

# Vote 9

## Department of Economic Development and Environmental Affairs

**Table 9.1: Summary of departmental allocation**

R' 000	2009/10 To be appropriated	2010/11	2011/12
<b>MTEF allocations</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>
<b>of which</b>			
<i>Current payments</i>	247 571	274 582	307 809
<i>Transfers and subsidies</i>	864 846	696 686	615 072
<i>Payments for capital assets</i>	2 608	2 765	2 895
<b>Statutory Amount *</b>	-	-	-
Political Office Bearer	<b>MEC for Finance, Economic Development &amp; Environmental Affairs</b>		
Administering Department	<b>Economic Development and Environmental Affairs</b>		
Accounting Officer	<b>Head of Department</b>		

### 1. Overview

#### 1.1 Vision

The recognised leader in co-ordination and implementation of policies and strategies for shared economic development, environmental and tourism management in the Eastern Cape

#### 1.2 Mission

DEDEA promotes and facilitates equitable, sustainable development and environmental management through; effective programmes, partnerships and people-centred service standards

#### Situational Analysis

The objectives of the Department are derived from an analysis of the environment, key challenges and strategic issues that the Department should address and are aligned to both national and provincial strategic priorities. The over-arching socio-economic development principle that will guide the Department is that of people centred, sustainable, holistic and integrated development that improves and enhances the quality of life of all citizens. The key driver of the work of the Department is to grow the economy in the context of the PGDP.

#### 1.3 Core functions and responsibilities

##### Administration

The strategic objective of Administration is to provide support (leadership, corporate services and financial services) to the core functions by creating a conducive environment for the Department to operate effectively and efficiently. It further aims to strengthen internal functioning, improve financial management and build institutional capacity through effective human capital management, organisational development interventions, office management and communication services

##### Economic Development

Promote Trade, investment, industry and sector development, and position the Eastern Cape as a competitive economic hub globally. Maintain a fair, effective and conducive business environment for enterprises and consumers;

Stimulate economic growth by increasing trading opportunities, and by increasing local and international investment inflows into the Province,

Promote the Province's regional comparative advantages and generate employment opportunities by creating sustainable linkages between the second and mainstream economy through the

development of enterprises and local economies, and the empowerment of previously disadvantaged individuals;

Create an enabling environment for small enterprises, including cooperatives, aimed at creating business opportunities and employment creation

Monitor and Evaluate the Eastern Cape's economic performance to deepen the understanding of key economic variables, their interrelation to inform policy decision making.

Facilitate the implementation of BBBEE strategies and imperatives in the Province;

Provide integrated business support services, including access to funding and non-financial business support, aimed at increasing the competitiveness and sustenance of small enterprise sector and to promote the retention and expansion of local businesses;

Develop and implement sustainable Local Economic Development (LED) programmes that are partnership based in order to exploit the competitive advantages of districts and local municipalities for sustainable local economic development;

Render LED Programme Support Services, including LED capacity building, technical assistance, and institutional developmental programme;

Implement interventions and strategies aimed at developing, enhancing, and optimizing the tourism potential of the Province and thereby create jobs and contribute to economic growth;

Optimise shareholder value in the Department's Public Entities, through providing strategic leadership, conducting coordinated planning, and performing monitoring, evaluation and reporting.

Provide a regulatory framework for consumer protection, the liquor industry and betting and gambling in the province.

## **Environmental Affairs**

The Environmental Affairs Programme is responsible for the conservation of biodiversity and protection of the environment for sustainable development in the Eastern Cape Province.

The Programme provides oversight of the Eastern Cape Parks Board in managing Provincial Parks.

The plans of the Programme are aligned with National and Provincial policy frameworks; Provincial Growth and Development Plan (PGDP), Extended Public Works Programme (EPWP), National Spatial Development Plan (NSDP) and Municipal Integrated Development Plans (IDPs) to give effect to Provincial priorities for environmental management.

The Programme provides environmental management support to Municipalities.

The Programme further aims to:

Provide strategic direction for environmental management in the Province;

Ensure that environmental legislation is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation and negative impacts that could jeopardize environmental and economic sustainability in the Eastern Cape;

Strive towards a safe and healthy environment for the people of the Eastern Cape through effective Environmental Impact Management, Air Quality Management and Waste and Pollution Management;

Conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species and genes in the Eastern Cape and promote conservation and sustainable use of natural resources for the benefit of the people of the Eastern Cape;

Empower and capacitate the external stakeholders of the Department to meaningfully participate and contribute to effective environmental management in the Eastern Cape.

## **1.4 Demands and Changes in Services**

### **Administration**

The merger of the ECPB and the Eastern Cape Tourism Parks Board (ECTB) has been placed on hold due to budgetary constraints. .

The legislation of the Liquor Board (ECLB) is being strengthened to make the institution more effective. Again the strengthening requires that the Department support the entity with adequate financial resources.

### **Economic Development**

The 2009/10 financial year begins in the midst of a state of a global economic meltdown, as the world's major economies are already in recession, and are expected to further contract in the current year.

The Province has recently reviewed the Provincial Growth and Development Plan (PGDP) in order to assess progress with implementation. The one of the outcomes of PGDP review placed emphasis on the need to implement strategies aimed at diversifying the provincial economy.

The urgent need for the Province is to broaden and expand the manufacturing sector. The Province's over reliance on the automotive industry for job creation, export generation, and overall regional economic growth has been underscored by the current economic crisis in terms of overexposure to external shocks. The Department concludes the 2008/09 financial year and enters the 2009/10 financial year with a sense of urgency to implement the recently concluded Provincial Industrial Strategy, to build sector partnerships and strategies.

The 2008/09 financial year has also seen an increased demand by enterprises to access developmental finance due to a scaling down of access to finance and inflows of capital. The Department will refocus the role of the Eastern Cape Development Corporation as a development finance institution operating in a predominantly rural Province.

During the 2009/10 financial year the Department will also prepare itself to integrate the Thina Sinako LED Support Programme to its Economic Development function. This will be coupled with the implementation of a new Local Economic Development Funding Framework which will improve the identification of sustainable LED Projects, improve the coordination of implementation, and enhance the efficiency and accountability of the delivery mechanism.

There has been a phenomenal growth in the tourism industry which is generally attributed to an increase in the average spend by tourists despite a decline in foreign arrivals. The decline in foreign arrivals reflects the inability to sustain gains due to weak marketing drives, inadequate credible tourism information system, poor packaging of tourism, and lack of product diversification, inability to meet market expectation and demands and limited exposure of newly developed products.

The marketing initiatives undertaken to arrest the decline have not been backed by aggressive brand identity that re-enforces and differentiates the specific destination themes as well as defined product development. The safety of tourists visiting the province is a primary importance to the province hence the Department developed the Tourist Safety and Awareness Strategy to reduce any potential inconvenience that might cause inaccessibility of services. The 2010 Readiness Project initiated by the department in the previous financial year is designed to draw attention to general tourism related

issue in the province and to use 2010 FIFA World Cup spin-off effects to the benefit of all industry players within the province.

In the light of these observations, an assessment of the effectiveness and appropriateness of current tourism programmes was undertaken, and Tourism Strategy (Tourism Blue Print) has been developed. This demonstrates the commitment and effort to ensure integrated planning which is based on continual assessment of the effectiveness of tools, institutional efficiencies, policies frameworks and applicable standards.

## **Environmental Affairs**

The National Environmental Management Act (NEMA) outlines the framework for legislation and regulation of biodiversity management, different types of protected areas, pollution and waste management, air quality management, environmental planning, coastal management and environmental impact management. As National Environmental Legislation takes effect, more and more functions such as:

NEMA Section 24G which seeks to rectify unauthorised developments,

Environment Conservation Act (ECA) Section 20 which seeks to regulate permitting of landfill sites through delegation from the Department of Environmental Affairs and Tourism (DEAT) to the Province,

Bio-prospecting that regulate commercialisation of certain plants that have commercial value e.g. pelargonium,

Threatened or Protected Species permitting to regulate the use of certain species of fauna and flora,

Alien and Invasive Species permitting to regulate the introduction and management of certain species,

Integrated environmental permitting that seeks to streamline and reduce duplication of authorisation for listed activities such as land fill sites, refineries, power generating facilities etc,

The Programme developed the Eastern Cape Environmental Management Bill that will be passed by the Provincial Legislature by 2010.

The Programme consistently engages with ECPB in order to ensure that effective reporting measures to assess and evaluate performance against the allocated funds are in place. This requires intellectual, capital and financial resources in order for the Programme to meet its Constitutional and legislative mandate.

In response to the poor economic conditions of the Eastern Cape Province, the Programme has initiated an Environmental Sector EPWP to create job opportunities (labour intensive) whilst promoting sustainable utilization of natural resources. The Eastern Cape Environmental Management Bill aims to address gaps in the national legislation that are specific to the Province. This will promote consistent and uniform approach in dealing with environmental management matters in the Province. Visible and consistent local government support, environmental awareness campaigns, effective compliance and enforcement and streamlined and efficient EIA processes have been identified as critical by the Portfolio Committee on Economic Development and Environmental Affairs. The amended NEMA EIA Regulations will further expedite the processing of proposed developments as some of the activities such as billboards, telecommunication masts in certain areas and power lines less than 33KV will be de-listed. In addition, stringent timeframes

proposed in the said Regulations will be adhered to. As a result of these demands the Programme will significantly increase its capacity e.g. have a dedicated Environmental Research and Planning Unit.

### **1.5 Acts, rules and regulations**

- The Public Finance Management Act, 1999 (Act 1 of 1999)
- Annual Division of Revenue Act,
- The Public Service Act
- Employment Equity Act, 1998 (Act 55 of 1998)
- Basic Conditions of Employment Act (Act 75 of 1997),
- Treasury Directives, SITA Act 88/1988
- Eastern Cape Development Corporation Act 2/1997
- Businesses Act 71/1991
- Gambling and Betting Act 5/1997
- Eastern Cape Tourism Board Act 1995
- Unfair Business Practice Act, 5/1998
- National Credit Act, 2006
- Consumer Protection Bill, 2006
- Transkei Decree, 1983
- Nature Conservation Ordinance 19/1974
- Ciskei Conservation Act 10/1987
- Environmental Management Act 107/1998
- Environmental Conservation Act 1989 and Regulations
- National Environmental Management Act, 1998
- National Environmental Management: Protected Areas Act, 2003
- National Environmental Management: Biodiversity Act, 2004
- Problem Animal Control Act, 1957
- Eastern Cape Tourism Act 8/2003
- Eastern Cape Liquor Act 10/2003
- Eastern Cape Parks Board Act 12/2003
- Other relevant legislation that guide and affects the Department's operations.
- Sale and Service Matters Amendment Act, 1995

### **1.6 Budget decisions**

#### **Economic Development**

The budget decisions for the 2009/10 financial year are therefore informed by the demand and changes in services as outlined above in terms of the outcomes various review processes, policy imperatives and the demands in the Department's operating environment.

Specifically, the budget decisions were informed by the outcomes of the PGDP review process, which identified the need to broaden the manufacturing base; to increase trade and sector development diversification; to build partnerships with strategic partners (government, business and civic society); to promote agrarian reform and rural development (ARRD) initiatives and to strengthen the inter-governmental efforts by complying with the rules and the regulations relating to the Inter-Governmental Relations Framework Act.

The funding of projects in the Eastern part of the Province and other rural areas remains a key priority in line with national, provincial and local policy and strategy imperatives aimed at

heightening the war on poverty eradication.

The finalisation of the Thina Sinako Exit and Consolidation Strategy will pave the way for the integration of the Thina Sinako LED Support Programme into the LED Programme in the 2009/10 financial year. Over the years, there has been an increase in demand for technical and financial support to promote the competitive edge of the SMME and Co-operatives sectors.

The Tourism Master Plan (2008-2012) and the Tourism Safety and Awareness Strategy(2009-2013)were developed. The 2010 Tourism Program will be used as a catalyst in the implementation and monitoring of the tourism strategies as well as to leverage resources.

The Eastern Cape Gambling Board (ECGGB) is of strategic importance in the area of economic empowerment apart from its normal industry regulatory functions. The entity's year to year significant contribution to fiscus cannot be over emphasised.

### **Environmental Affairs**

The budget decisions for 2009/10 were informed by the results of the review processes, legislative reform and the citizens' expectations and demands in the operating environment. This has necessitated a need to improve the service delivery mechanisms with respect to environmental management in the Province. The Climate Change imperatives and sustainable development principles need no further emphasis in terms of resource allocation.

The Programme's consultative process in developing the Provincial Climate Change Strategy will strengthen relations with the Department of Local Government and District Municipalities' Disaster Management divisions.

In response to the National policy imperatives to strengthen the capacity of the State in order to improve service delivery, the department will appoint skilled personnel. The Programme will further strengthen strategic partnerships and improve cooperative governance relations.

In response to the legislative requirement of ensuring that biodiversity within Provincial Parks is managed effectively, the Programme allocates transfer payments to the Eastern Cape Parks Board. The Programme consistently engages with ECPB in order to ensure that effective reporting measures to assess and evaluate performance against the allocated funds are in place.

The budget also responds to Environmental Sector EPWP projects that seek to change the lives of the communities through skills development and job creation.

## **2 Review of the current financial year (2008/09)**

In the current financial year, the department has initiated the implementation of the follow priorities and projects as detailed per programme below:

### **Administration**

The department implemented the recommendations of the Auditor General on Assets Management, Accruals, Commitments, Employees' benefits, Housing Guarantees and will ensure that outstanding policies, systems and procedures will be signed for by the end of 2008/09 financial year.

Review of legislation governing Public Entities to ensure that they are aligned with the department's mandate has commenced and a greater effort is being made to align and integrate plans.

## **Economic Development**

The 2008/09 budget allocation prioritized economic growth and development. The policy focus areas were review of Legislation governing public entities; implementation of priority projects (HIPPs); BEE (companies) entry in manufacturing; development of sector strategies for Enterprise and LED Development. Priority projects for tourism development were the implementation of 2010 FIFA World Cup readiness project, including training of tourism ambassadors and support to craft industry.

The review of the Eastern Cape Liquor Act was undertaken and a draft policy document was developed to address identified gaps, corporate governance, institutional inefficiencies and alignment with departmental mandate and strategic objectives. The proposed amendment and draft policy document will be presented to the Provincial Executive and Legislature by the end of the financial year for ratification. In the interim, the shareholder compact and service level agreements are entered into with Public Entities in adherence to corporate governance. This addresses issues of alignment and has improved accountability for the use of government resources.

A number of economic empowerment initiatives were initiated and successfully concluded. Suppliers of automotive components were linked with Original Equipment Manufacturers (OEM) through ECDC and IDZs and contracts to this effect were entered into. Further to this, the Automotive Industry Development Centre (AIDC) continues to contribute to competitiveness of the local supplier. The technical assistance and funding support to tour operators afforded them opportunity to exhibit their products at both local and international trade fairs.

An assessment on the impact of DEDEA-funded LED projects within the Amathole District Municipality (ADM) was undertaken in the year under review. This review has highlighted difficult lessons and realities for the department, but has also been central to the improvement of our LED interventions, and thus the development of a new LED funding instrument.

The LED funding instrument was reviewed to improve identification, generation, selection and funding of LED projects with high potential, as well as monitor their impact on development of local economies. Participation in the development and review of municipal local economic development strategies and plans has given insight to the available opportunities and better positioned the department to develop interventions that are reflected in the municipal Growth and Development Summits (GDS). In the 2008/09 financial year, the department funded sixteen (16) IDP-aligned LED projects that were funded to the tune of R32m.

The strategies for Local Economic Development, Enterprise Development, Tourism Safety and Awareness as well as the Tourism Master Plan were developed. The development of Industrial Sector Action Plans was started and will be completed in the next financial year. The 2010 FIFA World Cup priority projects identified and funded during the 2008/09 financial year were: Tourism Ambassador Development, Safety Monitors, Public Viewing Sites, and Visitor Information Centres.

