

Vote 6

Department of Economic Affairs

AMOUNT TO BE APPROPRIATED:	R 95 513 000
RESPONSIBLE EXECUTIVE AUTHORITY:	MEC FOR TOURISM, ENVIRONMENT, CONSERVATION AND AND ECONOMIC DEVELOPMENT
ADMINISTERING DEPARTMENT:	TOURISM, ENVIRONMENT, CONSERVATION AND ECONOMIC DEVELOPMENT
ACCOUNTING OFFICER:	HEAD OF DEPARTMENT

1. OVERVIEW

1.1 Core functions and responsibilities of the Department:

The Department has, in terms of its new programme structure, the following core functions:

- To provide leadership in accordance with legislation, regulations and policies, as well as, to ensure effective corporate resource management and support service to other programmes.
- To promote, support and facilitate integrated economic development through shared partnerships in the Northern Cape.
- To support the promotion of local economic development, empowerment and small business development.
- To stimulate economic growth by promoting trade with, export from and investment into the province.
- To manage public entities and agencies.
- To regulate the business environment and promote business development, protect the rights and interests of consumers and maintain an effective and efficient regulatory system for the liquor, gambling and betting industry.
- To develop provincial economic policies and strategies, which are aligned with the national, provincial and local plans to achieve the targets of halving unemployment and achieving an average annual economic growth rate of 4-6% by 2014.
- To co-ordinate relevant economic research and
- To promote the development of a knowledge economy in the Northern Cape.

1.2 Vision

- Promotion of Economic Growth and Economic Development in the Northern Cape based on DE²BS, i.e. Diversification; Empowerment; Employment; Business creation; Sustainable development.

The vision, like other aspects of the Department's strategic plan, is aligned with the provincial development vision, which is: "Building a prosperous, sustainable, growing provincial economy to reduce poverty and improve social development."

1.3 Mission

To create an enabling environment for economic growth and development in the Northern Cape.

1.4 Strategic Goals

PROGRAMME	STRATEGIC GOAL	STRATEGIC OBJECTIVES /SUB PROGRAMME
1. Administration	Provide leadership, strategic management in accordance with legislation, regulations, and policies and ensure appropriate support service to all other programmes.	1.1 To provide economic policy direction to the Department. 1.2 To provide strategic direction and leadership in order to facilitate the sustained growth, transformation and diversification of the provincial economy. 1.3 Ensuring effective financial management of human resources and administrative support services. 1.4 Provide sound corporate management.
2. Integrated Economic Development Services	Sustain economic development through shared partnerships.	2.1 To support and develop business enterprises 2.2 To promote economic growth and development in local economies in partnership with key stakeholders 2.3 To facilitate the process of empowerment and creation of an enabling business environment for HDI's
3. Trade and Industry Development	To stimulate economic growth through industry development, trade and investment promotion.	3.1 To facilitate trade, export promotion and attract investment 3.2 To strategically position prioritised sectors as key contributors to economic growth and development 3.3 To strategically position industries in support of economic growth and development.
4. Business Regulation and Governance	To ensure an equitable, socially responsible business environment that allows for predictability.	4.1 To promote good governance of public entities and agencies and remove barriers in the broader business environment, which inhibits business development 4.2 To promote and protect the rights and interests of all Consumers. 4.3 To promote and maintain an effective and efficient regulatory system for the liquor industry. 4.4 Promote and maintain an effective and efficient regulatory system for the gambling and betting industry

5. Economic Planning	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.	5.1 To promote integrated economic development policies and Strategies
		5.2 To ensure the co-ordination of relevant economic research.
		5.3 To contribute to the management of knowledge economy
		5.4 To determine the effectiveness and impact of provincial policy objectives and strategies

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2006/07)

The Department has taken a strategic decision to focus on high impact economic development initiatives.

Diamond Beneficiation and The international Diamond and Jewellery Academy

The department of Economic Affairs has established the Rapid Concurrent Diamond and Economic Development Plan to fast track the implementation of our Mining and Mineral Beneficiation Strategy, using the diamond commodity as an anchor.

Diamond Cutting and Polishing Factory

Fifty percent (50%) of the floor space of the Kim-Diamond Building has been reserved for usage by a joint venture partnership between a foreign investor and local BEE company to do diamond cutting and polishing. The company has demonstrated its ability to cut and polish diamonds in Kimberley and bring with it the requisite investment into the city and Province as well as to provide the much needed jobs.

The International Diamond and Jewellery Academy

The Department, De Beers Consolidated Mines through the Diamond Trading Company (DTC) and the National Institute for Higher Education (NIHE), as well as the Department of Minerals and Energy (DME), evaluated companies that had submitted bids for the business plan for the establishment of a Diamond Academy in Kimberley. The company that was awarded the contract was Blue Print (given their current work with the North West Provincial Government with regard to the establishment of a platinum manufacturing academy in Rustenburg). The academy will be expected to conform to international standards in order to be able to attract students from Africa in the context and framework of NEPAD as well as international students from Europe, Asia, North and South America. A number of possible sites have been identified that could serve as an ideal venue for the academy and the most suitable site (outside of the Diamond Hub) will be the Kimberley Teachers Centre. The Economic Cluster Technical Committee decided to recommend to the Provincial Executive Council that the school be called "Kimberley International Diamond and Jewellery Academy".

State Diamond Trader

The Department, made a submission to the Minister of Minerals and Energy, Ms. B. Sonjica, in which a motivation is made for the location of the State Diamond Trader (SDT) in Kimberley to give impetus to the diamond beneficiation project as espoused within ASGI-SA. We have also made representations in person to the Minister in this regard in our pre-mining Indaba meeting that was attended by the Premier (Ms. ED Peters), MEC for Finance and Economic Affairs (Mr. OP Dikgetsi, MPL) and senior officials from government, DME and this Department.

Diamond Hub

The Province has also started with the process of the establishing a Diamond Hub that would host the State Diamond Trader, the academy, diamond cutters and polishers, as well as jewellery manufacturers

in an attempt to conclude the diamond value chain and to also establish a diamond service excellence centre. We envisage the Diamond Hub to be located towards the south west of Kimberley in the vicinity of the new Mental Health facility. Initial estimates indicate that the establishment costs for the Diamond Hub could be around R160 million.

Kgabane programme

The Department, in collaboration with the Department of Minerals and Energy and Mintek, has embarked on a training programme in terms of which 15 young women from the Province are being trained in Beijing, in China since 22 September 2006 (for a period of six months) on jewellery design and manufacturing. This initiative satisfies the objectives of the Department of human capital development, promoting mineral beneficiation, with particular focus on diamond beneficiation, transforming the provincial economy and increasing manufacturing output in the province.

SMME Strategy

In partnership with ABSA, the Department compiled a draft SMME strategy in 2005. Consultative workshops in all the regions were held to get inputs from the SMME's and other relevant stakeholders in 2006. The Department is also in the process of establishing a Revolving Fund with ABSA in order to assist more SMME's with access to finance.

