602	27,304	29,822	31,751
Personnel	7,831	8,842	10,367	13,797	15,044	16,001
Transfer	0	0	0	0	0	0
Other current	5,789	11,885	17,235	13,507	14,778	15,750
Capital expenditure	727	546	1,308	1,629	1,777	1,889
Acquisition of capital assets	727	546	1,308	1,629	1,777	1,889
Transfer payments	0	0	0	0	0	0
Total	14,347	21,273	28,910	28,933	31,599	33,640

6.2 Programme 2: Spatial Economic Co-ordination

The purpose of the programme is to facilitate and co-ordinate integrated planning and economic development within the province. This programme consists of three sub-programmes, namely Local Economic Development (LED), Agri-business and Community Projects. These sub-programmes are aimed at facilitating and co-ordinating implementation of the local economic development programme, and rural integrated economic frameworks and poverty eradication projects. They are further aimed at unlocking key investment projects and strengthening investment and industrial promotion, leveraging resources through public-private-partnerships, and facilitating the implementation of targeted projects.

Tables 4.7 and 4.8 below summarise expenditure and budgeted estimates relating to Programme 2. Expenditure increases within this programme during the years 1999/00 to 2000/01 were mainly due to increases in personnel and related administrative expenditure. There was, however, a one third increase in expenditure between 2001/02 and 2002/03, which was mainly due to the need to fast track the implementation of the Dube Trade Port. An amount of R9,9 million was provided in this programme for the establishment of the Special Purpose Vehicle during 2002/03.

The downward trend in expenditure for 2002/03 to 2003/04 is as a result of the transfer of the Special Projects component to its own programme, to enhance reporting and accountability.

Table 4.7 Summary of expenditure and estimates by sub-programme: Programme 2

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Local Economic Development	2,926	2,321	13,692	5,591	6,097	6,485
Agri-business	3,401	2,972	9,794	7,753	8,454	8,991
Community Projects	0	0	0	3,381	3,686	3,920
Total	6,327	5,293	23,486	16,725	18,237	19,396

Table 4.8 Summary of expenditure and estimates - GFS classification: Programme 2

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	6,246	5,172	23,420	16,203	17,668	18,791
Personnel	2,029	2,763	2,851	4,025	4,389	4,668
Transfer	896	0	0	0	0	0
Other current	3,321	2,409	20,569	12,178	13,279	14,123
Capital expenditure	81	121	66	522	569	605
Acquisition of capital assets	81	121	66	522	569	605
Transfer payments	0	0	0	0	0	0
Total	6,327	5,293	23,486	16,725	18,237	19,396

Table 4.9 Transfer to Municipalities: Programme 2

Category	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Category A						
Category B	0	0	50	0	0	0
<i>Hibiscus Coast</i>			50	0	0	0
Category C						
Total	0	0	50	0	0	0

Service delivery measures

Table 4.10 below illustrates the main service delivery measures pertaining to Programme 2.

Table 4.10 Service delivery measures – Programme 2: Spatial Economic Co-ordination

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
1. Local Economic Development Formulating and coordinating the implementation of provincial LED strategies	<ul style="list-style-type: none"> • Amount of leverage • Number of projects 	<ul style="list-style-type: none"> • Leverage and co-ordination of R12m national LED funds • Carried out 6 LED studies • Prepared township regeneration strategy 02/03 	<ul style="list-style-type: none"> • Leverage and co-ordination of R13m national LED funds • 20 business plans • 5 township regeneration plans
2. Agri-business The promotion of BEE in the Agri-business sub-sector	<ul style="list-style-type: none"> • Number of projects • Number of business plans 	<ul style="list-style-type: none"> • 6 niche sub-sector studies • 5 niche sector projects: <ul style="list-style-type: none"> – Bio-diesel – Cut flower – Peanuts – Organic vegetables – Honey 	<ul style="list-style-type: none"> • 7 business plans • 5 niche sector projects: <ul style="list-style-type: none"> – PTMO – Honey – Organic sugar – Essential oils – Muti plants
3. Community Development Develop economic potential of rural communities through community projects	<ul style="list-style-type: none"> • Number of projects • Number of business plans 	<ul style="list-style-type: none"> • 4 sewing projects • 4 business plans 	<ul style="list-style-type: none"> • 3 sewing projects • 3 poultry projects • 1 economic MPC • Rural commercialisation strategy by end of 03/04 • 5 business plans

