

VOTE 3: FINANCE AND ECONOMIC AFFAIRS

To be appropriated:	R 1 685 396 000
Responsible MEC:	MEC for Finance and Economic Affairs
Administering Department:	Department of Finance and Economic Affairs
Accounting Officer:	Head of the Department

1. OVERVIEW

Vision

To become a centre of excellence providing economic policy direction, development facilitation, financial management leadership and contributing to a conducive environment for labour absorbing economic growth and poverty reduction in Gauteng.

Mission

We will strive to provide a level of service that is ethical, consultative and people-focused by fostering:

- Increased trade, investment and tourism
- Investment in strategic economic infrastructure that boosts the competitive advantages of key sectors of the economy
- Contributing to an ethical business environment
- Sound public finances
- Broad Based Black Economic Empowerment
- Small Medium and Micro Enterprise development
- Development and Urban regeneration
- Facilitation of Job creation

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.

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 legislations:

- 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 out 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
- Municipality Systems Act (2000) and Development Facilitation Act (1995) support and monitor of municipal IDP processes
- Preferential Procurement Policy Framework Act (2000), providing a framework for implementation preferential procurement policy
- Municipal Finance Management Act (2004)
- Division of Revenue Act
- Gauteng Planning and Development Act, 2003
- Development Facilitation Act, 1995
- Town planning and Townships Ordinance, 1986

Furthermore, the mandate is also derived from a number of provincial legislations, 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 (1995, 1996, 2001), regulating gambling in the province
- The Liquor Act (2003), regulating the control over the sale and supply of liquor in the province.
- Gauteng planning and Development Act (2003), develop plan and advice to guide planning and development in the Province
- Blue IQ Investment Holding Act (2003), to formalize the government shareholdings
- Townships ordinance (1996) and Development facilitation Act (1995) give support to statutory bodies and drive the implementation of the GDPA
- Less Formal Township Establishment Act (1988), advice the MEC as the planning authority on specific applications

In addition, the following bodies of 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

Core functions

Provincial Treasury is responsible for the financial management of the province in terms of the preparation, implementation and monitoring of the provincial budget, enhancing sound cash management, accounting practices, policies and systems and banking services, the effective management of provincial assets and liabilities as well as the implementation of financial reforms in departments.

Economic and Development Planning consists of the Economic Planning Unit whose core function is to develop economic policies for the province that will result in sustained levels of economic growth, job creation, development of human capital and an improved quality of life for all; these policies are implemented by provincial agencies. The role of the Development Planning Unit is to promote and coordinate integrated development planning that will lead compact cities with appropriate facilities. The following divisions comprise the development planning unit:

- Spatial Planning
- Integrated development and Planning
- Local Economic Development (LED)
- Development and Planning

The Governance programme is designed to contribute to the growth of the Gauteng economy through investment facilitation, ensuring that consumers receive protection in terms of the law, regulating the Liquor Retail and Micro Manufacturing Industries while increasing public awareness of departmental services, achievements and challenges. Blue IQ Investment Holding (Pty) Ltd is included in this programme and is tasked with the provision of strategic economic infrastructure, which will support the transformation of the Gauteng Provincial economy in line with the province's competitive and comparative advantages and global economic trends.

Special Projects implemented by DFEA includes:

- Gautrain Rapid Rail Link Project to stimulate investment in the economic triangle between Tshwane, JIA and Johannesburg, which has the highest economic growth area in the country
- GPG Precinct to stimulate the re-development of the Johannesburg CBD which in turn will lead to job creation and economic activity in the inner city

Non Core functions

Corporate Support Services provide efficient and effective support to the core functions by creating a conducive environment for the department to operate within.

Financial Management unit is tasked with the management of the internal processes and procedures of the DFEA, such as budgeting, internal controls and financial risk management, procurement and management accounting.

2. REVIEW OF THE FINANCIAL YEAR 2004/05

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.

Corporate Support Services

Information Technology (IT) Management: The DFEA IT Management Unit has upgraded the LAN from 10 MB to 100 MB. Due to the upgrade, the network is more stable and access to network systems is much faster. The infrastructure is now able to support the Document Management System, a project being run by the Office of the CFO. The development of the Liquor and Consumer Affairs system is complete. Implementation of these systems is scheduled for the 01 November 2004. The IT strategic project to determine the information gap in DFEA has been completed.

Human Resources (HR) Management: The development of the Employment Equity Plan which was formally launched in January 2004 has stood DFEA in good stead with Department of Labour. Competency based recruitment procedures are being followed and transparency is continuously assured. A plan to bring learnerships on board is slowly unfolding; fifteen areas to accommodate learnerships have been identified, and three have already been placed in IT. There is still a need to further entrench the culture of managing performance and rewarding good performance. DFEA will mark history in that the employees will for the first time, receive performance-based bonuses. DFEA has officially approved ICAS as a service provider for Employee Wellness Programs. Labour Relations issues are dealt with more efficiently with the assistance of the Gauteng Shared Service Centre.

Provincial Treasury

Budget Office: The actual spending of 24 per cent for the first quarter by the province is within the norm and it was expected that spending would significantly increase in the second quarter of the financial year. Quarterly meetings were held with Chief Financial Officers to discuss and deliberate on the spending trend and projections for the first quarter report at the beginning of August 2004. The spending on capital for the first quarter of the financial year was generally low. Some of the reasons cited by the departments include amongst others the misclassification of actual spending, delays in the submission of claims and the appointment of the successful bidder for Gautrain which will only take place within the last quarter of 2004/05. The trend of revenue collection shows that if departments maintained or exceeded the current rate of collection it would be likely that more than the set target will be achieved. Spending at the end of the third quarter showed significant improvements.

Some work will be done during 2004/05 on costing methodology for the province. We will pilot one department (Sports) and then roll out to other departments in phases in the next MTEF period. The other projects which include Provincial Medium Term Budget Policy Statement and research on provincial tax will be key projects to be implemented in 2005/06.

Provincial Accountant General (PAG): The consolidated annual financial statements were submitted to the Auditor General's Office at the end of October due to resubmissions of certain departments' annual financial statements to the AG. This meant that their audit reports were only signed towards the end of August. As a result the outcome of the consolidated annual financial statements will only be known in January 2005. The interim financial statements were not prepared this year due to the fact that National Treasury will only be introducing and providing training on new formats for 2004/05 in November 2004.

Provincial Financial Management Reforms (PFMR): The unit incorporates the PFMA implementation division and the MFMA implementation which is a new and additional mandate of the Provincial Treasury. The PFMA implementation division has continued to carry out its functions of guiding and leading the financial management reforms in the Provincial Government. The newly formed MFMA division on the other hand, is in the process of being established and resourced in terms of capacity. It is expected that the unit will operate as it should, in terms of the MFMA, during financial year 2005/06.

Economic and Development Planning

The MEC appointed the Steering committee to look at the establishment of the SMME Agency that will provide both financial and non-financial support to the SMMEs. The committee has started their fact-finding process.

The Gauteng Growth and Development Strategy (GGDS) is being completed. Building on the vision 2014, as well as other Provincial policies, the GGDS will guide the achievement of the objectives of the Gauteng Provincial government over the next ten years. Currently focus group consultations are being held with key sectors in Gauteng on the GGDS. A high-level development plan for the SMME Portal has been formulated. The 1st phase has been loaded on the website by the GSSC.

A draft BEE Procurement Policy Framework has been completed and is under scrutiny by the leading departments. This policy document recognizes the role of government and has an intention of leveraging the provincial procurement budget to support the economic policy objectives of broad-based economic empowerment and small enterprise development. A position paper on cooperatives has been developed. The purpose of this paper is to take the policy making process on cooperatives forward, and to position our province to carry out the DFEA's mandate on cooperatives development.

Trade and industrial Strategy (TIS) Implementation Plan: Economic Policy Planning and Research (EPPR) has been in the process of developing the TIS 2003 implementation plan. The draft final plan that was expected to be tabled at the first Budget Lekgotla is complete and ready for internal circulation and comments. This process is on hold until the PGDS has been developed.

Provincial Growth and Development Strategy (PGDS): Since the Premier's pronouncement that the PGDS should be in place by September 2004, two programmes within DFEA responsible for economic development and development planning have met to map the way forward. A steering committee that will begin the process of merging the TIS, Spatial development Planning and Local Economic Development (LED) have been established.

Governance

Departmental Agencies

Gauteng Economic Development Agency (GEDA) – the agency facilitated investment projects to the value of R1,5 billion. A total of 3,500 jobs were created as a result of this.

Gauteng Tourism Agency (GTA) – the increase in the number of tourists visiting the province reached three 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, Sports tourism, tourism balance scorecard and finance SML.

Gauteng Gambling Board (GGB) - An amount of R375 million was budgeted for in the financial year 2004/05 and six months into the current year the Board has collected R217 million which is 58 per cent of the anticipated collection. The Board has received the Socio-economic Impact Study of gambling in Gauteng and has presented its recommendations on the policy considerations emanating from the findings of the study to the MEC of Finance and Economic Affairs.

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 per cent 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 R350 million in the province. A Board of Directors has also been established for the GFO.

Blue IQ Investment Holdings (Pty) Ltd: Blue IQ Investment Holdings (Pty) Ltd undertakes its roles and responsibilities in line with its mandate received from the department. The main strategic objective of Blue IQ Investment Holdings is to contribute to the growth of the GPG economy through investment facilitation. The growth in the economy will lead to new jobs being created, which also is a key objective of the programme. The first phase of Blue IQ Investment Holdings which involved the delivering of the 11 strategic projects is nearing completion. The 2004/05 financial year will move Blue IQ into Phase 2 - commercialisation which will enable the Gauteng Government to define its disengagement strategy. By the end of 2003 Blue IQ moved from being a departmental programme to a provincial public entity- Blue IQ Investment Holdings (Pty) Ltd. However, some projects will still be directly managed by the department.

The role of the department will be to encourage private sector investments and monitor government shareholding through:

- Consolidating BIQ Programme and BIQ Holdings into single entity (2004/05)
- Corporatizing agency arrangements where applicable (2004/05) – increasing control and accountability
- Creating consolidated balance sheets for subsidiaries (2005/06) – aligning reporting to PFMA requirements and disclosures
- Continuing professional and effective management and oversight of subsidiaries (2004-07)
- Focusing on private sector participation (2004 onwards)

Below follows a brief description of the major planned activities and events for the different projects during the 2004/05 financial year:

(1) Constitutional Hill

Current development progress on Constitution Hill involves the incorporation of the Nelson Mandela Centre of Memory & Commemoration into the Visitors Centre. A Development Delivery Framework document has been prepared in order to provide strategic policy and procedural guidelines for the implementation of the development. The document was submitted to the JDA Board for final approval in August 2003.

The Constitutional Court is now complete; the move was completed in February 2004, soon thereafter, the first court session took place, with the official opening on the 21 March 2004.

