

VOTE 3: DEPARTMENT OF FINANCE AND ECONOMIC AFFAIRS

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| To be appropriated: | R 1 547 658 000 |
| Responsible MEC: | MEC for Finance and Economic Affairs |
| Administering Department: | Finance and Economic Affairs |
| Accounting Officer: | Head of the Department |

I VISION, MISSION & VALUE STATEMENT

I.1 Vision

"To become a centre of operational excellence providing financial management leadership and contributing to a conducive environment for economic growth in Gauteng."

I.2 Mission

We will strive to provide a level of service that is output driven, ethical and people-focused, and that reflects the economic demographics of our province by fostering:

- Increased trade and investment
- Investment in strategic economic infrastructure that boosts the competitive advantages of key sectors of the economy
- Sound public financial management
- An ethical business and regulatory environment

I.3 Value Statement

Our core values of honesty, accountability, transparency, democratic decision-making, respect for others and a high degree of professionalism drive financial discipline and quality service to our customers.

2 LEGISLATIVE MANDATE

The DFEA derives its legislative mandate from the Constitution of the Republic of South Africa, particularly Chapter 13, schedule 4 and schedule 5 thereof, as well as from key national legislation:

- The Public Finance Management Act (1999), governing the management of public financial resources,
- The Public Service Act (1994), governing the management of public sector personnel resources,
- Business Act (1991), providing for the licensing and carrying on of businesses,
- Sale and Service Matters Amendment Act (1995), regulating the lay-by agreement and pricing and the display of prices on goods and services,
- Credit Agreements Act (1980), regulating the contractual relationship between the credit receiver and the credit grantor in a credit agreement.

Furthermore, the mandate is also derived from a number of provincial legislation, namely:

- The Gauteng Unfair Business Practices Act (1996), providing for the investigation, prohibition and control of unfair business practices in the interest of the protection of Gauteng's consumers,
- The Gauteng Tourism Act (2001), providing for the promotion and sustainable development of tourism in Gauteng,
- The Gauteng Gambling Act (2001), regulating gambling in the province,
- The Liquor Act (2003), regulating the control over the sale and supply of liquor in the province.

In addition, the following legislation have an impact on the activities of DFEA, namely:

- Skills Development Act (1998), ensuring that all employed people have a fair chance of development,
- Employment Equity Act (1998), ensuring that PDI's enjoy equal opportunities in the workplace,
- Promotion of Access to Information Act (2000), governing the right of access to any information held by the State,
- Administration of Justice Act (No. 3 of 2000), setting out the rules and guidelines that administrators must follow when making decisions.

3 CORE FUNCTIONS

3.1 Economic Affairs

The core function and responsibility of the Economic Affairs Programme is to develop economic policies for the province and to implement these policies in a way that will result in sustained levels of economic growth, job creation,

development of human capital and improved quality of life for all. One of the main mechanisms used to implement these policies is Blue IQ, which is briefly described below. Economic Affairs also includes two Sub-programmes that fall somewhat outside of the main focus. These Sub-programmes are Consumer Affairs and Liquor Licensing, and they are also outlined briefly below.

3.1.1 Blue IQ

Blue IQ is tasked with the provision of strategic economic infrastructure, which will catalyze economic growth, employment creation and a meaningful shift in the composition of provincial Gross Geographical Product (GGP) and the composition of provincial exports.

Blue IQ's project portfolio is made up of two distinct types of projects in terms of time frame and substance. The first category is urban regeneration and tourism product development projects, which impact strongly on communities and specific nodes, and which are characterised by shorter delivery schedules and more immediate outcomes and deliverables. These projects include the Wadeville-Alrode Industrial Corridor (WAIC), Kliptown, Newtown, Constitution Hill and the two Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) projects: Dinokeng and the Cradle of Humankind. The second category of Blue IQ projects, which includes City Deep, Johannesburg International Airport Industrial Development Zone (JIA IDZ), the Innovation Hub, the Automotive Supplier Park (ASP), the Automotive Industrial Development Centre (AIDC) and the GauTrain Rapid Rail Link, focuses more directly on economic activity through industrial developments and development of "smart" industries. These projects are far more complex and multi-faceted with longer delivery time-frames.

3.1.2 Consumer Affairs

The Consumer Affairs Unit is established in terms of the Unfair Business Practices Act No 7 of 1996 to prohibit and control unfair business practices within the province of Gauteng. In terms of the Act, the office should receive and dispose of cases of alleged unfair business practices through mediation and negotiation, and through arbitration in the Consumer Affairs Court as a last resort.

The inspection of compliance to the Liquor Act No 17 of 2003 by the liquor retail and micro manufacturing industries also falls under the Consumer Affairs Unit.

3.1.3 Liquor Licensing

The Liquor Licensing Unit in the DFEA has been set up to provide secretarial services to the Local Committees and the Liquor Board that have been established as a result of the new Liquor Act. The six Local Committees process all new liquor applications and the Liquor Board takes all final decisions relating to matters of liquor licensing. Furthermore, the Liquor Licensing Unit is also tasked with the education of licensed outlets on all matters relating to the Liquor Act.

3.2 Provincial Treasury

The Provincial Treasury is responsible for the financial management of the province in terms of budgeting, cash flow management and implementation of financial reforms in the GPG departments. Furthermore, Provincial Treasury is also responsible for developing the concept of public-private partnerships as a mechanism to be used for the delivery of capital projects and services throughout the province. These areas of responsibility are carried out by four different units, the Budget Office Unit, the Provincial Accountant General Unit (PAG), the Provincial Financial Management Reforms Unit (PFMR) and the Public-Private Partnership Unit (PPP). The latter three programmes used to form what was called the Finance and Cash Management Programme, which was split up into the three programmes during 2003 due to the extensiveness of the mandate and the incompatibility of the different focus areas of the mandate that Finance and Cash Management was supposed to carry out.

3.3 Support Services

The DFEA has undergone a process of restructuring to better gear itself up for the delivery of service to the Gauteng community. The non-core functions have been grouped into what is now known as the Support Services Programme. Support Services ensure the efficient and effective flow of the core functions by creating a viable environment for the DFEA to operate within. The four units in Support Services are Financial Management, Communications Management, Human Resource (HR) Management and Information Technology (IT) Management.

4 REVIEW 2003/2004 FINANCIAL YEAR

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

4.1 Economic Affairs

4.1.1 Economic Policy, Planning and Research (EPPR)

June 2003 saw the launch of the Trade and Industry Strategy (TIS) for Gauteng. TIS will be instrumental in the years to come in terms of guiding the province towards the economic goals and targets that have been set.

A revision of the Liquor Act and amended Tourism Act has been completed and new regulations are being finalised.

The DFEA is collaborating with the World Bank in terms of building the right capacity, which will allow the DFEA to carry out its research and information functions. The World Bank has agreed to expand the current programme that it is running for South Africa as a whole to also include the Gauteng province and local governments.

In line with national policies, a focus of the DFEA is to facilitate SME development in the province. In terms of SME's, the DFEA is currently supporting SME's in terms of provision of information and directing SME's to appropriate bodies and institutions for business support. Research has been carried out on SME's, which will form the base for developing a concrete policy for how to best provide support for SME development. The increase in the SME participation in the provincial procurement spending was 25%.

Another priority is BEE development, and the DFEA has embarked on a development of a policy, aligned to the TIS and the transformational aspects of that strategy, to determine what the key drivers should be for BEE development. The current key driver used by the DFEA is procurement. The increase in the BEE participation in the provincial procurement spending was 40%.

The DFEA has also embarked on an impact study in terms of the positive and negative effects that gambling has on the province. The findings will provide a foundation for changing the policy, which will have to be done in line with changes to the Gambling Act at national level. New members to the Gauteng Gambling Board (GGB) have also been appointed.

The departmental agencies realised the following achievements:

- *Gauteng Economic Development Agency (GEDA)* – the agency facilitated investment projects to the value of R 1.5 billion. A total of 3,500 jobs were created as a result of this.
- *Gauteng Tourism Agency (GTA)* – the number of tourists visiting the province reached 3 million. This growth is attributed to the effective marketing campaigns of the agency and the province's well-established Meetings, Incentives, Conferences and Exhibitions (MICE) Industry.
- *Gauteng Gambling Board (GGB)* – tax collection revenue reached R 332.7 million in the 2003/2004 financial year and is expected to increase in the following years.
- *Gauteng Manufacturing Advisory Centre (GAUMAC)* – a total of 600 manufacturing SME's have benefited from the MAC programme, and 7,500 jobs have been sustained due to GAUMAC intervention. Of the SME's assisted, 70% are HDI-owned manufacturing companies. A total of 600 jobs were created and this figure will increase when GAUMAC opens up new offices next year.
- *Gauteng Film Office (GFO)* – the agency has been instrumental in facilitating investment in Film and TV productions to the value of R 350 million in the province. A Board of Directors has also been established for the GFO.

4.1.2 Blue IQ

The 2003/2004 financial year was another challenging but rewarding year for Blue IQ. Blue IQ is now moving into Phase 2 where strategic emphasis is placed on attracting private sector investment into the Blue IQ projects. The organisation is consequently re-staffing to bring in the additional skills required for this phase.