6.3 Programme 3: Business and Sector Development

Programme 3 consists of five sub-programmes, namely Business Development (SMME), Liquor Licensing Administration, Consumer Affairs, Black Economic Empowerment and Sector Development. The types of services rendered by these sub-programmes are as follows:

- To create an appropriate environment conducive to the development of SMMEs and to raise the level of international competitiveness of SMMEs;
- To facilitate entry to export markets through various programmes;
- To conduct the administration of liquor licensing in terms of the Liquor Act, Act 27 of 89;
- To regulate the liquor industry, including street trading, business licensing and trading hours;
- To provide consumer education, protection and representation and to encourage ethical business conduct through fair trade practices;
- To ensure business compliance with legislation to promote orderly and fair trade;
- To significantly increase black economic empowerment in the province, through creating an environment conducive to SMME development and BEE by providing strategic direction and co-ordination to SMME development and BEE programmes;
- To facilitate the entry of previously disadvantaged individuals (PDIs) into the economy; and
- To develop businesses in KwaZulu-Natal in targeted business sectors.

Tables 4.11 and 4.12 below summarise expenditure and budgeted estimates relating to Programme 3. Expenditure within the programme has increased consistently over the period under review. This is because the programme focuses on SMME development, which is one of the department's strategic priorities. As a result, expenditure and allocations have increased from 1999/00 to 2002/03, and are expected to continue to increase over the MTEF period, as SMME development is an important contributor to economic development. In addition, two new sub-programmes have been created to emphasise the focus of the department, namely Black Economic Empowerment (BEE) and Sector Development.

Table 4.11 Summary of expenditure and estimates by sub-programme: Programme 3

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Business Development (SMME)	4,586	10,334	12,693	10,079	10,990	11,689
Liquor Licensing Administration	1,165	1,670	3,492	4,559	4,971	5,286
Consumer Affairs	2,114	3,084	4,719	6,565	7,159	7,613
Black Economic Empowerment				3,797	4,141	4,404
Sector Development				6,649	7,250	7,711
Total	7,865	15,088	20,904	31,649	34,511	36,703

Table 4.12 Summary of expenditure and estimates - GFS classification: Programme 3

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	7,729	15,017	20,904	30,796	33,580	35,714
Personnel	3,313	4,410	6,841	11,073	12,075	12,842
Transfer	0	0	0	0	0	0
Other current	4,416	10,607	14,063	19,723	21,506	22,872
Capital expenditure	136	71	0	853	930	989
Acquisition of capital assets	136	71	0	853	930	989
Transfer payments	0	0	0	0	0	0
Total	7,865	15,088	20,904	31,649	34,511	36,703

Service delivery measures

Table 4.13 below illustrates the main service delivery measures pertaining to Programme 3.

Table 4.13 Service delivery measures – Programme 3: Sector and Business Development

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
Business Development			
1. Development of youth owned businesses	<ul style="list-style-type: none">No of youth operated businesses & business incubators	<ul style="list-style-type: none">Established forum for youth enterprise development	<ul style="list-style-type: none">Facilitate development of 10 youth-owned enterprises by end of 03/04.
2. Programmes to facilitate or improve SMME access to finance	<ul style="list-style-type: none">Create model for village bankingNo. of SMME loans approved	<ul style="list-style-type: none">Development of a viable model for micro-financing3 applicants to KZN Business Rehabilitation Trust Fund received bank loans145 applicants received trade credit guarantees for the purchase of stock	<ul style="list-style-type: none">Develop new schemes/ fund to facilitate/ improve SMME access to finance
3. Improved performance and effectiveness of LBSCs	<ul style="list-style-type: none">Implementation of sustainable operational model for LBSCs	<ul style="list-style-type: none">Implementation of sustainability plan for 13 LBSCs in the province	<ul style="list-style-type: none">New business management system for sustainability and effectiveness of 13 LBSCsImplementation of capacity building plan to improve performance/ sustainability of 13 LBSCs by end of 03/04
4. Effective coordination and synergy in SMME service provision	<ul style="list-style-type: none">No. of SMME Service Provider Forum (SPF) convened	<ul style="list-style-type: none">4 SMME SPF meetings	<ul style="list-style-type: none">4 SPF meetings and district council meetings
5. Improved international competitiveness of local manufacturing firms	<ul style="list-style-type: none">No. of company diagnosed/ assessed by Manufacturing Advisory Centre (MAC)	<ul style="list-style-type: none">340 companies	<ul style="list-style-type: none">3% Increase number of Black firms assisted by the MAC
6. Efficient and effective support services to emerging micro and informal businesses	<ul style="list-style-type: none">No. of entrepreneurs trained	<ul style="list-style-type: none">Facilitated training and capacity building for 60 entrepreneurs who received contract work in 4 regions	<ul style="list-style-type: none">Train and capacitate new approved entrepreneurs who received contracts in 2003/04