Local Economic Development (LED)

The Department has continuously given its unwavering support to district municipalities in relation to their LED activities. We have effectively participated in different LED forums at district level including other related forums per invitation, for example, IGRs, LED presentation at different meetings, etc. This particular support will continue to be provided to all municipalities in the Province one the relevant unit has been fully capacitated.

District Growth & Development Strategy (DGDS)

The Department has supported District Municipalities with the development and hosting of their Growth & Development Strategies technically and financially. Cabinet approved R5 million financial assistance for this process. Already Pixley Ka Seme hosted theirs in November 2006 in De Aar followed by the remaining districts including Siyanda, Namakwa, Frances Baard and Kgalagadi. A joint task-team comprising of the Premier (OTP), DLG&H and the DEA have consistently managed to actively participate and provide strategic guidance from the planning stages of the district summits in preparation of the strategy development. The process of the development of the DGDSs has to be finalised before the end of March 2007.

Manufacturing Sector

The Department signed a memorandum of agreement with the North West University in terms of which a feasibility study will be conducted to determine the market value and technical ability of our Province to manufacture goods that are sourced from outside of the Province in the mining and agricultural sectors. The first phase of the feasibility study has been completed and the results indicate that there is opportunity to look into the manufacturing of certain goods within the province to boost SMME income and create the requisite jobs opportunities. The Department of Economic Affairs has also interacted with the dti regarding the RIDS strategy and implementation thereof will commence during 2007/08.

Manufacturing Centres

Our quest to diversify the economy of the Province, moving it from the known traditional primary sector, has led to a partnership between the Department of Economic Development and the North West University (Potchefstroom Campus) on the establishment of Manufacturing Centres. These centres will focus on manufacturing of parts for the mining and agricultural sectors to improve the levels of local procurement and increase the contribution of the manufacturing sector to the GDP. The establishment of these centres is an integral part of the process whereby interventions are made in those

districts where limited or no contribution is made in terms of the Gross Domestic Product, for example the Kgalagadi District, to enable them to service the mining operations in their respective towns.

Trade & Investment Promotion Agency

The Northern Cape Provincial Government took a strategic service delivery decision to set-up a Trade and Investment Promotion Agency. The Agency will be positioned to work with strategic partners in both the public and private sector to position the province as an investment destination of choice and to facilitate trade and investment promotion in the province. This Agency will function within the context of the NCPGDS to promote trade and to attract foreign direct investment to the province.

Preliminary work has already been done to facilitate setting up the Agency. This Agency will be mandated to:

- Attract and facilitate foreign direct investment into the Northern Cape,
- Grow exports of products and services from the Northern Cape,
- Market the province as a competitive business destination, both nationally and internationally.

International Asia Expo & International Investors Conference

The Asia Expo and an Investors' Conference will be hosted in Kimberley by the Department, during September 2007.

- The purpose of the Expo is to showcase the Northern Cape, other participating provinces and the country's products and services. It will also create a platform for entrepreneurs to network and identify local and exports markets. Foreign buyers and sellers will take part in both the exhibitions and investors conference.
- The investor conference will allow the Northern Cape Government and entrepreneurs to market their products and to attract investment. At this conference, the newly established Northern Cape Trade and Investment Agency will also be launched.

Third Casino in Kuruman

One of the Gambling Board's strategic intentions is to optimise revenue collection through awarding a third casino licence (to be situated in Kuruman) and rolling out 100 limited payout machines. The licensing process has reached an advanced stage, whereby public hearings have been successfully held in Kuruman. It will take about 18 months to complete the project. The Gambling Board has made it clear to both proponents that it intends to ensure maximum BEE benefits to the community of Kuruman and the Northern Cape. This project brings with it an average capital investment of R100 million and increased revenue collected by the Gambling Board to about R15 million in its first year of operation. It is expected that the leisure industry will contribute an extra R50 million towards the GDP of the region. An average of one thousand (1000) direct and indirect jobs will be created. The enhancement of tourism is a major feature in the project. The natural tourism attractions of the Kgalagadi and Ga-Segonyana region will be marketed nationally and internationally.

Other Major Projects

Major projects like the Big Hole project (developed in conjunction with De Beers and Sol Plaatje) and the Namakwaland Fishing and Mariculture Park (with FAMDA) was developed and launched in this year. Provincial wine export, through the Northern Cape Wine Association, with the assistance of the Department of Trade and Industry and the National Productivity Institute, was increased once again this year.

The SAM (Social Accounting Matrix) for the Northern Cape was further populated and used for economic planning for the province. The Department also facilitated the feasibility study for the Upington Cargo Hub development.

The Department intensified its focus on the development of a Co-operatives movement in the Province. Several co-operatives for women and youth groups have already been established across the province (in all its districts). Specific focus in the current year will be given to the development of the Provincial Co-operatives Strategy in order to fast-track the necessary economic

transformation of the designated target groups that include women, youth and disabled. This strategy will provide a guideline on how the Province will intensify its fight against poverty by ensuring that these co-operatives provide a base for sustainable mass job-creation opportunities.

There are also several departmental partnerships that were established and / or maintained to promote economic growth and development in the Northern Cape. These included:

- PMPI (Preferential Mining Procurement Initiative) with the Mine Managers Association and Standard Bank Procurement Centre;
- Development Agencies (Small Enterprise Development Agency and Northern Cape Economic Development Agency);
- Local Economic Development Strategy for the Province with Development Bank of South Africa;
- Local Economic Development Forum;
- District Growth and Development Strategies;
- Economic Sector Steering Committee.

A major area of importance for the Department was Information and Communication Technology (ICT). The Northern Cape Provincial Growth and Development Strategy (NCPGDS) acknowledge that ICT can be used for ensuring affordable access to information. The Department, together with other provincial and national partners, is committed to developing an Information Society and Development Plan for the province and leveraging opportunities for SMMEs in ICT.

A partnership was formed with Limpopo, Western Cape and the Presidential National Commission in which the Northern Cape and Limpopo are the approved pilot projects for the Provincial Information Society and Development Plan (ISAD). The INSPIRE programme document is completed and a Northern Cape Information Society Strategy (NCISS) development process will be launched on the 1st March 2007 and will continue throughout 2007/08 and 2008/09.

Internal Performance

Internally, the Department put major effort into putting processes and systems into place to improve efficiency, effectiveness and accountability. Some of the most important new policies that were developed for improved financial control and accountability include the Supply Chain Management Policy, the Growth & Development Fund (Ex-Innovation Fund) Policy and Asset Management Policy.

Other management issues that received attention include management councils and forums of the Department, ICT strategy, Communication Strategy and Policy, Security Policy & Security Plan and quarterly reporting process and formats.

The provincial Performance Management and Development System for staff were implemented in the Department and the organizational performance management system was taken down to monthly performance management level in this year.