Brief overviews of the developments that have taken place within the different projects up until the end of the financial year 2003/2004 follow below:

The Innovation Hub

The Innovation Hub has come along in leaps and bounds during 2003. The project received DFA approval in June, the land parcel for the site between University of Pretoria and CSIR was secured in September and on October 13th a sod turning ceremony indicated the official start of the construction period. The two core buildings, the Innovation Centre and Enterprise Centre, have been finalised and signed off. Tenders have been awarded and contractors appointed. The Innovation Hub will open on schedule on November 30, 2004.

In addition to the first anchor tenant SAPPI, that have begun their earthworks, negotiations are far advanced with two other anchor tenants, and there are 24 letters of intent signed for leases at the Innovation Centre. The team has begun to convert these letters of intent into contracts. The 12 companies in the incubator continue to thrive and five

companies have won international contracts since joining the incubator. One company has already graduated out of the pre-incubator into the incubator and has received venture capital funding. This company is a 100% black owned, managed and staffed company, which operates in the highly technical field of smart materials.

The Innovation Hub has taken the initiative to create the 'Innova8-Network'. Memberships from the business, academic and professional sectors have grown to 1 500 people, and there are regular events, which take place on topics of direct interest to the membership base. This network is crucial in terms of bridging the gap between the business sector and the academic and research sector, and is a crucial foundation for the sustainable growth of the smart industries in the province.

GauTrain Rapid Rail Link

The GauTrain project received a major boost this year with DACEL granting a decision to proceed with the construction. In addition, third party agreements have been developed with the three affected Metropolitan Municipalities, ACSA and the South African Rail Commuter Corporation (SARCC). Final bids were received from the short-listed bidders on September 30, 2003, and it is expected that the preferred bidder will have been announced by February 2004.

Automotive Supplier Park (ASP)

The Automotive Supplier Park has taken off faster than anticipated. The Park was officially opened in January 2003 and the first tenant, Lear, located to the park in February. Lear produces seats for Mercedes Benz and BMW locally, and also produces for the export market. Three other tenants signed up in 2003, and all three will be on site before the end of the financial year. All site infrastructure, including the gatehouse, the first multi-tenant mini factory, the logistics centre, the internal roads and all the loading bays, will be completed before the end of the 2003/2004 financial year.

The project has been successful to the extent that Blue IQ's contribution to the project for Phase I has already been fulfilled. To that end, a process to find a private sector investor for the park has begun.

Automotive Industry Development Centre (AIDC)

The AIDC has been established as a private company and has been operating since April 2001. The company has positioned itself as a service provider to the industry through a number of industry workshops, and has established an industry-led Advisory Board, in which Government, Unions and Industry participate. Core capacity has been developed in several technical areas and contracts with industry have already been secured.

Contracts for the development of industry specific courses have been signed with four tertiary educational institutions, and delivery of courses, which commenced in the 2001/2002 financial year, is progressing strongly. A contract with the Sector Education and Training Authority for Manufacturing, Engineering and Related Services (MERSETA) was secured aimed at assisting in the development of several learnerships. Other projects that were successfully rolled out this year are socio-economic programmes focussing on the issue of HIV/Aids, information courses in the automotive industry, programmes promoting science, mathematics and design capabilities at schools, as well as a project aimed at training unemployed people.

Wadeville-Alrode Industrial Corridor (WAIC)

The Wadeville-Alrode Industrial Corridor project is scheduled for completion in the 2003/2004 financial year. Most of the infrastructure to improve access, public transport and public amenities has been delivered with only two remaining road projects. The Ekurhuleni Metropolitan Council is developing an investment plan for the corridor aimed at attracting new manufacturing entities into the area. Given this central role of Ekurhuleni, Blue IQ will view its participation as complete and exit the project as soon as the last two construction contracts are fulfilled. The following key deliverables were completed during the 2003/2004 financial year:

- Construction of road K123,
- Upgrading of Grey road (Dekema),
- Upgrading of Black reef road,
- Improvement of signage.

Johannesburg International Airport Industrial Development Zone (JIA IDZ)

The JIA IDZ project has two components. The first is the general area upgrade with a strong emphasis on increased accessibility and transport efficiency. Construction has commenced on the Atlas Road and the K157/K90 interchange, and enhancement of the road system around the site has been provided for through the procurement of land for future planned upgrades. In regards to the IDZ itself, the site has been officially designated and the provisional operator permit

was expected to be awarded in November 2003. Institutional relations between Blue IQ, ACSA and Denel were scheduled for finalisation in this financial year, and the JIA IDZ Development Company Pty Ltd has been registered and has a sitting Board of Directors. Site plans, Environmental Impact Assessment (EIA) requirements and other development issues are running on schedule. Further progress on this project is highly dependant on external factors outside of the direct control of Blue IQ.

City Deep

During the 2003/2004 financial year extensive work was done on the development of the concept for the logistics hub, which included market testing of the concept. Generally the market responded positively to the concept but highlighted the need to ensure a more efficient and effective rail service between City Deep and the Port of Durban. Following the finalisation of the concept document, discussions aimed at improving this service were initiated with Transnet. These discussions are ongoing. Construction of the Cleveland Link Road commenced in January 2003 and is progressing on plan and within budget. The road is scheduled for completion in June 2004. To date Blue IQ has completed construction of two additional roads in the City Deep area, which have contributed greatly to the traffic flow within City Deep and to the attraction of transport infrastructure dependant logistics businesses.

Cradle of Humankind

With extensive planning done in the 2002/2003 financial year progress has been rapid on the Cradle of Humankind project. Construction commenced with investments in bulk infrastructure, roads and public utilities on the site. A PPP agreement for the Design, Construction, Exhibition Design, Installation and Operation of an Interpretation Centre Complex at Sterkfontein and Mohale's Gate was concluded and signed in October. This agreement signifies the private sector support for the project and underscores its financial viability. The centre will form the core of the tourism programme in the area. Heritage agreements are being compiled for the fossil sites in the Cradle of Humankind. A merchandise depot has been established at Muldersdrift, and lastly, a very successful presidential visit to the site was arranged during the World Summit for Sustainable Development.

Constitution Hill

Construction on the Constitution Hill is progressing well. The Constitutional Court is under construction, the fit-out and the move will have commenced in November 2003, the first court session will have taken place in February 2004, and the official opening is scheduled for March 2004. Other key deliverables achieved in the financial year 2003/2004 were:

- All major demolitions have been completed with due approval by South African Heritage Resources Agency (SAHRA), with the exception of the Johannesburg Mortuary,
- The Mortuary has been relocated to the former NEH building in Kotze Street, and the old mortuary has now been demolished,
- The Kotze Street upgrade has been completed,
- The 1730-bay super basement bulk excavation and lateral support contract is under way and scheduled for completion in the current financial year. The construction tender, the bulk services and the paving contracts were awarded and construction has commenced,
- Conceptual plans for accommodation at the Women's Gaol have been approved by all project stakeholders (including SAHRA),
- The Public Artwork Programme is underway and National Lottery funding has been secured for this purpose as part of a Johannesburg Cultural Arc funding application. Three artwork sites are under consideration for the opening of the Court.

Newtown

The opening of the Nelson Mandela Bridge in July 2003 signalled the end of the public precinct infrastructure development phase in Newtown. The focus of the project now shifts towards crowding in the private sector via the attraction of investors into the area for commercially viable developments. Key deliverables for the 2003/2004 financial year included:

- The completion of the Nelson Mandela Bridge and the on/off ramps to the M2,
- Refurbishment of Phase I of the Turbine Hall,
- Upgrade of the Newtown Music Hall and Bus Factory,
- Upgrade of the public environment including the railway siding, President Street, Queen Street, corner of Jeppe and Bree Streets and the corner of Bezuidenhout and West Streets.

Kliptown

The Kliptown urban regeneration programme is progressing well after extensive planning in the 2003/2004 financial

year. An economic development strategy for Kliptown was finalised as well as a strategy for housing delivery and services installations. Other key deliverables for the 2003/2004 financial year include:

- The finalisation of the environmental management frameworks for the Klipspruit river and Kliptown,
- The finalisation of a housing delivery strategy and services installation on the incremental housing project,
- Construction of Phase 1&2 of the K43/Klipspruit Valley Road,
- The creation of a network of public open spaces and pedestrian routes,
- The completion of the design for the Walter Sisulu Square of Dedication,
- The establishment of a temporary Visitors Centre,
- The finalisation of an economic development strategy for Kliptown and the development and implementation of a delivery system and construction programme.

Dinokeng

The Dinokeng project is progressing on schedule. During the year under review extensive negotiations were held with landowners to consolidate private land for Phase A of the proposed Dinokeng Game Reserve. A fire management programme was implemented in collaboration with the Nokeng Tsa Taemane Local Municipality. The roads master plan for the area was completed and expression of interest in the design, construction and operation of key tourism facilities was issued by the DACEL. In addition to these project-driven activities, the ongoing marketing of the destination is a key feature of the project.