The department's Enterprise Development Strategy has during the 2008/09 financial year seen an increase in the financial and non-financial support aimed at the development of SMMEs. This is in terms of loans and general business support. In the area of loans in particular, the ECDC saw an increase in demand for short term and long-term loans. This is partly due to influence of a growing economy in terms of general increase in demand and awareness. The ECDC also hosted a successful provincial SMME conference to streamline support services for the development of SMME sector, focusing on access to markets, financial support and business development services. Through the department's regional service delivery areas, the Enterprise Development unit has also assisted an increased number of SMMEs and Cooperatives in terms of non-financial support.

The Provincial Co-operatives Development Strategy (PCDS) has been completed and the initial implementation involves the setting up of the Co-operatives Institute at the University of Fort Hare to support the development of the co-operatives in the province. The initial funding of R7 million for this intervention was set aside to fund the institute. The unit has also established three district co-operatives forums in the Chris Hani District Municipality (CHDM), the Amathole District Municipality (ADM) and the Nelson Mandela Bay Municipality (NMBM). The department in partnership with the Department of Trade and Industry (DTI) supported local cooperatives and participated at the International Cooperative Conference and International Cooperative Day held in Pretoria in July 2008. The conference emerged with resolutions to build a vibrant cooperative movement that will have a national representative Apex Body. The unit also co-hosted a successful Provincial Beauty and Cosmetic Industry Workshop with the DTI with the intention to present business opportunities in the beauty industry value chain, and bring closer to the mainstream economy most enterprises in this sector, which often operate in the informal sector.

The Tourism Master Plan and the Tourism Sector Safety and Awareness Strategy have also been completed. The Tourism unit also created good linkages and partnerships in the implementation of the Global Competitive Project Planning for the implementation of an integrated tourism development partnership and tourism SMME support.

The Provincial Industrial Development Strategy was also completed during the 2008/09 financial year, as one of the key projects for the Provincial Turnaround Plan. Due to the capacity constraints in the department, the priority sector plans and action plans flowing from the strategy could not be completed within the year. Plans concluded are the Forestry Sector Plan and the Tourism Master Plan. During the year under review, the department also explored new grounds, in response to the increasing strain on the country's energy resources. In response to this directive, the department hosted a Provincial Energy Summit, in order to create a platform for dialogue with stakeholders, and pave the way for the development of an Energy Strategy for the Province. The energy security strategy is one of the important components of our interventions on the industrial strategy. The department continues to support and fund the Automotive Industry Development Centre (AIDC), which is now located within the Coega Development Corporation's responsibilities.

The year has also seen an increase in investment inflows to the Province, as well as the number of investors, through the activities of the Eastern Cape Development Corporation (ECDC), East-London Development Zone (ELIDZ) and the Coega Development Corporation (CDC). With respect to infrastructure interventions, the department has during the year funded the PG Bison Investment in Ugie/Maclear, for the specific purpose of supporting municipal infrastructure. This investment has created jobs in the area, and the ECDC, with key stakeholders, continue to investigate value chain opportunities flowing from the investment. The department also continues to co-fund the IDZ infrastructure programme in the ELIDZ and the returns of this investment have been in the area of job creation, new investments, regional diversification of the economy and the promotion of local SMMEs.

The department will also host the World Consumer Right's Day in March 2009 to increase awareness of consumer rights. During the period under review, the department will complete the Legislative Review and Amendment of the Eastern Cape Liquor Act aimed at increasing the efficiency of the Eastern Cape Liquor Board, as well as to improve the regulative framework of the liquor industry.

The department's economic planning unit has also seen an increase in its activities and completed a number of Research and Development projects. These includes the profiling of the provincial economy and the district municipalities; and the capacity assessment of municipalities in terms of discharging LED responsibilities.



## Environmental Affairs

The department has developed and submitted the Eastern Cape Environmental Management Bill to the Legislature for consideration in order to streamline environmental management in the Province. The department has for the first time implemented Environment Sector EPWP and has done so by signing Service Level Agreements with Chris Hani District, Ndlambe, Mnquma, Matatiele, Nelson Mandela Metro, and King Sabatha Dalindyebo Municipalities. Projects identified include waste management, biodiversity rehabilitation, fencing of the nature reserves and rehabilitation of piers. These projects will be implemented beyond 08/09 financial year.

The outstanding 98 ECA Environmental Impact Assessment (IEA) applications in terms of old EIA regulations are being reviewed by Ninham Shand (service provider) in order to issue records of decision (RoDs) before the end of the financial year. Out of these, only 17 applications are in the process of being finalised. Co-operative governance engagements were undertaken with key stakeholders to facilitate efficient EIA processes for SAPS digital radio systems, low-cost housing, afforestation and sanitation applications. 162 RoDs in terms of National Environmental Act (NEMA) (EIA) Regulations were issued.

25 Compliance notices, directives and written notices were issued for contraventions related to NEMA. Court judgements in favour of the state were achieved inter alia Kenton Eco-Estate, Gongqogongqo Yellowwood felling and two rhino horns smuggling cases. Special Investigative Unit has been contracted by the department to finalise 150 Wild Coast illegal cottages investigations dockets and to provide capacity building of compliance and enforcement environmental officers.

The Province is one of the leaders in implementing Threatened or Protected Species (TOPS) Regulations in the country and 1405 permits were issued by the Department. 47 000ha additional land for conservation has been achieved in partnership with National Department of Environmental Affairs and Tourism (DEAT) and various landowners.

Staff capacity building initiatives were undertaken in partnership with DEAT and other relevant institutions in key performance areas i.e. Environmental Impact Assessment (EIA), Environmental Management Inspectors (EIM), Air Quality and Waste Permitting.

The department in partnership with stakeholders celebrated the various National Environmental Days: National Environmental Week in Queenstown, National Clean-up campaign in East London and Mt Frere, National Marine Day at Lambasi Village, Cleanest Town Competition Awards in Port Alfred and National Wetlands Days at Lambasi Village and Lusikisiki. The department also hosted Provincial People and Parks Workshop in East London and participated in the National People and Parks Workshop in North West Province. In addition, the department also organised and hosted Provincial Hunting transformation workshop in Somerset East, Mhlontlo, Nyandeni municipality and community trust members visited Provincial Parks to familiarize themselves with the reality of managing a protected area.

The Eastern Cape Parks Board has secured an investor for the management of hospitality facilities at Mkambati Nature Reserve. Tourist facilities were upgraded at Hluleka Nature Reserve.

Notwithstanding the above achievements, the Programme is faced with the recruitment and retention of skilled and experienced personnel because of salary packages that are not competitive with private sector, industry and other government departments. The Constitutional and legislative mandate of the Programme requires the reconfiguration of the organizational structure.

Lack of planning, research, monitoring and evaluation compromises oversight responsibility over the Eastern Cape Parks Board and special projects. Over the 2009 MTEF period, the Programme is

intending to establish and strengthen planning and research capacity. Rolling out a structure that is aligned to the Constitutional and legislative mandate of the Programme. Implement the outcome of the Department of Public Service and Administration environmental cadre job evaluation and the Occupational Special Dispensation (OSD).

### **3 Outlook for the coming financial year (2009/10)**

#### **Administration**

The department will ensure full implementation of ISO 9000 for compliance purposes and full certification within two years in the department and development of the balanced scorecard across programmes and sub-programmes. In addition, the department will implement an effective performance measurement system to enable monitoring and evaluation of both the department and its Public Entities. DEDEA will further strive to improve sharing common strategy and outcomes with all its Public Entities in an effort to align strategic planning, reporting as well as monitoring and evaluation.

Improve financial management in an effort to reverse poor audit outcomes as well as a procurement system to support the Departmental implementation strategy.

The 2010 FIFA World remains high on the agenda, the department will intensify participation to make the Province capitalise on the windfalls from the 2010 World Cup.

The department intends to embark on a restructuring process. Central to this restructuring process is the need to adopt a new organogram and the filling of all critical posts in the department to enhance efficiency and effectiveness.

#### **Economic Development**

The Economic Development programme's interventions in the 2009/10 financial year will be centered around the following:

- Implementing the outcomes of the PGDP review which highlights the need to broaden the manufacturing base of the Province, increase industry and sector development orientation;
- Implementing the Provincial Industrial Development Strategy, concentrating on building sector partnerships and implementing sector strategies, as well as working closely with National government to assist struggling sectors and to build new strategic initiatives;
- Development of the Provincial LED Strategy and up scaling the Local Economic Development Funding Framework, particularly in the rural parts of the Province;
- Up scaling support to small enterprises to access finance,
- Positioning the Programme as an economic reference point in the Province

In the Integrated Economic Development Services Sub-sub Programme, the outlook for the 2009/10 financial year includes the roll-out of the Cooperatives Development Strategy; the completion of LED, SMME and BBBEE strategies, the preparation for the absorption of Thina Sinako LED support programme. The unit will also review the ECDC Act, to allow the entities' programmes to be more streamlined and targeted.

The 2009/10 financial year, will also see the implementation of a new Local Economic

Development Funding Framework. This has been necessitated by the acknowledgement that the Department's LED Funding support programme has, over the years, continued from one planning period to the next without an in-depth evaluation. The need to monitor impact, of development programmes to ensure that the intended benefits are delivered directly to the target beneficiaries has been consistently emphasized in the Province. Through a review of some of the department's LED Projects, a key lesson has been that there is an urgency to improve the identification of sustainable LED projects, improve the coordination of implementation, and enhance the efficiency and accountability of the delivery mechanism.

In the Trade and Industry Development Sub-sub-programme, the unit will complete sector plans and action plans on the priority sectors identified in the Provincial Industrial Development Strategy; prioritise and implement interventions within the nine priority sectors; implement the Tourism Master Plan; and develop links with industry players with the aim of establishing strategic partnerships and implementing strategic initiatives such as the establishment of a growth fund. The department's Public Entities will also become key partners in driving sector development work at a provincial level. The unit will implement activities emanating from the Tourism Master Plan and Tourism Safety and Awareness Strategy, and will conduct a review and amendment of the Eastern Cape Tourism Act.

The unit will also investigate the untapped value-chain and downstream activities from the PG Bisson Infrastructure Investment in the Ugie/Maclear area. The expansion of the infrastructure base in both of the province's IDZ will also continue, which includes the funding of the AIDC. The continued support and funding of the Asgisa-EC programmes will ensure the implementation of the high impact priority projects (HIPPs) in the province.

With respect to the Business Regulation and Governance Sub-sub programme, the unit will revive the Office of the Consumer Protector, and finalise legislative amendments on the Gambling and Betting Board Act. The review of the Unfair Businesses Practices Act was initiated to ensure alignment and effective protection of consumers. The review and amendment of the Eastern Cape Liquor Act, the Eastern Cape Development Co-operation Act, the Eastern Cape Tourism Act and the Eastern Cape Gambling and Betting Board Act will ensure responsible trading environment.

For the 2009/10 financial year, the department will roll-out the initiatives of the Strategic Initiatives Unit. The aim of the unit is to facilitate the implementation of strategic programmes that will stimulate the competitiveness of priority sectors. This again, requires that the department to establish linkages with industry and sectors.

Lastly, the main activities in the Economic Planning unit will be to operationalised the unit, and conduct sector analysis and provincial profiling research. This will be done jointly with the Coega Development Agency, through the partnership created with the entity.

### **Environmental Affairs**

The Programme in 2009/10 financial year will focus on:

Monitoring, evaluation, facilitation and reporting on the progress of the Environmental Sector EPWP Projects that the Programme will be implementing in partnership with Ndlambe, Chris Hani, Mnquma, Nelson Mandela Metro, Matatiele, King Sabatha Dalindyebo, Elundini, Buffalo City, Mhlontlo, Ngqushwa, Amahlathi local authorities. Communities residing within these municipal areas where Environment EPWP projects will be implemented will benefit from job opportunities created and training provided.

Enactment of the Eastern Cape Environmental Management Bill and gazetting of its regulations in order to streamline environmental management in the Province.

Implementation of the Amended NEMA EIA Regulations that streamline the assessment of listed activities with respect to proposed developments that will have an impact on the environment.

Implementation of the Waste Management Act that integrates management and control of pollution and waste activities.

Implementation of Air Quality Act that addresses broader air quality management issues and decentralises authority to Province and District Municipalities.

Initiate the process of declaring wetlands at Ingquza Hill Municipality as the first Ramsar site (International Status) in the Province.

Finalisation of the Eastern Cape State of Environment Report that informs planning for future sustainable utilisation of natural resources.

Finalisation of the Environmental Implementation Plan that enables the respective government departments whose functions have an impact and/or management responsibility on the environment to commit to cooperative governance.

Development of Provincial Hazardous Waste Management and General Waste Management Plans that will inform the management of waste in the Province.

Develop Provincial Climate Change Strategy that will outline the vulnerability and adaptation measures to minimize the impact on the environment.

Resuscitate the Ntabethemba Community wildlife management project adjacent to Tsolwana Nature Reserve for the management of wildlife and hospitality facilities for the benefit of community.

Strengthen environmental awareness partnerships with key stakeholders in the Province.

Increase inspections to ensure compliance of industries and businesses with legislation that promotes cleaner technology.

Strengthen partnerships with enforcement agencies regarding investigations into organized environmental crime syndicates.

Streamlining of the Environmental Impact Assessment process will speed up turnaround time for processing proposed developments and will contribute immensely to the provision of basic services to the people. The existing illegal landfill sites will be assessed and authorized or be changed into any other formal waste management operation that will enable municipalities to manage waste that is generated within their areas of operation. Information from the waste management plans will inform future waste management options for the Province. Declaration of a Ramsar site in Ingquza Hill Municipality will result into tourism opportunities for the local and surrounding communities. Transformation of hunting industry will create opportunities for previously disadvantaged communities to benefit from the economic spinoffs that will lead to participation in and growth of the industry across the Province. Increased awareness about the importance of the environment and the need to comply with applicable legislation will ensure sustainable development.

## 4. Receipt and Financing

### 4.1 Summary of receipt

**Table 9.2: Summary of departmental receipts**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Treasury funding</b>										
Equitable share	525 471	586 465	636 761	770 788	776 668	780 776	1 003 216	851 043	796 636	28.49
Conditional grants										
<b>Total Treasury funding</b>	<b>525 471</b>	<b>586 465</b>	<b>636 761</b>	<b>770 788</b>	<b>776 668</b>	<b>780 776</b>	<b>1 003 216</b>	<b>851 043</b>	<b>796 636</b>	<b>28.49</b>
<b>Departmental receipts</b>										
Tax receipts	64 318	81 447	92 554	97 172	97 172	95 313	106 889	117 578	123 457	12.15
Sales of goods and services other than capital assets	512	437	463	4 201	4 201	1 476	4 621	5 083	5 337	213.08
Transfers received										
Fines, penalties and forfeits						333				( 100.00)
Interest, dividends and rent on land	161	152	388	256	256	227	282	310	326	24.23
Sales of capital assets						129				( 100.00)
Financial transactions in assets and liabilities	28 777	8 589	6 151	15	15	58	17	19	20	( 70.69)
<b>Total departmental receipts</b>	<b>93 768</b>	<b>90 625</b>	<b>99 556</b>	<b>101 644</b>	<b>101 644</b>	<b>97 536</b>	<b>111 809</b>	<b>122 990</b>	<b>129 140</b>	<b>14.63</b>
<b>Total receipts</b>	<b>619 239</b>	<b>677 090</b>	<b>736 317</b>	<b>872 432</b>	<b>878 312</b>	<b>878 312</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>	<b>26.95</b>

Total receipts increased by R192.6 million from R872.4 million (main budget) in 2008/09 to R1.115 billion in 2009/10. The equitable share funding increased by R182.4 million from R770.8 million (main budget) in 2008/09 to R1.003 billion in 2009/10.