The liquor and gambling boards, implementation of liquor, gambling and consumer protection legislation and revenue collection, received special attention. In addition, the provincial legislation on liquor and gambling was developed in this year.

Economic Intelligence

The Department has standing relationships with economic institutions to provide relevant data. The data is analyzed and the information is converted into intelligence (knowledge) for decision-making. The Department undertook a major initiative to establish a business intelligence system that could manage the information for business decisions and market developments. This will lead to the successful implementation of the Northern Cape Provincial Growth and Development Strategy.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR(2007/08)

During 2006/07, National Treasury embarked on a process with provinces to develop a standard programme structure and strategic plan for all Economic Development Departments across the country. This resulted in the development of a standard five programme structure.

Thus, the Department will have the following programme structure for 2007/08:

PROGRAMME		SUB-PROGRAMME	
1.	Administration	1.1	Office of the MEC
		1.2	Office of the HOD
		1.3	Financial Management
		1.4	Corporate Services
2.	Integrated Economic Development Services	2.1	Enterprise development
		2.2	Local Economic Development
		2.3	Economic Empowerment
3.	Trade and Industry Development	3.1	Trade and Investment Promotion
		3.2	Sector development
		3.3	Industry Development
4.	Business Regulation and Governance	4.1	Corporate Governance
		4.2	Consumer Protection
		4.3	Liquor Regulation
		4.4	Gambling and Betting
5.	Economic Planning	5.1	Policy and Planning
		5.2	Research and Development
		5.3	Knowledge Management
		5.4	Monitoring & Evaluation

In terms of addressing the growth of the provincial economy, the Department intends to provide economic data, information and intelligence on the current state of the implementation of the PGDS and ASIGSA in the Northern Cape, to support the IDP process, the implementation of the SMME strategy and compile an updated provincial profile.

With regard to internal management and accountability, we will submit strategic and performance plans and the Budget Statement 2 to Treasury develop and implement a Service Delivery Improvement Programme in the Department and control capital expenditure and asset management processes and procedures more effectively in 2007/08. We once again commit ourselves to prepare the Annual Reports within five months after the year end and have it ready for tabling by 30 September. Our organisational performance management system will be implemented and managed effectively, down to monthly reporting on financial and non-financial at sub-programme levels. From both an internal and external perspective, we will update the communication strategy for the Department, along with the development of marketing plans for the Departmental events and participation in provincial communication forums.

With regard to small business support, institutions for effective service delivery have been established and will be maintained to support and develop SMMEs. A database of provincial SMMEs and Co-operatives will be developed to assist the Department to facilitate access to business opportunities especially to previously disadvantaged individuals and communities.

The development of a provincial LED strategy will be a priority and we will continue to provide guidance, support and capacity to municipalities to inform their LED processes. We will also develop and implement a Northern Cape Cooperatives Development & Support Strategy in order to facilitate and promote the establishment of co-operatives as a form of enterprise.

In support of growing the economy (whether first or second), we will facilitate trade, export promotion and attract investment for the Northern Cape through the Asia Expo, foreign expos and investment missions. In this regard, we will also strategically position prioritised sectors (mining and mineral processing, manufacturing, agro-processing, fishing and mariculture, ICT, SMME, construction, finance, tourism) as key contributors to economic growth and development. Certain industries will also be promoted for investment and development (e.g. diamond, semi-precious stone, and dimension stone, etc. industries) for economic growth and development, diversification and transformation as espoused to in the NCPGDS.

Our Business Regulation and Corporate Governance programme will ensure compliance and address barriers in the broader business environment that inhibits business development. This programme will develop, implement and promote measures that protect the rights and interests of all consumers. In 2007/08, attention will be given to maintaining an effective and socially responsible liquor licensing system and educate the public on the negative socio-economic effects of alcohol. We will also implement and maintain an effective gambling legislative framework through the promulgation of the Northern Cape Gambling Act. It will also be important to optimise revenue collection by ensuring that all monies due are accurately calculated and collected, whilst eradicating illegal gambling activities. The Department has taken a strategic decision to focus on high impact economic development initiatives.

The Department will continue with the implementation of the Rapid Concurrent Diamond and Economic Development initiative and fast-tracking of the implementation of the Mining and Mineral Beneficiation Strategy, using the diamond commodity as an anchor.

We will also intensify our efforts to secure the location of the State Diamond Trader (SDT) in Kimberley. We will continue our work with our partners in promoting Kimberley as the Diamond Hub of Africa by implementing the initiatives we started in 2006/07 related to the academy, diamond cutters and polishers, as well as jewellery manufacturers.

In 2007/08, we will move from planning and research to implementation of research results and development of research capacity and manufacturing centres for the partnership between the Department of Economic Development & the North West University (Potchefstroom Campus) on the establishment of Manufacturing Centres. These centres will focus on manufacturing of parts for the mining and agricultural sectors to improve the levels of local procurement and increase the contribution of manufacturing sector to the GDP.

The Department intends to establish the Northern Cape Trade and Investment Promotion Agency in this year. Preliminary work has already been done to facilitate setting up the Agency. This Agency will be mandated to:

- Attract and facilitate foreign direct investment into the Northern Cape,
- Grow exports of products and services from the Northern Cape,
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The Asia Expo and an Investors' Conference are due to take place in Kimberley during September 2007.

- The purpose of the Expo is to showcase the Northern Cape, other participating provinces and the country's products and services. It will also create a platform for entrepreneurs to network and identify local and exports markets. Foreign buyers and sellers will take part in both the exhibitions and investors conference.
- The investor conference will allow the Northern Cape Government and entrepreneurs to market their products and to attract investment. At this conference, the newly established Northern Cape Trade and Investment Agency will also be launched.

The finalization of the third casino license in Kgalagadi and the rolling out 100 limited payout machines will be another major focus area for the Department in 2007/08.

Other major projects and initiatives that will continue from 2006/07 into 2007/08 include the Big Hole project (developed in conjunction with De Beers and Sol Plaatje), the Namakwaland Fishing and Mariculture Park (with FAMDA), Provincial wine export, through the Northern Cape Wine Association, with the assistance of the Department of Trade and Industry, SAM (Social Accounting Matrix) for the Northern Cape, the Upington Cargo Hub development, developing a co-operatives movement in the Province, Preferential (Mining) Procurement, Provincial Local Economic Development Strategy, Information and Communication Technology (ICT).

A finance sector summit will be held during March 2007. The aim of the summit is to discuss possible funding opportunities for the different PGDS projects and to develop and finance the sector strategy of the Northern Cape Province.