4.1.3 Consumer Affairs

In order to separate the policy implementing function, which falls under the Liquor Licensing Unit, from the policy supervising function in terms of Liquor Licensing, a new compliance unit was formed within the Consumer Affairs Unit. The new unit will monitor trade practices relating to liquor trade and will consist of Liquor Inspectors who will conduct pre-and post-licensing inspections, and who will feedback the findings from the inspections to the Liquor Board. Prosecutions will also be initiated under this unit, which is in line with the new Liquor Act.

The office has rolled out phase one of the consumer awareness curriculum, and has already coordinated the training of educators who will communicate the curriculum to the learners in the lower grades (grade 7 to 9). The Unit has embarked on the development of the curriculum for the senior grades, i.e. grades 10, 11 and 12, which will be implemented in the coming years.

4.1.4 Liquor Licensing

The new Liquor Act was adopted into law in April 2003. Six Local Committees that will process all new liquor licence applications and make recommendations to the Liquor Board have been established and have started operating. Nominations for the appointment of the new Liquor Board, that will make final decisions regarding all matters relating to licensing of liquor retail and micro manufacturing, were advertised and appointed, and the Liquor Board has also started to operate.

A Steering Committee for the establishment of the Gauteng Liquor Association has been appointed by the industry players, with a consultant appointed to facilitate the process.

4.2 Provincial Treasury

4.2.1 Budget Office

The financial year 2003/2004 was the second year in which provincial departments were expected to present their strategic plans at Legislature. In general, departmental strategic plans were of a high quality and reflected great improvements compared to previous submissions.

Budget interaction sessions that were initiated in the financial year 2002/2003 were implemented in the financial year 2003/2004 when preparing for the budget for 2004/2005. This further ensured that there is a closer examination of the baseline projections given that departments were expected to reprioritise by identifying savings and allocating them to new priorities. This required the downscaling or elimination of "low priority" activities. In addition, this process has enabled Provincial Treasury to determine whether the reprioritisation process within the MTEF baseline of provincial departments has been undertaken in the context of "allocative efficiency" (resources allocated and used based on strategic priorities of the province) and a better understanding of what the departmental budgets entail.

A revenue model for major revenue items was developed to facilitate the projection of provincial own revenue on an annual basis.

4.2.2 Provincial Accountant General

The area of focus for Treasury in 2003/2004 was the implementation of the Public Finance Management Act (PFMA) and the following has been achieved:

- Audit Committees have been able to operate reasonably well in terms of the PFMA,
- The Internal Audit unit has begun to assume a more meaningful role and is able to work in correlation with the Audit Committees,
- The de-listing of Public Entities has left the Provincial Administration with only five Public Entities in the financial year 2003/2004. It is anticipated that other departments will continue to either list or de-list during the financial year 2004/2005,
- According to the departmental reports on PFMA implementation, tremendous progress has been made with regards to Financial Management capacity building. This incorporates the restructuring of the CFO's office to ensure adequate and efficient support for the CFO's.

All departments in the province achieved an unqualified audit opinion for the 2002/2003 financial year. The overall responsibility for the preparation of the Annual Financial Statement rested with the respective provincial departments. The mandate of the Gauteng Provincial Treasury is to consolidate the Annual Financial Statements of the Province and to play an overseeing, facilitating, monitoring and guiding role in terms of the PFMA implementation within the Gauteng Provincial Government. Treasury has set itself a target to achieve an unqualified audit opinion on the consolidated financial statements of the province for the 2004/2005 financial year. A new unit called Provincial Financial Management Reform was established to solely focus on the implementation of PFMA and other financial management reforms within the Province and local governments.

The consolidation process of annual financial statements for 2002/2003 is still an aggregation of all departmental accounts until the accounting standards have been determined by the Accounting Standards Board (ASB) and implemented by National Treasury. As a result, the target for a proper consolidation has been shifted from 2003/2004 to 2004/2005. Treasury has introduced the preparation of interim annual financial statements for the financial year 2003/2004. This will assist in monitoring the introduction of additional disclosures and recognitions in line with Generally Recognised Accounting Practice (GRAP) as determined by the ASB. The ASB already started working on the different standards in an attempt to determine GRAP. Certain standards have been released as exposure drafts by this body, and all provinces had to comment before the 15th October 2003.

The Provincial Public Private Partnership (PPP) Unit has been established, its main role being to create an enabling environment for PPP's and to facilitate the using of PPP's as an alternative structure for financing capital projects and for delivering services within the province.

4.3 Support Services

4.3.1 Financial Management

The department obtained unqualified audit report for the financial year ended March 2003, and is still focused on further improvement of internal controls and policies.

Adherence to government and departmental procurement policies and processes was achieved through the implementation of the partnering agreement with Gauteng Shared Services Centre (GSSC). The procurement processes have now been standardized and the DFEA receives quarterly status reports from GSSC, detailing rand value purchases and percentage contract value awarded to SME's and HDI's.

A number of policies and procedures for better management of state assets, expenditure, contracts, and reporting formats have been drafted and will be reviewed periodically by top management. Internal as well as external audit plans are being implemented per schedule.

4.3.2 Communication Management

The 2003/2004 financial year has been a challenging, yet fruitful year for Communications. There have been a number of milestones achieved by the DFEA that were communicated to the stakeholders, and the media coverage around the achievement of these milestones soared. The main milestones achieved and communicated were the adoption into law of the new Liquor Act, the launch of the Gauteng Trade and Industry Strategy, the opening of the Nelson Mandela Bridge and the unqualified audit report for the Gauteng Provincial Government.

Moreover, the Communications Unit also completed an analysis of the DFEA's stakeholders with the objective of identifying key messages to targeted stakeholders. Given the successes of the communication campaigns for the new Liquor Act and the Gauteng Trade and Industry Strategy, it has become evident that the stakeholder analysis has proven to be valuable in sending specific messages to targeted stakeholders.

Another success from a communications perspective was the official opening of the Nelson Mandela Bridge through The Blue IQ Johannesburg City Challenge. Approximately 24 000 people entered the Newtown precinct, 19 000 of which participated in the challenge.

In order to maximize the reach to communities around Gauteng, it was crucial for the DFEA to participate in as many provincial activities as possible. Therefore, the DFEA took advantage of all provincial campaigns and activities, i.e. Roving Excos, Community Awareness Days, Provincial Imbizos, etc., to market the services of the DFEA. The Rand Show specifically proved to be a good medium to promote the DFEA's services and a silver award for Best Stand was awarded to the DFEA.

Throughout the year, the unit also provided support and advice to all directorates on media relations, stakeholder relations, corporate identity, publications and event management.

4.3.3 Human Resources (HR) Management

The appointment of the HR Director and the two Deputies, i.e. Organizational Development and Human Resource Management and Administration, was a step in the right direction for the DFEA in terms of adhering to HR best practice principles.

Furthermore, in the spirit of Resolution 7/8 (2002), a restructuring process was carried out, which allowed the DFEA to take a serious look at its structure. This allowed for the evaluation of most positions in the DFEA, which has led to a job profile exercise having been concluded. Employees that were on the redeployment list were matched and placed in positions that became available, especially due to the promulgation of the Liquor Act. Interim guidelines for recruitment have been developed and agreed upon, and workplace skills plans have been developed and submitted to the Public Service Sector Education and Training Authority (PSETA). It should also be noted that the restructuring process had an impact on the DFEA's skills development plan given that employees were transferred between different areas and even between departments obviously affecting the skills development requirements.

An Employment Equity plan was developed by a forum constituted in the DFEA. During the development process, barriers to Personnel/HR Management were identified and measures/strategies to deal with these barriers have been identified.

4.3.4 Information Technology (IT) Management

The DFEA IT Management Unit has migrated the IT infrastructure to a Windows 2000 platform, and a transformation to a GSSC IT platform has also been initiated. Currently, Phase I of the transformation has been completed, and internet and e-mail services are now rendered by the GSSC.

New systems are being developed for Liquor Licensing and Consumer Affairs. These systems will be accessible to the public and the Liquor Licensing system will be implemented in six regional Liquor Offices around the province. Phase one of this project is under development.

5 OUTLOOK 2004/2005 FINANCIAL YEAR

5.1 Economic Affairs

5.1.1 Economic Policy Planning and Research (EPPR)

The Trade and Industry (TIS) strategy has been developed and was launched in June 2003. The next step will be to implement this strategy, and the DFEA will develop an implementation plan including budgets during the financial year 2004/2005. The EPPR Unit will also, in conjunction with the different agencies, re-evaluate the departmental agency targets in terms of investment facilitation, job creation, tourism and tax collection. Currently, targets for 2004/2005 is to facilitate R 1.9 billion of investments to the province, to create 9600 new jobs and to increased SME and BEE participation in the provincial procurement to 30% and 45% respectively.

A review will take place in terms of the Consumer, Tourism and Gambling legislation with the objective of identify how to best structure these legislations in terms of alignment to national legislation and to provincial objectives. In the same way as for the abovementioned legislations, a review will also take place of the provincial agencies in order to establish how they are positioned in relation to what their functions and objectives will be.

Lastly, although the GAUMAC is fully operational, its geographical reach is limited. Service delivery is currently focused to the south where the offices are situated, and the reach needs to be expanded to also cover central and northern Gauteng so that the manufacturing SME's in these regions can benefit from equal support.