The department's main sources of own revenue are casino taxes, horse racing activities and the payment for liquor licences. In 2005/06 the Department collected R93.8 million. There was a once-off receipt of R28.8 million- (from Eastern Cape Parks Board) - otherwise the actual revenue generated was R65 million. In the 2008/09 financial year, the department estimated to collect R101.7 million and in the 2009/10 financial year, the revenue estimates increased to R111.8 million an increase of R10.2 million of by 14.6 per cent. Own revenue collection by the department is projected to increase in the outer years of the 2009 MTEF period.

## 5. Payment summary

### Key assumptions

The following key assumptions were used in drafting of this budget as follows:

- The projected salary increase of 5.5% in 2009/10, 4.9% in 2010/11 and 4.5% in 2011/12, effective 1 July 2007, as well as the carry through costs of these increases have been provided for under the respective programmes and sub-programmes.
- As from 1 July 2008, the carry through costs of all personnel related adjustments in the pay progression of 10.5% of the wage bill have been factored in.
- Provision has been made for the pay progression of the SMS staff, skills development need as well as the implementation of the human resource plan.
- Implementation of the population of the approved organogram of the Department has been factored into the allocations.
- Budgetary demands from the two public entities which are in the process of merging.

### Programme summary

**Table 9.3: Summary of departmental payments and estimates by programme**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Administration	64,045	57,211	75,914	191,859	197,379	197,379	166,537	120,541	136,549	(15.63)
2. Economic Development	445,527	497,004	521,234	518,175	530,410	530,410	771,015	609,528	563,755	45.36
3. Environmental Affairs	109 667	122 875	139 169	162 398	150 523	150 523	177 473	243 964	225 471	17.90
<b>Total payments and estimates</b>	<b>619 239</b>	<b>677 090</b>	<b>736 317</b>	<b>872 432</b>	<b>878 312</b>	<b>878 312</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>	<b>26.95</b>

Table 9.3 shows summary of payments and estimates of the department per Programme.

Total payments by the department increased significantly from R619.3 million in the 2005/06 financial year to R878.3 million in the 2008/09 financial year. The increase in funding is mainly attributed to the additional allocation to PG Bison, Steinhoff and IDZs in the province. In the 2009/10 financial year, expenditure by the department is estimated to increase by 26,9 per cent. The most important programme of the department is Programme 2, which caters for the Public entities under the jurisdiction of the department. Out of an estimated budget of over one billion, R721million is allocated to this Programme. The budget allocated for Programme 2 increase from R530.4 million in the 2008/09 financial year to R771million in 2009/10 due to the additional funding for Coega Logistic Park, AsgiSA related priority projects, funding to support cooperatives and funding Tourism Board. Furthermore, the budget allocated for Programme 3 increased from R162.4 million in 2008/09 (main budget) to R177, 5 million in 2009/10 due to appointment of new staff and support of the ECPB.

The sharp increase in the projected expenditure in 2009/10 is due to the additional funding for AsgiSa priority projects and the further additional funding for Coega Logistic Park and funding of the cooperatives initiative in support of the industrial strategy. The additional funding seeks to respond to the departmental obligation to stimulate economic growth and create employment opportunities.

Added to the above is the strategic intervention the department has to make regarding the hosting of the 2010 FIFA World Cup. The department and its entities, especially the Tourism and Parks Board have been contracted as implementing agents to ensure that all the plans - provision of world class accommodation, world class nature conservation parks, adequate information to tourists etc - are implemented to maximise the benefits of the World Cup event and boost the economy of the province.

**Table 9.3.1: Summary of departmental payments and estimates by economic classification**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	<b>122 897</b>	<b>114 412</b>	<b>128 555</b>	<b>181 674</b>	<b>199 849</b>	<b>199 849</b>	<b>247 571</b>	<b>274 582</b>	<b>307 809</b>	<b>23.88</b>
Compensation of employees	86 201	74 094	79 459	109 347	108 816	108 816	143 237	150 248	166 059	31.63
Goods and services	36 696	40 318	49 096	72 327	91 033	91 033	104 334	124 334	141 750	14.61
<b>Transfers and subsidies to</b>	<b>492 688</b>	<b>558 741</b>	<b>600 855</b>	<b>683 665</b>	<b>670 076</b>	<b>670 076</b>	<b>864 846</b>	<b>696 686</b>	<b>615 072</b>	<b>29.07</b>
Provinces and municipalities				32 000	32 000	32 000	33 000	64 980	36 624	3.13
Departmental agencies and accounts	471 132	538 668	561 855	649 565	635 976	635 976	829 688	629 369	576 001	30.46
Non-profit institutions	21 282	20 000	34 000	2 100	2 100	2 100	2 158	2 337	2 447	2.76
Households	274	73								
<b>Payments for capital assets</b>	<b>3 654</b>	<b>3 937</b>	<b>6 907</b>	<b>7 093</b>	<b>8 387</b>	<b>8 387</b>	<b>2 608</b>	<b>2 765</b>	<b>2 895</b>	<b>(68.90)</b>
Buildings and other fixed structures										
Machinery and equipment	2 510	1 176	6 907	7 093	8 387	8 387	2 608	2 765	2 895	(68.90)
Software and other intangible assets	1 144	2 761								
<b>Total economic classification</b>	<b>619 239</b>	<b>677 090</b>	<b>736 317</b>	<b>872 432</b>	<b>878 312</b>	<b>878 312</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>	<b>26.95</b>

Table 9.3.1 shows the summary of departmental payments and estimates according to economic classification. Expenditure on most economic classification items are projected to increase significantly in the 2009/10 financial year, except Payments for capital assets which is estimated to decrease by 68.9 per cent due to once off payments for office furniture and computer equipment.

In the 2009/10 financial year, expenditure on Compensation of Employees, Goods and services and Transfers and subsidies are expected to increase by 31.6 per cent, 14.6 per cent and 21.6 per cent respectively. With regards to Compensation of employees and Goods and services, the increase is driven by the policy intention to strengthen internal capacity and strengthen capacity to support to public entities.

With respect to the increase in Transfer and subsidies, this is mainly attributed to the additional funding for Coega Logistic Park, AsgiSA related priority projects, funding to support cooperatives and funding Tourism Board as mentioned earlier.

## Transfers to public entities

**Table 9.3.2: Summary of transfers to public entities**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
EC Tourism Board	20 532	21 000	22 500	23 540	23 540	23 540	40 050	42 553	27 800	70.14
EC Gambling & Betting Board	14 364	19 251	20 233	20 690	20 690	20 690	22 017	23 338	31 187	6.41
Coega Development Corp	180 000		25 200				140 000			
EL IDZ	105 000	224 200	192 000	119 910	119 910	119 910	127 601	135 257	141 614	6.41
EC Development Corp	76 066	180 126	180 210	262 288	268 699	268 699	332 899	293 473	229 318	23.89
EC Parks Board	65 000	79 700	99 407	100 000	100 000	100 000	102 500	108 650	113 757	2.50
EC Liquor Board	10 170	14 391	22 305	23 137	28 137	28 137	24 621	26 098	32 325	( 12.50)
2010 projects				100 000	75 000	75 000	40 000			( 46.67)
<b>Total transfers to public entities</b>	<b>471 132</b>	<b>538 668</b>	<b>561 855</b>	<b>649 565</b>	<b>635 976</b>	<b>635 976</b>	<b>829 688</b>	<b>629 369</b>	<b>576 001</b>	<b>30.46</b>

## 6. Programme Description

### Programme 1: Administration

The purpose is to provide leadership, strategic management in accordance with legislation, regulations and policies and ensure appropriate support service to all other programmes. The programme renders its services through the following five sub-programmes:

- The Office of the MEC provides overall political and policy leadership for the department.
- The Office of the HOD is responsible for managing and directing the departmental transversal administrative programmes that give leadership to the department.
- The Strategic Management Unit is responsible for managing and directing planning systems for the department and its public entities, including monitoring and evaluation and maintenance and development of information systems.
- The Financial Management ensures implementation of the PFMA and other related financial regulations and policies, Supply Chain Management Framework and Internal Control Systems.
- The Corporate Services Programme renders human resources management services, provides guidance on best HR planning and practices, facilitates and provides Office management and administration and Customer Care Services, Special Programmes Unit and Communication to the department.

### Policy developments:

- Review of Cellphone and 3G use
- Skills Development Policy
- Retention and Transfer Policy
- Bereavement Policy

### Changes: Policy, structure, service establishment, etc. Geographic distribution of services:

The budget programme structure of the Department has been changed in line with the gazette structure.

**Table 9.8.1(a): Summary of departmental payments and estimates - Programme 1: Administration**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Office of the MEC	4,355	5,354	6,142	7,182	5,531	5,531	7,420	7,865	8,235	34.15
2. Office of the HOD	25,631	17,820	27,140	139,369	116,056	116,056	76,966	52,664	52,482	(33.68)
3. Financial Management	25 884	23 805	22 236	25 085	44 416	44 416	61 420	36 037	45 731	38.28
4. Corporate Services	8 175	10 232	20 396	20 223	31 376	31 376	20 731	23 975	30 102	(33.93)
<b>Total payments and estimates</b>	<b>64 045</b>	<b>57 211</b>	<b>75 914</b>	<b>191 859</b>	<b>197 379</b>	<b>197 379</b>	<b>166 537</b>	<b>120 541</b>	<b>136 549</b>	<b>(15.63)</b>

Table 9.8.1 (a) above shows summary of payments and estimates of Programme 1: Administration per sub-programme. Total spending by the Programme is estimated to decrease by 15.6 per cent due to the decrease in the allocation for the 2010 FIFA projects. The sub-programmes highly affected by the decline in spending are sub-programmes 2 and 4 with projected decline in spending of 33.7 and 33.9 per cent respectively. This is due to the shifting of certain components from the Office of the HOD to Financial Management and the decrease in the allocation for 2010 as mentioned above. The increase in sub-programme 1 and 3 are mainly due to the desire to strengthen the strategic and policy direction of the department and also beefing up capacity in financial management to ensure clean audit opinions in future.

**Table 9.8.1(b): Summary of departmental payments and estimates by economic classification - Programme 1: Administration**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	<b>60 859</b>	<b>53 911</b>	<b>67 141</b>	<b>84 392</b>	<b>113 729</b>	<b>113 729</b>	<b>122 221</b>	<b>115 916</b>	<b>131 707</b>	<b>7.47</b>
Compensation of employees	36 127	29 706	39 329	47 636	58 267	58 267	66 474	62 136	71 775	14.09
Goods and services	24 732	24 205	27 812	36 756	55 462	55 462	55 747	53 780	59 932	0.51
<b>Transfers and subsidies to</b>	<b>81</b>	<b>18</b>	<b>4 000</b>	<b>102 100</b>	<b>77 100</b>	<b>77 100</b>	<b>42 158</b>	<b>2 337</b>	<b>2 447</b>	<b>(45.32)</b>
Provinces and municipalities										
Non-profit institutions	81		4 000	2 100	2 100	2 100	2 158	2 337	2 447	2.76
Households		18								
<b>Payments for capital assets</b>	<b>3 105</b>	<b>3 282</b>	<b>4 773</b>	<b>5 367</b>	<b>6 550</b>	<b>6 550</b>	<b>2 158</b>	<b>2 288</b>	<b>2 396</b>	<b>(67.05)</b>
Buildings and other fixed structures										
Machinery and equipment	1 961	521	4 773	5 367	6 550	6 550	2 158	2 288	2 396	(67.05)
Software and other intangible assets	1 144	2 761								
<b>Total economic classification</b>	<b>64 045</b>	<b>57 211</b>	<b>75 914</b>	<b>191 859</b>	<b>197 379</b>	<b>197 379</b>	<b>166 537</b>	<b>120 541</b>	<b>136 549</b>	<b>(15.63)</b>

Table 9.8.1 (b) shows the summary of departmental payments and estimates according to economic classification. The major cost drivers for the programme are current payments which for the 2009/10 financial year will account for 73.4 per cent of the total planned spending by the programme. The economic classification item with a significant increase in projected spending is compensation of employees, which is expected to increase its spending by 14 per cent in the 2009/10 financial year. The projected increase in spending on Compensation of employees is due to the drive to create internal capacity to enhance service delivery by the department.

## Programme 2: Economic Development

The purpose of the programme is to sustain economic development through shared partnerships. The programme offers its services through the following four sub-programmes:

- The role of the Integrated Economic Development Services is to sustain economic development and growth through shared partnerships.
- The Trade and Industry Development facilitate Trade, Export Promotion and attract Investment.
- The function of the Business Regulation and Governance is to ensure an equitable, socially responsible business environment that allows for predictability.



- The Economic Planning offers information in order to guide decision making on economic growth and Development.

## **Policy developments**

The central goals of economic policy remain accelerating growth and job creation, broadening economic participation and reducing poverty. In light of the current global economic downturn, the 2009 national Budget Speech anticipates a need for policy adjustments aimed at reinforcing macroeconomic stability and providing a temporary cushioning mechanism for the domestic economy.

In terms of the economic development strategies and frameworks during the final year 2008/9, and the general regulatory environment, there have been few developments at national and provincial level, which are worth noting and have implications on the Programme's area of responsibility.

The National Cooperatives Strategy was concluded and adopted. The Provincial Cooperatives Development Strategy was also concluded and adopted by the Provincial Executive Council. The strategy accentuates the commitment of government to the development and promotion of co-operative enterprises, and places a responsibility on the Department to elevate the coordination and facilitation of a conducive environment for cooperates in the province.

The application of the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice, which were gazetted in 2007 has been operationalised by the gazetting of the B-BBEE Verification Manual for the purposes of accreditation and verification of B-BBEE-related reporting, which has a bearing on the Department's oversight responsibilities.

The Provincial Industrial Development Strategy which has also been concluded, emphasizes the role of the Department as a focal point in the coordination and implementation of dedicated government interventions designed to build the productive capability of industry and various sectors, and place the province on a more equitable and labour absorptive growth path and transform the economy in terms of broadening the ownership of capital and assets.

The completion of the review of the Tourism Master Plan for the period 2003-2007, to a revised period of 2008-2012 implies that the Department has to intensify its interventions to develop the potential of the Tourism sector.

The impact of the Department's interventions on Local Economic Development will be enhanced, through the implementation of the new Funding Framework. The framework will improve the coordination of implementation, and enhance the efficiency and accountability of the delivery mechanism.

The National Regulator for Compulsory Specifications Act, 2008, which provides for the administration and maintenance of compulsory specifications in the interests of public safety and health or for environmental protection, places greater responsibility on the department's advocacy role in trade and export promotion, to ensure that local companies meet the specified standards.

The Interactive Gambling Tax Bill legislation seeks to ensure stronger regulatory oversight of interactive gambling, for the protection for local consumers. This bill will also have to find expression in the amendment of the Eastern Cape Gambling and Betting Act; and will impose responsibilities on the ECGBB compliance monitoring and enforcement responsibilities.

**Table 9.8.2(a): Summary of departmental payments and estimates - Programme 2: Economic Development**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Integrated Economic Development Services	83,510	167,038	131,637	140,319	140,767	140,767	196,552	213,299	222,854	39.63
2. Trade and Industry Development	324,412	293,400	343,570	324,528	331,315	331,315	518,382	336,783	278,661	56.46
3. Business Regulation and Governance	37 605	36 566	45 654	47 328	52 328	52 328	49 856	52 847	55 331	(4.72)
4. Economic Planning			373	6 000	6 000	6 000	6 225	6 599	6 909	3.75
<b>Total payments and estimates</b>	<b>445 527</b>	<b>497 004</b>	<b>521 234</b>	<b>518 175</b>	<b>530 410</b>	<b>530 410</b>	<b>771 015</b>	<b>609 528</b>	<b>563 755</b>	<b>45.36</b>

Table 9.8.2 (a) shows the summary of departmental payments and estimates for Programme 2 per sub-programmes. The Sub-programme with the highest growth in projected estimates in the 2009/10 financial year is sub-Programme 2.2, Trade and Industry Development which will receive a significant increase in 2009/10 financial year. As already mentioned, the additional allocation for the implementation of AsgiSA priority projects and the additional allocation for the Coega Logistic Park caused an increase of Sub-programme 2.2 as most of the public entities reside in this Sub-programme.