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

Table 4.1: Summary of Receipts: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Treasury Funding									
Equitable share	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Conditional grants									
Departmental Receipts	9,426	10,743	13,079	15,511	15,511	7,652	16,286	17,101	17,955
Total receipts	50,438	43,300	70,196	83,082	106,057	94,412	111,799	119,161	127,438

4.2 Departmental receipts collection

Table 4.2: Departmental receipts: Department of Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Tax receipts	9,426	10,097	13,063	15,511	15,511	7,652	16,286	17,101	17,955
Casino taxes	9,426	10,097	11,798	13,975	13,975	6,613	14,673	15,408	16,178
Horse racing taxes			393	589	589	288	619	649	681
Liquor licences			872	947	947	751	994	1,044	1,096
Motor vehicle licenses									
Sales of goods and services other than capital assets		14	16						
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets		140							
Financial transactions in assets and liabilities		492							
Total departmental receipts	9,426	10,743	13,079	15,511	15,511	7,652	16,286	17,101	17,955

Table 4.3 Summary of Receipts: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Treasury Funding									
Equitable share	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Conditional grants									
Other									
Total Treasury Funding	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Departmental receipts									
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Sales of goods and services other than capital assets		14	16						
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets		140							
Financial transactions in assets and liabilities		492							
Total departmental receipts	9,426	10,743	13,079	15,511	15,511	7,652	16,286	17,101	17,955
Total receipts	50,438	43,300	70,196	83,082	106,057	94,412	111,799	119,161	127,438

5. PAYMENT SUMMARY

The MTEF baseline allocations for the period 2007/08 TO 2009/10:

Financial year: 2007/2008: R95 513 000
Financial year: 2008/2009: R102 060 000
Financial year: 2009/2010: R109 483 000

5.1 Key assumptions

- Assumptions for salary increases should be taken into account, amongst others, adjustments contained in the wage agreement.
- Assumptions for inflation related items should be based on CPIX projections.

5.2 Programme Summary

Table 5.1: Summary of Payments and Estimates: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Administration	6,135	7,576	12,441	12,233	14,015	14,441	17,882	18,745	19,658
Integrated Economic Development Services	30,049	16,450	28,142	36,259	52,556	47,741	47,176	49,843	53,085
Trade And Industry Development	2,323	3,714	5,466	6,284	10,751	11,851	9,384	10,682	12,106
Business Regulation And Governance	2,505	4,817	6,461	6,612	6,812	7,374	13,254	14,099	14,805
Economic Planning		4,607	6,607	6,184	6,413	5,353	7,817	8,690	9,829
Total payments and estimates	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483

5.3 Summary of economic classification

Table 5.2 Summary of Provincial Payments and Estimates by Economic Classification: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Current payments	16,588	21,555	34,776	37,878	43,708	44,795	53,824	58,562	63,858
Compensation of employees	7,149	9,826	14,868	24,723	24,173	21,547	30,733	33,313	34,879
Goods and services	9,439	11,729	19,909	13,155	19,535	23,248	23,091	25,249	28,979
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	24,044	10,582	21,418	29,200	45,997	40,990	40,600	42,380	44,408
Provinces and municipalities	4	24	84	4,200	9,200	5,193	4,900	5,145	5,515
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises	24,040	10,558	21,334	25,000	36,797	35,797	35,700	37,235	38,893
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	380	420	922	493	841	975	1,088	1,118	1,217
Buildings and other fixed structures									
Machinery and equipment	380	420	895	493	841	917	1,088	1,118	1,217
Cultivated assets									
Software and other intangible assets			27			58			
Land and subsoil assets									
Total economic classification	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483

5.4 Transfers

5.4.1 Transfers to public entities

Table 4.4: Summary of departmental transfers to public entities

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2005/06	2006/07					
Northern Cape Gambling Entity							3,200	3,360	3,528
Northern Cape Liquor Entity							2,500	2,625	2,756
Total departmental transfers to public entities							5,700	5,985	6,284

5.4.2 Transfers to local government

The table below indicates transfers to local government per category. The only transfers to local government that the department has made were in respect of the Regional Service Council Levy.

Table 4.6: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Category A	4	24	85	20	20	6			
Category B									
Category C									
Total departmental transfers	4	24	85	20	20	6			

6. PROGRAMME DESCRIPTION

6.1 PROGRAMME 1: ADMINISTRATION

The aim of this programme is to:

- To ensure an effective, compliant and competent department that will provide technical support and economic policy advice to the province.

The programme Administration is divided into four sub-programmes, namely:

- Office of the MEC;
- Office of the HOD;
- Financial Management;
- Corporate Services.

Table 6.1: Summary of payments and estimates: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Office of the MEC			478		500	500	500	500	500
Office of the HOD	2,222	1,943	2,460	3,517	3,517	2,993	4,441	4,663	4,896
Corporate Services	3,690	5,633	3,330	2,800	3,200	3,423	3,613	3,788	3,978
Financial Management	223		6,173	5,916	6,798	7,525	9,328	9,794	10,284
Total	6,135	7,576	12,441	12,233	14,015	14,441	17,882	18,745	19,658

Table 6.1.1: Summary of payments and estimates by economic classification: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Current payments	5,863	7,271	11,944	11,985	13,698	14,094	17,734	18,613	19,485
Compensation of employees	2,222	3,964	3,529	7,699	7,949	7,505	10,092	10,577	11,067
Goods and services	3,641	3,307	8,415	4,286	5,749	6,589	7,642	8,036	8,417
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	1	18	62	20	20	6			
Provinces and municipalities	1	18	62	20	20	6			
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	271	287	435	228	297	341	148	132	173
Buildings and other fixed structures									
Machinery and equipment	271	287	435	228	297	283	148	132	173
Cultivated assets									
Software and other intangible assets						58			
Land and subsoil assets									
Total economic classification	6,135	7,576	12,441	12,233	14,015	14,441	17,882	18,745	19,658

The challenges to this programme are the following:

The programme is currently overseeing the implementation of specific systems, processes and procedures aimed at improving internal functioning through an effective, efficient and economical administration, within the scarce resources allocated to the Department. Furthermore, the programme needs to improve the internal audit function, so as to ensure effective, efficient and accountable administration.

The development and implementation of human resource management policies, strategies and plans are also challenging, given the shortage of human resource management and other staff. The Provincial Growth and Development Strategy have a ten-year horizon, with specific targets relating to a radical

increase in the economic growth and the reduction of: poverty, unemployment, crime and child mortality (amongst others) by 2014. In this context, the Department is called upon to create an enabling environment in which micro-economic strategies can be implemented, such as those that relate to the development of small enterprises, support for manufacturing and agro-processing, promotion of mining and mineral beneficiation, diversification of the economy, attracting foreign trade and investment as well as promoting the utilization of communication technology. Therefore the acquisition and retention of personnel with the necessary competencies is essential. At the same time, the working environment must motivate staff to perform their functions outstandingly, while grievances and ill-discipline must be promptly dealt with.

6.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

The aim of the programme is:

- To promote, support and facilitate integrated economic development through shared partnerships in the Province.

The programme Integrated Economic Development Services is divided into three sub-programmes, namely:

- Enterprise Development;
- Local Economic Development;
- Economic Empowerment.