Table 4.13 Service delivery measures – Programme 3: Sector and Business Development

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
Liquor Licensing Administration			
1. Liquor Licence Applications	<ul style="list-style-type: none">• Number of applications processed	<ul style="list-style-type: none">• 1 128 applications processed	<ul style="list-style-type: none">• 1 197 applications processed
2. To facilitate entry of disadvantaged liquor operators into the mainstream liquor industry	<ul style="list-style-type: none">• Number of unlicensed traders integrated	<ul style="list-style-type: none">• Nil. Programme not implemented	<ul style="list-style-type: none">• 1 000
3. Business Regulation Inspection	Number of inspections	<ul style="list-style-type: none">• 2 000	<ul style="list-style-type: none">• 2 500
Consumer Affairs			
1. To educate consumers of their rights	<ul style="list-style-type: none">• No. of consumers reached	<ul style="list-style-type: none">• 5 million	<ul style="list-style-type: none">• 5 million
2. Complaints Handling Services	<ul style="list-style-type: none">• % of complaints successfully resolved	<ul style="list-style-type: none">• 78%	<ul style="list-style-type: none">• 77%
Black Economic Empowerment			
1. Effective strategies to promote BEE around the province	<ul style="list-style-type: none">• Conduct research on different models of BEE• Develop position paper on BEE	<ul style="list-style-type: none">• March 2003	<ul style="list-style-type: none">• March 2004
2. Increased BEE opportunities in various large scale development initiatives around the province	<ul style="list-style-type: none">• Develop comprehensive database		<ul style="list-style-type: none">• March 2004
Sector Development			
1. Development of the Arts and Craft Industry in KwaZulu-Natal	<ul style="list-style-type: none">• No of opportunities created	<ul style="list-style-type: none">• Coordinated KZN Craft Fair – 200 crafters attended• Supported 7 crafters to exhibit at World Summit on Sustainable Development• Assisted 11 groups improve quality and product design	<ul style="list-style-type: none">• Facilitate access for 300 craft producers to market opportunities• Facilitate 3 training/capacity building programmes with ESKOM, SABS, & CSIR
2. Development of SMME opportunities in targeted sectors	<ul style="list-style-type: none">• No. of SMME opportunities facilitated	<ul style="list-style-type: none">• 6 entrepreneurs involved in the manufacture of the aluminium wheelchairs.• Exhibited products at SAITEX 2002• Provided training and work placement for 24 music technicians	<ul style="list-style-type: none">• Mentorship programme to support 10 small entrepreneurs within the aluminium sector• Facilitate the development of 12 new SMME opportunities in the furniture sector and 5 in the entertainment (music; film) industry in 2003/2004

6.4 Programme 4: Tourism, Trade and Investment

Tables 4.14 and 4.15 below summarise expenditure and budgeted estimates relating to Programme 4: Tourism, Trade and Investment. Over the past years under review, spending within the programme has mainly been focussed on the public entities, as illustrated in Table 4.16.

In 2003/04, an additional R10 million has been provided to fund the KwaZulu-Natal aviation and charter strategy for tourism promotion.