The provision of infrastructure for the site has proceeded as follows:

- All major demolitions have been completed with due approval by South African Heritage Resources Agency, mortuary relocated
- Phase 1 of infrastructure is complete, including Constitution Square
- The Kotze Street Phase 1 upgrade has been completed
- Hospital street upgrade has been completed
- 60 per cent of the 1730 bay super basement bulk excavation and lateral support contract complete (target date June 2005)
- The 1730 bay super basement construction contract is currently underway, with an expected completion in early January 2005
- The Phase 1 bulk services and paving contract has been completed
- The Johannesburg Mortuary has been relocated in June 2003 to the former (NEH Building) in Kotze Street
- Accommodation at the Women's Gaol is underway with an expected completion in September 2004
- The Heritage, Education and Tourism (HET) business plan was completed by end August 2003
- 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
- Ongoing facilities management commenced with respect to completed portion of the development
- CCTV preferred bid approved
- Infrastructure overall 40 per cent completed (target March 2006)
- Short term repairs and renovation complete
- Ongoing events, exhibits, public programming
- Planning/design of exhibitions at Women's Gaol underway

(2) Gauteng Auto Cluster (PTY) Ltd ('AIDC') & Supplier Park Development Company (PTY) Ltd ('SPDC')

Technology and Technical Support: The AIDC has been established as a private company and has been operating since April 2001. The AIDC has recently converted to a Section 21 company, in order to position itself better to obtain government funding. 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. One such contract is with UNIDO who has, together with the AIDC, co-funded the improvement of SME and BEE companies. DTI has also committed to a three year contract wherein assistance will be used to improve lower tier component manufacturing companies with regard to supplier development.

On industry demand, the AIDC has also played a major role in establishing a sister company in the Eastern Cape, whose activities will be funded by the Eastern Cape Development Organisation. The same technical support will be provided to industry in that region, than the AIDC in Gauteng is giving to the local industry.

Human Resource Development: Contracts for the development of industry specific courses have been signed with all four TEI's and delivery of these courses has started already in 2001/02 and two contracts are still in progress. The TEI's have also been proactive in matching the funds allocated to them, by leveraging similar grants from other organizations. A contract with MERSETA was secured in order to assist them in addressing the unemployment situation in South Africa by upskilling people. This is done in collaboration with six Further Education Institutions in Gauteng. The AIDC is also in partnership with the Advanced Manufacturing and Tooling Strategy which is being run by the CSIR, developing learnership material for MERSETA. Other projects that were rolled out are socio-economic programmes aimed at the issue of HIV/AIDS information courses in the automotive industry, and the promotion of science and mathematics and design capabilities at schools. The AIDC has led the HIV Workplace initiative which has been supported by the OEM's, and the framework developed will be adopted by NAAMSA, as this was done on behalf of the association.

The same programmes will be rolled out in the Eastern Cape through the Eastern Cape Company, as the AIDC in Gauteng is giving to the local industry and TEI's.

Infrastructure Development: The Supplier Park Development Company (SPDC) was formed in April 2002 to be the implementing agent for the Supplier Park. Currently the first phase of developing the supplier park is in full swing and is nearing completion. Seventeen tenants have moved in, and buildings namely Lear, Faurecia, Central Hub, the Logistic Centre, the Mini – Factories and the common infrastructure development for phase 1 is already completed. Most of the land has already been transferred to the SPDC for the total development, and the rest is either in progress or already secured. Huge buy-in from all the Gauteng based Original Equipment Manufacturers and component suppliers for the park has been achieved, and several lease agreements with prospective tenants are being negotiated. Through the Supplier Park project, a working group has been established with Transnet to isolate and remedy problem areas in logistics that are hampering the automotive industry. A working group addressing the Rosslyn problem areas has also likewise been established.

(3) Newtown

During this financial year, the following projects were completed:

- Upgrading of facilities (craft, dance & music venues)
- Appointment of key staff at the Market Theatre and Bus Factory – Craft Centre
- Training of 400 learners by Create SA (music, craft, drama, business, ceramics, photography)
- Construction & tenanting of No. 1 Central Place
- Development of Wolhuter Precinct
- Central Improvement District Business Plan
- Public Works programme (Lotto Funding)
- Development of the Dance Cluster (R40 million from lotto proposal)
- C-Max to develop site 5 & 6 (R200 million investment)
- Visitor numbers have doubled from February to July 2004

(4) Wadeville Alrode Industrial Corridor

During this financial year, the following has been achieved:

- Shelters for informal traders have been completed
- Taxi Rank in Wadeville has been completed
- Extension of Grey Avenue into Wadeville is still under construction
- K123 in Wadeville is still under construction and will be completed this financial year
- Started construction of the N3/Rand Airport Road On Ramp
- Started construction of Ring Road West
- Finalised design for Garfield Phase 2
- Feasibility and business plan drawn up for the BID
- Initial work and concept in place for the Investment Strategy

(5) The Innovation Hub

- Precinct Development
- Approval of the Environmental Impact Assessment (EIA) and Environmental Management Plan
- Development of a Precinct Master Plan and Urban Design Framework completed
- DFA Record of Decision granting a basket of 121,000 m² bulk
- Service Agreements signed with Tshwane Metro
- Tshwane Metro elevated the Hub to a 'Strategic Project' allowing expediting of planning and approvals

- Completion of the detailed design phase on all components of Phase 1
- All main contractors and majority of sub-contractors appointed via Tender Processes
- Construction on site (started October 2003 after finalisation of land sale)
- Concrete work on Innovation Centre and Enterprise Building complete and internal construction in progress
- SAPPI Technology Centre and Paper Academy building under construction and on schedule (6,000 m² GFA)
- 23,500 m² of owner-to-build or lease-back property development under discussion
- 5,200 m² of Enterprise Building space planned for specific tenants. Negotiations to finalize leases in progress.
- Property Owners' Association created as Section 21 company
- Agreement with Telkom on provision of unique ICT facilities and licensed operations in final stages of negotiations.

"maxum" Pilot Business Incubator, Pre-incubation and Associate Companies, and Coach Lab

- Growth of start-up companies 160 per cent since 2,000 (now 13) with staff growth of 525 per cent (50 to date)
- Success rate of business to date 80 per cent
- Pre-incubator graduated first three BEE companies
- Incubator graduated 5 start-up companies to Associate company status
- 18 Graduate students from UP involved since 2001 in the Coach Lab

Value-Added Services and Strategic Communications

- INNOV8 community now exceeds 2,000 members
- Regularly-held 'Pub@Hub' and 'POWER Breakfast' face-to-face business networking events oversubscribed
- "Knowledge Partnerships" leveraged to benefit both high-tech community (potential tenants) and current tenants
- NewsBits e-zine published monthly and website updated to become a powerful marketing and information tool
- Regular conference and invited presentations

Membership of

- International Association of Science Parks
- National Business Incubator Association
- SABTIA (South African Business & Technology Incubation Association)
- Technology Top 100 adjudication
- Collaboration with significant industry association, Export Councils, Governmental agencies, etc.

(6) City Deep Transport Logistics Hub

Following the finalization of the concept document, discussions were initiated with Transnet which were aimed at improving this service.

Construction of the Cleveland Link Road commenced in January 2003 and is progressing on plan and within budget. The schedule was shifted from June 2004 to the end of November 2004 as a result of the bridge failure. Phase 1 of the roads programme is nearing completion and consists of the following upgrades and new roads to the Cleveland interchange with M2 & link, Upgrade of lower Germiston & Houver Roads & Cleveland. Phase 2 of the roads programme is dependent on the progress of the logistics programme and will only be implemented once the increased freight volumes through the area justify this.

The logistics improvement programme is behind schedule however, the response to the programme by the private sector has been very encouraging and City Deep is starting to see higher levels of investment by companies either expanding their existing operations or from new companies deciding to locate in the area on the basis of its inherent potential as a distribution hub. A private sector proposal has been received for the development of a distribution hub at City Deep. Blue IQ is in discussions with the private sector consortium that put the bid together.

The key project activity will focus on planning for the improvement of the rail service between City Deep and the Port of Durban. Should adequate progress be realized with this activity then other aspects of the logistics hub as contemplated in the concept document will be addressed. This will include:

- The establishment of a hub coordinating agency
- The establishment of a business improvement district for City Deep
- Additional value added services to be provided by the hub coordinating agency that emphasizes and promotes collaboration amongst the logistics service providers located within the hub and
- The creation of a spatial development master plan for the area

(7) Great Kliptown Development

The following projects have been completed:

- Sewer upgrade completed
- Environmental management framework completed and approved
- Green space master plan developed
- Wetlands clean-up (with DACE) implemented for 2 years
- Designs for the pedestrian bridges completed
- Economic development framework completed
- New developments secured: FNB, Score
- City of Johannesburg Tourist Information Centre for Soweto secured for the Square
- Urban design framework completed to guide development
- Beacon Street upgrade designed
- K43 Phases 1 and 2 complete, roads on Square complete
- Pedestrian bridges to link to Dlamini and Klipspruit west design completed
- Tax rank and retail complete
- Limited housing progress, some consolidation of land, some of the townships established, land claims mostly resolved, 1175 sites serviced, delivery strategy and relocation strategy developed by JDA and approved.
- Social development strategy developed

(8) Johannesburg International Airport (JIA) Freezone

Construction of K157/P157-2 Interchange: Mass earthworks on the new works are approximately 78 per cent complete and layerworks approximately 37 per cent complete. Large sections of the K157 and Ramps B & C were primed. The slow progress to the kerbs and concrete channels on the Link Road still hampered the progress to this road. All construction of the interchange is progressing well.

Great North Road: Accommodation of Traffic: The opening of the section of the Link Road from the Great North Road to the tie-in to the K157 (Atlas Road) was scheduled for October 2004. At this stage the Lanseria Road and Bonaero Drive will not be closed to the K157 so the disruption to traffic should be minimal.

P157/2 (R21) Rehabilitation: Construction of this road is now complete

Service Relocations: Approximately 86 per cent of the work is complete. Street lighting ducts crossing the P157-2 Northbound carriageway have been installed. The street lighting ducts in the P157-2 median between km 15.430 and 14.605 will be installed before the end of 2004. New traffic lights have been installed at K119/Link Road intersection. Progress has been achieved by streamlining all preparatory work for actual construction. The delays by the DTI in designating JIA as an IDZ site slowed the establishment of a Joint Venture between Blue IQ and its partners at JIA. However, plans to proceed with the jewellery manufacturing precinct are underway.

Consumer Affairs

The computer management is in place and it is at testing stage. The system will enable Consumer Affairs to shorten the turnaround time of dealing with consumer complaints once it is fully functional. The Consumer Court is sitting at least 4-5 times a month to hear and resolve matters of Unfair Business Practices. The Kaya-FM consumer watch programme has taken off, with weekly interviews taking place. The office also involves other regulatory bodies so as to provide consumers with more information. Several interviews have been conducted with community radio stations and newspapers.

Liquor Licensing

The remaining sections of the Gauteng Liquor Act 17 of 2003 and the regulations will be implemented as from the 1st November 2004. In order to create awareness on the implementation of the Liquor Act the Unit will run 15 different workshops with the liquor traders, shebeens, South African Police Services, Magistrates, Municipal councils and Liquor traders' associations.

The new Board was appointed by the MEC of Finance and Economic Affairs and is currently considering applications in terms of the Liquor Act. Six regional offices were opened in each Metro and District councils to ensure that our services are accessible to the community. The following are the offices:

- Tshwane Metro (Cnr Bosman and Pretorius Streets, Pretoria)
- Metsweding Metro (55 Mark Street, Bronkhorspruit)
- Johannesburg Metro (Cnr Pritchard and Delvers Streets, Johannesburg)

- Ekurhuleni Metro (Cnr Victoria and Park Streets, Germiston)
- West-Rand district (Cnr Six and Park Streets, West-Rand municipality)
- Sedibeng district (36 Merriman Street, Vereeniging)

As a consequence of the new Liquor Act, the Unit will be faced with the challenge of processing applications from the unlicensed shebeens from the 1st November 2004. It has been roughly estimated that there are around 20 000 unlicensed shebeens in Gauteng that will now have to conform to the law. The Unit will have to process around 20 000 liquor permits applications as from the 1st November 2004, which will allow the shebeens to operate during the process of applying for proper licensing.