5.1.2 Blue IQ

The 2004/2005 financial year will move Blue IQ into Phase 2, which is the commercialization phase. Whereas to date, Blue IQ has been master of its own destiny, the commercialisation phase will be dependant in part on private sector participation and the broader business environment. The strategic focus for the remaining two years of Blue IQ will be on attracting private sector investment and involvement to the Blue IQ projects. Any type of political uncertainty regarding the elections in 2004, any major events in the local or international world markets and even minor variations in economic policies and variables, such as sectoral charters, inflation and interest rates, can have a major impact on Blue IQ in the coming financial year. The organisation has, however, structured itself and put resources in place so as to best face these challenges.

Below follows a brief description of the major planned activities and events for the different projects during the 2004/2005 financial year;

Innovation Hub

For the Innovation Hub, 2004/2005 will be dominated by construction work and moving onto site. Earthworks began on site in October 2003 and the two core buildings, the Enterprise Centre and the Innovation Centre, are due for completion in November 2004. SAPPI plans to open for business in November 2004.

GauTrain Rapid Rail Link

Negotiations with the preferred bidder to finalise the PPP agreement and the resolution of the objections on DACEL's record of decision will be the key activities of the GauTrain project over the coming year. Speedy resolution with respect to both issues will see construction commence during 2004.

Automotive Supplier Park (ASP)

At the individual project level, the ASP's development in 2004/2005 will largely be determined by the success of the investor process, which began in October, and which will be concluded by August 2004. In the event that an equity stake is successfully sold to a strong bidder the park may grow exponentially, whereas should a suitable bidder not be found, and a sufficiently good deal not be closed, the project will continue to grow incrementally on a tenant by tenant basis.

Wadeville-Alrode Industrial Corridor (WAIC)

The Wadeville-Alrode Industrial Corridor project is virtually complete with most of the major and minor infrastructure projects already delivered. The remaining two road projects will be completed early in the next financial year and the investment promotion strategy for the area will be driven by the Ekurhuleni Metropolitan Council. Blue IQ will formally exit the project early next year.

Johannesburg International Airport Industrial Development Zone (JIA IDZ) & City Deep

The JIA IDZ and City Deep Logistics Hub projects are still in the planning phases due to factors beyond the control of Blue IQ. Nevertheless, continued negotiations and planning throughout the year with Transnet and the DTI will strengthen the overall feasibility of the projects as well as ensure the ability to quickly ramp up construction related activities once the critical project issues have been finalised.

Cradle of Humankind

With the award of the PPP agreement for the Design, Construction, Exhibition Design, Installation and Operation of an Interpretation Centre Complex at Sterkfontein and Mohale's Gate, there is now a significant private sector investor in the project, which will fuel investor confidence to develop the surrounding areas and increase the tourism offering of the broader area surrounding the Cradle of Humankind site. The focus for the coming year will thus be on developing the ancillary tourism nodes within the broader site and on implementing an integrated tourism strategy for the broader area with the aim of attracting further private sector investment.

Constitution Hill

Construction on Constitution Hill is progressing on schedule with the planned opening of the Constitutional Court scheduled for March 2004. Construction will continue for the coming year along with a scaled-up investment drive to attract investors into the precinct. In addition, a business improvement district is planned and will be implemented in the coming year.

Newtown

The infrastructure investments in Newtown are largely complete and the focus for the coming year is on attracting new investment into the area. Construction of a new building for the GTA will commence in the new year. The cultural events programme continues to bring more visitors into Newtown to allow potential investors and the public to experience the transformation that has come about as a result of Blue IQ's investment in the area.

Kliptown

The Kliptown urban regeneration project is in full swing and construction will continue throughout 2004. Extensive community involvement in the project will continue along with the implementation of an economic development and social development strategy for the area.

Dinokeng

In the Dinokeng project, the key focus for the coming year will be on reaching agreement with the private land owners for the expansion of the game park and on the PPP process for the design, construction and operation of key tourism facilities in the area. Expressions of interest for these facilities were issued by DACEL in the previous financial year. With the completion of the roads master plan, construction will commence in 2004.

5.1.3 Consumer Affairs

Consumer Affairs is planning to shorten the turnaround time of dealing with and disposing of cases from three months to two months. This will be linked to the introduction of a consumer case management system that will improve the tracking of cases. Cases which have not been resolved within two months will be referred to the Consumer Court, which is currently sitting on a weekly basis.

The Consumer Court has established itself, and with the many judgments in favor of the consumer in regards to unfair business practices, businesses are beginning to develop a more positive attitude towards consumers and fair trade. The Unit will target businesses as the major focus point in regards to consumer education in that businesses should be influenced to adhering to fair business practices.

The profile of the office and the Court will be highly marketed in the coming financial year through a series of adverts and publications in the media to increase awareness, e.g. advertisements in the Sowetan newspaper. The results of the newly launched consumer curriculum in schools will also be evaluated.

One of the main challenges for the Unit will be to carry out the inspectoral function, enforcing compliance to the Liquor Act on to the liquor traders. The department will appoint 42 inspectors to perform this function and intensive training of the inspectors will be conducted following appointment. The Unit is anticipating many prosecutions of non-conforming liquor traders.

5.1.4 Liquor Licensing

The new Liquor Act will be implemented as of April 2004, and in order to create awareness in regards to the new Liquor Act the Unit will run 60 workshops for the liquor traders. The Liquor Board will probably sit more often as tribunal to adjudicate over complaints that will be brought before it by various communities than as a licensing institution.

As a consequence of the new Act, the Unit will be faced with the challenge of processing applications from the unlicensed shebeens. It has been roughly estimated that there are around 20 000 unlicensed shebeens that now will have to conform to the law. To that end, the Unit will have to process around 20 000 liquor permit applications, which will allow the shebeens to operate during the process of applying for proper licenses. Approximately 60% (12 000) of the applicants are estimated to qualify to receive permits whilst the Board will consider their applications for liquor licenses. These 12 000 applicants will naturally have to be processed in terms of new applications starting end of September 2004. Furthermore, the unit will also have to process the existing 8000 licensees for renewal during the financial year 2004/2005.

5.2 Provincial Treasury

5.2.1 Budget Office

Over the next few years, government budget and performance reforms will focus on greater alignment of planning and budgeting processes through the synergy of policy, planning and budgetary cycles. Furthermore, monitoring and measuring service delivery progress and performance is also critical.

There is also a need to carry out research and investigate costing methodologies that can assist in the budget making processes for the province. This research will need to come up with the best costing methodology that can be implemented in departments on costing of services and activities, and therefore improve government decision-making in regards to the budgeting process. The research will feed into the tabling of the Provincial Medium Term Budget Policy Statement, which will outline provincial budget policies in line with the long-term plan for the province.

Treasury will continue to monitor and analyse government spending for purposes of fiscal discipline. Emphasis will be on ensuring that the province achieves the spending targets on both current spending and capital expenditure.

Regarding the maximisation of provincial own revenue, National Government has extended the fiscal framework for provinces through the introduction of the Provincial Tax Regulation Process Act, which allows provinces to generate more own revenue. There is therefore a need for the province to carry out research that will identify different taxes, which can be explored as further sources of own revenue, and to run scenarios on the potential impact on economic activity inside and outside the province.

5.2.2 Provincial Accountant General (PAG)

With the move to accrual accounting and implementation of GRAP, the preparation of consolidated annual financial statements will be a legal requirement as per the PFMA in 2004/2005. PAG also has to realise the achievement of an unqualified audit opinion on the consolidated financial statements for the province. The move towards interim financial statements in 2003/2004 is one of the building blocks that Provincial Treasury has begun to put in place in order to achieve this output.

A lot of emphasis will also be placed on ensuring that public entities comply with GRAP. This will ensure that upon consolidation of final accounts, all entities comply with the accounting standards and the legal framework.

5.2.3 Provincial Financial Management Reforms (PFMR)

The implementation of PFMA will still remain the area of focus for Provincial Treasury for the coming financial year. Emanating from the 2003/2004 reforms by National Treasury, is the introduction of the Municipal Management Finance Bill. Both the Municipal Management Finance Bill and the Municipal Systems Act, as amended, are both based on a common understanding of the role of provincial and national government in assisting and monitoring financial management processes in the local sphere of government. Some of the reforms, which have yet to be implemented, include multi-year budgeting, performance systems, modernisation of billing and revenue-collection systems, improvement of management systems, reduction of bureaucratic approval systems that impede investments and the Batho Pele principles. In this sense, provincial treasuries will be expected to oversee the implementation of the Municipal Management Finance Bill and Municipal Systems Act.

5.2.4 Public-Private Partnership (PPP)

The main two objectives of the PPP Unit for 2004/2005 are to finalise the GauTrain PPP and the Dinokeng Government Precinct PPP. The GauTrain PPP is ready for financial closure, whereas the Dinokeng Government Precinct PPP still is at first tier approval level and needs to be signed off by National Treasury in order to be finalised.