Table 4.14 Summary of expenditure and estimates by sub-programme: Programme 4

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Tourism Development & Promotion	19,766	27,650	34,000	45,000	49,070	52,186
Beach Tourism Protection Services	14,795	15,827	16,882	16,882	16,882	16,882
Cultural Tourism Promotion	5,000	4,000	4,000	4,000	4,000	4,000
Trade & Investment Promotion	15,400	11,200	14,671	14,146	15,425	16,405
Trade & Investment Project Financing	29,000	24,843	18,000	16,000	17,447	18,555
Provincial Motor Transport		1,687	110			
Total	83,961	85,207	87,663	96,028	102,824	108,028

Table 4.15 Summary of expenditure and estimates - GFS classification: Programme 4

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	54,961	83,520	87,553	96,028	102,824	108,028
Personnel	0	0	0	0	0	0
Transfer	54,961	83,520	87,553	96,028	102,824	108,028
Other current	0	0	0	0	0	0
Capital expenditure	29,000	1,687	110	0	0	0
Acquisition of capital assets	0	1,687	110	0	0	0
Transfer payments	29,000	0	0	0	0	0
Total	83,961	85,207	87,663	96,028	102,824	108,028

Table 4.16 Transfer to Public Entities: Programme 4

Name of Entity	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Share Capital	29,000	24,843	18,000	0	0	0
<i>Ithala</i>	<i>29,000</i>	<i>24,843</i>	<i>18,000</i>			
Financial Assistance	1,700	8,500	14,671	14,146	15,425	16,405
<i>Trade & Investment KwaZulu-Natal</i>		<i>8,500</i>	<i>14,671</i>	<i>14,146</i>	<i>15,425</i>	<i>16,405</i>
<i>Regional Economic Council</i>	<i>1,700</i>					
Subsidy	53,261	50,177	54,882	81,882	87,399	91,623
<i>KZN Marketing Initiative</i>	<i>1,500</i>					
<i>Ithala</i>				<i>16,000</i>	<i>17,447</i>	<i>18,555</i>
<i>KZN Philharmonic Orchestra</i>	<i>5,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>
<i>KZN Tourism Authority</i>	<i>19,766</i>	<i>27,650</i>	<i>34,000</i>	<i>45,000</i>	<i>49,070</i>	<i>52,186</i>
<i>KZN Transport</i>	<i>12,200</i>	<i>2,700</i>				
<i>Natal Sharks Board</i>	<i>14,762</i>	<i>15,794</i>	<i>16,882</i>	<i>16,882</i>	<i>16,882</i>	<i>16,882</i>
<i>SA Lifesaving</i>	<i>33</i>	<i>33</i>				
Total	83,961	83,520	87,553	96,028	102,824	108,028

6.5 Programme 5: Policy Development

The year 2003/04 sees the creation of a new programme, namely Programme 5: Policy Development, in line with the department's strategic objectives. There are two sub-programmes in this new programme, Policy Development and Economic Information and Research Services, which seek to provide policy requisites for the implementation of strategic projects, and formulate economic frameworks within the macro-economy of KwaZulu-Natal. The desire to provide readily available economic statistics and information to inform the policy development component, sees the creation of an economic information and research service. This service will compile, collate and disseminate this information to the department's customers. Tables 4.17 and 4.18 below give details of these sub-programmes.

Table 4.17 Summary of expenditure and estimates by sub-programme: Programme 5

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Policy Development	0			2,807	3,061	3,256
Economic Information & Research Services	0			981	1,070	1,137
Total	0	0	0	3,788	4,131	4,393

Table 4.18 Summary of expenditure and estimates - GFS classification: Programme 5

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	0	0	0	3,753	4,093	4,352
Personnel	0	0	0	1,460	1,593	1,693
Transfer	0	0	0	0	0	0
Other current	0	0	0	2,293	2,500	2,659
Capital expenditure	0	0	0	35	38	41
Acquisition of capital assets	0	0	0	35	38	41
Transfer payments	0	0	0	0	0	0
Total	0	0	0	3,788	4,131	4,393

Service delivery measures

Table 4.19 below illustrates the main service delivery measures pertaining to Programme 5.