The Gauteng Liquor Traders Association was established to promote an organized trade in liquor within the province, diligence amongst its members and affiliates, compliance with all laws and policies relating to the regulation of liquor and the responsible consumption of liquor.

Communication: Publicity of DFEA's achievements was undertaken through the mainstream media. The coverage was wide, from the affordable Daily Sun that appeals to gossip stories to the niche Business Day which appeals to the business fraternity. DFEA received coverage about the budget vote through the news byte on SABC. SABC broadcast reaches more than 19 million listeners and viewers. Coverage was also received through an interview with 702 on Liquor Licensing. With the Departmental website under construction, the counter meter was affected. The new look website was launched in October 2004.

This unit will be re-organised to have separate functions for Media Relations, Marketing as well as Corporate Communications. This restructuring will allow for a maximised implementation of communications.

Financial Management

The office of the Chief Financial Officer unit was restructured and consists of the following directorates as prescribed by the National Treasury:

- Financial Management
- Financial Accounting
- Procurement

The office no longer forms part of support services but directly reports to the Head of the Department. The structure focuses on segregation of duties and enhanced internal control, monitoring and reporting. The Department received a qualified opinion in 2003/04 and addressed the matters relating to this adverse report by:

- Reviewing internal control measures to ensure that they are in line with legislation
- Placing more emphasis on compliance and playing an active advisory roll
- Working closely with the Provincial Treasury, public entities and internal audit
- Increasing Audit committee meetings to four per annum
- Studying and critiquing the quality of performance reports more closely
- Putting into action Training and development plans for the unit
- Motivating the performance of employees is playing a more critical role than before

The new establishment was approved and the unit is in the process of performing job reviews and creating new job descriptions for the identified positions. The unit is currently developing a training and development program for all financial staff.

Special Projects

GauTrain Project

The following major activities were undertaken in the 2004/05 financial year:

- (1) Various discussions were held with the officials of the PPP-Unit and the National Treasury and their advisors in the UK, P-UK. Discussions were also held with the National Minister of Finance.
- (2) Finalisation of the initial evaluation of the RFP II Proposals, which includes:
 - Reviewing the standards, output specifications and scope of the project with a specific focus on cost reduction and ensuring a more consistent outcome between the interpretation of the Province and that of the Bidders.
 - Identifying non-negotiable aspects within the proposals of the Bidders. Each Bidder was informed

- separately of such aspects during discussions and formally as part of the BAFO documentation.
 - Re-considering the proposed allocation of risks.
 - Preparing a report on the initial evaluation of the RFP II proposals.
 - These tasks and activities are undertaken in parallel with the constructive engagement with the Bidders described in (4). The focus of the project during the initial part of the financial year was on the completion of the Tasks (1), (3) and (4). During this process significant progress was made with this task.
- (3) Revising the Public Sector Comparator (PSC), which includes:
- Comparing the estimates in the current revised Treasury Authorisation I (TA I) with the revised estimates.
 - Obtaining input on funding from the Provincial budget and obtain the necessary documentation from the Provincial Treasury.
 - Preparing and submitting a second revision of the application for TA I.
 - Obtaining a second revision of TA I from National Treasury.
 - A new independent economic cost-benefit appraisal was conducted. In addition to the above and in line with best practice at Partnerships UK, international consultants performed a Multi-criteria Analysis. Both studies reconfirm that even with increased costs, the Gautrain Rapid Rail Link is justifiable in economic terms. The funding of the project was determined with the revision of the PSC. This included the estimated distribution of the costs between the province and the private sector and the ability of the province to finance the project within its Medium-term Expenditure Framework. It is evident that additional funds would be required to finance the contribution by the province. The financing of such additional funds would be subject to the guidance of the National Minister of Finance (Task 1). Various financing options were therefore developed and included in an initial revised application that was submitted to the National Treasury.
- (4) Introduction of a constructive engagement process with the Bidders that would comprise a combination of the clarification of the RFP II Proposals and further discussions with the Bidders, which includes: (a) Discussions with the Bidders with regards to possible cost reductions, bridging and financing structures, and the improved allocation of risks. (b) Preparation of draft BAFO documentation, which would be made available to the Bidders for comments and finalisation of the BAFO documentation. The constructive engagement with the Bidders is largely completed and a final draft set of the RFP III (BAFO) documentation was issued to the Bidders.
- (5) Detailed analyses of the BAFOs by Gautrain Project Team, provided that the BAFOs are substantially responsive to the RFP and acceptable to the Province, a Preferred Bidder and a Reserve Bidder will be selected. After obtaining Treasury Authorisation IIB (Announcement of Preferred Bidder) and evaluation of the BAFOs by the Gautrain Political Committee, it is expected that the Preferred and Reserve Bidders would be announced by March 2005 by the Premier.

Cradle of Humankind: DACEL was appointed as the Management Authority for the World heritage site. This appointment ended an extended procedural and legislative process conducted by the National Government. The project also negotiated and concluded management agreements with 11 of the 13 fossil site landowners, thereby ensuring protection and best practice use of the fossil sites. The signing of these contracts was crucial to the sustainability of the project. The conservation measures and agreements which protect the natural and cultural heritage resources in the Cradle of Humankind have enjoyed a high level of praise from both national and international organizations as demonstrations of best practice.

- Investment in bulk infrastructure, roads and public utilities in the Cradle of Humankind World Heritage Site
- Investment in provision of bulk infrastructure for the Sterkfontein and Mohale's Gate sites
- Policy formulation
- Public briefing sessions and media events
- Unit establishment planning, advertising and staff appointments
- Fossil Site management plans negotiated and signed
- Concession signature event
- Sod turning event
- MEC Site Inspection
- Appointment as Management Authority
- Disaster management during aftermath of fire
- Heritage Agreement

A sod turning event was held at Sterkfontein during the 1ST quarter of the current financial year. Construction of Road 400W has commenced during the course of the project and more than 240 temporary jobs to be created as

a result. The Roads Department has been granted permission for contractors to move the entrance to the ICC at the request of FSG.

Infrastructure management has concluded work done for the Joe Slovo settlement. The Public Benefit Organisation was established during the 4th quarter but the Trustees were not appointed. The agreement with Wits and DACE has been signed. Mohale's Gate was registered in the name of DACE. A copy of the EIA Record of Decision was sent and received by DACE. The planning and design of infrastructure was completed. The Public Benefit Organisation was established during the 4th quarter.

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 an expression of interest in the design, construction and operation of key tourism facilities was issued by DACE. In addition to these project-driven activities, the ongoing marketing of the destination is a key feature of the project. Extensive negotiations have been held with landowners to consolidate private land for Phase A of the proposed Dinokeng Game Reserve. The institutional and landowner obstacles related to the Dinokeng Game Reserve remained unsolved and hence this aspect of the project continued to slip behind on its projected milestones and business plans. A fire management programme was implemented in collaboration with the Nokeng Tsa Taemane Local Municipality.

The non-game reserve portion of the Dinokeng Project which looks at increasing tourism and economic activity associated with the broad hospitality industry in the area showed that business in the area has steadily grown over the last two years; 60 per cent of the establishments in the area have invested in their businesses to expand capacity over the past 24 month and all report an increase in business volume.

Dinokeng has achieved the following during 2004/05:

- Implementation of destination and marketing strategy
- Maintenance of roads 734 and 1333 completed with Department of Public Transport, Roads and Works (Gautrans)
- Destination Signage plan completed with Gautrans
- 100 people trained in hospitality skills with THETA SA Host
- Initial work on establishing tourism institutions completed with GTA
- Interim land owner negotiation structures established and conceptual framework for development of game reserve completed
- Progress with implementation of tourism destination marketing and an investment promotion strategy and plan
- Consolidation of 24,000 hectares of land for the formation of the Dinokeng Game Reserve
- Commencement with a bidding process for the establishment of a tourism hubs at Cullinan and Roodeplaat
- Maintenance and upgrading of roads 734 and 1333

3. OUTLOOK FOR THE FINANCIAL YEAR 2005/06

Corporate Support Services

Information Technology (IT) Management

The IT strategic project has determined the need for business process mapping in DFEA, which will aid in efficient systems being developed to serve the business needs of all units. The post of Database Administrator has been approved but has not yet been filled. For units to have directorate specific databases developed, the post of a database administrator will have to be filled. IT intends increasing the levels of IT literacy in the department. To achieve this, the IT unit is currently speaking to the HR unit at GSSC to negotiate computer related courses for all units in the department.

Human Resource (HR) Management: To further enhance delivery, HR aims at engaging account managers to take care of the HR specific needs within the Departmental cluster. These account managers will serve the purpose of personnel managers within units and become conduits between the HR directorate and other Chief Directorates. The change in the MEC's office political mandate leads to an expansion in the structure of the Department, that further has a bearing on HR operations such as the competency profile for DFEA, induction and training needs, the development of a succession plan as well as the management of performance.

A baseline audit examining compliance to legislation will be a prominent feature in the year under review; to an extent that external assistance will be sought to develop systems to manage Health and Safety in the workplace. Management sensitization seminars will be conducted to accommodate people with disabilities in the workplace; this will lead to a democratically developed policy on people with disabilities. A drive to continue to sensitize staff on disabilities will be embarked upon with the aim of enabling the DFEA community make informed declarations on disabilities.

Employment Equity will begin to constitute management performance agreements.

A climate study will be conducted to establish the intensity of gender issues in the workplace. This exercise shall culminate in the launching of a policy on Gender for DFEA. Management will be trained on people management processes including the management of incapacity. Twice this year DFEA shall conduct a pulse survey to tap on the level of satisfaction of staff and how DFEA is perceived. This will help in striving for excellence. An adjudicating Committee has been established to assist in the implementation of the job evaluation as well as performance outcomes.

DFEA will continue to market a strategy to attract young talent, and will forge partnership with Department of Education and Training institutions around Gauteng in order to implement the strategy and develop internal mentors to ensure the development of this target group. An accelerated development program will allow for the development of a skills pool so as to achieve over-stretchiness within the management cadre.

The DFEA HIV/AIDS strategy will adhere to:

- Training the roll-out of ARV and their role in as far as the infected in the workplace are concerned and training the community on ARV, Public speaking, Life skills, lay counselling skills and peer education.
- Reinforcement and Educating DFEA on the prevention of new infections and re-infections.
- Partnering: DFEA Employees and their next of kin, support groups in the Community and Service providers, IDU and GSSC by identifying areas of residents, identifying structures and support groups within those communities, visit support groups, forge links with, and support groups and collect consumables and clothing as DFEA staff.

Conduct research based on people's attitudes and the prevalence infections by conducting surveys, avail pre and post counselling, conduct prevalence test, impact study of our HIV/AIDS in-house program and finally, to manage research results.