Table 6.2: Summary of payments and estimates: Programme 2 Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Economic Growth and Development Fund	21,250	6,866	17,865	25,000	36,270	36,797	30,000	31,250	32,609
Enterprise Development	1,843	1,089	1,068	1,686	1,436	1,436	4,744	4,981	5,230
Local Economic Development	4,633	4,781	5,725	5,866	11,143	5,812	8,808	9,812	11,255
Economic Empowerment	2,323	3,714	2,179	2,334	2,334	2,207	2,075	2,179	2,288
Administration			1,305	1,374	1,374	1,489	1,550	1,621	1,704
Total	30,049	16,450	28,142	36,259	52,556	47,741	47,176	49,843	53,085

Table 6.2.1: Summary of payments and estimates by economic classification: Programme 2 Integrated Economic Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	5,971	5,877	6,792	7,034	6,535	6,629	11,843	12,993	14,483
Compensation of employees	3,094	2,422	3,871	4,812	4,312	3,750	7,173	7,525	7,895
Goods and services	2,877	3,455	2,921	2,222	2,223	2,879	4,670	5,468	6,587
Interest and rent on land									
Financial transactions in assets and									
Unauthorised expenditure									
Transfers and subsidies:	24,042	10,561	21,336	29,180	45,977	40,977	34,900	36,395	38,124
Provinces and municipalities	2	3	2	4,180	9,180	5,180	4,900	5,145	5,515
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises	24,040	10,558	21,334	25,000	36,797	35,797	30,000	31,250	32,609
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	37	13	14	45	44	135	433	454	479
Buildings and other fixed structures									
Machinery and equipment	37	13	14	45	44	135	433	454	479
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	30,049	16,450	28,142	36,259	52,556	47,741	47,176	49,843	53,085

The programme faces the following challenges:

The Northern Cape is 60% rural, with vast geographical distances between settlements, low population densities. Close to 40% of the population is unemployed, while over 50% comprises young people aged between 15 and 34 years.

Integrated Economic Development Services has the responsibility to facilitate, promote and oversee new enterprise development, local economic development and economic empowerment of youth, women, previously disadvantaged individuals and communities and people with disabilities to achieve the objectives of economic diversification, transformation, development and growth.

Programme 2 measurable objectives and performance measures

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
To support and develop business enterprises	To facilitate the establishment and maintain effective small business support institutions to ensure effective service delivery to SMME's	Established and supported institutions for small business support	The Number of institutions (5 seed branch offices) established and supported
		Effective service delivery to small businesses.	Number (20) of small businesses supported.
	Facilitate and promote the establishment of cooperatives as a form of enterprises.	Fast-track the establishment and support for cooperatives entities.	Number (10) of Cooperatives established and maintained
		Develop the provincial cooperatives strategy	Cooperative strategy developed
		To facilitate the Development of a database for cooperatives.	Number of cooperatives available in the database (per economic sector)
		Conduct cooperatives awareness campaigns in the province	Number (10) of campaigns held.
	Facilitate and support the coordination of SMME support services in NC.	Forging strategic alliances and partnerships for SMME support.	Number (5) of strategic alliances & partnerships formed.
		Establishment of service delivery network for SMME support	Annual summit hosted.
		Support local market access and linkages for SMME's.	Number (2) of local exhibitions and workshops supported.
		Provide advisory support to emerging & established SMMEs on enterprise development matters.	Number (30) of SMMEs given advice.
		Development of a sector-based SMME data-base for available opportunities.	Number of SMMEs in a specific sector supported (5 per sector)
		Monitor the strategic partnership agreement between the DEA & Standard Bank (PMPI Centre)	Number (10) of PMPI SMME's given financial and non financial support.
	Facilitate the creation of entrepreneurs for the beneficiaries of the EPWP programme.	Develop the economic sector plan.	Number (15) of the EPWP enterprises established.
		Identify and develop high profile procurement opportunities for NC	Number of products/services procured from government departments.

		Identify training needs of venture creation learnerships	Number (3) of learnerships undertaken
To promote economic growth and development in local economies in partnership with key stakeholders.	To promote economic growth and development in local economies in partnership with key stakeholders.	Provide guidance, support and capacity to municipalities to inform their LED processes.	Number (5) of municipalities (district) guided and supported during LED processes.
		Development and implementation of the provincial LED strategy.	Number (2) of LED initiatives supported per district.
		Facilitate and support strategic alignment of LED, ASGISA and the PGDS for customized district LED support.	Number (5) of LED strategies aligned to the PGDS and other policy frameworks.
		Provide support to District municipalities' Growth & Development Strategy development.	Number (5) of DGDS processes supported.
To facilitate the process of empowerment and creation of an enabling business environment for HDI's	To facilitate the access to business opportunities	Percentage Value of contracts awarded to BBBEE Businesses through public procurement opportunities	50% of contracts awarded to BBBEE Businesses through public procurement opportunities
		Number of BBBEE businesses that access business opportunities	12 BBBEE businesses that access business opportunities

6.3 PROGRAMME 3: TRADE AND INDUSTRY DEVELOPMENT

The aim of the programme is to:

- To stimulate economic growth through industry development, trade and investment promotion.

The programme is divided into three sub-programmes, namely:

- Trade and Investment promotion.
- Sector Development.
- Industry Development.

Table 6.3: Summary of payments and estimates: Programme 3 Trade and Industry Development

Table 0.3: Summary of payments and estimates: Programme 5 Trade and Industry Development									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Trade and Investment promotion	2,323	3,714	2,179	2,334	4,834	4,834	6,029	6,907	8,126
Sector Development			3,287	3,950	5,917	7,017	3,355	3,775	3,980
Industry Development									
Total	2,323	3,714	5,466	6,284	10,751	11,851	9,384	10,682	12,106

Table 6.3.1: Summary of payments and estimates by economic classification: Programme 3 Trade and Industry Development

Table 6.5.1: Summary of payments and estimates by economic classification: Programme 3 Trade and Industry Development									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	2,322	3,712	5,393	6,248	10,664	11,764	9,230	10,523	11,938
Compensation of employees	581	928	2,099	4,112	3,612	3,612	3,547	3,979	4,164
Goods and services	1,741	2,784	3,294	2,136	7,052	8,152	5,683	6,544	7,774
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	2	3	4						
Provinces and municipalities	2	3	4						
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			69	36	87	87	154	160	169
Buildings and other fixed structures									
Machinery and equipment			69	36	87	87	154	160	169
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	2,323	3,714	5,466	6,284	10,751	11,851	9,384	10,683	12,106

The Challenges to this programme are as follows:

This is a new programme in the department. Agriculture and mining contributes the most of the economic sectors to the gross geographic product. As agriculture is dependent on rainfall patterns, a characteristic dry climate and frequent droughts have had the most devastating impact on jobs, as a quarter of all formal employment is in agriculture. Investment, production and employment decisions in both these sectors are extremely vulnerable to fluctuations in the movement of foreign currency exchange rates and the international business cycle. The recent scaling down of production and the resultant massive job losses at De Beers Consolidated Mines in Kimberly has further pointed to the limited long-term opportunities in the primary sector, which is declining, thereby emphasizing the urgent need for the implementation of strategies aimed at diversifying the economy away from extractive enterprises towards secondary and tertiary sectors. Furthermore, with the low population density and vast distances across the Province, the Northern Cape has not traditionally been seen as a trade and investment haven.