**Table 9.8.2(b): Summary of departmental payments and estimates by economic classification - Programme 2: Economic Development**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	<b>17 850</b>	<b>17 762</b>	<b>24 276</b>	<b>36 110</b>	<b>36 823</b>	<b>36 823</b>	<b>50 377</b>	<b>53 352</b>	<b>64 388</b>	<b>36.81</b>
Compensation of employees	12 399	10 262	12 522	16 590	17 303	17 303	21 154	27 232	33 089	22.26
Goods and services	5 451	7 500	11 754	19 520	19 520	19 520	29 223	26 120	31 299	49.71
<b>Transfers and subsidies to</b>	<b>427 444</b>	<b>478 982</b>	<b>496 448</b>	<b>481 565</b>	<b>492 976</b>	<b>492 976</b>	<b>720 188</b>	<b>555 699</b>	<b>498 868</b>	<b>46.09</b>
Provinces and municipalities				32 000	32 000	32 000	33 000	34 980	36 624	3.13
Departmental agencies and accounts	406 132	458 968	462 448	449 565	460 976	460 976	687 188	520 719	462 244	49.07
Households	274	14								
<b>Payments for capital assets</b>	<b>233</b>	<b>260</b>	<b>510</b>	<b>500</b>	<b>611</b>	<b>611</b>	<b>450</b>	<b>477</b>	<b>499</b>	<b>(26.35)</b>
Machinery and equipment	233	260	510	500	611	611	450	477	499	(26.35)
<b>Total economic classification</b>	<b>445 527</b>	<b>497 004</b>	<b>521 234</b>	<b>518 175</b>	<b>530 410</b>	<b>530 410</b>	<b>771 015</b>	<b>609 528</b>	<b>563 755</b>	<b>45.36</b>

Table 9.8.2 (b) shows the summary of departmental payments and estimates for Programme 2 according to economic classification. As depicted in the table, all the economic classification items are projected to grow strongly in the 2009/10 financial year except Payments for capital assets which is estimated to decline by 26.4 per cent. The projected increases in expenditure on Compensation of employees and Goods and services are due to the policy decision to strengthen internal departmental capacity to enable it to effectively support the public entities.

The allocation for Transfers and subsidies increases from a revised estimate of R492.9 million in the 2008/09 financial year to R670.2 million in the 2009/10 financial year, representing an increase of 46 per cent. As already mentioned in this section, the additional allocation for the implementation of AsgiSA priority projects, the additional allocation for the Coega Logistic Park caused an increase of the departmental transfers to public entities

## Service Delivery Measures

Performance Measures	Performance targets	
	2008/09	2009/10
Number of SMMEs supported through institution	5000	6000
Number of Economic Development projects supported at municipalities	19	20
Value of investments attracted	R7,892 billion	R5,1 billion
Number of barriers identified	1	1
Number of key sectors identified and supported	3	4
Number of compliants resolved	200	220
Number of economic intelligence reports developed	2	3
Number of Evaluation Reports Approved	2	4

### Programme 3: Environmental Affairs Management

The purpose of the programme is to co-ordinate and provides strategic direction for sustainable environmental management in the Eastern Cape Province. The programme renders its services through the following five sub-programmes:

- The Policy Coordination and Environmental Planning ensure that legislation, policies, programs, procedures and systems are established that will effectively empower and support the core functional programs of the programme.
- The Compliance and Enforcement ensures that environmental legislation is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation and negative impacts that could jeopardize environmental and economic sustainability in the Eastern Cape.
- Environmental Quality Management conducts effective Environmental Impact Management, Air Quality Management and Waste and Pollution Management offers services that will guarantee a safe and healthy environment for the people of the Eastern Cape.
- The Biodiversity Management conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species and genes in the Eastern Cape and promote conservation and sustainable use of natural resources for the benefit of the people of the Eastern Cape.
- The Environmental Empowerment Services offers services that are geared to empower and capacitate the external stakeholders of the department to meaningfully participate and contribute to effective environmental management in the Eastern Cape.

### Policy developments

- Review of the Environmental Implementation Plan;
- Review of the State of the Environment Report;
- Review of the legislation regulating environmental management in the Province
- Development of operational guidelines;
- Delegation of certain functions from National to Province eg. Section 20 of ECA on landfill site permitting;
- Implementation of new NEMBA regulations;
- Implementation of Integrated Coastal Management Legislation, Air Quality and Waste Management Legislation.

**Table 9.8.3(a): Summary of departmental payments and estimates - Programme 3: Environmental Affairs**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Policy Coordination and Environmental Planning	41,849	39,042	33,646	51,336	39,461	39,461	63,133	65,764	65,634	59.99
2. Compliance and Enforcement	-	-	-	1,200	1,200	1,200	1,350	8,431	1,499	12.50
3. Environmental Quality Management	477	846	3 425	2 877	2 877	2 877	3 190	53 381	36 480	10.88
4. Biodiversity Management	66 769	82 565	101 372	104 635	104 635	104 635	107 300	113 738	119 084	2.55
5. Environmental Empowerment Services	572	422	726	2 350	2 350	2 350	2 500	2 650	2 775	6.38
<b>Total payments and estimates</b>	<b>109 667</b>	<b>122 875</b>	<b>139 169</b>	<b>162 398</b>	<b>150 523</b>	<b>150 523</b>	<b>177 473</b>	<b>243 964</b>	<b>225 471</b>	<b>17.90</b>

Table 9.8.3 (a) above shows that expenditure by the Programme increased moderately from R109.7 million in 2005/06 financial year to a revised estimate of R 150.5 million in 2008/09 financial year due to the implementation of policy priorities aligned to the mandate of the Programme. In pursuance of the implementation of the policy priorities, spending by the Programme is expected to grow significantly by 17.9 per cent in 2009/10 financial year. The sub-programmes that are allocated the greater portion of the budget are Policy Coordination and Environmental Planning and Biodiversity Management. For instance, in the 2008/09 financial year, the Policy Coordination and Environmental Planning received R51.3 million and Biodiversity Management received R104.6 million. It should be noted that the Biodiversity Management sub-programme transfers most of its budget allocation to the Eastern Cape Park Board, which is the implementation agency for the department. In the 2008/09 financial year adjustment budget process, the Programme transferred R100 million to the Eastern Cape Park Board. In 2009/10 as demonstrated in Table 9.8.3 (b), the Programme will transfer an amount of R102.5 million. Expenditure by the sub-programme Policy Coordination and Environmental Planning is projected to increase sharply by 60 per cent in 2009/10 financial year due to the implementation of policy priorities aligned to the mandate of the sub-programme.

**Table 9.8.3(b): Summary of departmental payments and estimates by economic classification - Programme 3: Environmental Affairs**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	<b>44 188</b>	<b>42 739</b>	<b>37 138</b>	<b>61 172</b>	<b>49 297</b>	<b>49 297</b>	<b>74 973</b>	<b>105 314</b>	<b>111 715</b>	<b>52.08</b>
Compensation of employees	37 675	34 126	27 608	45 121	33 246	33 246	55 609	60 880	61 195	67.27
Goods and services	6 513	8 613	9 530	16 051	16 051	16 051	19 364	44 434	50 520	20.64
<b>Transfers and subsidies to</b>	<b>65 163</b>	<b>79 741</b>	<b>100 407</b>	<b>100 000</b>	<b>100 000</b>	<b>100 000</b>	<b>102 500</b>	<b>138 650</b>	<b>113 757</b>	<b>2.50</b>
Provinces and municipalities								30 000		
Households		41								
<b>Payments for capital assets</b>	<b>316</b>	<b>395</b>	<b>1 624</b>	<b>1 226</b>	<b>1 226</b>	<b>1 226</b>				<b>(100.00)</b>
Machinery and equipment	316	395	1 624	1 226	1 226	1 226				(100.00)
<b>Total economic classification</b>	<b>109 667</b>	<b>122 875</b>	<b>139 169</b>	<b>162 398</b>	<b>150 523</b>	<b>150 523</b>	<b>177 473</b>	<b>243 964</b>	<b>225 472</b>	<b>17.90</b>

In terms of economic classification, the payments by the programme for the Compensation of employees show a fluctuating trend in the past years. Table 9.8.3 above further shows that in 2008/09 financial year the budget allocation for the Compensation of employees declined from R45,121 million (main budget) to R33,246 million (adjusted budget) The reason for the decline is a resultant of the planned appointment of strategic posts at senior management level that did not materialized. One of the key challenges of the programme is to ensure that it recruit qualified personnel and improve its staff retention strategy. The programme is also experiencing intense competition from the private sector and local government. In the 2009/10 financial year, the projected allocation for Compensation of employees increases to R55.6 million in order to support the roll-out of the new structure and place greater emphasis on service delivery.

There was a steady increase in the payments for Goods and services from the 2005/06 financial year to 2008/09 financial year. For the 2009/10 financial year, expenditure on Goods and services is estimated to increase by 20.6 per cent. The increase in allocation is intended to gear-up the implementation of waste management, processing of unauthorized developments applications, provide support to the EIAs appeals, to support the development and implementation of Environmental Management Framework, support biodiversity regulations implementation. Furthermore to implement coastal management programme, support environmental education/awareness programmes, support compliance and enforcement operations. In addition the programme will develop the municipal Air Quality Plans, implement the Environmental Management Bill and its regulations.

### Service Delivery Measures

Performance Measures	Performance targets	
	2008/09	2009/10
Number of people employed on EPWP	2000	2000
Number of waste minimization and recycling projects implemented	4	7
Number of administrative actions (compliance notices, directives)	10	57
Number of applications finalised within guideline time-frame and meeting legal requirements	360	341
Number of biodiversity permit applications finalized.	3000	4000
Additional land under biodiversity conservation	20 000 ha	20 000 ha
Number of Awareness Day events celebrated	7	7

## 7. Other programme information

### Personnel numbers and costs

**Table 9.9: Personnel numbers and costs**

Programme R'000	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	As at 31 March 2011	As at 31 March 2012
1. Administration	163	168	170	235	235	235	250
2. Economic Development	244	240	212	235	409	293	250
3. Environmental Affairs	677	613	183	165	165	165	200
<b>Total personnel numbers</b>	1 084	1 021	565	635	809	693	700
Total personnel cost (R'000)	86 201	74 094	79 459	108 816	143 237	150 248	166 059
Unit cost (R'000)	80	73	141	171	177	217	237

**Table 9.10: Departmental personnel numbers and costs**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Total for department</b>										
Personnel numbers (head count)	1,084	1,021	565	635	809	693	<b>700</b>	710	743	1.01
Personnel cost (R'000)	86 201	74 094	79 459	109 347	108 816	108 816	<b>143 237</b>	150 248	166 059	31.63
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)	44	50	56	112	112	112	<b>188</b>	188	197	67.86
Personnel cost (R'000)	4 442	9 734	6 974	19 126	19 126	19 126	<b>24 190</b>	25 604	26 807	26.48
Head count as % of total for department	4.06	4.90	9.91	17.64	13.84	16.16	<b>26.86</b>	26.48	26.48	66.18
Personnel cost as % of total for department	5.15	13.14	8.78	17.49	17.58	17.58	<b>16.89</b>	17.04	16.14	(3.92)
<b>Finance component</b>										
Personnel numbers (head count)	292	290	334	280	280	280	<b>374</b>	374	392	33.57
Personnel cost (R'000)	26 146	27 724	33 164	28 012	28 012	28 012	<b>29 426</b>	30 534	31 969	5.05
Head count as % of total for department	26.94	28.40	59.12	44.09	34.61	40.40	<b>53.43</b>	52.68	52.68	32.24
Personnel cost as % of total for department	30.33	37.42	41.74	25.62	25.74	25.74	<b>20.54</b>	20.32	19.25	(20.20)
<b>Full time workers</b>										
Personnel numbers (head count)	1 836	1 948	1 140	978	978	978	<b>1 686</b>	1 686	1 765	72.39
Personnel cost (R'000)	167 442	167 908	143 090	183 358	183 358	183 340	<b>212 214</b>	223 726	234 241	15.75
Head count as % of total for department	169.37	190.79	201.77	154.02	120.89	141.13	<b>240.86</b>	237.46	237.46	70.67
Personnel cost as % of total for department	194.25	226.61	180.08	167.68	168.50	168.49	<b>148.16</b>	148.90	141.06	(12.07)
<b>Part-time workers</b>										
Personnel numbers (head count)	2	12	14	14	14	14	<b>12</b>	12	13	(14.29)
Personnel cost (R'000)	2 276	4 494	5 094	7 330	7 330	7 330	<b>6 390</b>	68 058	71 257	(12.82)
Head count as % of total for department	0.18	1.18	2.48	2.20	1.73	2.02	<b>1.71</b>	1.69	1.69	(15.14)
Personnel cost as % of total for department	2.64	6.07	6.41	6.70	6.74	6.74	<b>4.46</b>	45.30	42.91	(33.77)

## Training

**Table 9.11: Payments on training**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Administration	685	2 451	3 200	4 671	4 671	4 588	<b>4 810</b>	5 045	5 282	4.84
Subsistence and travel										
Payments on tuition	685	2 451	3 200	4 671	4 671	4 588	<b>4 810</b>	5 045	5 282	4.84
Other										
2. Economic Development										
Subsistence and travel										
Payments on tuition										
Other										
3. Environmental Affairs										
Subsistence and travel										
Payments on tuition										
Other										
<b>Total payments on training</b>	<b>685</b>	<b>2 451</b>	<b>3 200</b>	<b>4 671</b>	<b>4 671</b>	<b>4 588</b>	<b>4 810</b>	<b>5 045</b>	<b>5 282</b>	<b>4.84</b>

**Table 9.12: Information on training**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Number of staff	1 084	1 021	565	635	809	693	<b>700</b>	710	743	1.01
Number of personnel trained	170	239		250	250	250	<b>250</b>	250	261	
<i>of which</i>										
Male	35	56		100	100	100	<b>100</b>	100	104	
Female	135	183		150	150	150	<b>150</b>	150	157	
Number of training opportunities	184	195		185	185	185	<b>230</b>	230	240	24.32
<i>of which</i>										
Tertiary	49	50		55	55	55	<b>55</b>	55	57	
Workshops	30	35					<b>45</b>	45	47	
Seminars	5									
Other	100	110		130	130	130	<b>130</b>	130	136	
Number of bursaries offered		56		60	60	60	<b>60</b>	60	63	
Number of interns appointed	22	18		100	100	100	<b>100</b>	100	104	
Number of learnerships appointed	19									
Number of days spent on training										

**Reconciliation of structural changes**

There were no structural changes





**Annexure to Budget Statement 2**  
**Department of Economic Development  
and Environmental Affairs**

**Table 9.B1: Specification of departmental own receipts**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Tax receipts</b>	64 318	81 447	92 554	97 172	97 172	95 313	<b>106 889</b>	117 578	123 457	12.15
Casino taxes	55 733	72 052	82 433	85 789	85 789	88 870	<b>94 368</b>	103 805	108 995	6.19
Motor vehicle licences	2 619	3 119	4 190	4 793	4 793	4 466	<b>5 272</b>	5 799	6 089	18.05
Horseracing	5 966	6 276	5 931	6 590	6 590	1 977	<b>7 249</b>	7 974	8 373	266.67
Other taxes										
<b>Sales of goods and services other than capital assets</b>	512	437	463	4 201	4 201	1 476	<b>4 621</b>	5 083	5 337	213.08
Sales of goods and services produced by department	512	437	463	4 201	4 201	1 476	<b>4 621</b>	5 083	5 337	213.08
Sales by market establishments										
Administrative fees										
Other sales	512	437	463	4 201	4 201	1 476	<b>4 621</b>	5 083	5 337	213.08
<i>Of which</i>										
Boarding & Lodging				110	110		<b>121</b>	133	140	
Other	512	437	463	4 091	4 091	1 476	<b>4 500</b>	4 950	5 198	204.88
Sales of scrap, waste, arms and other used current goods										
<b>Transfers received from</b>										
<b>Fines, penalties and forfeits</b>						333				(100.00)
<b>Interest, dividends and rent on land</b>	161	152	388	256	256	227	<b>282</b>	310	326	24.23
Interest	161	152	388	256	256	227	<b>282</b>	310	326	24.23
<b>Sales of capital assets</b>						129				(100.00)
<b>Financial transactions in assets and liabilities</b>	28 777	8 589	6 151	15	15	58	<b>17</b>	19	20	(70.69)
<b>Total departmental receipts</b>	<b>93 768</b>	<b>90 625</b>	<b>99 556</b>	<b>101 644</b>	<b>101 644</b>	<b>97 536</b>	<b>111 809</b>	<b>122 990</b>	<b>129 140</b>	<b>14.63</b>