The Unit will furthermore explore opportunities for PPP's in the health sector. Two potential opportunities for PPP's are the equipping of the oncology unit at the Johannesburg General Hospital and the equipping of the New Pretoria Academic Hospital. Potentially, the redevelopment of the Chris Hani Barragwanath Hospital could also be structured into a PPP.

Lastly, the Unit will broadly explore other opportunities for PPP's and will put a lot of effort into developing an appropriate framework for PPP's going into the future.

5.3 Support Services

5.3.1 Financial Management

The challenge for 2004/2005 is to maintain an unqualified audit report, which was obtained in the previous year. There will be a focus on improving the budgeting process and the reporting structure, and there will be a drive to involve personnel and operational managers in generic financial controls so that PFMA can be driven as a collective rather than a unit.

Furthermore, the Unit will also work towards maintaining and improving the implemented internal controls, processes and procedures. Lastly, there will be a focus on increasing the portion of procurement spend by the DFEA that is allocated to SME and BEE development, which is in line with objectives and targets.

5.3.2 Communication Management

The 2004/2005 financial year begins with the third democratic election. The Communications Management Unit will continue to play a vital role in communicating the key priorities of the Gauteng Provincial Government (GPG) through the DFEA's mandate. The unit will aggressively market the leadership and services of the DFEA. The focus of the Unit for this financial year can be divided into external and internal communication.

Externally, the Communications Management Unit will focus on aggressive marketing of the DFEA's services. Three different media will be used to communicate the milestones, achievements and services of the DFEA, to different stakeholder groups. These media are the mass media channels, e.g. print, radio and electronic media, the stakeholder meetings and the website. While the mass media channels have the greatest impact with regards to number of persons reached, other initiatives to interact with the public are also required. Meetings will for example be held with specific stakeholders to ensure that messages are being targeted correctly. Road Shows will also be a key focus for the Consumer Affairs and Liquor Licensing directorates in terms of creating awareness of the new Liquor Act, which will be implemented in the financial year 2004/2005.

In terms of internal communications, the focus will be on strengthening the communications environment within the DFEA. A common understanding of the DFEA's goals and objectives needs to be achieved. The Communications Management Unit will also provide advise and render an efficient service to directorates with regards to corporate identity and branding, event management and publications to improve the uniformity and image of the DFEA.

5.3.3 Human Resource (HR) Management

In line with the Employment Equity Plan, HR Management will play a supportive role to the department in the implementation of the recruitment and retention strategies. Below are outlined some of the main focuses of HR Management during the financial year 2004/2005:

- Management will be developed towards competency based recruitment processes,
- Young talent will be attracted to the DFEA by way of learnerships, internships, career exhibitions as well as mentorship programs,
- The positive culture of the department will be continuously enhanced by way of managing performance and rewarding staff for good performance,
- Skills gaps will be closed by identifying individual training and development needs, and sending staff for relevant training as depicted in the amended workplace skills plan,
- Quality of work life will be enhanced through the EAP services,
- Employee relations will be maintained by focusing on health and safety, industrial relations, disability as well as gender issues.

5.3.4 Information Technology (IT) Management

A project to fill the information gap in the DFEA is underway. This project will highlight directorates IT needs and align these needs with the businesses of the directorates. The post of a Database Administrator has been approved and filled. Directorates can now approach the IT unit in order to have directorate specific databases created.

An upgrade of the LAN is intended. This will result in a more stable network and much faster access to network systems and shared network environments. A Document Management System, Live link, will also be implemented in the coming financial year. This will benefit the DFEA as well as the province with regards to the sharing of information.

6 RECEIPTS AND FINANCING

Table 1: Summary of Receipts - Department of Finance and Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-----------------------|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Equitable share | 297,344 | 653,704 | 952,880 | 1,654,261 | 1,472,234 | 1,461,436 | 1,547,658 | 1,944,855 | 2,264,541 |
| Conditional grants | 3,000 | 4,667 | 2,400 | | | | | | |
| Total receipts | 300,344 | 658,371 | 955,280 | 1,654,261 | 1,472,234 | 1,461,436 | 1,547,658 | 1,944,855 | 2,264,541 |

Table 2 : Departmental Receipts : Finance and Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Tax receipts | | | | | | | | | |
| Tax receipts | 296,414 | 298,750 | 319,939 | 332,772 | 332,772 | 363,921 | 346,084 | 356,464 | 367,158 |
| Non-tax receipts | 136,663 | 221,466 | 316,141 | 149,793 | 152,493 | 176,850 | 163,275 | 166,166 | 171,144 |
| Sale of goods and services other than capital assets | 59,796 | 27,701 | 30,010 | 1,035 | 4,965 | 4,989 | 1,129 | 1,230 | 1,267 |
| Fines, penalties and forfeits | | 5,133 | 5,418 | 5,327 | 5,257 | 5,257 | 5,806 | 6,329 | 6,519 |
| Interest, dividends and rent on land | 76,867 | 188,632 | 280,713 | 143,431 | 142,271 | 166,604 | 156,340 | 158,607 | 163,358 |
| Transfers received | | | | | | | | | |
| Sale of capital assets | | | | | | | | | |
| Financial transactions | | -25,078 | -13,793 | -16,639 | -16,639 | -16,639 | -17,304 | -17,823 | -18,358 |
| Total departmental receipts | 433,077 | 495,138 | 622,287 | 465,926 | 468,626 | 524,132 | 492,055 | 504,807 | 519,944 |

7 PAYMENT SUMMARY**7.1 Summary of Programme****Table 3 : Summary of Payments and Estimates : Finance and Economic Affairs**

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | Audited | Audited | Audited | | | | 2004/05 | 2005/06 | 2006/07 |
| | 2000/01 | 2001/02 | 2002/03 | 2003/04 | | | | | |
| 1. Management | 3,602 | 4,192 | 2,125 | 4,505 | 4,505 | 3,871 | 3,169 | 3,373 | 3,542 |
| 2. Support Services | 35,563 | 46,842 | 57,708 | 59,366 | 44,194 | 41,058 | 33,957 | 40,176 | 42,069 |
| 3. Provincial Treasury | 76,448 | 146,566 | 39,736 | 41,679 | 21,669 | 16,302 | 35,170 | 38,731 | 40,565 |
| 4. Economic Affairs (excl Blue IQ) | 31,965 | 42,617 | 75,174 | 77,347 | 92,347 | 90,575 | 102,165 | 98,749 | 102,654 |
| 5 .Blue IQ | 152,766 | 373,865 | 621,070 | 1,471,364 | 1,270,036 | 1,309,519 | 1,373,197 | 1,763,826 | 2,075,711 |
| 6. Corporate IT (Discontinued) | | | 159,329 | | | | | | |
| 7. Special Functions | | 44,289 | 138 | | | 111 | | | |
| Total Payments and Estimates | 300,344 | 658,371 | 955,280 | 1,654,261 | 1,432,751 | 1,461,436 | 1,547,658 | 1,944,855 | 2,264,541 |

1) MEC remuneration payable as from 1st April 2003: Salary; R445,404, Car allowance; R121,344

Table 4: Summary of Payments and Estimates : Finance and Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 134,666 | 344,861 | 433,658 | 178,078 | 140,667 | 147,467 | 126,043 | 118,954 | 115,779 |
| Compensation of employees | 33,526 | 46,448 | 53,172 | 54,215 | 33,522 | 34,296 | 43,575 | 42,195 | 42,140 |
| Goods and services | 96,346 | 248,138 | 372,815 | 117,823 | 101,105 | 107,323 | 75,928 | 69,859 | 66,559 |
| Interest and rent on land | 4,794 | 5,941 | 7,192 | 6,040 | 6,040 | 5,848 | 6,540 | 6,900 | 7,080 |
| Financial transactions in assets and liabilities | | 44,334 | 479 | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | 156,462 | 301,895 | 501,255 | 1,473,337 | 1,290,116 | 1,313,086 | 1,419,706 | 1,825,656 | 2,148,542 |
| Provinces and municipalities | 133,362 | 269,695 | 442,755 | 1,415,637 | 1,230,916 | 1,253,886 | 1,344,706 | 1,747,126 | 2,067,116 |
| Departmental agencies and accounts | 23,100 | 32,200 | 58,500 | 57,700 | 59,200 | 59,200 | 75,000 | 78,530 | 81,426 |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 9,216 | 11,615 | 20,367 | 2,846 | 1,968 | 883 | 909 | 245 | 220 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 9,216 | 11,615 | 20,367 | 2,846 | 1,968 | 883 | 909 | 245 | 220 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 300,344 | 658,371 | 955,280 | 1,654,261 | 1,432,751 | 1,461,436 | 1,547,658 | 1,944,855 | 2,264,541 |