Thus, the challenge to the Province would be to promote and increase the value of exports from the province, facilitate and promote enterprise and product competitiveness, to liaise with stakeholders and promote communication around trade opportunities and provincial trade issues and to promote and attract investment, technology transfer, skills transfer and joint ventures to the province. The programme will have to promote and support regional investment and economic development co-ordination and implementation, develop and facilitate the implementation of the direct mandate and oversight sectors and sub-sector development strategies and plans, leverage funding for direct mandate sector development initiatives, facilitate the implementation of interventions to promote the development, growth, transformation and diversification of sectors and promote and support development of institutional arrangements for sector and sub-sector development. Lastly, Industry Development will focus on the facilitation, development, support and promotion of the primary, secondary and tertiary sectors.

Programme 3 measurable objectives and performance measures

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
To facilitate trade, export promotion and attract investment.	To increase foreign direct investment	Percentage year on year increase in Foreign Direct Investment.	15 % increase in FDI's flows to the province
	To increase domestic direct investment	Percentage year on year increase in domestic Direct Investment.	10 % increase in exports from the province
	To increase trade.	Percentage year on year increase in trade.	30 % year on year increase in trade.
	To increase export.	Percentage year on year increase in exports generated.	12 % year on year increase in exports generated
To strategically position prioritised sectors as key contributors to economic growth and development.	To facilitate strategic interventions to enhance the competitiveness of prioritised sectors.	Number of priority sectors identified and supported.	2 priority sectors identified and supported.
		Number of strategies developed in key priority sub sectors.	3 strategies developed in key priority sub sectors.
To strategically position industries in support of economic growth and development.	To facilitate the packaging and development of identified priority industries.	Number of industrial projects packaged.	Develop and package implementations plans for 3 industrial projects packaged.
		Number of projects implemented.	3 projects implemented.
		Number of industrial clusters supported.	Establish industries clusters per sector (at least 2 clusters; 1 per sector).

6.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

The aim of the programme is:

- To regulate business practices and ensure compliance with relevant legislation, whilst optimizing revenue collection and monitoring departmental agencies.

The programme is divided into four sub-programmes:

- Corporate Governance;
- Consumer Protection;
- Liquor Regulation;
- Gambling and Betting.

Table 6.4: Summary of payments and estimates: Programme 4 Business Regulation and Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Corporate Governance							4,788	5,210	5,471
Consumer Protection	831	2,176	2,775	2,712	2,712	3,045	2,766	2,904	3,050
Liquor Regulation	743	1,308	1,880	1,300	1,500	1,879	2,500	2,625	2,756
Gambling and Betting	931	1,333	1,806	2,600	2,600	2,450	3,200	3,360	3,528
Total	2,505	4,817	6,461	6,612	6,812	7,374	13,254	14,099	14,805

Table 6.4.1: Summary of payments and estimates by economic classification: Programme 4 Business Regulation and Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Current payments	2,433	4,696	6,297	6,504	6,704	7,264	7,466	8,022	8,422
Compensation of employees	1,253	2,512	3,516	4,281	4,481	4,156	4,968	5,399	5,669
Goods and services	1,180	2,184	2,781	2,223	2,223	3,108	2,498	2,623	2,753
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:		1	5			3	5,700	5,985	6,284
Provinces and municipalities		1	5			3			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises							5,700	5,985	6,284
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	72	120	159	108	108	107	88	92	99
Buildings and other fixed structures									
Machinery and equipment	72	120	144	108	108	107	88	92	99
Cultivated assets									
Software and other intangible assets			15						
Land and subsoil assets									
Total economic classification	2,505	4,817	6,461	6,612	6,812	7,374	13,254	14,099	14,805

The challenges facing the sub-programmes in the programme are as follows:

The programme has a shortage of staff with the necessary competencies. This shortcoming compromises its capacity to play its role of law enforcement, advocacy and education.

The sub-programme *Consumer Protection* is facing the challenge of completing amendments to the Northern Cape Consumer Affairs (Unfair Business Practices) Act, establishing the Consumer Tribunal and creating the Office of the Consumer Protector. Staff shortages also impact negatively on the Liquor Unit. The proliferation of unlicensed liquor outlets contributes to alcoholism and abuse of alcohol. The programme needs to create an environment for efficient, accurate and timeous collection of taxes and fees, as well as regular verification of revenue audits. Such an environment will contribute to the reduction of alcohol abuse and its concomitant negative socio-economic problems by reducing

the number of unlicensed shibeens, policing licensed taverns and bars, imposing administrative fines and prosecuting public complaints relating to liquor sales. Therefore the promulgation of a new Liquor Act is essential.

The Gambling Unit also needs to create a balance between enabling previously excluded entrepreneurs to enter the gambling and betting industry on the one hand and dealing effectively with the rising socio-economic ills consequent upon irresponsible gambling on the other. Again, staff shortages present a potential obstacle to the ability of this unit to police and prosecute owners of unlicensed gambling dens, collecting taxes and fees and verifying revenue audits.

Programme 4 Measurable objectives and performance indicators of the programme

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
To promote good governance of public entities and agencies and remove barriers in the broader business environment, which inhibits business development.	To ensure compliance with relevant legislation and policy frameworks.	% compliance to policies, legislation and regulations.	100% compliance to policies, legislation and regulations.
		Number of SLA's with the public entities.	4 SLA's with the public entities.
	To address barriers in the broader business environment that inhibits business development.	Percentage of / Number of barriers identified and addressed.	50% of barriers identified addressed
To promote and protect the rights and interests of all consumers.	Develop, implement and promote measures that protect the rights and interests of all consumers.	Existence of relevant Legislation.	Implementation and effecting amendments to the Northern Cape Unfair Business Practices Act.
		Number of Complaints received and resolved.	300 complaints received and unresolved complaints referred to the Consumer Protector for further resolution.
		Number of consumer rights awareness, education and training campaigns conducted.	5 consumer rights awareness, education and training campaigns conducted per district quarterly.
To promote and maintain an effective and efficient regulatory system for the liquor industry.	To maintain an effective and socially responsible liquor licensing system.	Number of liquor license applications to be processed (within XX days after receipt).	1500 new and renewals (within 90 days after receipt).
		Number of liquor outlets inspected / investigated.	250 per quarter for all 5 regions.
		% reduction in the number of illegal liquor outlets.	50% reduction in the number of illegal liquor outlets.