**Table 9.B2: Details of departmental payments and estimates by economic classification**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	122 897	114 412	128 555	181 674	199 849	199 849	247 571	274 582	307 809	23.88
Compensation of employees	86 201	74 094	79 459	109 347	108 816	108 816	143 237	150 248	166 059	31.63
Salaries and wages	86 201	74 094	79 459	109 347	108 816	108 816	143 237	150 248	166 059	31.63
Social contributions										
Goods and services	36 696	40 318	49 096	72 327	91 033	91 033	104 334	124 334	141 750	14.61
<i>Of which</i>										
Administrative fees	372	269	688	30	30	140	8 504	8 921	9 338	5974.29
Advertising	499	771	2 544	2 137	2 137	3 323	2 374	3 490	4 653	(28.56)
Assets <R5000	52	324	1 222	1 733	1 733	1 771	1 882	1 976	2 070	6.27
Audit cost: External	3 568	3 055	2 364	2 634	2 634	2 634	2 771	2 906	3 044	5.20
Catering: Departmental activities		653	1 532	2 490	2 490	2 506	2 453	2 573	2 693	(2.11)
Computer	9 210	4 110	3 108	5 662	5 662	5 826	8 135	14 837	5 064	39.63
Contractors	210	40	202				1 494	1 566	1 641	
Entertainment	464	433	2	103	103	103	106	111	116	2.91
Inventory:							250	262	274	
Inventory: Other consumables	20	787	3 505	1 896	1 896	1 601	931	978	1 025	(41.85)
Inventory: Stationery and printing	5 396	1 141	2 788	3 927	3 927	2 647	2 511	2 635	2 761	(5.14)
Lease payments	1 243	1 004	863	2 597	6 597	6 554	2 379	2 496	7 614	(63.70)
Transport provided dept activity		548		2 445	2 445		7 445	14 401	9 839	
Travel and subsistence	6 873	8 493	12 695	14 801	18 318	19 107	14 124	35 003	35 972	(26.08)
Training & staff development	184	3 557	3 452	5 535	6 035	5 994	6 847	6 183	7 523	14.23
Venues and facilities	650	614	1 578	2 021	2 771	3 336	547	2 826	2 912	(83.60)
<b>Transfers and subsidies to (Current)</b>	492 688	558 741	501 448	683 665	670 076	670 076	864 846	696 686	615 072	29.07
Provinces and municipalities				32 000	32 000	32 000	33 000	64 980	36 624	3.13
Municipalities				32 000	32 000	32 000	33 000	64 980	36 624	3.13
Departmental agencies and accounts	471 132	538 668	462 448	649 565	635 976	635 976	829 688	629 369	576 001	30.46
Public entities receiving transfers	471 132	538 668	462 448	649 565	635 976	635 976	829 688	629 369	576 001	30.46
EC Tourism Board	20 532	21 000	22 500	23 540	23 540	23 540	40 050	42 553	27 800	70.14
EC Gambling & Betting Board	14 364	19 251	20 233	20 690	20 690	20 690	22 017	23 338	31 187	6.41
Coega Development Corp	180 000		25 200				140 000			
EL IDZ	105 000	224 200	192 000	119 910	119 910	119 910	127 601	135 257	141 614	6.41
EC Development Corp	76 066	180 126	180 210	262 288	268 699	268 699	332 899	293 473	229 318	23.89
EC Parks Board	65 000	79 700		100 000	100 000	100 000	102 500	108 650	113 757	2.50
EC Liquor Board	10 170	14 391	22 305	23 137	28 137	28 137	24 621	26 098	32 325	(12.50)
2010				100 000	75 000	75 000	40 000			(46.67)
Universities and technikon			1 000							
Public corporations and private enterprises			4 000							
Public corporations			4 000							
Subsidies on production			4 000							
Non-profit institutions	21 282	20 000	34 000	2 100	2 100	2 100	2 158	2 337	2 447	2.76
Households	274	73								
Other transfers to households	274	73								
<b>Transfers and subsidies to (Capital)</b>			99 407							
Departmental agencies and accounts			99 407							
Social security funds										
Public entities receiving transfers			99 407							
EC Parks Board			99 407							
<b>Transfers and subsidies to (Total)</b>	492 688	558 741	600 855	683 665	670 076	670 076	864 846	696 686	615 072	29.07
Provinces and municipalities				32 000	32 000	32 000	33 000	64 980	36 624	3.13
Municipalities				32 000	32 000	32 000	33 000	64 980	36 624	3.13
Departmental agencies and accounts	471 132	538 668	561 855	649 565	635 976	635 976	829 688	629 369	576 001	30.46
Social security funds										
Entities receiving transfers	471 132	538 668	561 855	649 565	635 976	635 976	829 688	629 369	576 001	30.46
EC Tourism Board	20 532	21 000	22 500	23 540	23 540	23 540	40 050	42 553	27 800	70.14
EC Gambling & Betting Board	14 364	19 251	20 233	20 690	20 690	20 690	22 017	23 338	31 187	6.41
Coega Development Corp	180 000		25 200				140 000			
EL IDZ	105 000	224 200	192 000	119 910	119 910	119 910	127 601	135 257	141 614	6.41
EC Development Corp	76 066	180 126	180 210	262 288	268 699	268 699	332 899	293 473	229 318	23.89
EC Parks Board	65 000	79 700	99 407	100 000	100 000	100 000	102 500	108 650	113 757	2.50
EC Liquor Board	10 170	14 391	22 305	23 137	28 137	28 137	24 621	26 098	32 325	(12.50)
Non-profit institutions	21 282	20 000	34 000	2 100	2 100	2 100	2 158	2 337	2 447	2.76
Households	274	73								
Other transfers to households	274	73								
<b>Payments for capital assets</b>	3 654	3 937	6 907	7 093	8 387	8 387	2 608	2 765	2 895	(68.90)
Buildings and other fixed structures										
Machinery and equipment	2 510	1 176	6 907	7 093	8 387	8 387	2 608	2 765	2 895	(68.90)
Other machinery and equipment	2 510	1 176	6 907	7 093	8 387	8 387	2 608	2 765	2 895	(68.90)
Software and other intangible	1 144	2 761								
<b>Total economic classification</b>	<b>619 239</b>	<b>677 090</b>	<b>736 317</b>	<b>872 432</b>	<b>878 312</b>	<b>878 312</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>	<b>26.95</b>

**Table 9.B2.1: Details of departmental payments and estimates by economic classification - Programme 1: Administration**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	60 859	53 911	67 141	84 392	113 729	113 729	<b>122 221</b>	115 916	131 707	7.47
Compensation of employees	36 127	29 706	39 329	47 636	58 267	58 267	<b>66 474</b>	62 136	71 775	14.09
Salaries and wages	36 127	29 706	39 329	47 636	58 267	58 267	<b>66 474</b>	62 136	71 775	14.09
Social contributions										
Goods and services	24 732	24 205	27 812	36 756	55 462	55 462	<b>55 747</b>	53 780	59 932	0.51
<i>Of which</i>										
Administrative fees	180	64	238	30	30	140	<b>3 554</b>	3 728	3 902	2438.57
Advertising	54	431	1 383	1 380	1 380	1 587	<b>1 293</b>	2 356	3 466	(18.53)
Assets <R5000	116	152	551	954	954	954	<b>1 069</b>	1 122	1 175	12.05
Audit cost: External	3 375	3 055	2 364	2 634	2 634	2 634	<b>2 771</b>	2 906	3 043	5.20
Catering: Departmental activities		314	726	1 005	1 005	1 320	<b>837</b>	878	919	(36.59)
Communication	1 969	2 973	2 248	2 367	6 367	6 055	<b>12 178</b>			101.12
Computer	6 876	4 024	2 958	4 762	4 762	4 762	<b>4 611</b>	14 837	5 064	(3.17)
Cons/prof:business & advisory services	2 716	4 575	3 118	4 960	10 649	10 649	<b>6 896</b>	5 000	10 235	(35.24)
Cons/prof: Legal cost			230	31	281	281			5 000	(100.00)
Contractors	90	22	137				<b>830</b>	871	913	
Agency & support/outsourced services			176	50	50	50				(100.00)
Entertainment	196	237	2	103	103	103	<b>106</b>	111	116	2.91
Government motor transport							<b>11</b>	12	13	
Housing										
Inventory: Food and food supplies		95	68	233	233	233	<b>137</b>	144	151	(41.20)
Inventory:			7	3	3		<b>31</b>	33	35	
Inventory:							<b>250</b>	262	274	
Inventory: Raw materials							<b>83</b>	87	91	
Inventory: Medical supplies	18	32	8	7	7		<b>8</b>	8	8	
Inventory: Other consumables	20	787	1 210	1 196	1 196	1 196	<b>749</b>	786	823	(37.37)
Inventory: Stationery and printing	3 905	503	1 978	2 523	2 523	1 883	<b>1 498</b>	1 572	1 648	(20.45)
Lease payments	1 035	283	660	1 646	5 646	5 669	<b>1 673</b>	1 755	1 837	(70.49)
Owned & leasehold property expenditure	6	1	102							
Transport provided dept activity							<b>1 635</b>	1 715	1 796	
Travel and subsistence	2 823	4 185	5 149	7 369	10 886	11 017	<b>6 811</b>	7 418	7 766	(38.18)
Training & staff development	98	2 026	3 220	4 218	4 218	4 262	<b>4 810</b>	4 045	5 282	12.86
Operating expenditure	659	120	796	733	1 733	1 605	<b>3 748</b>	3 728	3 903	133.52
Venues and facilities	596	326	483	552	802	1 062	<b>158</b>	406	2 472	(85.12)
Other										
<b>Transfers and subsidies to (Total)</b>	81	18	4 000	102 100	77 100	77 100	<b>42 158</b>	2 337	2 447	(45.32)
Departmental agencies and accounts				100 000	75 000	75 000	<b>40 000</b>			(46.67)
Social security funds										
Public entities receiving transfers				100 000	75 000	75 000	<b>40 000</b>			(46.67)
2010				100 000	75 000	75 000	<b>40 000</b>			(46.67)
Non-profit institutions	81		4 000	2 100	2 100	2 100	<b>2 158</b>	2 337	2 447	2.76
Households		18								
Other transfers to households		18								
<b>Payments for capital assets</b>	3 105	3 282	4 773	5 367	6 550	6 550	<b>2 158</b>	2 288	2 396	(67.05)
Machinery and equipment	1 961	521	4 773	5 367	6 550	6 550	<b>2 158</b>	2 288	2 396	(67.05)
Other machinery and equipment	1 961	521	4 773	5 367	6 550	6 550	<b>2 158</b>	2 288	2 396	(67.05)
Software and other intangible	1 144	2 761								
<b>Total economic classification</b>	<b>64 045</b>	<b>57 211</b>	<b>75 914</b>	<b>191 859</b>	<b>197 379</b>	<b>197 379</b>	<b>166 537</b>	<b>120 541</b>	<b>136 549</b>	<b>(15.63)</b>

**Table 9.B2.2: Details of departmental payments and estimates by economic classification - Programme 2: Economic Development**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	17 850	17 762	24 276	36 110	36 823	36 823	<b>50 377</b>	53 352	64 388	36.81
Compensation of employees	12 399	10 262	12 522	16 590	17 303	17 303	<b>21 154</b>	27 232	33 089	22.26
Salaries and wages	12 399	10 262	12 522	16 590	17 303	17 303	<b>21 154</b>	27 232	33 089	22.26
Social contributions										
Goods and services	5 451	7 500	11 754	19 520	19 520	19 520	<b>29 223</b>	26 120	31 299	49.71
<i>Of which</i>										
Administrative fees	78	182	338				<b>1 916</b>	2 010	2 104	
Advertising	367	221	686	233	233	1 207	<b>209</b>	219	229	(82.68)
Assets <R5000	17	51	526	521	521	671	<b>534</b>	561	588	(20.42)
Audit cost: External	193								1	
Catering: Departmental activities		192	325	612	612	353	<b>461</b>	483	505	30.59
Communication	601	737	762	972	972	531				(100.00)
Computer	1 413	84	130							
Cons/prof:business & advisory services	327	1 869	807	9 174	8 174	9 348	<b>9 299</b>	5 000	9 188	(0.52)
Cons/prof: Legal cost		17	305	306	306	335				(100.00)
Contractors			36				<b>253</b>	264	276	
Entertainment	93	98								
Inventory: Food and food supplies			164	120	120	120	<b>119</b>	125	131	(0.83)
Inventory: Raw materials				24	24	24	<b>405</b>	425	445	1587.50
Inventory: Medical supplies				1	1	1				(100.00)
Inventory: Other consumables			2 295	250	250	200	<b>110</b>	116	122	(45.00)
Inventory: Stationery and printing	1 174	263	507	1 018	1 018	579	<b>547</b>	574	601	(5.53)
Lease payments	68	331		306	306	203	<b>300</b>	315	330	47.78
Owned & leasehold property expenditure			111							
Transport provided dept activity		548		2 445	2 445		<b>3 493</b>	5 255	5 500	
Travel and subsistence	1 031	657	3 865	1 933	1 933	3 475	<b>3 266</b>	2 580	2 700	(6.01)
Training & staff development		757	184	672	1 172	825	<b>916</b>	961	1 007	11.03
Operating expenditure	65	1 294	103	83	83	163	<b>7 380</b>	7 216	7 555	4427.61
Venues and facilities	24	199	610	850	1 350	1 485	<b>15</b>	16	17	(98.99)
Other										
<b>Transfers and subsidies to (Total)</b>	427 444	478 982	496 448	481 565	492 976	492 976	<b>720 188</b>	555 699	498 868	46.09
Provinces and municipalities				32 000	32 000	32 000	<b>33 000</b>	34 980	36 624	3.13
Municipalities				32 000	32 000	32 000	<b>33 000</b>	34 980	36 624	3.13
Municipalities				32 000	32 000	32 000	<b>33 000</b>	34 980	36 624	3.13
Departmental agencies and accounts	406 132	458 968	462 448	449 565	460 976	460 976	<b>687 188</b>	520 719	462 244	49.07
Social security funds										
Public entities receiving transfers	406 132	458 968	462 448	449 565	460 976	460 976	<b>687 188</b>	520 719	462 244	49.07
EC Tourism Board	20 532	21 000	22 500	23 540	23 540	23 540	<b>40 050</b>	42 553	27 800	70.14
EC Gambling & Betting Board	14 364	19 251	20 233	20 690	20 690	20 690	<b>22 017</b>	23 338	31 187	6.41
Coega Development Corp	180 000		25 200				<b>140 000</b>			
EL IDZ	105 000	224 200	192 000	119 910	119 910	119 910	<b>127 601</b>	135 257	141 614	6.41
EC Development Corp	76 066	180 126	180 210	262 288	268 699	268 699	<b>332 899</b>	293 473	229 318	23.89
EC Liquor Board	10 170	14 391	22 305	23 137	28 137	28 137	<b>24 621</b>	26 098	32 325	(12.50)
Public corporations and private enterprises			4 000							
Public corporations			4 000							
Subsidies on production			4 000							
Non-profit institutions	21 038	20 000	30 000							
Households	274	14								
Other transfers to households	274	14								
<b>Payments for capital assets</b>	233	260	510	500	611	611	<b>450</b>	477	499	(26.35)
Machinery and equipment	233	260	510	500	611	611	<b>450</b>	477	499	(26.35)
Other machinery and equipment	233	260	510	500	611	611	<b>450</b>	477	499	(26.35)
<b>Total economic classification</b>	<b>445 527</b>	<b>497 004</b>	<b>521 234</b>	<b>518 175</b>	<b>530 410</b>	<b>530 410</b>	<b>771 015</b>	<b>609 528</b>	<b>563 755</b>	<b>45.36</b>