Security Services: A new sub-programme was introduced during the 2004/05 financial year to focus on security measures throughout the Department. The new security systems to be introduced are classified into four categories as follows:

- Personnel Security: Employees will be asked to go for vetting. This is to enable the employer to make sure that the people who handle government information use it in a responsible manner.
- Network Security: This type of security deals with the protection of electronic information such as internet security, e-mails (incoming and outgoing) as well as the intranet.
- Access Control: This is a system for both employees and the public at large. A security controlled room will be established that will be manned 24-hours a day to monitor movement in the building. This will also guard against theft of movable assets.
- Document Security: This deals with the maintenance of documents from the Department. It ensures that all the confidential documents leaving or coming in to the Department are accessible only by designated people and they reach the intended recipients without anyone compromising the confidentiality of the information. It is envisaged that a supplier will be appointed to install the document system before the end of the financial year.

Other Developments: A system of access cards will be introduced to help monitor staff attendance. This system will also help the Human Resource Management Unit to assess DFEA's inputs and outputs. The Security Services Unit will conduct the Technical Surveillance Counter Measures (TSCM). These include the "sweeping" of offices that will be done periodically. There will also be experts in IT management who will make sure that classified electronic messages are well guarded. Another aspect to be included is a division that will deal with special investigations within the Department. This will be utilized only when required and will be commissioned by the MEC.

Provincial Treasury

Budget Office: The budget process for 2005/06 financial year poses several challenges to public service managers. These challenges include better alignment of financial planning and provincial priorities with an aim of improving service delivery in the province. The process therefore enables managers to review their medium term objectives to be in line with the governments set priorities within the context of allocative efficiency.

The province introduced the alignment of these factors in previous financial years. Strengthening the process becomes crucial in the new term of government. The focus of the current financial year is to improve the process by linking the priorities, departmental policies, budgets, planned outputs and outcomes. Reprioritization within the baseline was emphasized upon during the budget bilateral sessions with departments.

For the 2005/06 financial year and the MTEF focus will be on the following:

- The link between the provincial strategic priorities set by the Executive Council, policies, and budget
- New policies and increases in existing outputs and their fiscal implications over the MTEF period
- Identifying expected savings in each program and reallocating these to identified spending pressures
- The format of the budget bilateral submission that will assist the Provincial Treasury in making informed decisions
- A greater role for Provincial Treasury budget analysts in advising and supporting departments with the preparation of budgets in order to facilitate a more focused budget engagement
- Ensuring the credibility of departmental budgets through various initiatives

Provincial Accountant General (PAG): PAG has to realise the achievement of an unqualified audit opinion on the consolidated financial statements for the province for the 2005/06 financial year. A lot of emphasis will also be placed on implementing the standards of GRAP 1, 2 and 3. This will ensure that upon consolidation of final accounts, all entities comply with the accounting standards and the legal framework.

PAG will also undertake a project in which to develop and enhance cash flow projections in GPG departments. This move is substantiated by the fact that the implementation of the Intergovernmental Cash Coordination Project by the National Treasury will take place in April 2005. This project is aimed at consolidating all cash from Provinces in an endeavour to minimize the credit risk that the whole of government is exposed to. Emanating from this project is that Provinces will have to request funds on a daily basis from National Treasury, hence a need to strengthen cash flow forecasting capacity at departmental level.

Provincial Financial Management Reforms (PFMR): The implementation of the PFMA will still remain an area of focus for Provincial Treasury for the coming financial year. Emanating from the 2003/04 reforms by National Treasury, is the promulgation of the Municipal Management Finance Act (MFMA). This Act brings about an additional mandate for Provincial Treasuries, in terms of overseeing and guiding its implementation in all municipalities in Gauteng. It is anticipated that the Provincial Treasury will work together with the Provincial Local Government department to ensure the implementation of the MFMA. The broad responsibilities of the Provincial Treasuries are contained in S5 (4) of the MFMA.

Economic and Development Planning

Economic Planning: The Trade and Industry (TIS) strategy has been developed and was launched in June 2003. The next step will be to implement this strategy; DFEA will develop an implementation plan including budgets during the financial year 2004/05. 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 2004/05 is to facilitate R1,9 billion of investments to the province, to create 9,600 new jobs and to increase SME and BEE participation in provincial procurement to 30 per cent and 45 per cent respectively.

A review will take place in terms of the Consumer, Tourism and Gambling legislation with the objective of identifying how best to structure these legislations in terms of alignment to national legislation and to provincial objectives. 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 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.

Governance

Blue IQ Investment Holdings (Pty) Ltd: The first phase of Blue IQ Investment Holdings which involved the delivering of the 11 strategic projects is nearing completion. The 2004/05 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 commercialization 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 in the Blue IQ projects. Any type of political uncertainty regarding the elections in 2004, any major events in the local or international world markets in 2005 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 organization has, however, structured itself and put resources in place so as to best face these challenges

(1) Gauteng Auto Cluster (Pty) Ltd ('AIDC') & Supplier Park Development Company (Pty) Ltd ('SPDC')

Technology and Technical Support: The AIDC aims at increasing the scope of services offered to industry and to make significant progress in the establishment of a financially viable and self-sustaining business. The AIDC will continue its drive to develop in-house capacity and to partner with appropriate partners that will complement and add value to its range of offerings. Thus, the market orientated offerings will be in the following areas:

- Production and process engineering
- Logistics
- Testing

The AIDC is also busy securing the next DTI Competitiveness Improvement contract, as the funding period is coming to an end this financial year. The AIDC is also mandated by the Board to pursue the establishment of an AIDC National, which should be funded by DTI.

Human Resource Development (HRD): The AIDC aims to continue the development and offering of industry specific HRD courses through the TEI's. Relationships with other HRD related organisations (the review of the 2004/05) will continue to be developed with the objective of leveraging the investments made in the TEI's. Furthermore, the AIDC will aim to continue with the socio-economic programmes referred to in the previous section (the review of the financial year 2004/05).

Infrastructure Development: The construction of the Supplier Park as funded by Blue IQ comes to an official end in this financial year. Several funding scenarios are being investigated to continue development, such as a Developer Model, Banking Institutions' finance, further Blue IQ investment etc. The aim is to commercialise the project and find an investor to fund the construction of further production buildings. Most of the necessary project and park management structures are already in place, and the Supplier Park will maintain a strong presence until an investor is on board to ensure that the development and logistic services are still in line with the initial objectives of the Supplier Park.

(2) Newtown

The focus will be the construction development of the following:

- GTA Building
- Market Station
- Transport House
- Angolgold
- Brickfields Housing Project Phase 1
- Retail/Restaurants
- Redevelopment of the Turbine Hall
- CID Programme

(3) Wadeville Alrode Industrial Corridor

The following projects will be completed during this financial year:

- Extension of Grey Avenue into Wadeville will be completed
- Ring Road West
- Garfield Phase 2
- N3/Rand Airport Road On Ramp
- Establishment of the 1st BID
- Investment Strategy

(4) The Innovation Hub

Promotion of Black Economic Empowerment: The Innovation Hub is committed to achieving the goals of BEE and from the outset, set specific empowerment targets for procurement. In the Request for Information (RFI) stage of tendering on all design tenders, specific empowerment levels were set as requirements, ranging from a minimum of 30 per cent to 50 per cent, depending on the work packages. All such goals have been achieved with the current commitments showing a BEE value of the contracts of 53 per cent. This process will be carried through on construction contracting. The same principles are being applied in the Hub programmes e.g. targets are being developed for incubation.

Key development focuses for the forthcoming year are highlighted below:

- Completion of Town planning procedures, property consolidations, subdivisions and legal transfer of Constitutional Court building to the Department of Justice (Target date is September 2004)
- Completion of the 1730 bay parking super basement (Target date is January 2005)
- Design development and procurement procedures for the hotel facility on Development Block B (Target date is December 2005)
- Architectural competition and detail design of the site Visitor's Centre on Development Block A (Target date is December 2006)
- Completion of the accommodation at the Women's Gaol (Target date is July 2004)
- Ongoing roll-out of Institutional Arrangements and operational plan for the Constitution Hill Management Company (CHMC) in accordance with the HET business plan
- Ongoing roll-out of HET project in accordance with the HET business plan
- Secure commercial and retail tenants' Letters of Intent (Target is 60 per cent of total lettable space by June 2005);
- Roll-out of campus public artwork programme (Target is five installations by December 2004)

(5) City Deep Transport Logistics Hub

The activities of the 2005/06 financial year revolve mainly around developing the detailed business model and planning the implementation of the transport and logistics hub and the ongoing construction of Cleveland Road.

The following project milestones are scheduled for completion during the 2005/06 financial year:

- Approval of the business plan for the transport and logistics hub
- Establishment of the infrastructure partnership agreement
- Establishment of the operations partnership agreement
- Finalisation of the site development plan
- Ongoing construction of Cleveland Road

(6) Great Kliptown Development

The following projects will be in progress:

- Establishing institutional and financial arrangements for ongoing management
- Developing new route networks, and visitors parking
- Developing a social housing rental stock
- Community environmental awareness programme
- Development of Incremental housing units
- Development of public open spaces, parks, etc.
- Development of phase 3 of the k43
- Social Development programmes
- Economic Development programmes
- Internal roads upgrade

(7) Johannesburg International Airport (JIA) Freezone

In terms of the planning that has been undertaken; the following financial year will be largely characterized by actual construction of the planned development and completion of the road infrastructure. An Environmental Management Framework is currently well conducted. However, in terms of the IDZ Act, the approval for commencing construction will be granted after submission of the Provisional IDZ Operator Licence, which will serve as a monitoring tool by the DTI in terms of the development plan submitted. Emphasis will also be placed on investment promotion and intelligence gathering. The aim is to seek partnerships with international IDZ operators with a successful track record, to share knowledge and networks they have established.

Furthermore, a more rigorous approach will be adopted in setting the framework for the establishment of a cluster that focuses on Aeronautics and Avionics. The development of an engagement framework will be given priority, as well as aligning stakeholders with this vision.

Consumer Affairs: 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, by advertising in both provincial and community newspapers and promoting both the Court and the Office through Consumer Education Workshops. In this financial year the grade eight resource materials will be rolled out. The Grade 8/9 curriculum will be in schools in January 2005 and the development for the Grade 10 will be finalized by August 2005. Plans are underway to also produce a resource material for ABET coinciding with the launch of the resource material for Further Education and Training (FET) group.

One of the main challenges for the Unit will be to carry out the inspectorial function, with the review of the Consumer Credit Law the outcome of the promulgation of the new Act will extensively affect the duties and functions of Trade Inspectors. The Consumer Office proposal to establish regional offices in and around Gauteng will also be a major challenge for 2005, the office will have to hire more staff, rent our premises and purchase office equipment.

The office has now formed collaborations with tertiary institutions and notably the University of Witwatersrand Law Clinic. Senior candidate attorneys have been seconded to the office to deal with consumer complaints. In this way, technical legal expertise will be shared among legal personnel in the office and the candidate attorney. This is also an endeavour on the part of the office to market its services to tertiary institutions and expose law students to the field of consumerism.

Liquor Licensing: The Unit will concentrate on compliance and law enforcement of the Gauteng Liquor Act. Through Education, information and research, the Unit will educate the public and create awareness of negative socio-economic effect of alcohol abuse. The Unit has implemented the Liquor Licensing IT system which will help in reducing the number of days it takes for a Liquor application to be approved by the Board. The system will help in reducing the days from 90 day to 21 days.