Table 4.19 Service delivery measures – Programme 5: Policy Development

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
Policy Development			
1. Inter-provincial co-ordination	<ul style="list-style-type: none"> Development of qualitative partnership with Gauteng and Eastern Cape 	<ul style="list-style-type: none"> Six monthly meeting held Key areas of strategic partnership identified 	<ul style="list-style-type: none"> Two projects to be identified
2. Develop institutional links	<ul style="list-style-type: none"> Development of partnership with HE institution to assist DEDT in research 	<ul style="list-style-type: none"> Institutional link developed with HSRL, University of Natal, CSIR Five reports produced on trade trends in KZN 	<ul style="list-style-type: none"> Sign MOU to formalise partnerships by June 2003
3. Trade and Investment Strategy	<ul style="list-style-type: none"> Creation of a conducive environment for national and international direct investment 	<ul style="list-style-type: none"> New institution called Trade and Investment KwaZulu-Natal established Investment atlas developed 	<ul style="list-style-type: none"> Investment strategy to be developed Ongoing assessment of trade and investment trends
Economic Information and Research Services			
4. Production of Economic Statistics Bulletin	<ul style="list-style-type: none"> Availability of bulletin and information database 		<ul style="list-style-type: none"> Monthly – From 1 April 2003

6.6 Programme 6: Special Projects

The Special Projects component, formerly located in Programme 2, now falls within this new programme. The increase in budget allocation is in line with the progress and funding requirements of the Dube Trade Port initiative, championed by the department.

Within this programme, the logistics and supply chain output are primarily concerned with the development of Dube Trade Port. This is a provincial initiative aimed at participating in the new world economy, and becoming part of the global supply chain. The Trade Port project incorporates activities relating to King Shaka Airport, the current Durban International Airport Site, Industrial Development Zones, Cyber Port and Cyber Village, as well as an integrated freight rail line strategy. The additional projects housed in this programme have a defined lifespan and further require high level intervention, and have therefore been prioritised under the Special Projects programme.

There is only one sub-programme in this programme, also called Special Projects, the expenditure and budgeted estimates of which are illustrated in Tables 4.20 and 4.21 below.

Table 4.20 Summary of expenditure and estimates by sub-programme: Programme 6

Sub-programmes	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Special Projects	3,018	4,405	12,445	13,732	14,973	15,924
Total	3,018	4,405	12,445	13,732	14,973	15,924

Table 4.21 Summary of expenditure and estimates - GFS classification: Programme 6

R000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current expenditure	2,984	4,265	12,395	13,585	14,813	15,754
Personnel	430	835	872	1,530	1,669	1,775
Transfer	0	0	0	0	0	0
Other current	2,554	3,430	11,523	12,055	13,144	13,979
Capital expenditure	34	140	50	147	160	170
Acquisition of capital assets	34	140	50	147	160	170
Transfer payments	0	0	0	0	0	0
Total	3,018	4,405	12,445	13,732	14,973	15,924

Service delivery measures

Table 4.22 below illustrates the main service delivery measures pertaining to the Special Projects programme.

Table 4.22 Service delivery measures – Programme 6: Special Projects

Output type	Performance measures	Performance targets	
		2002/03 Est. Actual	2003/04 Estimate
1. Dube Trade Port	<ul style="list-style-type: none"> To facilitate the establishment of Dube Trade Port 	<ul style="list-style-type: none"> National govt approved the relocation of Durban International / construction of Dube Trade Port 	<ul style="list-style-type: none"> Appointment of transaction advisors by June 2003
2. Integrated Freight & Logistic Strategy	<ul style="list-style-type: none"> Established multi stakeholder committee including NDDT and DTI, Public Entities, Umicity to address study recommendation. 	<ul style="list-style-type: none"> The study will be completed in March 2003 	<ul style="list-style-type: none"> To secure more funds if further studies are required by end of 2003/04
3. Pilot Freight Village	<ul style="list-style-type: none"> Development of a framework for establishment of pilot Freight Village in KZN to support Dube Trade Port 	<ul style="list-style-type: none"> Proposals for an in-depth study completed 	<ul style="list-style-type: none"> Framework developed by end 2003/04
4. Establish a township regeneration project	<ul style="list-style-type: none"> Feasibility study on the establishment of a township multi-media centre completed 		<ul style="list-style-type: none"> March 2004
6. Establishment of African Festival	<ul style="list-style-type: none"> Development and implementation of a world class African festival to commemorate launch of African Union in KZN 	<ul style="list-style-type: none"> Concept paper developed Proposals for funding submitted to donors/funders 	<ul style="list-style-type: none"> Appointment of company to run the event by June 2003
7. Establishment of viable Bed & Breakfast, Guest Houses and hospitality industry in the townships	<ul style="list-style-type: none"> Project plans to establish bed and breakfast operators in targeted townships 	<ul style="list-style-type: none"> Proposal for funding completed and submitted to funders and donors Steering committee set up Pilot areas identified 	<ul style="list-style-type: none"> Implementation of the pilot by June 2003 Strategy to encourage other sectors to invest in township by August 2003

7. Other programme information

In Table 4.23 below, personnel numbers per programme (in full-time equivalent positions) are given for the end of the previous and current financial years, along with estimates for the coming budget year.