**Table 9.B2.3: Details of departmental payments and estimates by economic classification - Programme 3: Environmental Affairs**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	44 188	42 739	37 138	61 172	49 297	49 297	<b>74 973</b>	105 314	111 715	52.08
Compensation of employees	37 675	34 126	27 608	45 121	33 246	33 246	<b>55 609</b>	60 880	61 195	67.27
Salaries and wages	37 675	34 126	27 608	45 121	33 246	33 246	<b>55 609</b>	60 880	61 195	67.27
Social contributions										
Goods and services	6 513	8 613	9 530	16 051	16 051	16 051	<b>19 364</b>	44 434	50 520	20.64
<i>Of which</i>										
Administrative fees	114	23	112				<b>3 034</b>	3 183	3 332	
Advertising	78	119	475	524	524	529	<b>872</b>	915	958	64.84
Assets <R5000	( 81 )	121	145	258	258	146	<b>279</b>	293	307	91.10
Catering: Departmental activities		147	481	873	873	833	<b>1 155</b>	1 212	1 269	38.66
Communication	938	1 431	1 508	981	981	1 043				(100.00)
Computer	921	2	20	900	900	1 064	<b>3 524</b>			231.20
Cons/prof:business & advisory services	436	413	616	2 651	2 651	2 756				(100.00)
Cons/prof: Laboratory services				76	76	76				(100.00)
Cons/prof: Legal cost		767	337	667	667	686			7 000	(100.00)
Contractors	120	18	29				<b>411</b>	431	452	
Entertainment	175	98								
Housing				30	30	30				(100.00)
Inventory: Food and food supplies			655	15	15	15				(100.00)
Inventory: Medical supplies				1	1	1	<b>2</b>	2	2	100.00
Inventory: Military stores						258				(100.00)
Inventory: Other consumables				450	450	205	<b>72</b>	76	80	(64.88)
Inventory: Stationery and printing	317	375	303	386	386	185	<b>466</b>	489	512	151.89
Lease payments	140	390	203	645	645	682	<b>406</b>	426	5 446	(40.47)
Owned & leasehold property expenditure	115	137	183	127	127	127				(100.00)
Transport provided dept activity							<b>2 317</b>	7 431	2 544	
Travel and subsistence	3 019	3 651	3 681	5 499	5 499	4 615	<b>4 047</b>	25 005	25 506	(12.31)
Training & staff development	86	774	48	645	645	907	<b>1 121</b>	1 177	1 234	23.59
Operating expenditure	105	58	249	704	704	1 104	<b>1 284</b>	1 390	1 455	16.30
Venues and facilities	30	89	485	619	619	789	<b>374</b>	2 404	423	(52.60)
Other										
<b>Transfers and subsidies to (Total)</b>	65 163	79 741	100 407	100 000	100 000	100 000	<b>102 500</b>	138 650	113 757	2.50
Provinces and municipalities								30 000		
Municipalities								30 000		
Municipalities								30 000		
Departmental agencies and accounts	65 000	79 700	99 407	100 000	100 000	100 000	<b>102 500</b>	108 650	113 757	2.50
Public entities receiving transfers	65 000	79 700	99 407	100 000	100 000	100 000	<b>102 500</b>	108 650	113 757	2.50
EC Parks Board	65 000	79 700	99 407	100 000	100 000	100 000	<b>102 500</b>	108 650	113 757	2.50
Universities and technikons			1 000							
Non-profit institutions	163									
Households		41								
Other transfers to households		41								
<b>Payments for capital assets</b>	316	395	1 624	1 226	1 226	1 226				(100.00)
Machinery and equipment	316	395	1 624	1 226	1 226	1 226				(100.00)
Other machinery and equipment	316	395	1 624	1 226	1 226	1 226				(100.00)
<b>Total economic classification</b>	<b>109 667</b>	<b>122 875</b>	<b>139 169</b>	<b>162 398</b>	<b>150 523</b>	<b>150 523</b>	<b>177 473</b>	<b>243 964</b>	<b>225 472</b>	<b>17.90</b>

**Table 9.B3: Details on public entities - summary of all departmental entities**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>								
<b>Non-tax receipts</b>	61 107	61 436	59 482	168 794	<b>75 019</b>	81 641	77 510	(55.56)
Sale of goods and services other than capital assets	61 107	61 436	59 482	168 794	<b>75 019</b>	81 641	77 510	(55.56)
<i>Of which:</i>								
Admin fees	5 281	5 848	5 366	5 717	<b>6 096</b>	6 462	2 565	6.63
Interest	55 826	55 588	54 116	163 077	68 923	75 179	74 945	(57.74)
Other non-tax revenue								
<b>Transfers received</b>								
<b>Sale of capital assets</b>								
<b>Total receipts</b>	61 107	61 436	59 482	168 794	<b>75 019</b>	81 641	77 510	(55.56)
<b>Payments</b>								
<b>Current payments</b>	397 599	347 499	408 874	430 083	<b>462 030</b>	577 099	343 388	7.43
Compensation of employees	77 936	131 538	151 700	161 517	<b>174 034</b>	290 954	136 516	7.75
Use of goods and services	313 502	210 837	250 894	262 286	<b>264 192</b>	279 044	202 687	0.73
Depreciation	6 156	5 120	6 276	6 276	<b>23 800</b>	7 097	4 185	279.22
Unauthorised expenditure							0	
Interest, dividends and rent on land	5	4	4	4	<b>4</b>	4		
Interest	5	4	4	4	<b>4</b>	4		
Dividends								
Rent on land								
<b>Transfers and subsidies</b>	291 132	538 668	423 355		<b>684 688</b>	460 769	482 425	
<b>Total payments</b>	688 731	886 167	832 229	430 083	<b>1 146 718</b>	1 037 868	825 813	166.63
<b>Surplus/(Deficit)</b>	(627 624)	(824 731)	(772 747)	(261 289)	<b>(1 071 699)</b>	(956 227)	(748 303)	310.16
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	75 589	(23 072)	(38 438)	(44 131)	<b>(50 678)</b>	(56 434)	(41 093)	14.84
Adjustments for:								
Depreciation	6 214	4 359	5 471	5 685	<b>6 077</b>	6 440	4 301	6.90
Interest	(4 660)	(4 447)	(4 557)	(4 832)	<b>(5 126)</b>	(7 234)	2 585	6.08
Net (profit)/loss on disposal of fixed assets		(387)	404	422	<b>441</b>	(457)		4.50
Other	74 035	(22 597)	(39 756)	(45 406)	<b>(52 070)</b>	(55 183)	(47 979)	14.68
<b>Operating surplus/(deficit) before changes in working capital</b>	(552 035)	(847 803)	(811 185)	(305 420)	<b>(1 122 377)</b>	(1 012 661)	(789 396)	267.49
Changes in working capital	155 451	(9 919)	(12 996)	(22 847)	<b>(26 979)</b>	(28 654)	(28 050)	18.09
(Decrease)/increase in accounts payable	171 396	2 740	4 189	(694)	<b>1 260</b>	1 336	2 843	(281.56)
Decrease/(increase) in accounts receivable	(16 145)	(12 739)	(17 229)	(22 316)	<b>(28 331)</b>	(29 990)	(30 893)	26.95
(Decrease)/increase in provisions	200	80	44	163	<b>92</b>			(43.56)

**Table 9.B3: Details on public entities - summary of all departmental entities (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Cash flow from operating activities</b>	(396 584)	(857 722)	(824 181)	(328 267)	<b>(1 149 356)</b>	(1 041 315)	(817 446)	250.13
Transfers from government								
Of which:								
Capital								
Current								
<b>Cash flow from investing activities</b>	(130 814)	(271 633)	(312 522)	(282 706)	<b>(211 359)</b>	(224 040)		(25.24)
<b>Acquisition of assets</b>	(205 083)	(298 570)	(340 906)	(312 404)	<b>(242 542)</b>	(257 094)		(22.36)
Land	(98 219)							
Dwellings	(1 040)	(5 000)						
Non-residential buildings		(50)	(20 458)	(21 566)	<b>(56)</b>	(59)		(99.74)
Investment property								
Other structures (infrastructure assets)	(93 118)	(284 425)	(317 356)	(287 516)	<b>(239 017)</b>	(253 358)		(16.87)
Mineral and similar non-regenerative resources								
Capital work in progress		(1 250)						
Heritage assets								
Biological assets		(1 500)						
Computer equipment	(2 163)	(1 975)	(423)	(1 054)	<b>(1 101)</b>	(1 166)		4.46
Furniture and office equipment	(5 281)	(1 685)	(900)	(942)	<b>(982)</b>	(1 041)		4.25
Other machinery and equipment	(373)	(550)						
Specialised military assets								
Transport assets	(2 850)	(300)	(1 269)	(1 326)	<b>(1 386)</b>	(1 470)		4.52
Computer software	(2 039)	(1 750)	(500)					
Mastheads and publishing titles		(85)						
Patents, licences, copyrights, brand names and trademarks								
Recipes, formulae, prototypes, designs and models								
Service and operating rights								
Other intangibles								
<b>Other flows from investing activities</b>	74 269	26 937	28 384	29 698	<b>31 183</b>	33 054		5.00
Other 1	113 652		100					
Other 2	(39 383)	26 937	28 284	29 698	<b>31 183</b>	33 054		5.00
<b>Cash flow from financing activities</b>	605 489	104 033	109 234	114 695	<b>120 429</b>	127 655	133 621	5.00
Deferred income	185 835							
Borrowing activities	(4 358)	27	28	29	<b>30</b>	32		3.45
Other	424 012	104 006	109 206	114 666	<b>120 399</b>	127 623	133 621	5.00



**Table 9.B3: Details on public entities - summary of all departmental entities (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Net increase/(decrease) in cash and cash equivalents</b>	78 091	(1 025 322)	(1 027 469)	(496 278)	<b>(1 240 286)</b>	(1 137 700)	(683 825)	149.92
<b>Balance sheet information</b>								
<b>Carrying value of assets</b>	253 489	481 198	659 335	6 670 689	<b>758 666</b>	804 189		(88.63)
Land	12 318	16 050	121	121	<b>126</b>	134		4.13
Dwellings			103 185	124 805				(100.00)
Non-residential buildings	5 974	6 171	6 401	6 641	<b>6 892</b>	7 306		3.78
Investment property	3 200		2 523	2 523	<b>2 637</b>	2 795		4.52
Other structures (infrastructure assets)	202 903	446 372	507 673	6 494 609	<b>738 194</b>	782 486		(88.63)
Mineral and similar non-regenerative resources								
Capital work in progress	13 102							
Heritage assets								
Biological assets								
Computer equipment	6 988	1 736	15 847	16 138	<b>2 348</b>	2 489		(85.45)
Furniture and office equipment	2 695	2 901	2 866	4 705	<b>4 474</b>	4 744		(4.91)
Other machinery and equipment	901	933	3 746	3 750	<b>95</b>	101		(97.47)
Specialised military assets	484	550	4 409	4 409				(100.00)
Transport assets	3 352	2 865	3 164	3 588	<b>3 900</b>	4 134		8.70
Computer software	1 535	3 500	9 000	9 000				(100.00)
Mastheads and publishing titles	37	120	400	400				(100.00)
Patents, licences, copyrights, brand names and trademarks								
Recipes, formulae, prototypes, designs and models								
Service and operating rights								
Other intangibles								
<b>Long term investments</b>								
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
<b>Cash and cash equivalents</b>	334 640	280 000	240 000	274 992				(100.00)
Bank	334 640	280 000	240 000	274 992				(100.00)
Cash on hand								
Other								
Other								
<b>Receivables and prepayments</b>	7 440	20 000	24 120	16 120				(100.00)
Trade receivables	6 712		24 000	16 000				(100.00)
Other receivables	728	20 000	120	120				(100.00)
Prepaid expenses								
Accrued income								
<b>Inventory</b>	816		105 464	140 456				(100.00)
Trade	816		105 464	140 456				(100.00)

**Table 9.B3: Details on public entities - summary of all departmental entities (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
Other								
Other								
<b>Capital and reserves</b>	(1 199 584)	(3 107 912)	(3 964 104)	(6 441 000)	<b>(10 608 680)</b>	(12 120 032)	(13 684 808)	64.71
Share capital and premium			725 880	725 880				(100.00)
Accumulated reserves		(1 199 584)	(3 107 912)	(4 689 984)	<b>(7 166 880)</b>	(10 608 680)	(12 120 032)	52.81
Surplus/(deficit)	(1 199 584)	(1 908 328)	(1 582 072)	(2 476 896)	<b>(3 441 800)</b>	(1 511 352)	(1 564 776)	38.96
Other								
<b>Borrowings</b>								
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
<b>Post retirement benefits</b>								
Present value of funded obligations								
Unrecognised transitional liabilities								
Other								
<b>Trade and other payables</b>		86 512	36 000	80 000	<b>254 992</b>	268 248	279 520	218.74
Trade payables		86 512	36 000	80 000	<b>254 992</b>	268 248	279 520	218.74
Accrued interest								
Other								
<b>Provisions</b>		32 728	32 000	4 200	<b>4 800</b>	5 072	5 288	14.29
Leave pay provision		32 728	32 000	4 200	<b>4 800</b>	5 072	5 288	14.29
Other 1								
Other 2								
Other 3								
Other 4								
<b>Funds managed (eg Poverty Alleviation Fund)</b>		108 576		72 400	<b>325 480</b>	344 032	358 480	349.56
Poverty Alleviation Fund								
Regional Development Fund								
Third Party Funds								
Other 4		108 576		72 400	<b>325 480</b>	344 032	358 480	349.56
<b>Contingent liabilities</b>								
Other 1								
Other 2								
Other 3								
Other 4								