Communication Management

External Communication

The Communication unit will continue to increase public awareness of DFEA's services, strategic priorities, achievements and challenges. The key focus is to facilitate two-way communication between DFEA and its internal and external stakeholders. Through engagement with various stakeholders, the unit is best placed to undertake environmental scanning and thereby identify ongoing potential issues, which will also help in pro-active issues management. The DFEA's efforts to market its services and engage with the public will assist in clearing any incorrect perceptions or misunderstandings that might exist. This is intended to inform the local communities and programme recipients as well as solicit their support for government's work.

As a government body, the mandate of DFEA i.e. economic growth and managing the finances of the province, has a direct impact on the citizens of Gauteng. Therefore the citizens need to be informed, through media, of the DFEA's plans for carrying out its mandate. As such, Communications Management also strives to maintain a good relationship with the media and secure coverage of DFEA's role.

Internal Communication

Internally, the unit will improve communication and align the DFEA's communication priorities to those of GPG. All government employees are communicators and ambassadors in their own communities. Therefore, we need to maximize our internal communication efforts to ensure that directorates and agencies are well informed about the Department and that there is a common understanding regarding the DFEA's objectives, goals and mandate. This will ensure a multiple effect of carrying messages and will also ensure that as a department, the DFEA "talks in one voice". It will result in maximum utilization of opportunities to showcase government's services/achievements, which will also eliminate unnecessary waste of resources caused by duplication of efforts.

Financial Management

The unit has developed a detailed business plan that aligns to the departmental strategies and objectives; performance will be based on this plan as it now gives a clearer sense of direction and measurable milestones. The challenges of the unit are to:

- Fill the positions created in the new structure to perform all activities efficiently and effectively
- Consolidate the departmental financial statements with its public entities
- Fully implement supply chain management (procurement function)
- Produce accurate and relevant reports on time
- Introduce a functioning fraud committee
- Obtain a favourable audit report
- Ensure compliance by public entities
- Develop a budget process
- Refine reporting measures

Financial forecasting and cash management has become critical and the unit will have to look into ways of improving this. The unit will work closely with the Treasury and other departments to refine processes. The unit reports directly to the Head of Department which will provide the opportunity to get more involved with strategic policy development and deliver on its financial advisory role.

Special Projects

GauTrain Project: Construction should commence not later than April/May 2005, the construction period would be 60 months and the project has to be completed for the Soccer World Cup in June/July 2010. Ways are currently being investigated to shorten the construction period so that construction can be completed by December 2009. It is anticipated that the Sandton – Johannesburg International Airport Link will already be completed late in 2008.

The following major activities will be undertaken in the 2005/06 financial year:

- The Province will enter into detailed negotiations with the Preferred Bidder, or the Reserve Bidder to conclude a Concession Agreement. In terms of the concession contract the concessionaire will operate and maintain the Gautrain service for 15 years after which it will be handed back to the Provincial Government.

- It is expected that financial closure could be reached by October 2005, after which construction will commence. The project will create 57 000 jobs during construction, a further 2 200 permanent jobs during the operation of the train service and an additional 40 000 jobs as a result of urban economic activity around the transport corridor and the ten stations. Business sales in Gauteng will be increased by R 6,0 billion and the Gauteng GGP will increase by between 0,7 and 1,0 per cent
- The proclamation of the route and stations will commence in April 2005 after the Preferred Bidder has been announced. Thereafter the expropriation will commence, which must be largely completed by the time construction starts.
- After the commencement of construction, the Province, its representative and other independent certifiers and observers, will undertake the monitoring of construction in terms of the requirements defined in the Concession Agreement. It will also include, amongst others, the acceptance of the construction milestones, and the approval of the related financial contributions from the Province.

One of the main focus areas of the project is Socio-economic Development (SED) and as such will play a pivotal role in the selection of the Preferred Bidder. SED entails BBBEE (Broad Based Black Economic Empowerment), equity, ownership, directorship/senior management, training and development, subcontracting, procurement, job creation, promotion of SMME's, focus on people with special needs, local content and Investment in social programmes in marginalized areas/communities.

GPG Precinct: This project will stimulate the re-development of the Johannesburg CBD which in turn will lead to job creation and economic activity in the inner city. The project has progressed to a stage where the team is awaiting the outcome of the independently run Environment Impact Assessment and Heritage Impact Assessment submission. It is anticipated that all properties will be transferred before March 2005. The Request for Qualification will be issued into the market, bidders will be shortlisted and a final Request for Proposal will be drafted and be ready for issue in April 2005. Negotiation will commence shortly after the evaluation is completed and the preferred PPP partner is selected. Construction is expected to start by July 2005 and the project will be completed in the latter part of 2007. It is estimated that the total project cost will be R 2,0 billion and that 5 000 jobs will be created during construction and 500 during the operational phase of the concession.

Other PPP Projects: The following 2 projects are currently in the inception phase for regulation by the PPP Unit:

- Equipment for Pretoria Academic Hospital and Johannesburg General Hospital: These state of the art hospitals are completed, however to facilitate successful operation of these hospitals equipment of the latest technology available must be procured. A Public Private Partnership will be able to source and install state-of-the-art equipment in a short period in the hospitals and will also be able to replace such equipment to ensure that the hospital remains up-to-date with the most advanced equipment technology services.
- Education on Line project: Having conducted extensive research into the educational needs of the province, the Gauteng Department of Education has committed itself to building one computer laboratory in every public school in Gauteng by the end of 2006. These laboratories will comprise 24 learner workstations and will ensure that each learner and educator has e-mail and internet access.

Cradle of Humankind: Master plan implementation for the development of the Cradle of Humankind World Heritage Site, including the following:

- Investment in bulk infrastructure, roads and public utilities
- Infrastructure development for fossil sites
- Development of programme for on-site housing
- Tourism development framework in place
- Tourism Authority established
- Monitoring of management plans for 13 fossil sites
- Monitoring & research
- Public Private Partnerships regarding orientation centers
- Heritage Agreements
- Fundraising
- Finalizing Management Authority institutional arrangements
- Public Benefit Organization set up, with associated Trusts

Dinokeng

- The key focus 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
- Upgrading of tourist routes R513 / K14 with Department of Public Transport, Roads and Works (Gautrans)
- Opening of the Game Reserve (December 2005)
- Completion of fence construction and upgrading of internal road in the game reserve using labour intensive methods
- Local Tourism organisations established with GTA and Local municipalities
- Completion of social impact assessment work and the implementation of skills development and training programme (based on extensive skills audit) to support the establishment of the game reserve and local tourism product development
- Completion of the PPP bid process for Roodeplaat and Cullinan
- Eskom / Telkom and other bulk services upgraded
- Further development of the Dinokeng Integrated Tourism Development Framework

4. REVENUE AND FINANCING

The following sources are used to fund for Vote 3: Department of Finance and Economic Affairs.

Table 1: SUMMARY OF REVENUE: DEPARTMENT OF FINANCE AND ECONOMIC AFFAIRS

	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Equitable share	672,120	960,241	1,472,234	1,547,658	1,207,232	1,178,658	1,685,396	2,171,741	2,903,094
Conditional grants	8,000	4,877							
Total Revenue: Vote 3	680,120	965,118	1,472,234	1,547,658	1,207,232	1,178,658	1,685,396	2,171,741	2,903,094

Table 2: DEPARTMENTAL RECEIPTS : DEPARTMENT OF FINANCE AND ECONOMIC AFFAIRS

	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Tax receipts	298,750	319,939	352,317	346,084	346,084	348,227	392,702	435,828	466,216
Casino taxes	229,294	264,128	302,786	294,714	294,714	324,000	366,742	410,752	435,396
Motor vehicle licenses									
Horseracing	63,692	49,734	49,531	51,370	51,370	24,227	25,960	25,076	30,280
Other taxes	5,764	6,077							
Sale of goods and services other than capital assets	27,701	30,009	4,423	1,129	1,129	8,441	9,040	10,100	10,707
Fines, penalties and forfeits	5,133	5,418	129	5,806	5,806	4,702	5,031	5,383	5,706
Interest, dividends and rent on land	188,632	280,713	191,630	156,340	156,340	156,340	143,000	133,210	133,403
Transfers received from:									
Sales of capital assets									
Financial transactions in assets and liabilities			139			10,880	235	251	266
Sub Total: Departmental Receipts	520,216	636,079	548,638	509,359	509,359	528,590	550,008	584,772	616,298
Less: Direct Charges	25,078	13,792	17,338	17,304	17,304	18,750	20,063	22,470	23,818
Total Departmental Receipts: Vote 3	495,138	622,287	531,300	492,055	492,055	509,840	529,946	562,302	592,480

Table 3: DETAIL OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF FINANCE AND ECONOMIC AFFAIRS

	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Tax receipts	298,750	319,939	352,317	346,084	346,084	348,227	392,702	435,828	466,216
Casino taxes	229,294	264,128	302,786	294,714	294,714	324,000	366,742	410,752	435,396
Motor vehicle licenses									
Horseracing	63,692	49,734	49,531	51,370	51,370	24,227	25,960	25,076	30,820
Other taxes	5,764	6,077							
Sale of goods and services other than capital assets	27,701	30,009	4,423	1,129	1,129	8,441	9,040	10,100	10,707
Sale of goods and services produced by department	27,484	29,688	4,347	911	911	8,223	8,796	9,839	10,430
Sales by market establishments									
Administrative fees									
Other sales	27,484	29,688	4,347	911	911	8,223	8,796	9,839	10,430
Sales of scrap, waste arms and other used current goods (excluding capital assets)	217	321	76	218	218	218	244	261	277
Fines, penalties and forfeits	5,133	5,418	129	5,806	5,806	4,702	5,031	5,383	5,706
Interest, dividends and rent on land	188,632	280,713	191,630	156,340	156,340	156,340	143,000	133,210	133,403
Interest	186,416	280,623	191,630	156,340	156,340	156,340	143,000	133,210	133,403
Dividends									
Rent on land	2,216	90							
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign government									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities			139			10,880	235	251	266
Sub total: Departmental Receipts	520,216	636,079	548,638	509,359	509,359	528,590	550,008	584,772	616,298
Less: Direct Charges	25,078	13,792	17,338	17,304	17,304	18,750	20,063	22,470	23,818
Total Departmental Receipts: Vote 3	495,138	622,287	531,300	492,055	492,055	509,840	529,946	562,302	592,480

5. PAYMENT SUMMARY

Table 4: PROGRAMME SUMMARY

Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Programme 1: Management	4,192	5,094	4,969	8,047	10,547	7,493	8,805	9,251	9,763
Programme 2: Corporate Support Services	33,348	42,588	21,865	18,547	23,623	22,029	26,345	30,642	33,534
Programme 3: Provincial Treasury	146,566	39,736	16,157	35,170	26,870	17,938	25,202	30,447	32,692
Programme 4: Economic and Development Planning	5,259	8,667	7,248	9,007	55,685	55,685	266,634	348,767	510,230
Programme 5: Governance	399,381	635,683	1,026,560	765,638	727,858	725,617	264,585	161,436	134,128
Programme 6: Financial Management	10,614	8,273	5,774	7,292	6,992	5,914	10,070	10,212	10,676
Programme 7: Special Projects	14,722	55,772	293,615	703,957	355,657	343,982	1,083,755	1,580,986	2,172,071
Programme 8: Corporate IT Special Functions	44,289	159,329	138						
Total Payments & Estimates: Vote 3	658,371	955,280	1,376,707	1,547,658	1,207,232	1,178,658	1,685,396	2,171,741	2,903,094