7.2 Summary of Transfers

Table 5: Summary of Departmental Transfers to Public Entities

| R thousand | Outcome | | | Adjusted appropriation | Revised appropriation | estimate | Medium-term estimates | | |
|--|---------------|---------------|---------------|------------------------|-----------------------|---------------|-----------------------|---------------|---------------|
| | Audited | Audited | Main Audited | | | | 2004/05 | 2005/06 | 2006/07 |
| | 2000/01 | 2001/02 | 2002/03 | 2003/04 | | | | | |
| Gauteng Development Economic Agency | 3,800 | 3,900 | 28,900 | 28,900 | 28,900 | 28,900 | 31,000 | 32,550 | 33,852 |
| Gauteng Tourism Board | 13,300 | 28,300 | 28,800 | 28,800 | 28,800 | 28,800 | 32,000 | 33,600 | 34,944 |
| Gauteng Gambling Board | 6,000 | | | | | | | | |
| Gauteng Film Office | | | | | | | 3,000 | 3,200 | 3,400 |
| Gauteng Manufacturing Advisory Centre | | | | | | | 9,000 | 9,180 | 9,230 |
| Total Departmental Transfers to Public Entities | 23,100 | 32,200 | 57,700 | 57,700 | 57,700 | 57,700 | 75,000 | 78,530 | 81,426 |

Table 6 : Summary of Departmental Transfers to Local Government

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | Audited | Audited | Audited | | | | 2004/05 | 2005/06 | 2006/07 |
| | 2000/01 | 2001/02 | 2002/03 | 2003/04 | | | | | |
| Transfers to local government | 29,750 | 11,280 | 108 | 24,900 | 28,553 | 14,955 | | | |
| Transfers to local government agencies | 61,060 | 168,507 | 141,162 | 256,863 | 304,917 | 305,979 | 308,592 | 23,508 | |
| Transfers to provincial entities | 2,280 | 29,406 | 84,322 | 277,835 | 319,934 | 244,738 | 185,864 | 53,289 | 37,116 |
| Transfers to provincial public entities | 35,692 | 21,630 | 184,524 | 174,489 | 407,655 | 397,983 | 148,316 | 30,329 | 10,000 |
| Other capital transfers | 4,580 | 38,872 | 32,639 | 681,550 | 169,857 | 302,949 | 701,934 | 1,640,000 | 2,020,000 |
| Total Departmental Transfers to Local Government | 133,362 | 269,695 | 442,755 | 1,415,637 | 1,230,916 | 1,266,604 | 1,344,706 | 1,747,126 | 2,067,116 |

8 PROGRAMME OUTPUTS, BUDGETS AND INPUTS

8.1 Programme 1 – Management

Strategic Objectives

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

Table 7: Summary of Payments and Estimates: Programme 1. Management

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Sub-programme | | | | | | | | | |
| MEC F&EA | 903 | 605 | 640 | 786 | 786 | 716 | 857 | 934 | 981 |
| MEC office | 802 | 1,739 | | | | | | | |
| HOD office | 1,897 | 1,848 | 1,485 | 3,719 | 3,719 | 3,155 | 2,312 | 2,439 | 2,561 |
| Total Payments and Estimates | 3,602 | 4,192 | 2,125 | 4,505 | 4,505 | 3,871 | 3,169 | 3,373 | 3,542 |

Table 8: Summary of Provincial Payments and Estimates by Economic Classification: Programme 1. Management

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 3,532 | 4,117 | 2,065 | 4,405 | 4,405 | 3,809 | 2,748 | 5,789 | 6,079 |
| Compensation of employees | 2,320 | 2,809 | 1,738 | 1,781 | 1,781 | 2,192 | 1,857 | 2,117 | 2,223 |
| Goods and services | 1,212 | 1,308 | 327 | 2,624 | 2,624 | 1,617 | 1,272 | 1,236 | 1,299 |
| Interest and rent on land | | | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 70 | 75 | 60 | 100 | 100 | 62 | 40 | 20 | 20 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 70 | 75 | 60 | 100 | 100 | 62 | 40 | 20 | 20 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 3,602 | 4,192 | 2,125 | 4,505 | 4,505 | 3,871 | 3,169 | 3,373 | 3,542 |

**8 Programme 2 –Support Services
Financial Management**

Table 9 Objectives and Outputs Financial Management

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|---|--|---|----------------|-------|-------|-------|---|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To provide effective financial management and internal control systems | Maintain unqualified audit status | Unqualified audit status | 100% | 100% | 100% | 100% | Audit Report |
| | Effective planning, budgeting and implementation | % variance between projected expenditures, cash draw downs and actual expenditure | 5% | 5% | 5% | 5% | BAS reports Budget reports Managers reports |
| To use procurement as a mechanism to facilitate SME and BEE development | Maximize value of procurement from SME companies (excluding Blue IQ) | % value from SME companies | 58% | 65% | 70% | 70% | SAP procurement reports |
| | Maximize value of procurement from BEE companies (excluding Blue IQ) | % value from BEE companies | 60% | 70% | 75% | 75% | SAP procurement reports |

Communications Management

Table 10. Objectives and Outputs for Communications Management

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|---|--|---------------------------|----------------|------------|------------|------------|-----------------------------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To increase public awareness of DFEA's services, strategic priorities, achievements and challenges | Print - Increase number of persons reached | Number of persons reached | 15 000 000 | 17 797 000 | 19 576 700 | 21 534 370 | Campaign report |
| | Television - Increase number of persons reached | Number of persons reached | 16 000 000 | 19 425 000 | 20 396 000 | 21 415 000 | Campaign report |
| | Radio - Increase number of persons reached | Number of persons reached | 18 000 000 | 21 447 534 | 23 592 287 | 25 951 516 | Campaign report |
| | Internet - Increase number of hits at internet and intranet sites | Number of hits | | 5000 | 6000 | 8000 | Counter on website |
| | Communication with Stakeholders - Increase number of stakeholders with whom communications takes place | Number of stakeholders | 150 000 | 157 500 | 200 000 | 250 000 | Reports from stakeholder meetings |
| | Maximize effectiveness of the communications strategy* | % effectiveness | N/A | N/A | N/A | N/A | External survey |
| To improve internal communications and the alignment of the DFEA's communications to GPG priorities | To inform staff of Departmental objectives, goals and achievements | Staff awareness | 70% | 80% | 90% | 95% | Internal survey |
| | To provide an effective and efficient support service | Customer satisfaction | 80% | 90% | 95% | 100% | Internal survey |

* No target can be set since there is no baseline. The first baseline value will only be available once the first survey has been carried out

HR Management

Table 11. Objectives and Outputs for HR Management

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|---|---|----------------|-------|-------|-------|-----------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To ensure that the DFEA is adequately resourced in line with the DFEA's Employment Equity plan | Close skills gap | % skills gap | 50% | 0% | 0% | 0% | Internal Data |
| | Maintain a staff turnover level at 5 % p.a. | % staff turnover | 20% | 5% | 5% | 5% | Internal Data |
| | Minimize number of vacancies. | % vacancies compared to total number of positions | 30% | 10% | 10% | 10% | Internal Data |
| To ensure a conducive culture and work ethic within the DFEA | Ensure that the staff morale is high | % staff morale. | 80% | 90% | 90% | 90% | Internal survey |
| | Ensure that the Department embraces the Batho Pele Principles as they appear in the value statement | % compliance | 60% | 80% | 90% | 90% | Internal survey |

Information Technology Management

Table 12. Objectives and Outputs for IT Management

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|---|---|--|----------------|-------|-------|-------|-----------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To ensure an enabling work environment at the DFEA from an IT perspective | Ensure that the direct business needs of the directorates are being met. | % level of satisfaction. | 75% | 95% | 95% | 95% | Internal survey |
| | Implementation of systems and databases that meet the directorates' specific needs. | % level of satisfaction | 50% | 90% | 90% | 90% | Internal survey |
| | Ensure average desktop response time of 8 hours (SLA) | % responses equal to or lower than 8 hours | 100% | 100% | 100% | 100% | Heat reports |
| | Ensure 82% uptime on LAN monthly | % uptime on LAN | 100% | 100% | 100% | 100% | Internal survey |

Table 13: Summary of Payments and Estimates: Programme 2. Support Services

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Sub-programme | | | | | | | | | |
| Financial Management | | 10,614 | 8,273 | 8,252 | 8,252 | 6,966 | 7,292 | 7,707 | 8,420 |
| Facilities Management (part of Fin. Mgt.) | 14,640 | 10,191 | 11,013 | 12,825 | 12,825 | 13,801 | 10,563 | 11,732 | 12,193 |
| Communications Management | 986 | 2,880 | 3,878 | 4,824 | 4,824 | 3,333 | 3,240 | 3,649 | 3,983 |
| Human Resources Management | 696 | 1,775 | 2,293 | 5,010 | 5,565 | 4,057 | 3,864 | 4,133 | 4,219 |
| IT Management | | 437 | 1,107 | 3,239 | 6,140 | 4,989 | 4,120 | 6,510 | 6,337 |
| MEC Office | | | 2,969 | 3,735 | 3,735 | 3,420 | 4,878 | 6,445 | 6,917 |
| Financial Administration | 19,241 | 20,945 | 28,175 | 21,481 | 2,853 | 4,492 | | | |
| Total Payments and Estimates | 35,563 | 46,842 | 57,708 | 59,366 | 44,194 | 41,058 | 33,957 | 40,176 | 42,069 |

Table 14: Summary of Provincial Payments and Estimates by Economic Classification: Programme 2. Support Services

