

VOTE 4

Economic Development

Operational budget	R 2 401 745 000
MEC remuneration	Nil
Total amount to be appropriated	R 2 401 745 000
Responsible MEC	Dr Z.L. Mkhize, MEC for Finance and Economic Development ¹
Administrating department	Economic Development
Accounting officer	Head: Economic Development

1. Overview

Vision

The vision of the Department of Economic Development is: *For KwaZulu-Natal, through the expertise and initiatives of the department, to be the leading province in economic development and to develop a globally competitive economy whose benefits are equitably shared by its citizens.*

Mission

The department's mission is to formulate and implement effective economic development strategies that promote sustainable economic development and job creation within the Province of KwaZulu-Natal.

Strategic objectives

The department has undergone significant changes over the past three years in terms of its political and administrative leadership and its mandate. This therefore resulted in a need to review its strategy and to incorporate the revised standardised budget structure introduced by the sector, effective from 1 April 2007.

The department's mandate to develop the economy is aimed at developing existing businesses and facilitating broadened participation of new entrants. By focusing on these issues, the impact on poverty reduction is inevitable.

Four strategic goals have been identified, with the following underlying strategic objectives:

To reduce poverty by 50 per cent by 2014

This will be achieved through:

- Providing a suitable environment for the creation of sustainable jobs;
- Facilitating and promoting skills development;
- Facilitating access to the asset base for the poor; and
- Promoting social enterprises.

¹ The salary of the MEC for Finance and Economic Development is budgeted for under Vote 6: Provincial Treasury.

To grow the economy by 8 per cent by 2014

This will be achieved through:

- Facilitating and promoting integrated economic development planning;
- Facilitating and supporting the improvement of global competitiveness of industries;
- Promoting development of Small, Micro and Medium Enterprises (SMMEs) and co-operatives; and
- Facilitating trade and the inflow of foreign direct investment.

To promote good corporate governance

This will be achieved through:

- Strengthening compliance with the relevant pieces of legislation and government policies; and
- Facilitating strategic stakeholder partnerships in the development of the provincial economy.

To be the centre of excellence

This will be achieved through:

- Implementing a strategy of operational excellence; and
- Promoting a culture of good corporate governance.

Core functions

The department's core functions are summarised as follows:

- To drive the economic development strategies of the province;
- To facilitate strategies to enhance the competitiveness of priority sectors of the economy, in line with the industrial development strategy;
- To promote the development of small business and social enterprises;
- To promote and facilitate economic empowerment programmes;
- To manage the SMME, Co-operatives and Growth Funds;
- To provide an effective and efficient consumer protection service; and
- To ensure effective and prudent business regulation in the province.

Legislative mandate

The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No.108 of 1996)
- Promotion of Administrative Justice Act (Act No.3 of 2000)
- Broad Based Black Economic Empowerment Act (Act No.53 of 2003)
- Electronic Communications and Transactions Act (Act No.25 of 2002)
- Employment Equity Act (Act No.55 of 1998)
- KwaZulu-Natal Ithala Development Corporation Act (Act No.2 of 1999)
- Liquor Act (Act No.27 of 1989)
- National Empowerment Fund Act (Act No.105 of 2003)
- National Small Business Act (Act No.102 of 1996)

- KZN Provincial SCM Policy Framework of 2006
- Promotion of Access to Information Act (Act No.2 of 2000)
- Public Finance Management Act (Act No.1 of 1999) and Treasury Regulations
- Skills Development Act (Act No. 97 of 1998)
- The National Small Business Act (Act No.26 of 2004)

2. Review of the 2008/09 financial year

Section 2 provides a review of 2008/09, outlining the main achievements and progress made by the the department, as well as providing a brief discussion on challenges and new developments.

There was a large improvement in the service levels of the support programmes within the department during 2008/09. This was due to the review of business processes and the removal of red tape, where possible. The filling of key management positions has ensured that the department is better equipped to deal with some of the more strategic initiatives required to provide an environment conducive to economic growth in the province. Key projects continued successfully, such as the construction of the Dube TradePort project, and the relationship between the department and the four entities, which receive funding from it, also showed improvement.

The department, once again, achieved an unqualified audit opinion from the Office of the Auditor-General for the 2007/08 financial year. In addition, no emphasis of matter was noted in the report, which reflects the level of improvement in the internal control environment. The department continues to maintain an electronic asset register through regular asset counts, as well as a complete year-end review to ensure that the information is relevant and updates are performed.

A process of sourcing district offices, which will perform all of the functions of department, such as consumer protection, co-operatives programmes, etc., is underway, with the assistance of the Department of Works. Five of these district offices are currently awaiting final advertising in the Government Gazette. Also, eleven one-stop-shop centres were established across the province, offering support to co-operatives and Small, Micro and Medium Enterprises.