Table 5: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	344,860	433,658	135,006	127,043	139,749	125,057	136,012	150,097	178,871
Compensation of employees	46,448	53,172	31,801	43,575	50,400	45,090	70,287	75,753	79,493
Goods and services	297,084	378,500	103,166	83,468	89,349	79,967	65,725	74,344	99,378
Interest and rent on land	1,328	1,986	39						
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	301,895	501,256	1,241,335	1,419,706	1,008,326	996,509	1,520,481	1,989,250	2,637,533
Provinces and municipalities	269,695	442,756	1,182,635	1,344,706	903,009	891,192	1,201,481	1,586,150	2,072,333
Departmental agencies and accounts	32,200	58,500	58,700	75,000	102,900	102,900	319,000	403,100	565,200
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions					2,417	2,417			
Households									
Payments for capital assets	11,616	20,366	366	909	59,157	57,092	28,903	32,394	86,690
Buildings and other fixed structures					51,000	51,000	26,400	30,300	84,500
Machinery and equipment	11,616	20,366	366	909	8,157	6,092	2,503	2,094	2,190
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification: Vote 3	658,371	955,280	1,376,707	1,547,658	1,207,232	1,178,658	1,685,396	2,171,741	2,903,094

Table 6: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Gauteng Development									
Economic Agency	3,900	28,900	28,900	1,000	31,000	31,000	31,000	32,500	33,500
Gauteng Tourism Board	28,300	28,800	28,800	32,000	37,000	37,000	32,000	33,500	34,500
Gauteng Gambling Board									
Gauteng Film Office				3,000	5,900	5,900	3,000	3,525	3,550
Gaumac				9,000	9,000	9,000	3,000	3,575	3,650
Department of Education			1,000						
Total Departmental Transfers to Public Entities: Vote 3	32,200	57,700	58,700	75,000	82,900	82,900	69,000	73,100	75,200

6. PROGRAMME DESCRIPTION AND INPUT

PROGRAMME 1: MANAGEMENT

Programme objectives

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

PROGRAMME 1: MANAGEMENT

Table 7: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
MEC F&EA	605	640	691	857	857	795	834	881	925
MEC Office	1,739	2,969	2,624	4,878	5,878	4,146	4,181	4,532	4,783
HOD Office	1,848	1,485	1,654	2,312	3,812	2,552	3,790	3,838	4,055
Total Payments & Estimates : Management	4,192	5,094	4,969	8,047	10,547	7,493	8,805	9,251	9,763

Table 8: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	4,117	4,767	4,914	7,991	10,478	7,429	8,403	8,986	9,488
Compensation of employees	2,809	2,579	1,973	3,186	3,673	2,965	4,968	4,942	5,220
Goods and services	1,308	2,188	2,941	4,805	6,805	4,464	3,435	4,044	4,268
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:					13	4	15	15	16
Provinces and municipalities					13	4	15	15	16
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	75	327	55	56	56	60	387	250	259
Buildings and other fixed structures									
Machinery and equipment	75	327	55	56	56	60	387	250	259
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Management	4,192	5,094	4,969	8,047	10,547	7,493	8,805	9,251	9,763

PROGRAMME 2: CORPORATE SUPPORT SERVICES

Programme description

The main function of the programme is to provide efficient and effective support to the core functions by creating a conducive environment for the department to operate within; the unit is also tasked with creating administrative support base for the department. This cluster comprises IT Management, HR Management, Legal services, Facilities Management and Security Services

Programme objectives

- To ensure an enabling work environment at the DFEA from an IT perspective
- To ensure DFEA is adequately resourced in line with the department's Employment Equity plan
- To ensure a conducive culture and work ethic within the DFEA

PROGRAMME 2: CORPORATE SUPPORT SERVICES

Table 9: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
DDG Office					426	426	1,112	1,124	1,187
IT Management	437	1,107	1,595	4,120	5,928	4,693	5,947	7,019	7,476
Human Resources	1,775	2,293	4,084	3,864	4,114	3,755	4,173	4,197	5,016
Facilities Management	10,191	11,013	13,920	10,563	9,848	9,848	11,909	12,927	13,462
Legal Office							1,017	1,114	1,142
Security Services					3,307	3,307	2,187	4,261	5,251
Financial Management	20,945	28,175	2,266						
Total Payments & Estimates:									
Corporate Support Services	33,348	42,588	21,865	18,547	23,623	22,029	26,345	30,642	33,534

* It should be noted that in the previous 2004/05 published Budget Programme 2: Support Services incorporated Communications Management, the MEC's Office and Financial Management, which is no longer in this new programme, which has been renamed as Programme 2: Corporate Support Services. Communications Management is now in Programme 5: Governance, Financial Management is now Programme 6 and the MEC's Office is now part of Programme 1: Management. This is the primary reason for the shifting of funds between sub programmes.

Table 10: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification R thousand	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	32,592	41,277	21,632	18,441	19,482	17,906	25,974	30,134	32,996
Compensation of employees	17,882	24,744	7,452	5,824	7,048	7,030	11,880	13,479	14,209
Goods and services	14,710	16,533	14,180	12,617	12,434	10,876	14,094	16,655	18,787
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:					27	27	47	53	56
Provinces and municipalities					27	27	47	53	56
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	756	1,311	233	106	4,114	4,096	324	455	482
Buildings and other fixed structures									
Machinery and equipment	756	1,311	233	106	4,114	4,096	324	455	482
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Corporate Support Services	33,348	42,588	21,865	18,547	23,623	22,029	26,345	30,642	33,534

PROGRAMME 3: PROVINCIAL TREASURY

Programme description

Budget Office is responsible for preparing the provincial budget and exercising control over the implementation of the provincial budget. It is further responsible for promoting and enforcing transparency and effective management in respect of revenue and expenditure of provincial departments and for ensuring that the provincial fiscal policies share the essence of national economic policies. In addition to these core responsibilities, the Budget Office is also responsible for the implementation of budget reforms in consultation with National Treasury. Budget reforms facilitate early political consideration and guidance on the medium term policy and expenditure priorities of the province that frame resource allocation decisions for the provincial budget.

Provincial Accountant General (PAG) is responsible for providing a range of banking, cash management and electronic services that cover the 13 departments of the Gauteng Provincial Government. It looks after the management of the Provincial Revenue Fund, the investment portfolio and deals with risk management relating to funds invested in the short-term money market. In terms of the Public Finance Management Act (PFMA), it is also the unit's responsibility to prepare annual consolidated financial statements in accordance with the Generally Recognised Accounting Practices (GRAP) for submission to the Provincial Legislature and the Auditor General within six months after the end of the financial year.

Provincial Financial Management Reforms is a newly formed unit that was structured out of the old Finance and Cash Management Unit. It is in charge of the implementation of the PFMA of 1999 within the GPG, with the objective of ensuring that good financial management practices, norms and standards are enforced within the province. The other responsibilities are to ensure MFMA implementation throughout municipalities.

Programme objectives

- To efficiently allocate resources in line with government priorities and monitor the effective utilization of provincial resources thereby contributing to economic, efficient and effective service delivery
- To compile the Consolidated Financial Statements for GPG
- To optimise cash flow management within GPG
- To guide the implementation of good financial management reforms in GPG and local government

PROGRAMME 3: PROVINCIAL TREASURY**Table 11: PROGRAMME SUMMARY**

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
DDG Office		267	2,389	1,480	1,480	1,058	1,436	1,430	1,473
Budget Office	3,256	4,270	3,823	7,825	7,825	5,320	7,700	8,142	8,487
Provincial Accountant General (PAG)	37,969	30,663	8,506	25,865	16,665	10,660	6,262	7,750	8,153
Provincial Financial Management Reforms (PFMR)					900	900	9,804	13,125	14,579
Procurement	7,008	4,550	1,439						
Informatics	98,332	-14							
GSSC	1								
Total Payments & Estimates:									
Provincial Treasury	146,566	39,736	16,157	35,170	26,870	17,938	25,202	30,447	32,692

* It should be noted that the Subprogramme Provincial Financial Management Reforms was created out of PAG.

Table 12: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	136,129	38,932	16,157	35,117	24,708	17,915	25,122	30,386	32,627
Compensation of employees	13,126	8,157	8,331	11,128	11,919	8,368	14,890	15,573	16,310
Goods and services	121,973	30,775	7,826	23,989	12,789	9,547	10,232	14,813	16,317
Interest and rent on land	1,030								
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:					109		50	52	55
Provinces and municipalities					109		50	52	55
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	10,437	804		53	2,053	23	30	9	10

Buildings and other fixed structures									
Machinery and equipment	10,437	804		53	2,053	23	30	9	10
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Provincial Treasury	146,566	39,736	16,157	35,170	26,870	17,938	25,202	30,447	32,692

PROGRAMME 4: ECONOMIC AND DEVELOPMENT PLANNING

Programme description

The core function of the Economic Planning Unit is to develop economic policies for the province that will result in sustained levels of economic growth, job creation, development of human capital and an improved quality of life for all. Once policies have been developed, they are implemented by the provincial agencies, which are the Gauteng Economic Development Agency (GEDA), the Gauteng Tourism Agency (GTA), the Gauteng Gambling Board (GGB), the Gauteng Manufacturing Advisory Centre (GAUMAC) and the Gauteng Film Office (GFO). In order for the agencies to perform their mandates, the province allocates financial resources on an annual basis. Research plays a critical role in the unit's activities as it assists in the review and the refinement of economic policies. The Trade and Industry Strategy's (TIS) implementation plan that will assist in changing the provincial economic trajectory will be finalised. This will be part of the envisaged Gauteng Growth and Development Strategy (GGDS) initiated by the Provincial EXCO.

The role of Development Planning Unit is to promote and coordinate integrated development planning that will lead compact cities with appropriate facilities. The following division comprise the development planning unit:

- Spatial Planning
- Integrated development and Planning
- Local Economic Development (LED)
- Development and Planning

More capacity is critical in the areas of local economic development. Investment in developing the necessary skills, competencies, and service delivery focussed culture is part of ensuring adequate capacity to deliver.

Spatial Planning is specifically formulated to address the problems experienced by our historically disadvantaged communities who live in peripheral township areas that are poorly located relative to employment opportunities and severely under-resourced in terms of transport, social and service infrastructure.

Project Management Office manages catalytic projects, which are to be implemented as a consequence of the GGDS; this includes LED and other types of projects. The objective is to ensure that projects are implemented properly, timeously and within budget.

Statutory Boards: The role of unit is to draft regulation and manage the implementation of the Gauteng Planning and Development Act. The rationalization of statutory boards from the current five to two as per GPDA and also is responsible for managing development applications ensures that these applications in the Province are fast tracked in order to lower developmental costs.

Programme objectives

The two strategic objectives of Economic Planning are to "grow the provincial economy" and to "change the composition of the provincial economy". The latter objective refers to transforming Gauteng's economy to a knowledge based economy. The division will also strive to promote and support the development of BEE, SMME and Cooperatives' frameworks for the province. The unit will facilitate creation of an SMME agency that will provide financial and non-financial support and a one stop shop.