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 33,339 | 46,008 | 55,537 | 57,682 | 43,040 | 40,478 | 33,761 | 40,074 | 41,965 |
| Compensation of employees | 15,099 | 23,352 | 30,238 | 31,682 | 13,260 | 13,652 | 12,405 | 13,881 | 14,584 |
| Goods and services | 13,594 | 18,086 | 20,093 | 20,000 | 23,780 | 21,024 | 14,816 | 19,293 | 20,301 |
| Interest and rent on land | 4,646 | 4,613 | 5,206 | 6,000 | 6,000 | 5,802 | 6,540 | 6,900 | 7,080 |
| Financial transactions in assets and liabilities | | | | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 2,224 | 791 | 1,830 | 1,684 | 1,154 | 580 | 196 | 102 | 104 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 2,224 | 791 | 1,830 | 1,684 | 1,154 | 580 | 196 | 102 | 104 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 35,563 | 46,842 | 57,367 | 59,366 | 44,194 | 41,058 | 33,957 | 40,176 | 42,069 |

8 Programme 3- Provincial Treasury Budget Office

Table 15. Objectives and Outputs for Budget Office

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|---|------------------------|----------------|-------|-------|-------|------------------------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| Efficient allocation and effective utilization of provincial resources | Improve the ratio of current expenditure to budgeted current expenditure. | % ratio | 95% | 98% | 98% | 98% | Audited Financial Statements |
| | Improve the ratio of capital expenditure to budgeted capital expenditure. | % ratio | 85% | 90% | 95% | 95% | Audited Financial Statements |
| | Increase Provincial own revenue | % ratio increase | -1 | 5 | 7 | 7 | Audited Financial Statements |

Provincial Accountant General

Table 16. Objectives and Outputs for PAG

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|---|------------------------|----------------|----------|----------|----------|----------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| Compilation of Consolidated Financial Statements for GPG | Unqualified Consolidated Annual Financial Statements in accordance with GRAP. | Unqualified status | N/A | 100% | 100% | 100% | PFMA & GRAP |
| | Submit Consolidated Annual Financial Statements within 6 months from year end | Timeliness | 6 months | 6 months | 6 months | 6 months | PFMA |
| Optimize cash flow management within GPG | Minimize variance between funds requested and actual expenditure | % variance | 5% max | 5% max | 5% max | 5% max | |
| | Minimize variance between cash flow projections and actual expenditure | % variance | 5%max | 5% max | 5% max | 5% max | |

Provincial Financial Management Reforms

Table 17. Objectives and Outputs for PFMR

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|---|---|------------------------|----------------|---------|---------|---------|----------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| Guide the implementation of good financial management reforms in GPG and local government | Ensure unqualified audit status within the Departments | Unqualified status | 13 | 13 | 13 | 13 | PFMA |
| | Ensure PFMA quarterly reporting to legislature within legislated time frame | Timeliness | 40 days | 40 days | 40 days | 40 days | PFMA |

Public Private Partnership

Table 18. Objectives and Outputs for PPP

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|--|------------------------|----------------|-------|-------|-------|-------------------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| Increase the value of the GPG's operations carried out through PPP's | Increased savings through PPP's | Rand value | 65% | 70% | 80% | 85% | PPP feasibility studies |
| | Increased incremental service delivery through PPP's | Incremental rand value | 65% | 70% | 80% | 85% | PPP feasibility studies |

Table 19: Summary of Payments and Estimates: Programme 3 Provincial Treasury

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Sub-programme | | | | | | | | | |
| Treasury | | | | | | | | | |
| management office | | | 267 | | | | 1,480 | 1,561 | 1,639 |
| Budget Office | 2,753 | 3,256 | 4,270 | 5,361 | 7,361 | 5,739 | 7,825 | 9,882 | 10,276 |
| Finance and | | | | | | | | | |
| Cash Management | | | | | | | | | |
| (PAG,PFMR & PPP) | 11,386 | 37,969 | 30,663 | 30,156 | 10,255 | 8,077 | 25,865 | 27,288 | 28,650 |
| Procurement | 5,112 | 7,008 | 4,550 | 6,162 | 4,053 | 2,486 | | | |
| Informatics | | 98,332 | -14 | | | | | | |
| Gauteng shared services centre | 57,197 | 1 | | | | | | | |
| Total Payments and Estimates | 76,448 | 146,566 | 39,736 | 41,679 | 21,669 | 16,302 | 35,170 | 38,731 | 40,565 |

Table 20: Summary of Provincial Payments and Estimates by Economic Classification: Programme 3 Provincial Treasury

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 70,379 | 136,129 | 38,932 | 41,260 | 21,250 | 16,274 | 35,117 | 38,677 | 40,509 |
| Compensation of employees | 11,435 | 13,126 | 8,157 | 9,005 | 8,604 | 8,926 | 11,128 | 11,741 | 12,329 |
| Goods and services | 58,944 | 121,973 | 30,775 | 32,255 | 12,646 | 7,348 | 23,989 | 26,936 | 28,180 |
| Interest and rent on land | | 1,030 | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 6,069 | 10,437 | 804 | 419 | 419 | 28 | 53 | 54 | 56 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 6,069 | 10,437 | 804 | 419 | 419 | 28 | 53 | 54 | 56 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 76,448 | 146,566 | 39,736 | 41,679 | 21,669 | 16,302 | 35,170 | 38,731 | 40,565 |

**8 Programme 4- Economic Affairs (excl Blue IQ)
EPPR**

Table 21. Objectives and Outputs for EPPR

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|---|---|-----------------------------------|----------------|-------------|-------------|--------------|------------------------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To grow the Provincial Economy | Increased investment | Value of investment | 1.85 Billion | 1.9 Billion | 1.9 Billion | 2.25 Billion | GEDA, GFO and TISA |
| | Increased job creation | Number of new jobs created | 7,100 | 9,600 | 10,400 | 11,000 | |
| To change the composition of the Provincial Economy | Increased SME participation in the Provincial procurement | % value of total procurement | 25% | 30% | 35% | 40% | GSSC and Government agencies |
| | Increased BEE participation in the Provincial procurement | % value of total procurement | 40% | 45% | 50% | 55% | GSSC and Government agencies |
| | Increased skills development in the Province | Number of persons in learnerships | 20% | 25% | 30% | 40% | SETAs |
| | Increased contribution of the tertiary sector to the Provincial Economy | % contribution to GDP | 65% | 68% | 70% | 71% | Statistics SA |

Consumer Affairs

Table 22. Objectives and Outputs for Consumer Affairs

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|--|---|----------------|---------|---------|-------------------|--|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To increase the level of consumer protection | Resolve consumer complaints within 90 days thru mediation and negotiation | % complaints resolved within time frame | 88% | 90% | 93% | 95% | Monthly case & evaluation report & stats |
| | Resolve consumer complaints within 21 days thru the Consumer Protector and arbitration in the Consumer Affairs Court | % complaints resolved within time frame | 100% | 100% | 100% | 100% | Annual report submitted to standing committee |
| | Improve consumer awareness through awareness programmes | Number of consumers reached | 2.3mil | 3mil | 4.5mil | 5.3mil | Radio listener ship survey & newspaper readership survey |
| | | % level of effectiveness of programmes | 20% | 30% | 40% | 60% | Biannual (once every two years) survey results |
| | Improve consumer education | Consumer education introduced as part of curriculum | | Grade 7 | Grade 9 | Grade 10, 11 & 12 | Educator's report & report from GDE |

Liquor Licensing

Table 23. Objectives and Outputs for Liquor Licensing

| Strategic Objectives | Measurable Objectives | Performance Indicators | Output Targets | | | | Source of data |
|--|---|--|----------------|-------|-------|-------|---------------------------|
| | | | 03/04 | 04/05 | 05/06 | 06/07 | |
| To regulate the Liquor Retail and Micro Manufacturing industries | Process all liquor license renewal applications within 90 days of payment for renewal application | % of applications processed within the target time frame | 100% | 100% | 100% | 100% | Monthly management report |
| | Process all liquor permit applications before end of September 2004 | % of applications processed within the target time frame | 100% | 100% | 100% | 100% | Monthly management report |
| | Process all new liquor license applications within 90 days of receipt of application | % of applications processed within the target time frame | 100% | 100% | 100% | 100% | Monthly management report |
| | Conduct awareness and education campaigns to the license holders | % level of success in awareness and education campaigns | | 60% | 80% | 100% | Survey |

Table 24 : Summary of Payments and Estimates: Programme 4. Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Sub-programme | | | | | | | | | |
| Economic Policy, | | | | | | | | | |
| Planning and Research | 24,424 | 37,459 | 66,367 | 66,294 | 66,294 | 64,704 | 84,007 | 87,921 | 91,530 |
| Consumer Affairs | 7,541 | 5,158 | 8,807 | 11,053 | 11,053 | 10,871 | 10,158 | 10,828 | 11,124 |
| Liquor Licensing | | | | | 15,000 | 15,000 | 8,000 | | |
| Total Payments and Estimates | 31,965 | 42,617 | 75,174 | 77,347 | 92,347 | 90,575 | 102,165 | 98,749 | 102,654 |