Table 4.23 Personnel numbers and estimates

Programme	At 31 March 2002	At 31 March 2003	At 31 March 2004
Programme 1 – Administration	62	64	81
Programme 2 – Spatial Economic Development	12	13	17
Programme 3 – Sector and Business Development	32	31	64
Programme 4 – Tourism, Trade and Investment	0	0	0
Programme 5 – Policy Development	0	0	6
Programme 6 – Special Projects	2	2	5
Total: Economic Development and Tourism	108	110	173

8. Reconciliation of structural changes

Structural changes between programmes in the department are indicated as per Table 4.24 below.

Table 4.24 Reconciliation of structural changes

Current programme	2001/02 Actual	2002/03 Est. actual	2003/04 MTEF	2004/05 MTEF	2005/06 MTEF	New programme
Programme 2						
– sub-programme 3: Special Projects	4,405	12,445	13,731	14,973	15,924	Programme 6 – Special Projects

ANNEXURE TO VOTE 4 – Economic Development & Tourism**Table 4.A Summary of Expenditure and Estimates - GFS Classification**

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	85,540	128,701	171,874	187,669	202,800	214,390
Compensation of employees	13,603	16,850	20,931	31,885	34,769	36,979
<i>Salaries and wages</i>	9,065	11,244	13,809	21,601	23,556	25,053
<i>Other remuneration</i>	4,538	5,606	7,122	10,284	11,213	11,926
Use of goods and services	16,080	28,331	63,390	59,756	65,208	69,383
Interest paid	0	0	0	0	0	0
Transfer payments	55,857	83,520	87,553	96,028	102,824	108,028
<i>Subsidies to business enterprises</i>	0	0	0	0	0	0
<i>Local government</i>	0	0	0	0	0	0
<i>Extra-budgetary institutions</i>	55,857	83,520	87,553	96,028	102,824	108,028
<i>Households</i>	0	0	0	0	0	0
<i>Non-profit organisations</i>	0	0	0	0	0	0
Capital	29,978	2,565	1,534	3,186	3,475	3,694
Non-financial assets	978	2,565	1,534	3,186	3,475	3,694
<i>Buildings and structures</i>	0	0	0	0	0	0
<i>Machinery and equipment</i>	978	2,565	1,534	3,186	3,475	3,694
<i>Non-produced assets</i>	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
Capital transfers	29,000	0	0	0	0	0
<i>Local government</i>	0	0	0	0	0	0
<i>Other capital transfers</i>	29,000	0	0	0	0	0
Sub-total	115,518	131,266	173,408	190,855	206,275	218,084
Lending						
Statutory Payments	471	519	502	537	537	537
Total	115,989	131,785	173,910	191,392	206,812	218,621

Table 4.B Summary of Expenditure and Estimates - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	13,603	16,850	20,931	31,885	34,769	36,979
Administrative expenditure	4,546	6,375	9,050	11,623	12,723	13,565
Stores and livestock	638	1,173	2,649	1,732	1,888	2,008
Equipment	978	3,197	1,534	3,186	3,475	3,694
Land and buildings	0	1,661	2,646	3,560	3,882	4,129
Professional and special services	10,799	18,444	49,026	42,741	46,606	49,566
Transfer payments	84,857	83,520	87,553	96,028	102,824	108,028
Miscellaneous	97	46	20	100	109	115
Sub-total	115,518	131,266	173,408	190,855	206,275	218,084
Statutory Payments	471	519	502	537	537	537
Total	115,989	131,785	173,910	191,392	206,812	218,621