**Table 9.B3.1: Details on public entities - Eastern Cape Development Corporation**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>								
<b>Non-tax receipts</b>	162 800	89 956	116 924	131 903	<b>149 780</b>	160 887	160 887	13.55
Sale of goods and services other than capital assets	52 069	54 547	53 624	62 403	<b>68 680</b>	74 921	74 921	10.06
<i>Of which:</i>								
Admin fees		1 602	2 000	2 200	<b>2 420</b>	2 565	2 565	10.00
Interest	52 069	52 945	51 624	60 203	66 260	72 356	72 356	10.06
Other non-tax revenue	110 731	35 409	63 300	69 500	<b>81 100</b>	85 966	85 966	16.69
<b>Transfers received</b>								
<b>Sale of capital assets</b>								
<b>Total receipts</b>	162 800	89 956	116 924	131 903	<b>149 780</b>	160 887	160 887	13.55
<b>Payments</b>								
<b>Current payments</b>	236 682	148 366	168 273	179 227	<b>197 106</b>	208 933	208 990	9.98
Compensation of employees		47 800	50 838	53 679	<b>59 047</b>	62 590	62 647	10.00
Use of goods and services	233 331	98 961	115 435	123 448	<b>135 749</b>	143 894	143 894	9.96
Depreciation	3 351	1 605	2 000	2 100	<b>2 310</b>	2 449	2 449	10.00
<b>Transfers and subsidies</b>	76 066	180 131	146 410		<b>382 899</b>	140 873	147 494	
<b>Total payments</b>	312 748	328 497	314 683	179 227	<b>580 005</b>	349 806	356 484	223.61
<b>Surplus/(Deficit)</b>	(149 948)	(238 541)	(197 759)	(47 324)	<b>(430 225)</b>	(188 919)	(195 597)	809.11
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	(15 518)	(15 400)	(29 667)	(34 858)	<b>(40 931)</b>	(43 376)	(45 415)	17.42
Adjustments for:								
Depreciation	3 351	1 605	2 000	2 100	<b>2 310</b>	2 449	2 564	10.00
Other	(18 869)	(17 005)	(31 667)	(36 958)	<b>(43 241)</b>	(45 825)	(47 979)	17.00
<b>Operating surplus/(deficit) before changes in working capital</b>	(165 466)	(253 941)	(227 426)	(82 182)	<b>(471 156)</b>	(232 295)	(241 012)	473.31
Changes in working capital	143 687	(8 813)	(14 313)	(19 823)	<b>(25 313)</b>	(26 791)	(28 050)	27.70
(Decrease)/increase in accounts payable	164 293	4 061	3 561	3 051	<b>2 561</b>	2 715	2 843	(16.06)
Decrease/(increase) in accounts receivable	(20 606)	(12 874)	(17 874)	(22 874)	<b>(27 874)</b>	(29 506)	(30 893)	21.86
<b>Cash flow from operating activities</b>	(21 779)	(262 754)	(241 739)	(364 293)	<b>(496 469)</b>	(259 086)	(269 062)	36.28
<b>Cash flow from investing activities</b>	(29 968)	26 937	28 284	29 698	<b>31 183</b>	33 054		5.00
<b>Acquisition of assets</b>	(101 189)							
Land	(97 613)							
Furniture and office equipment	(3 576)							
<b>Other flows from investing activities</b>	71 221	26 937	28 284	29 698	<b>31 183</b>	33 054		5.00
Other 1	110 604							
Other 2	(39 383)	26 937	28 284	29 698	<b>31 183</b>	33 054		5.00
<b>Cash flow from financing activities</b>	69 662	104 006	109 206	114 666	<b>120 399</b>	127 623	133 621	5.00
Borrowing activities	(4 335)							
Other	73 997	104 006	109 206	114 666	<b>120 399</b>	127 623	133 621	5.00

**Table 9.B3.1: Details on public entities - Eastern Cape Development Corporation (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Net increase/(decrease) in cash and cash equivalents</b>	17 915	(131 811)	(104 249)	(219 929)	<b>(344 887)</b>	(98 409)	(135 441)	56.82
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				(100.00)
Bank	41 830	35 000	30 000	34 374				(100.00)
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				(100.00)
Trade receivables	839		3 000	2 000				(100.00)
Other receivables	91	2 500	15	15				(100.00)
<b>Inventory</b>	102		13 183	17 557				(100.00)
Trade	102		13 183	17 557				(100.00)
<b>Capital and reserves</b>	(149 948)	(388 489)	(495 513)	(805 125)	<b>(1 326 085)</b>	(1 515 004)	(1 710 601)	64.71
Share capital and premium			90 735	90 735				(100.00)
Accumulated reserves		(149 948)	(388 489)	(586 248)	<b>(895 860)</b>	(1 326 085)	(1 515 004)	52.81
Surplus/(deficit)	(149 948)	(238 541)	(197 759)	(309 612)	<b>(430 225)</b>	(188 919)	(195 597)	38.96
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56

**Table 9.B3.2: Details on public entities - Eastern Cape Parks Board**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>								
<b>Non-tax receipts</b>	15 927	12 885	12 452	13 179	<b>14 076</b>	14 921	15 622	6.81
Sale of goods and services other than capital assets	1 874	3 025	2 000	2 100	<b>2 333</b>	2 473	2 589	11.10
<i>Of which:</i>								
Admin fees		1 025						
Interest	1 874	2 000	2 000	2 100	2 333	2 473	2 589	11.10
Other non-tax revenue	14 053	9 860	10 452	11 079	<b>11 743</b>	12 448	13 033	5.99
<b>Total receipts</b>	15 927	12 885	12 452	13 179	<b>14 076</b>	14 921	15 622	6.81
<b>Payments</b>								
<b>Current payments</b>	73 064	83 940	111 858	114 455	<b>122 004</b>	129 325	134 398	6.60
Compensation of employees	49 123	46 837	57 064	61 629	<b>66 559</b>	70 553	73 869	8.00
Use of goods and services	22 697	35 785	53 397	51 345	<b>53 876</b>	57 109	58 793	4.93
Depreciation	1 240	1 314	1 393	1 477	<b>1 565</b>	1 659	1 736	5.96
Interest, dividends and rent on land	4	4	4	4	<b>4</b>	4		
Interest	4	4	4	4	<b>4</b>	4		
<b>Transfers and subsidies</b>	65 000	79 700	99 407		<b>102 500</b>	108 650	113 757	
<b>Total payments</b>	138 064	163 640	211 265	114 455	<b>224 504</b>	237 975	248 155	96.15
<b>Surplus/(Deficit)</b>	(122 137)	(150 755)	(198 813)	(101 276)	<b>(210 428)</b>	(223 054)	(232 533)	107.78
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	1 221	1 371	(603)	(679)	<b>(764)</b>	(810)	4 322	12.52
<i>Adjustments for:</i>								
Depreciation	1 240	1 314	1 393	1 477	<b>1 565</b>	1 659	1 737	5.96
Interest		(1 996)	(1 996)	(2 156)	<b>(2 329)</b>	(2 469)	2 585	8.02
Other	(19)	2 053						
<b>Operating surplus/(deficit) before changes in working capital</b>	(120 916)	(149 384)	(199 416)	(101 955)	<b>(211 192)</b>	(223 864)	(228 211)	107.14
Changes in working capital	6 186		2 488	(1 430)				(100.00)
(Decrease)/increase in accounts payable	1 991		2 000	(2 500)				(100.00)
Decrease/(increase) in accounts receivable	4 195		528	995				(100.00)
(Decrease)/increase in provisions			(40)	75				(100.00)
<b>Cash flow from operating activities</b>	(114 730)	(149 384)	(196 928)	(203 385)	<b>(211 192)</b>	(223 864)	(228 211)	3.84
<i>Of which:</i>								
Capital								
Current								
<b>Cash flow from investing activities</b>	(3 156)	(14 170)	(38 906)	(42 607)				(100.00)
<b>Acquisition of assets</b>	(5 882)	(14 170)	(38 906)	(42 607)				(100.00)
Land								
Dwellings	(1 040)	(5 000)						
Non-residential buildings			(20 406)	(21 620)				(100.00)
Investment property								
Other structures (infrastructure assets)	(1 342)	(2 500)	(18 000)	(20 987)				(100.00)
Capital work in progress		(1 250)						

**Table 9.B3.2: Details on public entities - Eastern Cape Parks Board (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
Heritage assets								
Biological assets		( 1 500 )						
Computer equipment	( 779 )	( 1 035 )						
Furniture and office equipment	( 309 )	( 500 )						
Other machinery and equipment	( 373 )	( 550 )						
Transport assets								
Computer software	( 2 039 )	( 1 750 )	( 500 )					
Mastheads and publishing titles		( 85 )						
<b>Other flows from investing activities</b>	2 726							
Other 1	2 726							
Other 2								
<b>Cash flow from financing activities</b>	( 9 483 )							
Other	( 9 483 )							
<b>Net increase/(decrease) in cash and cash equivalents</b>	( 127 369 )	( 163 554 )	( 235 834 )	( 245 992 )	<b>( 211 192 )</b>	( 223 864 )	( 228 211 )	( 14.15 )
<b>Carrying value of assets</b>	47 769	38 320	190 348	232 955				( 100.00 )
Land	11 142	16 050						
Dwellings			103 185	124 805				( 100.00 )
Other structures (infrastructure assets)	14 956	16 500	55 257	76 244				( 100.00 )
Capital work in progress	13 102							
Computer equipment	5 243		13 920	13 920				( 100.00 )
Furniture and office equipment	534	750	518	518				( 100.00 )
Other machinery and equipment	736	850	3 659	3 659				( 100.00 )
Specialised military assets	484	550	4 409	4 409				( 100.00 )
Transport assets								
Computer software	1 535	3 500	9 000	9 000				( 100.00 )
Mastheads and publishing titles	37	120	400	400				( 100.00 )
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				( 100.00 )
Bank	41 830	35 000	30 000	34 374				( 100.00 )
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				( 100.00 )
Trade receivables	839		3 000	2 000				( 100.00 )
Other receivables	91	2 500	15	15				( 100.00 )
<b>Inventory</b>	102		13 183	17 557				( 100.00 )
Trade	102		13 183	17 557				( 100.00 )
<b>Capital and reserves</b>	( 149 948 )	( 388 489 )	( 495 513 )	( 805 125 )	<b>( 1 326 085 )</b>	( 1 515 004 )	( 1 710 601 )	64.71
Share capital and premium			90 735	90 735				( 100.00 )
Accumulated reserves		( 149 948 )	( 388 489 )	( 586 248 )	<b>( 895 860 )</b>	( 1 326 085 )	( 1 515 004 )	52.81
Surplus/(deficit)	( 149 948 )	( 238 541 )	( 197 759 )	( 309 612 )	<b>( 430 225 )</b>	( 188 919 )	( 195 597 )	38.96
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Accrued interest								
Other								
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56

**Table 9.B3.3: Details on public entities - EC Tourism Board**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>	938							
<b>Non-tax receipts</b>	2 086	1 037	627	100 458				(100.00)
Sale of goods and services other than capital assets	1 163	354	190	100 458				(100.00)
<i>Of which:</i>								
Interest	1 163	354	190	100 458				(100.00)
Other non-tax revenue	923	683	437					
<b>Total receipts</b>	3 024	1 037	627	100 458				(100.00)
<b>Payments</b>								
<b>Current payments</b>	23 390	20 561	23 227	26 136	<b>27 693</b>			5.96
Compensation of employees	9 011	7 665	9 148	9 999	<b>10 588</b>			5.89
Use of goods and services	13 563	12 896	13 779	16 137				(100.00)
Depreciation	815		300		<b>17 105</b>			
Interest, dividends and rent on land	1							
Interest	1							
<b>Transfers and subsidies</b>	20 532	21 000	22 000		<b>25 050</b>	26 553	27 801	
<b>Total payments</b>	43 922	41 561	45 227	26 136	<b>52 743</b>	26 553	27 801	101.80
<b>Surplus/(Deficit)</b>	(40 898)	(40 524)	(44 600)	74 322	<b>(52 743)</b>	(26 553)	(27 801)	(170.97)
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	897		200	150	<b>156</b>	166		4.00
Adjustments for:								
Depreciation	815		300	250	<b>261</b>	277		4.40
Other	82		(100)	(100)	<b>(105)</b>	(111)		5.00
<b>Operating surplus/(deficit) before changes in working capital</b>	(40 001)	(40 524)	(44 400)	74 472	<b>(52 587)</b>	(26 387)	(27 801)	(170.61)
Changes in working capital	(547)	354	354					
(Decrease)/increase in accounts payable	(1 586)	(181)	(181)					
Decrease/(increase) in accounts receivable	1 039	535	535					
<b>Cash flow from operating activities</b>	(40 548)	(40 170)	(44 046)	50 932	<b>(52 587)</b>	(26 387)	(27 801)	(203.25)
<b>Cash flow from investing activities</b>	(824)							
<b>Acquisition of assets</b>	(969)		(100)					
Computer equipment	(33)		(100)					
Furniture and office equipment	(764)							
Transport assets	(172)							
<b>Other flows from investing activities</b>	145		100					
Other 1	145		100					
Other 2								
<b>Cash flow from financing activities</b>	157							
Other	157							

**Table 9.B3.3: Details on public entities - EC Tourism Board (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Net increase/(decrease) in cash and cash equivalents</b>	( 41 215 )	( 40 170 )	( 44 046 )	50 932	<b>( 52 587 )</b>	( 26 387 )	( 27 801 )	(203.25)
<b>Balance sheet information</b>								
<b>Carrying value of assets</b>	4 624		2 644	4 601	<b>4 808</b>	5 097		4.50
Land	105		121	121	<b>126</b>	134		4.13
Investment property	3 200		2 523	2 523	<b>2 637</b>	2 795		4.52
Computer equipment	251			174	<b>182</b>	193		4.60
Furniture and office equipment	781			1 633	<b>1 706</b>	1 809		4.47
Other machinery and equipment	2							
Transport assets	285			150	<b>157</b>	166		4.67
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				(100.00)
Bank	41 830	35 000	30 000	34 374				(100.00)
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				(100.00)
Trade receivables	839		3 000	2 000				(100.00)
Other receivables	91	2 500	15	15				(100.00)
Prepaid expenses								
<b>Inventory</b>	102		13 183	17 557				(100.00)
Trade	102		13 183	17 557				(100.00)
<b>Capital and reserves</b>	( 149 948 )	( 388 489 )	( 495 513 )	( 805 125 )	<b>( 1 326 085 )</b>	( 1 515 004 )	( 1 710 601 )	64.71
Share capital and premium			90 735	90 735				(100.00)
Accumulated reserves		( 149 948 )	( 388 489 )	( 586 248 )	<b>( 895 860 )</b>	( 1 326 085 )	( 1 515 004 )	52.81
Surplus/(deficit)	( 149 948 )	( 238 541 )	( 197 759 )	( 309 612 )	<b>( 430 225 )</b>	( 188 919 )	( 195 597 )	38.96
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56



**Table 9.B3.4: Details on public entities - Eastern Cape Liquor Board**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>	5 966	6 277	5 931	6 590	<b>7 249</b>	7 974	8 349	10.00
<b>Total receipts</b>	5 966	6 277	5 931	6 590	<b>7 249</b>	7 974	8 349	10.00
<b>Payments</b>								
<b>Current payments</b>	6 790	13 351	20 577	21 504	<b>22 471</b>	141 519		4.50
Compensation of employees	2 221	6 885	11 293	11 802	<b>12 333</b>	130 773		4.50
Use of goods and services	4 340	5 505	7 997	8 357	<b>8 733</b>	9 257		4.50
Depreciation	229	961	1 287	1 345	<b>1 405</b>	1 489		4.46
<b>Transfers and subsidies</b>	10 170	14 391	22 305		<b>24 621</b>	26 098	27 325	
<b>Total payments</b>	16 960	27 742	42 882	21 504	<b>47 092</b>	167 617	27 325	118.99
<b>Surplus/(Deficit)</b>	(10 994)	(21 465)	(36 951)	(14 914)	<b>(39 843)</b>	(159 643)	(18 976)	167.15
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	229	961	1 287	1 345	<b>1 405</b>	1 489		4.46
Adjustments for:								
Depreciation	229	961	1 287	1 345	<b>1 405</b>	1 489		4.46
<b>Operating surplus/(deficit) before changes in working capital</b>	(10 765)	(20 504)	(35 664)	(13 569)	<b>(38 438)</b>	(158 154)	(18 976)	183.28
Changes in working capital	2 226	(2 340)	(2 445)	(2 555)	<b>(2 670)</b>	(2 830)		4.50
(Decrease)/increase in accounts payable	2 278	(2 340)	(2 445)	(2 555)	<b>(2 670)</b>	(2 830)		4.50
Decrease/(increase) in accounts receivable	(52)							
<b>Cash flow from operating activities</b>	(8 539)	(22 844)	(38 109)	(39 261)	<b>(41 108)</b>	(160 984)	(18 976)	4.70
<b>Cash flow from investing activities</b>	(3 709)	(1 040)	(1 728)	(1 805)	<b>(1 887)</b>	(2 000)		4.54
<b>Acquisition of assets</b>	(3 709)	(1 040)	(1 728)	(1 805)	<b>(1 887)</b>	(2 000)		4.54
Land								
Computer equipment	(908)	(194)	(228)	(238)	<b>(249)</b>	(263)		4.62
Furniture and office equipment	(290)	(846)	(545)	(569)	<b>(595)</b>	(631)		4.57
Transport assets	(2 511)		(955)	(998)	<b>(1 043)</b>	(1 106)		4.51
Computer software								
<b>Net increase/(decrease) in cash and cash equivalents</b>	(12 248)	(23 884)	(39 837)	(41 066)	<b>(42 995)</b>	(162 984)	(18 976)	4.70