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
		Revenue (Rxx) collected	1.5 Million Rand.
	To educate the public on the negative socio-economic effects of alcohol.	Number of liquor awareness campaigns conducted.	5 liquor awareness campaigns conducted per quarter per region.
Promote and maintain an effective and efficient regulatory system for the gambling and betting industry.	An effective gambling legislative framework through the promulgation of the Northern Cape Gambling Act.	A Northern Cape Gambling Act.	Implement the provisions of the Northern Cape Gambling Act through the listing of the Gambling Board as a public entity and the establishment of the independent office of the Gambling Board by 1 April 2007.
	Optimise revenue collection.	A third casino in the province.	Ensure commencement of construction of and 50% completion of construction of the third casino in the province by the end of the financial year.
	Optimise revenue collection.	500 limited pay out machines rolled out.	100 limited pay out machines rolled out by end of the financial year.
	Ensure that all monies due are accurately calculated.	Collection of 100% of all monies due to the Board.	Bi-monthly reports on financial audits conducted at the casinos and Horseracing.
	Eradication of illegal gambling activities.	A monthly report on all possible illegal gambling activities investigated.	Conduct monthly inspections and raids on reported illegal gambling activities and report on it monthly.
	Ensure that gambling activities are conducted in accordance with legislative requirements.	A monthly report on all transactions above R25, 000, 00, cheating, gambling disputes, shipment and distribution of gambling equipment.	Investigate all possible fraudulent transactions, cheating, gambling disputes, shipment and distribution of gambling equipment.

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
	Perform regular inspections to ensure compliance of gambling equipment.	Bi-monthly reports on Letters of Approval (LOA) issued, machine conversions, gambling equipment, surveillance systems and the Central Monitoring Systems (CMS).	Prompt consideration and evaluation of Letters of Certification (LOC), machine conversions, inspections of gambling equipment, surveillance systems and the CMS and bi-monthly reports on these.
	Ensure the suitability of all gambling applicants for licences and certificates.	A monthly report on all probity investigations done and licences and certificates issued.	Prompt processing and reporting of all licence application received for the month.

6.5 PROGRAMME 5: ECONOMIC PLANNING

The aim of the programme is:

- To support and facilitate the transformation, diversification and growth of the provincial economy by developing economic policies and strategies informed by relevant economic research so that they are in alignment with the NSDP, NCPGDS and IDPs.

The programme is divided into four sub-programmes:

- Policy and Planning
- Research and Development
- Knowledge Management
- Monitoring and Evaluation

Table 6.5: Summary of payments and estimates: Programme 5 Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Policy and Planning			1,334	1,524	1,579	1,448	1,695	2,070	2,185
Research and Development			1,796	2,160	2,247	1,779	2,070	1,812	1,916
Knowledge Management			1,477	2,500	2,587	2,126	3,092	4,010	4,890
Monitoring and Evaluation							960	798	838
Total			4,607	6,184	6,413	5,353	7,817	8,690	9,829

Table 6.5.1: Summary of payments and estimates by economic classification: Programme 5 Economic Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments			4,350	6,108	6,108	5,044	7,552	8,411	9,532
Compensation of employees			1,853	3,820	3,820	2,524	4,953	5,832	6,084
Goods and services			2,498	2,288	2,288	2,520	2,599	2,578	3,447
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:			11			4			
Provinces and municipalities			11			4			
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			246	76	305	305	265	280	298
Buildings and other fixed structures									
Machinery and equipment			234	76	305	305	265	280	298
Cultivated assets									
Software and other intangible assets			12						
Land and subsoil assets									
Total economic classification			4,607	6,184	6,413	5,353	7,817	8,690	9,829

The challenges facing the sub-programmes in the programme are as follows:

On the occasion of the Ten Year Review in 2004, it was realized that the lack of research and planning capacity in the department was a serious one, in the context of the overwhelming poverty and under-development in the province. The Northern Cape Provincial Growth and Development Strategy set targets for eliminating socio-economic problems during the next ten years of its scheduled life. Attempting to achieve the goals of the Strategy in terms of the set targets and achieve integrated, aligned implementation without scientific research, sound economic strategising and planning, as well as proper knowledge management support, monitoring and evaluation, would have been extremely unwise. Hence, the establishment of this programme was decided upon. This programme will increasingly be relied upon to produce a huge number of research documents, to give advice at short notice and to carry out primary research, perform policy analysis and development, do planning

alignment, information management and support, monitoring and evaluation services in most sectors in the Province.

Measurable objectives and performance indicators of the programme

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
To promote integrated economic development policies and strategies.	To develop provincial economic policy and strategies to achieve sustainable economic development.	Number of integrated policies and plans developed and approved.	3 Policies and plans developed and approved.
		Number of policies reviewed/updated.	3 Policies reviewed and updated.
		Number of provincial contributions made to national policies or plans to promote the Northern Cape perspective.	4 provincial contributions made.
		Number of provincial economic development role players assisted to align their plans and strategies to provincial policies and plans.	5 role players assisted.
To ensure the co-ordination of relevant economic research.	Generation of macro and micro-economic research agenda.	Number of economic baseline studies conducted.	1 Research model completed.
	Research and identify opportunities for mining development & mineral beneficiation.	Number of research reports compiled.	4 Research and recommendations completed.
	Research and identify opportunities for manufacturing sector.	Research report completed on the opportunities of the manufacturing sector.	Comprehensive, implementable, manufacturing sector model completed.
	To do the analysis of fiscal / resource re-distribution for sustainable economic infrastructure development.	Analysis report completed on the infrastructure development.	Report and recommendations completed.
	Analysed existing legislative & policy environment to influence the development of the SMME sector.	Analysis report completed on the SMME's sector.	Report and recommendations completed.
To contribute to the management of knowledge economy.	To provide reliable economic performance indices.	Number of economic performance indices published.	Publish bi-annually performance indices on the websites received from Economic Research.