Table 4.C Programme 1 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	13,620	20,727	27,602	27,304	29,822	31,751
Compensation of employees	7,831	8,842	10,367	13,797	15,044	16,001
<i>Salaries and wages</i>	<i>4,893</i>	<i>5,241</i>	<i>6,549</i>	<i>9,095</i>	<i>9,917</i>	<i>10,548</i>
<i>Other remuneration</i>	<i>2,938</i>	<i>3,601</i>	<i>3,818</i>	<i>4,702</i>	<i>5,127</i>	<i>5,453</i>
Use of goods and services	5,789	11,885	17,235	13,507	14,778	15,750
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	727	546	1,308	1,629	1,777	1,889
Non-financial assets	727	546	1,308	1,629	1,777	1,889
<i>Buildings and structures</i>				<i>0</i>	<i>0</i>	<i>0</i>
<i>Machinery and equipment</i>	<i>727</i>	<i>546</i>	<i>1,308</i>	<i>1,629</i>	<i>1,777</i>	<i>1,889</i>
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	14,347	21,273	28,910	28,933	31,599	33,640
Lending						
Total	14,347	21,273	28,910	28,933	31,599	33,640

Table 4.D Programme 1 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	7,831	8,842	10,367	13,797	15,044	16,001
Administrative expenditure	3,342	4,789	4,871	5,455	5,998	6,413
Stores and livestock	488	779	2,494	1,024	1,116	1,187
Equipment	727	1,178	1,308	1,629	1,777	1,889
Land and buildings		1,661	2,646	3,560	3,882	4,129
Professional and special services	1,894	3,979	7,204	3,368	3,673	3,906
Transfer payments				0	0	0
Miscellaneous	65	45	20	100	109	115
Total	14,347	21,273	28,910	28,933	31,599	33,640

Table 4.E Programme 2 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	6,246	5,172	23,420	16,203	17,668	18,791
Compensation of employees	2,029	2,763	2,851	4,025	4,389	4,668
<i>Salaries and wages</i>	<i>1,491</i>	<i>2,421</i>	<i>1,932</i>	<i>2,783</i>	<i>3,035</i>	<i>3,228</i>
<i>Other remuneration</i>	<i>538</i>	<i>342</i>	<i>919</i>	<i>1,242</i>	<i>1,354</i>	<i>1,440</i>
Use of goods and services	3,321	2,409	20,569	12,178	13,279	14,123
Interest paid						
Transfer payments	896	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>	<i>896</i>					
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	81	121	66	522	569	605
Non-financial assets	81	121	66	522	569	605
<i>Buildings and structures</i>				<i>0</i>		
<i>Machinery and equipment</i>	<i>81</i>	<i>121</i>	<i>66</i>	<i>522</i>	<i>569</i>	<i>605</i>
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	6,327	5,293	23,486	16,725	18,237	19,396
Lending						
Total	6,327	5,293	23,486	16,725	18,237	19,396

Table 4.F Programme 2 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	2,029	2,763	2,851	4,025	4,389	4,668
Administrative expenditure	270	610	1,247	1,414	1,542	1,640
Stores and livestock	0	2	1	30	33	35
Equipment	81	121	66	522	569	605
Land and buildings				0		
Professional and special services	3,048	1,797	19,321	10,734	11,704	12,448
Transfer payments	896			0		
Miscellaneous	3	0				
Total	6,327	5,293	23,486	16,725	18,237	19,396

Table 4.G Programme 3 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	7,729	15,017	20,904	30,796	33,580	35,714
Compensation of employees	3,313	4,410	6,841	11,073	12,075	12,842
<i>Salaries and wages</i>	<i>2,400</i>	<i>2,941</i>	<i>4,696</i>	<i>7,849</i>	<i>8,559</i>	<i>9,103</i>
<i>Other remuneration</i>	<i>913</i>	<i>1,469</i>	<i>2,145</i>	<i>3,224</i>	<i>3,515</i>	<i>3,739</i>
Use of goods and services	4,416	10,607	14,063	19,723	21,506	22,872
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	136	71	0	853	930	989
Non-financial assets	136	71	0	853	930	989
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>	<i>136</i>	<i>71</i>	<i>0</i>	<i>853</i>	<i>930</i>	<i>989</i>
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	7,865	15,088	20,904	31,649	34,511	36,703
Lending						
Total	7,865	15,088	20,904	31,649	34,511	36,703