The objective of Development Planning Unit is to promote and coordinate integrated development planning.

Strategic Objectives

- To grow and change the composition of Provincial Economy
- To provide for a comprehensive system of development planning

PROGRAMME 4: ECONOMIC AND DEVELOPMENT PLANNING**Table 13: PROGRAMME SUMMARY**

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
DDG Office					426	426	1,316	1,471	1,545
SMME Agency					20,000	20,000			
Economic Planning	5,259	8,667	7,248	9,007	12,835	12,835	6,810	8,363	9,306
Growth and Economic Strategy							250,000	330,000	490,000
Development Planning					22,424	22,424	8,508	8,933	9,379
Total Payments & Estimates:									
Economic and Development Planning	5,259	8,667	7,248	9,007	55,685	55,685	266,634	348,767	510,230

* It should be noted that for the MTEF period, the growth and economic strategy will incorporate local economic development as well as the SMME strategy and funding for the agency. It should be noted that this programme previously incorporated Consumer Affairs and Liquor Licencing which has been shifted to Programme 5: Governance; the DDG's Office, the SMME Agency and Growth and Economic Strategy are new introductions to the programme.

Table 14: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	5,059	8,652	7,196	9,002	20,676	20,676	16,418	18,604	20,058
Compensation of employees	1,425	2,670	2,733	5,790	9,873	9,873	8,865	9,368	9,875
Goods and services	3,336	5,950	4,424	3,212	10,803	10,803	7,553	9,236	10,183
Interest and rent on land	298	32	39						
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:					34,374	34,374	250,025	250,026	350,028
Provinces and municipalities					14,374	14,374	25	26	28
Departmental agencies and accounts					20,000	20,000	250,000	330,000	490,000
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	200	15	52	5	635	635	191	137	144

Buildings and other fixed structures									
Machinery and equipment	200	15	52	5	635	635	191	137	144
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Economic and Development									
Planning	5,259	8,667	7,248	9,007	55,685	55,685	266,634	348,767	510,230

PROGRAMME 5: GOVERNANCE

Programme description

Blue IQ Investment Holdings (Pty) Ltd is tasked with the provision of strategic economic infrastructure, which will support the transformation of the Gauteng Provincial economy in line with the province's competitive and comparative advantages and global economic trends. Blue IQ's mission is to effectively and efficiently deliver 11 core projects and to oversee the commercialization and optimal utilization of the infrastructure which has been delivered.

The Consumer Affairs unit was established in conjunction with the promulgation of the Unfair Business Practices Act 7 of 1996 which aims to protect the consumer. The partnership between Consumer Affairs and the Gauteng Department of Education is continuing as far as consumer education curriculum is concerned.

The Liquor Licensing Unit is tasked with the challenge of regulating the liquor retail and micro manufacturing industries as stipulated by the new Liquor Act 2 of 2003. The main challenge is to bring the number of unlicensed liquor outlets within the legislative framework. The Act makes provision for the establishment of the provincial inspectorate to oversee compliance, the Liquor Board to adjudicate over license applications, Local Committees to recommend applications to the Board, and the Gauteng Liquor Traders Association. The Liquor Board comprises nine members, nominated by the public and appointed by the MEC for Finance and Economic Affairs. The members sit on the Board for a five year term and make final decisions regarding all matters related to licensing of liquor retail and micro manufacturing outlets.

Communications is a strategic support function which is tasked to improve internal and external communications within the department and its agencies, aligning it to GPG priorities. This function seeks to establish a amicable relationship between DFEA and its stakeholders through a two-way information flow ensuring a conducive economic development environment.

Programme objectives

The programme contributes to the growth of the GPG economy through investment facilitation. The vision of Blue IQ is to "provide strategic economic infrastructure so as to catalyze economic growth, employment creation and a meaningful shift in the composition of provincial GGP and the composition of provincial exports".

The main strategic objective of the Consumer Affairs unit is to "increase the level of consumer protection". The strategic objective of the Liquor Licensing Unit is to "regulate the liquor retail and micro manufacturing industry". The primary goal of the Communications unit is to improve awareness of the DFEA and its services and provide insight to management on emerging issues that may affect the DFEA.

PROGRAMME 5: GOVERNANCE

Table 15: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
DDG Office					1,000	1,000	975	1,017	1,060
Monitoring and Evaluation					2,320	2,320	2,781	3,379	3,524
Agencies	32,200	57,700	58,700	75,000	82,900	82,900	69,000	73,100	75,200
Blue IQ Investment Holdings (Phy) Ltd	359,143	565,298	941,423	669,240	626,240	626,240	170,318	59,231	25,711
Consumer Affairs	5,158	8,807	8,015	10,158	10,158	10,122	11,849	12,258	15,096
Liquor Licensing			15,000	8,000					
Communications	2,880	3,878	3,422	3,240	5,240	3,035	9,662	12,451	13,537
Total Payments & Estimates:									
Governance	399,381	635,683	1,026,560	765,638	727,858	725,617	264,585	161,436	134,128

* It should be noted that this programme was previously Blue IQ and included Gautrain, Dinokeng and Cradle of Humankind which are now in Programme 7. Consumer Affairs, Liquor Licensing, Communications and Agencies have shifted from Economic Affairs. The DDG's Office and Monitoring and Evaluation are new introductions to the programme.

Table 16: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	112,061	189,531	78,840	49,224	52,482	50,241	38,004	37,264	57,715
Compensation of employees	9,085	10,094	8,859	14,387	10,652	10,652	19,982	22,378	23,401
Goods and services	102,976	179,437	69,981	34,837	41,830	39,589	18,022	14,886	34,314
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	287,173	445,484	947,720	715,749	675,121	675,121	225,357	123,085	75,272
Provinces and municipalities	254,973	386,984	889,020	640,749	589,804	589,804	156,357	49,985	72
Departmental agencies and accounts	32,200	58,500	58,700	75,000	82,900	82,900	69,000	73,100	75,200
Universities and technikon									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions					2,417	2,417			
Households									
Payments for capital assets	147	668		665	255	255	1,224	1,087	1,141
Buildings and other fixed structures									
Machinery and equipment	147	668		665	255	255	1,224	1,087	1,141
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Governance	399,381	635,683	1,026,560	765,638	727,858	725,617	264,585	161,436	134,128

PROGRAMME 6: FINANCIAL MANAGEMENT**Programme description**

The Office of the CFO is incorporated within this programme. The CFO's Office is tasked with the management of the internal processes and procedures of the DFEA, such as budgeting, internal controls and financial risk management, procurement and management accounting. The unit is further responsible for deploying audits and preparing the financial statements of DFEA.

Programme objectives

The function of this unit is to maintain effective and efficient transparent systems of financial and risk management and internal control, through implementation of the following:

- Maintaining a transparent and accurate presentation of the finances of the department to its stakeholders
- Implementing a procurement and provisioning system that is aligned to the Preferential Procurement Policy Framework Act (PPPFA)
- To use procurement as a mechanism to facilitate SME and BEE development
- Periodically assessing the DFEA systems of internal control and compliance, and highlighting problem areas
- External reporting
- Training and development of accounting personnel to be equipped with skills applicable to the forthcoming changes in GRAP and the movement to the accrual basis of accounting

PROGRAMME 6: FINANCIAL MANAGEMENT**Table 17: PROGRAMME SUMMARY**

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Management Office	10,614	8,273	5,774	7,292	6,992	5,914	3,861	3,985	4,194
Financial Management							2,241	2,175	2,235
Financial Accounting							2,415	2,518	2,661
Procurement							1,553	1,534	1,586
Total Payments & Estimates:									
Financial Management	10,614	8,273	5,774	7,292	6,992	5,914	10,070	10,212	10,676

Table 18: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments	10,613	8,151	5,748	7,268	6,923	5,890	9,904	10,136	10,601
Compensation of employees	2,121	1,962	2,453	3,260	4,235	3,202	5,878	6,171	6,515
Goods and services	8,492	6,189	3,295	4,008	2,688	2,688	4,026	3,965	4,086
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:					25	1	19	20	21
Provinces and municipalities					25	1	19	20	21
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	1	122	26	24	44	23	147	56	54
Buildings and other fixed structures									
Machinery and equipment	1	122	26	24	44	23	147	56	54
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Financial Management	10,614	8,273	5,774	7,292	6,992	5,914	10,070	10,212	10,676

PROGRAMME 7: SPECIAL PROJECTS

Programme description

Gautrain Project is a project that will stimulate investment and socio-economic development in the economic triangle between Tshwane, JIA and Johannesburg. Construction should commence not later than April/May 2005 with completion aimed at before the Soccer World Cup in June/July 2010.

GPG Precinct project is the bringing together of government departments in the establishment of a government precinct which will stimulate the re-development of the Johannesburg CBD and inner city. Construction is expected to start by July 2005 and the project will be completed in the latter part of 2007.

Programme objectives

- To stimulate investment in the economic triangle between three cities
- To stimulate the re-development of the Johannesburg CBD

PROGRAMME 7: SPECIAL PROJECTS

Table 19: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
PPP Unit					6,000	6,000	12,400	14,700	15,500
GPG Precinct					51,000	51,000	26,400	30,300	84,500
Gautrain			123,615	650,000	244,700	242,795	900,000	1,500,000	2,000,000
Dinokeng	7,132	6,892	13,000	27,116	27,116	20,000	83,000	22,966	40,071
Cradle of Humankind	7,590	48,880	157,000	26,841	26,841	24,187	61,955	13,020	32,000
Total Payments & Estimates:									
Special Projects	14,722	55,772	293,615	703,957	355,657	343,982	1,083,755	1,580,986	2,172,071

Table 20: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments					5,000	5,000	12,187	14,587	15,386
Compensation of employees					3,000	3,000	3,824	3,842	3,963
Goods and services					2,000	2,000	8,363	10,745	11,423
Interest and rent on land									
Financial transactions in assets and liabilities									

Unauthorised expenditure									
Transfers and subsidies to:	14,722	55,772	293,615	703,957	298,657	286,982	1,044,965	1,535,999	2,072,085
Provinces and municipalities	14,722	55,772	293,615	703,957	298,657	286,982	1,044,968	1,535,999	2,072,085
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					52,000	52,000	26,600	30,400	84,600
Buildings and other fixed structures					51,000	51,000	26,400	30,300	84,500
Machinery and equipment					1,000	1,000	200	100	100
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Special Projects	14,722	55,772	293,615	703,957	355,657	343,982	1,083,755	1,580,986	2,172,071

DISCONTINUED PROGRAMME: CORPORATE IT

Table 21: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Corporate IT		159,329							
Total Payments & Estimates:									
Corporate IT		159,329							

* This function was shifted to GSSC where shared functions can be efficiently and effectively managed.