Strategic Objective	Measurable Objective	Performance Measure	TARGETS
			07/08
	To utilise economic data to achieve objectives related to priority economic sectors.	Number of economic sectors' and industries' reports published.	Publish bi-annually economic sector reports on the websites received from Economic Research.
	Establish enterprise information architecture & information management systems for DEA.	Develop an EIA and MIS plan.	Complete EIA and MIS Plan for DEA.
		Develop, implement and Maintain Departmental ICT Strategies and Policies.	Developed DEA ICT Strategies and Policies.
		Develop, implement and Maintain Departmental ICT Websites and software applications.	Completed and implemented websites and software applications.
		Ensure efficient operability of DEA WAN, LAN, Desktops and other computer related equipment	Ensure 98% LAN uptime and 95% WAN uptime
	To promote the ICT sector as a resource for economic growth & development	To develop a Northern Cape Information Society Strategy & Development plan (NCISS) with emphasis on SMME development	Developed the Northern Cape Information Society Strategy & Development Plan
To determine the effectiveness and impact of provincial policy and programme objectives and strategies.	To monitor and evaluate the impact of provincial economic projects and initiatives financed through the growth and development fund and high impact projects.	Monitoring template/control sheet.	Template developed and 12 monitoring reports submitted
	To monitor and evaluate the implementation of the mining strategy.	Monitoring Systems.	4 Status reports on the implementation of the mining strategy submitted.
	To monitor and evaluate the manufacturing strategy	Monitoring Systems.	4 Status reports on the implementation of the manufacturing strategy submitted.
	To monitor and evaluate the LED strategy.	Monitoring Systems.	4 Status reports on the implementation of the LED strategy submitted.
	Monitoring and evaluation of the implementation of the NCPGDS targets.	Monitoring Systems.	4 Status reports on the implementation of the NCPGDS targets submitted.

7. OTHER PROGRAMME INFORMATION

6.3.1 Personnel numbers and costs

Table 7.1: Personnel numbers and costs: Department of Economic Affairs

	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
Personnel numbers							
Administration	37	36	45	42	53	55	55
Integrated Economic Development Services	6	6	11	15	37	37	37
Trade And Industry Development	2	2	9	9	14	14	14
Business Regulation And Governance	10	20	21	23	26	26	26
Economic Planning			12	13	17	17	17
Total personnel numbers *	55	64	98	102	147	149	149
Total personnel cost (R thousand)	7,149	9,826	14,868	24,723	30,733	33,313	34,879
Unit cost (R thousand)	130	154	152	242	209	224	234

* Full-time equivalent

Table 7.2: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
				2006/07					
Total for the department									
Personnel numbers	55	64	98	102	100	102	147	149	149
Personnel costs	7,149	9,826	14,868	24,723	24,173	21,547	30,733	33,313	34,879
Human resources component									
Personnel numbers (head count)	2	2	3	3	4	4	7	7	7
Personnel cost	380	420	560	590	720	720	1,202	1,220	1,240
Head count as % of total for department	4%	3%	3%	3%	4%	4%	5%	5%	5%
Personnel cost as % of total for department	5%	4%	4%	2%	3%	3%	4%	4%	4%
Finance component									
Personnel numbers (head count)	1		22	22	22	22	26	28	28
Personnel cost	82		1,650	3,515	3,765	4,427	4,815	5,056	5,309
Head count as % of total for department	2%		22%	22%	22%	22%	18%	19%	19%
Personnel cost as % of total for department	1%		11%	14%	16%	21%	16%	15%	15%
Full time workers									
Personnel numbers (head count)	55	64	98	98	95	97	142	144	144
Personnel cost	7,149	9,826	14,868	23,363	22,813	20,187	29,333	31,836	33,321
Head count as % of total for department	100%	100%	100%	96%	95%	95%	97%	97%	97%
Personnel cost as % of total for department	100%	100%	100%	94%	94%	94%	95%	96%	96%
Contract workers									
Personnel numbers (head count)				5	5	5	5	5	5
Personnel cost				1,360	1,360	1,360	1,400	1,477	1,558
Head count as % of total for department				5%	5%	5%	3%	3%	3%
Personnel cost as % of total for department				6%	6%	6%	5%	4%	4%

8. TRAINING

Table 8.1: Summary of training: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Programme 1: Administration of which	22	40	35	77	79	75	101	106	111
Subsistence and travel	7	12	11	23	24	23	30	32	33
Payments on tuition	16	28	25	54	56	53	71	74	77
Programme 2: Integrated Economic Development Services	31	24	39	48	43	38	72	75	79
Subsistence and travel	9	7	12	14	13	11	22	23	24
Payments on tuition	22	17	27	34	30	26	50	53	55
Programme 3: Trade and Industry Development	6	9	21	41	36	36	35	40	42
Subsistence and travel	2	3	6	12	11	11	11	12	12
Payments on tuition	4	6	15	29	25	25	25	28	29
Programme 4: Business Regulation and Governance	13	25	35	43	45	42	50	54	57
Subsistence and travel	4	8	11	13	13	12	15	16	17
Payments on tuition	9	18	25	30	31	29	35	38	40
Programme 5: Economic Planning			19	38	38	25	50	58	61
Subsistence and travel			6	11	11	8	15	17	18
Payments on tuition			13	27	27	18	35	41	43
Total payments on training	71	98	149	247	242	215	307	333	349

Table 8.2: Information on training: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Number of staff									
Number of personnel trained	14	38	24	89	89	89	147	149	149
of which									
Male	3	18	4	23	23	23	60	61	61
Female	11	20	20	66	66	66	87	88	88
Number of training opportunities	2	3	3	6	6	6	9	9	9
of which									
Tertiary									
Workshops	2	3	3	6	6	6	9	9	9
Seminars									
Other									
Number of bursaries offered									
Numbers of interns appointed									
Number of learnerships appointed									
Number of days spent on training	34	65	50	42	42	42	45	40	40

9. RECONCILIATION OF STRUCTURAL CHANGES

Table 9: Reconciliation of structural changes: Department of Economic Affairs

Programmes for 2006/07			Programmes for 2007/08		
	2006/07 Equivalent			2007/08 Equivalent	
	Prog	Sub-prog		Prog	Sub-prog
Departmental Support Services	1	2	Corporate Services	1	3
Departmental Accounting	1	3	Financial Management	1	4
Economic Development	2		Integrated Economic Development Services	2	
Innovation Fund	2	1	Economic Growth and Development Fund	2	1
Enterprise and Local Economic Development	2	2	Enterprise Development	2	2
			Local Economic Development	2	3
Economic Support Services	2	3	Economic Empowerment	2	4
Chief Director Support	2	4	Administration	2	5
Policy, Planning & Research	3		Trade and Industry Development	3	
Strategy Management	3	1	Trade and Investment Promotion	3	1
Economic Research	3	2	Sector Development	3	2
Information management	3	3	Industry Development	3	3
Business Initiative Development	3	4			
Office of the Chief Director	3	5			
Business Regulations and Consumer Protection	4		Business Regulation and Governance	4	
Liquor Affairs	4	1	Corporate Governance	4	1
Gambling Board	4	2	Consumer Protection	4	2
Consumer Protection and Advisory Services	4	3	Liquor Regulation	4	3
			Gambling and Betting	4	4
			Economic Planning	5	
			Policy and Planning	5	1
			Research and Development	5	2
			Knowledge Management	5	3
			Monitoring and Evaluation	5	4

Internally, the Department developed several human resources policies in this year (e.g. Acting Policy, Leave Policy- PILIR amendments, Recruitment & Selection Policy, Resettlement Policy, Disciplinary Code, Grievance procedure, Sexual Harassment Policy), as well as special policies like the Gender Focal, HIV and AIDS and Disability Policy.