Table 4.H Programme 3 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	3,313	4,410	6,841	11,073	12,075	12,842
Administrative expenditure	808	827	2,304	3,288	3,585	3,813
Stores and livestock	124	385	38	546	596	633
Equipment	136	71	0	853	930	989
Land and buildings			0			
Professional and special services	3,460	9,395	11,722	15,889	17,325	18,426
Transfer payments						
Miscellaneous	24					
Total	7,865	15,088	20,904	31,649	34,511	36,703

Table 4.I Programme 4 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	54,961	83,520	87,553	96,028	102,824	108,028
Compensation of employees	0	0	0	0	0	0
<i>Salaries and wages</i>						
<i>Other remuneration</i>						
Use of goods and services						
Interest paid						
Transfer payments	54,961	83,520	87,553	96,028	102,824	108,028
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>	54,961	83,520	87,553	96,028	102,824	108,028
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	29,000	1,687	110	0	0	0
Non-financial assets	0	1,687	110	0	0	0
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>		1,687	110			
<i>Non-produced assets</i>						
Other assets						
Capital transfers	29,000	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>	29,000					
Sub-total	83,961	85,207	87,663	96,028	102,824	108,028
Lending						
Total	83,961	85,207	87,663	96,028	102,824	108,028

Table 4.J Programme 4 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel						
Administrative expenditure						
Stores and livestock						
Equipment		1,687	110			
Land and buildings						
Professional and special services						
Transfer payments	83,961	83,520	87,553	96,028	102,824	108,028
Miscellaneous						
Total	83,961	85,207	87,663	96,028	102,824	108,028

Table 4.K Programme 5 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	0	0	0	3,753	4,093	4,352
Compensation of employees	0	0	0	1,460	1,593	1,693
<i>Salaries and wages</i>				969	1,057	1,124
<i>Other remuneration</i>				491	535	569
Use of goods and services				2,293	2,500	2,659
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>						
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	0	0	0	35	38	41
Non-financial assets	0	0	0	35	38	41
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>				35	38	41
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	0	0	0	3,788	4,131	4,393
Lending						
Total	0	0	0	3,788	4,131	4,393

Table 4.L Programme 5 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel				1,460	1,593	1,693
Administrative expenditure				886	966	1,027
Stores and livestock				57	62	66
Equipment				35	38	41
Land and buildings						
Professional and special services				1,350	1,472	1,566
Transfer payments						
Miscellaneous						
Total	0	0	0	3,788	4,131	4,393

Table 4.M Programme 6 - GFS Classification

Economic classification	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Current	2,984	4,265	12,395	13,585	14,813	15,754
Compensation of employees	430	835	872	1,530	1,669	1,775
<i>Salaries and wages</i>	281	641	632	905	987	1,050
<i>Other remuneration</i>	149	194	240	625	682	725
Use of goods and services	2,554	3,430	11,523	12,055	13,144	13,979
Interest paid						
Transfer payments	0	0	0	0	0	0
<i>Subsidies to business enterprises</i>				0		
<i>Local government</i>						
<i>Extra-budgetary institutions</i>						
<i>Households</i>						
<i>Non-profit organisations</i>						
Capital	34	140	50	147	160	170
Non-financial assets	34	140	50	147	160	170
<i>Buildings and structures</i>						
<i>Machinery and equipment</i>	34	140	50	147	160	170
<i>Non-produced assets</i>						
Other assets						
Capital transfers	0	0	0	0	0	0
<i>Local government</i>						
<i>Other capital transfers</i>						
Sub-total	3,018	4,405	12,445	13,732	14,973	15,924
Lending						
Total	3,018	4,405	12,445	13,732	14,973	15,924

Table 4.N Programme 6 - Standard Item Classification

Standard item	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
R000	Actual	Actual	Adj. Budget	Budget	MTEF	MTEF
Personnel	430	835	872	1,530	1,669	1,775
Administrative expenditure	126	149	628	580	632	672
Stores and livestock	26	7	116	75	82	87
Equipment	34	140	50	147	160	170
Land and buildings				0		
Professional and special services	2,397	3,273	10,779	11,400	12,431	13,220
Transfer payments				0		
Miscellaneous	5	1		0		
Total	3,018	4,405	12,445	13,732	14,973	15,924