**Table 9.B3.4: Details on public entities - Eastern Cape Liquor Board (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Balance sheet information</b>								
<b>Carrying value of assets</b>	3 480	3 548	3 989	4 450	<b>4 930</b>	5 227		10.79
Computer equipment	788	627	685	746	<b>809</b>	858		8.45
Furniture and office equipment	260	860	999	1 144	<b>1 295</b>	1 373		13.20
Transport assets	2 432	2 061	2 305	2 560	<b>2 826</b>	2 996		10.39
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				(100.00)
Bank	41 830	35 000	30 000	34 374				(100.00)
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				(100.00)
Trade receivables	839		3 000	2 000				(100.00)
Other receivables	91	2 500	15	15				(100.00)
<b>Inventory</b>	102		13 183	17 557				(100.00)
Trade	102		13 183	17 557				(100.00)
<b>Capital and reserves</b>	(149 948)	(388 489)	(495 513)	(805 125)	<b>(1 326 085)</b>	(1 515 004)	(1 710 601)	64.71
Share capital and premium			90 735	90 735				(100.00)
Accumulated reserves		(149 948)	(388 489)	(586 248)	<b>(895 860)</b>	(1 326 085)	(1 515 004)	52.81
Surplus/(deficit)	(149 948)	(238 541)	(197 759)	(309 612)	<b>(430 225)</b>	(188 919)	(195 597)	38.96
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56

**Table 9.B3.5: Details on public entities - Eastern Cape Gambling and Betting Board**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>	4 034	3 529	3 688	3 854	<b>4 027</b>	4 269	4 470	4.49
<b>Non-tax receipts</b>	695							
Sale of goods and services other than capital assets	695							
<i>Of which:</i>								
Interest	695							
<b>Total receipts</b>	<b>4 729</b>	<b>3 529</b>	<b>3 688</b>	<b>3 854</b>	<b>4 027</b>	<b>4 269</b>	<b>4 470</b>	<b>4.49</b>
<b>Payments</b>								
<b>Current payments</b>	13 493	18 811	19 658	20 543	<b>21 468</b>	21 757		4.50
Compensation of employees	8 188	10 351	10 817	11 304	<b>11 813</b>	12 522		4.50
Use of goods and services	4 784	7 690	8 036	8 398	<b>8 776</b>	8 303		4.50
Depreciation	521	770	805	841	<b>879</b>	932		4.52
<b>Transfers and subsidies</b>	14 364	19 246	20 233		<b>22 017</b>	23 338	24 435	
<b>Total payments</b>	<b>27 857</b>	<b>38 057</b>	<b>39 891</b>	<b>20 543</b>	<b>43 485</b>	<b>45 095</b>	<b>24 435</b>	<b>111.68</b>
<b>Surplus/(Deficit)</b>	<b>(23 128)</b>	<b>(34 528)</b>	<b>(36 203)</b>	<b>(16 689)</b>	<b>(39 458)</b>	<b>(40 826)</b>	<b>(19 965)</b>	<b>136.43</b>
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	621	383	1 209	1 263	<b>1 320</b>	475		4.51
Adjustments for:								
Depreciation								
Interest	621	770	805	841	<b>879</b>	932		4.52
Net (profit)/loss on disposal of fixed assets		(387)	404	422	<b>441</b>	(457)		4.50
<b>Operating surplus/(deficit) before changes in working capital</b>	<b>(22 507)</b>	<b>(34 145)</b>	<b>(34 994)</b>	<b>(15 426)</b>	<b>(38 138)</b>	<b>(40 351)</b>	<b>(19 965)</b>	<b>147.23</b>
Changes in working capital	3 899	880	920	961	<b>1 004</b>	967		4.47
(Decrease)/increase in accounts payable	4 420	1 200	1 254	1 310	<b>1 369</b>	1 451		4.50
Decrease/(increase) in accounts receivable	(721)	(400)	(418)	(437)	<b>(457)</b>	(484)		4.58
(Decrease)/increase in provisions	200	80	84	88	<b>92</b>			4.55
<b>Cash flow from operating activities</b>	<b>(18 608)</b>	<b>(33 265)</b>	<b>(34 074)</b>	<b>(35 155)</b>	<b>(37 134)</b>	<b>(39 384)</b>	<b>(19 965)</b>	<b>5.63</b>
<b>Cash flow from investing activities</b>	<b>(314)</b>	<b>(780)</b>	<b>(231)</b>	<b>(745)</b>	<b>(890)</b>	<b>(943)</b>		<b>19.46</b>
<b>Acquisition of assets</b>	<b>(491)</b>	<b>(780)</b>	<b>(231)</b>	<b>(745)</b>	<b>(890)</b>	<b>(943)</b>		<b>19.46</b>
Non-residential buildings		(50)	(52)	54	<b>(56)</b>	(59)		(203.70)
Computer equipment	(105)	(280)	292	(307)	<b>(320)</b>	(339)		4.23
Furniture and office equipment	(219)	(150)	(157)	(164)	<b>(171)</b>	(181)		4.27
Transport assets	(167)	(300)	(314)	(328)	<b>(343)</b>	(364)		4.57
<b>Other flows from investing activities</b>	<b>177</b>							
Other 1	177							
Other 2								
<b>Cash flow from financing activities</b>	<b>(23)</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>32</b>		<b>3.45</b>
Deferred income								
Borrowing activities	(23)	27	28	29	<b>30</b>	32		3.45
Other								

**Table 9.B3.5: Details on public entities - Eastern Cape Gambling and Betting Board (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Net increase/(decrease) in cash and cash equivalents</b>	( 18 945 )	( 34 018 )	( 34 277 )	( 35 871 )	<b>( 37 994 )</b>	( 40 295 )	( 19 965 )	5.92
<b>Balance sheet information</b>								
<b>Carrying value of assets</b>	8 515	8 166	8 485	8 819	<b>9 168</b>	9 719		3.96
Land	1 071							
Dwellings								
Non-residential buildings	5 974	6 171	6 401	6 641	<b>6 892</b>	7 306		3.78
Investment property								
Computer equipment	273	540	564	589	<b>616</b>	653		4.58
Furniture and office equipment	636	695	726	759	<b>793</b>	841		4.48
Specialised military assets								
Transport assets	561	760	794	830	<b>867</b>	919		4.46
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				(100.00)
Bank	41 830	35 000	30 000	34 374				(100.00)
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				(100.00)
Trade receivables	839		3 000	2 000				(100.00)
Other receivables	91	2 500	15	15				(100.00)
<b>Inventory</b>	102		13 183	17 557				(100.00)
Trade	102		13 183	17 557				(100.00)
<b>Capital and reserves</b>	( 149 948 )	( 388 489 )	( 495 513 )	( 805 125 )	<b>( 1 326 085 )</b>	( 1 515 004 )	( 1 710 601 )	64.71
Share capital and premium			90 735	90 735				(100.00)
Accumulated reserves		( 149 948 )	( 388 489 )	( 586 248 )	<b>( 895 860 )</b>	( 1 326 085 )	( 1 515 004 )	52.81
Surplus/(deficit)	( 149 948 )	( 238 541 )	( 197 759 )	( 309 612 )	<b>( 430 225 )</b>	( 188 919 )	( 195 597 )	38.96
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56

**Table 9.B3.7: Details on public entities - East London Industrial Development Zone**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Tax receipts</b>								
<b>Non-tax receipts</b>	5 323	3 510	3 668	3 833	<b>4 006</b>	4 247		4.51
Sale of goods and services other than capital assets	5 306	3 510	3 668	3 833	<b>4 006</b>	4 247		4.51
<i>Of which:</i>								
Admin fees	5 281	3 221	3 366	3 517	<b>3 676</b>	3 897		4.52
Interest	25	289	302	316	330	350		4.43
Other non-tax revenue	17							
<b>Transfers received</b>								
<b>Sale of capital assets</b>								
<b>Total receipts</b>	5 323	3 510	3 668	3 833	<b>4 006</b>	4 247		4.51
<b>Payments</b>								
<b>Current payments</b>	44 180	62 470	65 281	68 218	<b>71 288</b>	75 565		4.50
Compensation of employees	9 393	12 000	12 540	13 104	<b>13 694</b>	14 516		4.50
Use of goods and services	34 787	50 000	52 250	54 601	<b>57 058</b>	60 481		4.50
Depreciation		470	491	513	<b>536</b>	568		4.48
<b>Transfers and subsidies</b>	105 000	224 200	113 000		<b>127 601</b>	135 257	141 614	
<b>Total payments</b>	149 180	286 670	178 281	68 218	<b>198 889</b>	210 822	141 614	191.55
<b>Surplus/(Deficit)</b>	(143 857)	(283 160)	(174 613)	(64 385)	<b>(194 883)</b>	(206 575)	(141 614)	202.68
<b>Cash flow summary</b>								
Adjust surplus/(deficit) for accrual transactions	88 139	(10 387)	(10 864)	(11 352)	<b>(11 864)</b>	(14 378)		4.51
Adjustments for:								
Depreciation	579	479	491	513	<b>536</b>	566		4.48
Interest	(5 281)	(3 221)	(3 366)	(3 517)	<b>(3 676)</b>	(5 697)		4.52
Other	92 841	(7 645)	(7 989)	(8 348)	<b>(8 724)</b>	(9 247)		4.50
<b>Operating surplus/(deficit) before changes in working capital</b>	(55 718)	(293 547)	(185 477)	(75 737)	<b>(206 747)</b>	(220 953)	(141 614)	172.98
Changes in working capital								
<b>Cash flow from operating activities</b>	(55 718)	(293 547)	(185 477)	(195 647)	<b>(206 747)</b>	(220 953)	(141 614)	5.67
<b>Cash flow from investing activities</b>	(92 843)	(282 580)	(299 941)	(267 247)	<b>(239 765)</b>	(254 151)		(10.28)
<b>Acquisition of assets</b>	(92 843)	(282 580)	(299 941)	(267 247)	<b>(239 765)</b>	(254 151)		(10.28)
Land	(606)							
Other structures (infrastructure assets)	(91 776)	(281 925)	(299 356)	(266 529)	<b>(239 017)</b>	(253 358)		(10.32)
Computer equipment	(338)	(466)	(387)	(509)	<b>(532)</b>	(564)		4.52
Furniture and office equipment	(123)	(189)	(198)	(209)	<b>(216)</b>	(229)		3.35
<b>Cash flow from financing activities</b>	545 176							
Deferred income	185 835							
Borrowing activities								
Other	359 341							

**Table 9.B3.7: Details on public entities - East London Industrial Development Zone (cont)**

R' 000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Revised estimate	Medium-term estimates			
<b>Net increase/(decrease) in cash and cash equivalents</b>	396 615	(576 127)	(485 418)	(462 894)	<b>(446 512)</b>	(475 104)	(141 614)	(3.54)
<b>Balance sheet information</b>								
<b>Carrying value of assets</b>	189 101	431 164	453 869	6 419 864	<b>739 760</b>	784 146		(88.48)
Other structures (infrastructure assets)	187 947	429 872	452 416	6 418 365	<b>738 194</b>	782 486		(88.50)
Computer equipment	433	569	678	709	<b>741</b>	785		4.51
Furniture and office equipment	484	596	623	651	<b>680</b>	721		4.45
Other machinery and equipment	163	83	87	91	<b>95</b>	101		4.40
Specialised military assets								
Transport assets	74	44	65	48	<b>50</b>	53		4.17
Computer software								
<b>Cash and cash equivalents</b>	41 830	35 000	30 000	34 374				(100.00)
Bank	41 830	35 000	30 000	34 374				(100.00)
<b>Receivables and prepayments</b>	930	2 500	3 015	2 015				(100.00)
Trade receivables	839		3 000	2 000				(100.00)
Other receivables	91	2 500	15	15				(100.00)
<b>Inventory</b>	102		13 183	17 557				(100.00)
Trade	102		13 183	17 557				(100.00)
<b>Capital and reserves</b>	(149 948)	(388 489)	(495 513)	(805 125)	<b>(1 326 085)</b>	(1 515 004)	(1 710 601)	64.71
Share capital and premium			90 735	90 735				(100.00)
Accumulated reserves		(149 948)	(388 489)	(586 248)	<b>(895 860)</b>	(1 326 085)	(1 515 004)	52.81
Surplus/(deficit)	(149 948)	(238 541)	(197 759)	(309 612)	<b>(430 225)</b>	(188 919)	(195 597)	38.96
Other								
<b>Trade and other payables</b>		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
Trade payables		10 814	4 500	10 000	<b>31 874</b>	33 531	34 940	218.74
<b>Provisions</b>		4 091	4 000	525	<b>600</b>	634	661	14.29
Leave pay provision		4 091	4 000	525	<b>600</b>	634	661	14.29
<b>Funds managed (eg Poverty Alleviation Fund)</b>		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56
Other 4		13 572		9 050	<b>40 685</b>	43 004	44 810	349.56

**Table 9.B4: Summary of transfers to local government**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Category A</b>				3 200	3 200	3 200	<b>3 300</b>	3 710	2 091	3.13
Nelson Mandela Metro	-	-	-	3,200	3,200	3,200	<b>3,300</b>	3,710	2,091	3.13
<b>Category B</b>										
<b>Category C</b>				28 800	28 800	28 800	<b>29 700</b>	61 270	34 533	3.13
Alfred Nzo	-	-	-	5,600	5,600	5,600	<b>5,775</b>	5,830	3,286	3.13
Amathole	-	-	-	3,200	3,200	3,200	<b>3,300</b>	3,975	2,240	
Cacadu	-	-	-	3,200	3,200	3,200	<b>3,300</b>	13,975	7,877	3.13
Chris Hani	-	-	-	5,600	5,600	5,600	<b>5,775</b>	15,830	8,922	3.13
OR Tambo	-	-	-	5,600	5,600	5,600	<b>5,775</b>	5,830	3,286	3.13
Ukhahlamba	-	-	-	5,600	5,600	5,600	<b>5,775</b>	15,830	8,922	3.13
Unallocated										
Unallocated / unclassified									( 0 )	
<b>Total transfers to local government</b>				<b>32 000</b>	<b>32 000</b>	<b>32 000</b>	<b>33 000</b>	<b>64 980</b>	<b>36 624</b>	<b>3.13</b>

**Table 9.B5: Summary of departmental payments and estimates by district and local municipality**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Category A</b>			3 000			3 200	<b>3 500</b>	3 710	3 877	9.38
Nelson Mandela Metro			3,000			3,200	<b>3,500</b>	3,710	3,877	9.38
<b>Category B</b>										
Unallocated										
<b>Category C</b>			35 400			40 326	<b>40 760</b>	42 754	44 676	1.08
Alfred Nzo			7,016			7,406	<b>7,270</b>	7,626	7,969	(1.84)
Amathole			4,815			5,127	<b>5,642</b>	5,918	6,184	10.04
Cacadu			4,968			5,382	<b>5,853</b>	6,139	6,415	8.75
Chris Hani			6,458			7,476	<b>7,337</b>	7,696	8,042	(1.86)
OR Tambo			6,564			7,619	<b>7,467</b>	7,832	8,184	(2.00)
Ukhahlamba			5,579			7,316	<b>7,191</b>	7,543	7,882	(1.71)
Unallocated										
Unallocated / unclassified	619 239	677 090	697 917	872 432	878 312	834 786	<b>1 070 765</b>	927 569	877 223	28.27
<b>Total transfers to local government</b>	<b>619 239</b>	<b>677 090</b>	<b>736 317</b>	<b>872 432</b>	<b>878 312</b>	<b>878 312</b>	<b>1 115 025</b>	<b>974 033</b>	<b>925 776</b>	<b>26.95</b>