Table 25: Summary of Provincial Payments and Estimates by Economic Classification: Programme 4. Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 8,235 | 10,199 | 16,140 | 19,352 | 34,352 | 32,674 | 26,645 | 20,200 | 21,208 |
| Compensation | | | | | | | | | |
| of employees | 4,672 | 5,339 | 6,707 | 8,287 | 7,087 | 6,954 | 14,885 | 10,956 | 11,504 |
| Goods and services | 3,415 | 4,560 | 9,401 | 11,025 | 27,225 | 25,680 | 11,760 | 9,244 | 9,704 |
| Interest and rent | | | | | | | | | |
| on land | 148 | 298 | 32 | 40 | 40 | 40 | | | |
| Financial transactions | | | | | | | | | |
| in assets and liabilities | | 2 | | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | 23,100 | 32,200 | 58,500 | 57,700 | 57,700 | 57,700 | 75,000 | 78,530 | 81,426 |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | 23,100 | 32,200 | 58,500 | 57,700 | 57,700 | 57,700 | 75,000 | 78,530 | 81,426 |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 630 | 218 | 534 | 295 | 295 | 201 | 520 | 19 | 20 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 630 | 218 | 534 | 295 | 295 | 201 | 520 | 19 | 20 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 31,965 | 42,617 | 75,174 | 77,347 | 92,347 | 90,575 | 102,165 | 98,749 | 102,654 |

8 Programme 5.-Blue IQ**Blue IQ****Table 26: Summary of Payments and Estimates: Programme 5. Blue IQ**

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Sub-programme | | | | | | | | | |
| Blue IQ management | 19,404 | 3,479 | 4,100 | 4,008 | 3,016 | 2,880 | 3,500 | 3,650 | 1,570 |
| Communication & public relations | | 28,041 | 38,938 | 43,719 | 28,908 | 32,638 | 18,991 | 9,050 | 4,525 |
| Professional advisory services | | 17,889 | 10,585 | 8,000 | 7,196 | 7,397 | 6,000 | 4,000 | 2,500 |
| Projects | 133,362 | 324,456 | 567,446 | 1,415,637 | 1,230,916 | 1,266,604 | 1,344,706 | 1,747,126 | 2,067,116 |
| Total Payments and Estimates | 152,766 | 373,865 | 621,069 | 1,471,364 | 1,270,036 | 1,309,519 | 1,373,197 | 1,763,826 | 2,075,711 |

Table 27: Summary of Provincial Payments and Estimates by Economic Classification: Programme 5. Blue IQ

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|-----------------|-----------------|--------------------|------------------------|------------------|-----------------------|-------------------|-------------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| Current payments | 19,181 | 104,076 | 178,294 | 55,379 | 39,120 | 55,621 | 28,391 | 16,650 | 8,575 |
| Compensation of employees | | 1,822 | 3,366 | 3,460 | 2,790 | 2,572 | 3,300 | 3,500 | 1,500 |
| Goods and services | 19,181 | 102,254 | 174,928 | 51,919 | 36,330 | 53,049 | 25,091 | 13,150 | 7,075 |
| Interest and rent on land | | | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | | | |
| Unauthorised expenditure | | | | | | | | | |
| Transfers and subsidies to: | 133,362 | 269,695 | 442,754 | 1,415,637 | 1,230,916 | 1,253,886 | 1,344,706* | 1,747,126* | 2,067,116* |
| Provinces and municipalities | 133,362 | 269,695 | 442,754 | 1,415,637 | 1,230,916 | 1,253,886 | 1,344,706* | 1,747,126* | 2,067,116* |
| Departmental agencies and accounts | | | | | | | | | |
| Universities and technikons | | | | | | | | | |
| Public corporations and private enterprises | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | |
| Non-profit institutions | | | | | | | | | |
| Households | | | | | | | | | |
| Payments for capital assets | 223 | 94 | 21 | 348 | | 12 | 100 | 50 | 20 |
| Buildings and other fixed structures | | | | | | | | | |
| Machinery and equipment | 223 | 94 | 21 | 348 | | 12 | 100 | 50 | 20 |
| Cultivated assets | | | | | | | | | |
| Software and other intangible assets | | | | | | | | | |
| Land and subsoil assets | | | | | | | | | |
| Total Economic Classification | 152,766 | 373,865 | 621,069 | 1,471,364 | 1,270,036 | 1,309,519 | 1,373,197 | 1,763,826 | 2,075,711 |

*Transfers and subsidies to provinces and municipalities during 2004/05 to 2006/07 represent the transfers to agencies, provincial entities, provincial public entities and other capital transfers. There are no transfers to municipalities

9.1 PERSONNEL

Table 28: Personnel numbers and costs¹: Finance and Economic Affairs

| Personnel numbers | As at 31 March 2000 | As at 31 March 2001 | As at 31 March 2002 | As at 31 March 2003 | As at 31 March 2004 | As at 31 March 2005 |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 1.Management | | 5 | 10 | 10 | 8 | 9 |
| 2.Support Services | | 221 | 221 | 220 | 48 | 74 |
| 3.Provincial Treasury | | 53 | 53 | 50 | 16 | 33 |
| 4.Economic Affairs | | 35 | 48 | 48 | 82 | 152 |
| 5.Blue IQ | | 5 | 6 | 9 | 9 | 10 |
| Total personnel numbers: | | | | | | |
| Finance and Economic Affairs | | 319 | 338 | 337 | 163 | 278 |
| Total personnel cost | | | | | | |
| (R thousand) | | 33,526 | 46,448 | 53,172 | 43,575 | 42,195 |
| Unit cost (R thousand) | | 105 | 137 | 158 | 267 | 152 |

1) Full-time equivalent

9.2 TRAINING

Table 29: Expenditure on Training Finance and Economic Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|--------------------|--------------------|--------------------|-----------------------|---------------------------|---------------------|-----------------------|--------------|--------------|
| | Audited 2000/01 | Audited 2001/02 | Audited 2002/03 | | | | 2003/04 | 2004/05 | 2005/06 |
| 1. Management | | 190 | 67 | 98 | | 98 | 50 | 55 | 56 |
| 2. Economic Affairs (excl Blue IQ) | | 460 | 409 | 378 | | 378 | 460 | 485 | 509 |
| 2.1 Blue IQ | | 101 | 31 | 27 | | 27 | 100 | 106 | 111 |
| 3. Provincial Treasury | | 1,066 | 659 | 205 | | 205 | 945 | 997 | 1,047 |
| 4. Support Services | | 321 | 2,200 | 985 | | 985 | 401 | 423 | 444 |
| 5. Corporate IT (Discontinued) | | | 396 | | | | | | |
| Total Expenditure on training | | 2,138 | 3,762 | 1,693 | | 1,693 | 1,956 | 2,066 | 2,167 |

I ABBREVIATIONS

| | | | |
|--------|---|---------|--|
| ACSA | Airports Company South Africa | HR | Human Resources |
| AIDC | Automotive Industry Development Centre | IT | Information Technology |
| ASB | Accounting Standards Board | JIA IDZ | Johannesburg International Airport Industrial Development Zone |
| ASP | Automotive Supplier Park | LAN | Local Area Network |
| BAS | Basic Accounting System | MEC | Member of Executive Council |
| BEE | Black Economic Empowerment | MERSETA | SETA for Manufacturing, Engineering and Related services |
| BIQ | Blue IQ | MICE | Meetings, Incentives, Conferences and Exhibitions |
| CH | Constitution Hill | MTEF | Medium Term Expenditure Framework |
| CIO | Chief Information Officer | OEM | Original Equipment Manufacturer |
| COH | Cradle of Humankind | PAG | Provincial Accountant General |
| CPIX | Consumer Price Index | PDI | Previously Disadvantaged Individual |
| CSIR | Council for Scientific and Industrial Research | PFMA | Public Finance Management Act |
| DACEL | Department of Agriculture, Conservation, Environment and Land Affairs | PFMR | Provincial Financial Management Reforms |
| DFA | Department Facilities Act | PPP | Public Private Partnership |
| DFEA | Department of Finance and Economic Affairs | PPPFA | Preferential Procurement Policy Framework |
| EIA | Environmental Impact Assessment | PSETA | Public Service Sector Education and Training Authority |
| EPPR | Economic Policy, Planning and Research | SAHRA | South African Heritage Reservation Agency |
| GAUMAC | Gauteng Manufacturing Advisory Centre | SARCC | South African Rail Commuter Corporation |
| GDPR | Gross Domestic Product Per Region | SETA | Sector Education and Training Authority |
| GEDA | Gauteng Economic Development Agency | SITA | State Information Technology Agency |
| GFO | Gauteng Film Office | SLA | Service Level Agreement |
| GGB | Gauteng Gambling Board | SME | Small Medium Enterprise |
| GGP | Gross Geographical Product | SPV | Special Purpose Vehicle |
| GPG | Gauteng Provincial Government | TIS | Trade and Industry Strategy |
| GRAP | Generally Recognised Accounting Practice | WAIC | Wadeville-Alrode Industrial Corridor |
| GSSC | Gauteng Shared Services Centre | WHS | World Heritage Site |
| GTA | Gauteng Tourism Agency | WTO | World Trade Organization |
| HDI | Historically Disadvantaged Individual | | |