Table 22: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Current payments		142,210							
Compensation of employees		2,966							
Goods and services		137,290							
Interest and rent on land		1,954							
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	17,119	
Buildings and other fixed structures		
Machinery and equipment	17,119	
Cultivated assets		
Software and other intangible assets		
Land and subsoil assets		
Total economic classification:		
Corporate IT	159,329	

SPECIAL FUNCTION

Table 23: PROGRAMME SUMMARY

Sub Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Theft & Losses	44,289	138	519						
Total Payments & Estimates:									
Special Function	44,289	138	519						

Table 24: SUMMARY OF ECONOMIC CLASSIFICATION

Economic Classification R thousand	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	44,289	138	519						
Compensation of employees									
Goods and services	44,289	138	519						
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									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification:									
Special Function	44,289	138	519						

7. RECONCILIATION OF STRUCTURAL CHANGES

Programmes for 2004/05			Programmes for 2005/06		
	Prog	Sub-Prog		Prog	Sub-Prog
Programme 2: Support Services (MEC's Office)	2	6	Programme 1: Management (MEC's Office)	1	2
Programme 2: Support Services (Communication Management)	2	3	Programme 5: Governance (Communication Management)	5	7
Programme 2: Support Services (Financial Management)	2	1	Programme 6: Financial Management	6	
Programme 3: Provincial Treasury (PAG)	3	3	Programme 3: Provincial Treasury (PFMR)	3	4
Programme 4: Economic Affairs (Consumer Affairs)	4	2	Programme 5: Governance (Consumer Affairs)	5	5
Programme 4: Economic Affairs (Liquor Licencing)	4	3	Programme 5: Governance (Liquor Licencing)	5	6
Programme 4: Economic Affairs	4		Programme 4: Economic & Development Planning	4	5
Programme 5: Blue IQ	5		Programme 5: Governance	5	4
Programme 5: Blue IQ	5	4	Programme 7: Special Projects	7	3-5

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	LED	Local Economic Development
BBBEE	Broad Based Black Economic Empowerment	MEC	Member of Executive Council
CH	Constitution Hill	MMFB	Municipal Management Finance Bill
CIO	Chief Information Officer	MERSETA	SETA for Manufacturing, Engineering and Related services
COH	Cradle of Humankind	MICE	Meetings, Incentives, Conferences and Exhibitions
CPIX	Consumer Price Index	MTEF	Medium Term Expenditure Framework
CSIR	Council for Scientific and Industrial Research	OEM	Original Equipment Manufacturer
DACEL	Department of Agriculture, Conservation, Environment and Land Affairs	PAG	Provincial Accountant General
DFEA	Department of Finance and Economic Affairs	PAS	Public Service Act
EIA	Environmental Impact Assessment	PDI	Previously Disadvantaged Individual
EMP	Environment Management Plan	PFMA	Public Finance Management Act
EPPR	Economic Policy, Planning and Research	PFMR	Provincial Financial Management Reforms
FET	Further Education and Training	PGDS	Provincial Growth and Development Strategy
GAUMAC	Gauteng Manufacturing Advisory Centre	PPP	Public Private Partnership
GDPR	Gross Domestic Product Per Region	PPPFA	Preferential Procurement Policy Framework
GEDA	Gauteng Economic Development Agency	PSETA	Public Service Sector Education and Training Authority
GFO	Gauteng Film Office	SAHRA	South African Heritage Reservation Agency
GGB	Gauteng Gambling Board	SARCC	South African Rail Commuter Corporation
GGDS	Gauteng Growth and Development Strategy	SED	Social-economic Development
GGP	Gross Geographical Product	SETA	Sector Education and Training Authority
GPG	Gauteng Provincial Government	SITA	State Information Technology Agency
GPDA	Gauteng Planning and Development Act	SLA	Service Level Agreement
GRAP	Generally Recognised Accounting Practices	SME	Small Medium Enterprise
GSSC	Gauteng Shared Services Centre	SPDC	Supplier Park Development Company
GTA	Gauteng Tourism Agency	SPV	Special Purpose Vehicle
HDI	Historically Disadvantaged Individual	TIS	Trade and Industrial Strategy

8. KEY OUTPUTS AND SERVICE DELIVERY MEASURES FOR THE VOTE

OBJECTIVES AND OUTPUTS FOR ECONOMIC AND DEVELOPMENT PLANNING

Output	TARGETS			
	2004/05	2005/06	2006/07	2007/08
GGDS	Complete GGDS draft Develop intervention projects	Complete final GGDS including the Implementation Plan	Continuous monitoring of GGDS implementation	Continuous monitoring of GGDS implementation
Mandates and institutional models for the agencies.	Reviewed mandates for the agencies in line with the GGDS Reviewed institutional models for GEDA & Blue IQ	Completed institutional models for the rest of the agencies		
Aligned Regional SDF's	Integration with municipal IDP's	Engagement with Municipalities on IDPs Approval and alignment of SDF's	Engagement with Municipalities on IDPs Approval and alignment of SDF's	Engagement with Municipalities on IDPs Approval and alignment of SDF's
Planning Policy	Completion of the following policies to ensure the achievement of policy objectives	Subdivision policy Access control policy	Urban Regeneration policy Rural Development strategy	Monitoring and implementation of the various policies Evaluation of the impact of the Property rating legislation on Densification
Provincial Land Use Management System	Rationalise Statutory Bodies from the current 5 to 2 i.e. the GPDA	Ensure that 50% municipalities have Land Use management systems Continuous management of planning applications	Ensure that 70% municipalities have Land Use management systems. Continuous management of planning applications	Ensure that 100% municipalities have Land Use management systems. 100% compliance with prescribed time frames for the processing of development applications
LED Policy & Projects	Finalise the GPDA Regulations. Build provincial and municipal capacity to implement the GPDA and its regulations Support municipalities in developing LED viable strategies Management of spatially targeted LED projects	Monitor and review implementation of GPDA, ito reducing development costs and periods Support municipalities in developing viable LED strategies Management of spatially targeted LED projects	Monitor and review implementation of GPDA, ito reducing development costs and periods Monitor Implementation of LED strategies especially in disadvantaged areas Management of spatially targeted LED projects	Monitor and review implementation of GPDA, ito reducing development costs and periods Monitor Implementation of LED strategies especially in disadvantaged areas Management of spatially targeted LED projects

Output	TARGETS			
	2004/05	2005/06	2006/07	2007/08
SAME Agency	Business plan on the SAME Agency	SAME agency established Amalgamation of SAME support measures in GPG Monitoring framework for the Agency	Initial monitoring & handover to governance	Impact assessment of the SAME agency
Databases and decision support mechanisms	Updated and consolidated Provincial databases	Updated and consolidated Provincial databases	Updated and consolidated Provincial databases	Updated and consolidated Provincial databases

OBJECTIVES AND OUTPUTS FOR MONITORING AND EVALUATION

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
To grow the Provincial Economy	Increased investment	Value of investment	1,9 Billion	1,9 Billion	2,25 Billion	2,75 Billion	GEDA, GFO and TSA
	Increased job creation	Number of new jobs created	9,600	10,400	11,000	11,600	GAUMAC, GEDA and GFO
To change the composition of the Provincial Economy	Increased SME participation in the Provincial procurement	% value of total procurement	30%	35%	40%	50%	GSSC and Government agencies
	Increased BEE participation in the Provincial procurement	% value of total procurement	45%	50%	55%	58%	GSSC and Government agencies
	Increased skills development in the Province	Number of persons in learnerships	25%	30%	40%	50%	SETAs
	Increased contribution of the tertiary sector to the Provincial Economy	% contribution to GDP	68%	70%	71%	80%	Statistics SA

OBJECTIVES AND OUTPUTS FOR CONSUMER AFFAIRS

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
To increase the level of consumer protection	Resolve consumer complaints within 90 days through mediation and negotiation	% complaints resolved within time frame	88%	90%	93%	95%	Monthly case & evaluation report & stats

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
	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	2,3 million	3 million	4,5 million	5,3 million	Radio listenership 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 8	Grade 9	Grade 10 to 12	Educator's report & report from GDE

OBJECTIVES AND OUTPUTS FOR LIQUOR LICENSING

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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

OBJECTIVES AND OUTPUTS FOR COMMUNICATIONS MANAGEMENT

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
To increase public awareness of DFEA's services, strategic priorities, achievements and challenges	Print - Increase number of persons reached	Number of persons reached	15 million	17,797 million	19,577 million	21,34 million	Campaign report
	Television - Increase number of persons reached	Number of persons reached	16 million	19,425 million	20,396 million	21,415 million	Campaign report
	Radio - Increase number of persons reached	Number of persons reached	18 million	21,447,534	23,592,287	25,951,516	Campaign report
	Internet - Increase number of hits at internet and intranet sites	Number of hits		5,000	6,000	8,000	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
To improve internal communications and the alignment of the DFEA's communications to GPS priorities	Maximize effectiveness of the communications strategy	% effectiveness					External survey
	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

OBJECTIVES AND OUTPUTS FOR BUDGET OFFICE

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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 generation as part of the total revenues.	% ratio	5%	5%	5%	5%	Audited Financial Statements

OBJECTIVES AND OUTPUTS FOR PROVINCIAL ACCOUNTANT GENERAL

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
Compilation of Consolidated Financial Statements for GPG	Unqualified Consolidated Annual Financial Statements in accordance with GRAP	Unqualified status		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
	Minimize variance between funds requested and actual expenditure	% variance	5% max	5% max	5% max	5% max	PFMA
	Minimize variance between cash flow projections and actual expenditure	% variance	5% max	5% max	5% max	5% max	PFMA

OBJECTIVES AND OUTPUTS FOR PROVINCIAL FINANCIAL MANAGEMENT REFORMS

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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

OBJECTIVES AND OUTPUTS FOR FINANCIAL MANAGEMENT

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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

OBJECTIVES AND OUTPUTS FOR INFORMATION TECHNOLOGY MANAGEMENT

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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

OBJECTIVES AND OUTPUTS FOR HUMAN RESOURCE MANAGEMENT

Measurable Objectives	Performance Indicators	Performance Targets	Strategic Objectives				Source of Data
			2004/05	2005/06	2006/07	2007/08	
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
	Ensure that the staff morale is high	% staff morale	80%	90%	90%	90%	Internal survey
To ensure a conducive culture and work ethic within the DFEA	Ensure that the Department embraces the Batho Pele Principles as they appear in the value statement	% compliance	60%	80%	90%	90%	Internal survey

9. OTHER PROGRAMME INFORMATION

Table 25: PERSONNEL NUMBERS AND COSTS

Personnel numbers per Programme	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007
Programme 1: Management	10	10	10	10	10	10
Programme 2: Corporate						
Support Services	220	48	60	60	60	60
Programme 3: Provincial Treasury	50	50	47	47	47	47
Programme 4: Economic and Development Planning	18	18	79	79	79	79
Programme 5: Governance	20	20	155	155	155	155
Programme 6: Financial Management	19	17	29	29	29	29
Total Personnel Numbers:						
Vote 3	337	163	380	380	380	380
Total Personnel Cost (R thousand)	53,172	31,801	50,400	70,287	75,753	79,493
Unit cost (R thousand)	158	195	133	185	199	209

Table 26: EXPENDITURE ON TRAINING

Programme	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
	Audited Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Programme 1: Management	190	67	216	161	161	206	360	378	397
Programme 2: Corporate									
Support Services	473	1,971	511	121	121	42	719	755	793
Programme 3: Provincial Treasury	1,066	659	339	425	425	169	981	1,030	1,081
Programme 4: Economic and Development Planning		289	307	240	240	256	228	214	225
Programme 5: Governance	391	279	311	92	92	64	416	437	459
Programme 6: Financial management	18	101	281	75	75	33	317	296	281
Programme 7: Special projects							100	142	148
Programme 8: Corporate IT (discontinued)		396							
Total expenditure on training: Vote 3	2,138	3,762	1,965	1,114	1,114	770	3,121	3,252	3,384