The partnership agreement with the National Small Industry Corporation Ltd of India (the NSIC) continued, with the aim of sharing expertise and collaborate on programmes in the small enterprise development areas of access to markets, technology, and training and capacity building. This partnership saw two Further Education and Training (FET) colleges with fully installed IT and high technology production equipment for the production of wire and exercise books. This equipment is located at the Technology Demonstration *cum* Training Centres (TDTCs), and is ready to start production of wire and exercise books, subject to the finalisation of service level agreements with the corresponding FET colleges. More TDTCs are also planned across the province.

The department continued its collaboration with the University of Zululand (*UniZulu*) and some FET colleges, and developed additional or revised advanced training material for the development of co-operatives. Already, the training material has been used to train FET trainers and facilitators, as well as officials of the department. Members of co-operatives started training in November 2008, on technical and theoretical subjects aimed at equipping individuals to produce sustainable businesses. The department also established relationships with co-operatives training institutions from Kenya, which resulted in some of the lecture material being purchased to start training from *UniZulu*. Also a number of departmental staff were sent to Kenya for further training.

The donor funding (European Union) section of the department implemented over 180 projects with a total grant value of R132 million during the year, and leveraged a further R79 million in co-funding with a total project value of R211 million. As at June 2008, a total of 3 322 jobs were created. Of these, 658 were permanent jobs, 1 112 jobs were saved due to creating employment in areas where unemployment was high e.g.

coal mining, and 1 552 jobs were temporary. The department has advised that this is the latest information available.

The trustees of the Growth Fund have ensured that an institutional framework is in place. The final changes were made to the agreements between the Growth Fund and the department, and the agreement was signed. The fund management company increased its capacity substantially through the appointment of skilled personnel, in order to consolidate on gains made and to prepare itself for up-scaling of operations under Growth Fund II (a fund within the Growth Fund for the payment of the second tranche of funding).

With regard to the arts and craft sector, a Section 21 company was established and, through the craft commercialisation project, 60 crafters were trained in product design, development and marketing in the Gcinlishona and Ejokweni areas. A business plan for the establishment of an Integrated Craft Hub was finalised, and the renovations of the building in Durban, to be occupied by this hub, have started. Among other things, the hub will comprise a Centre of Excellence (to be funded by the National Department of Science and Technology), and retail and exhibition space, including training rooms.

In the wood and wood products sector, a forestry manual was developed to serve as an information booklet that will assist small forest growers to access information pertaining to the raising of finance, water licences and other relevant bodies/industries and stakeholders. Meanwhile, in the Information and Communication Technology and Electronics (ICTe) sector, 40 ICTe companies were recruited as members of the cluster process, to establish an IT and Electronics Technology Park, and 1 000 call centre agents were trained as part of the Business Process Outsourcing talent development programme. A total of 754 farmers have been formed into a co-operative that will farm the land for the Maphophoma Poverty Alleviation project. This project is a joint initiative between several departments.

The Monitoring and Evaluation (M&E) section undertook project output monitoring and impact assessment studies of various departmental projects and services. The prime objectives of these studies were to determine the relevance, efficiency, effectiveness and impact of departmental projects and services. In addition, the unit undertook a five-year review of the department's strategic plan. These studies highlighted many best practices that could be replicated in other initiatives, and confirmed the relevance of most of these initiatives. The studies also highlighted weaknesses that need to be addressed by the department. Further, the unit also developed a monitoring framework for the department, which has been approved by management, and the unit will facilitate its implementation. The unit also successfully implemented the emerging researcher's capacity building programme, as well as the M&E capacity building programme for departmental project managers and project stakeholders. These are ongoing projects to build both internal and external capacity, and thus increase the M&E competitive base.

3. Outlook for the 2009/10 financial year

Section 3 looks at the key focus areas of 2009/10, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The support programmes are still in need of support and review, as the department grows and service levels increase. The greatest frustration is felt by the service delivery programmes, which lack capacity in the short-term as they are in the process of filling newly created posts. Service charters are being completed and will serve as a basis of ensuring that appropriate levels of service are adhered to. Significant resources have been utilised during this period to ensure that all posts within the department are filled, which has taken away attention from other strategic projects that have to be undertaken in the new year. Following the appointment of critical personnel, continuous reviews of the business process efficiencies will be undertaken to maintain high levels of services.

Given the nature and volume of procurement in the department, it will be subject to improved financial management by line function managers, with close attention being given to control of procurement processes. In

addition, financial management by line function managers needs to be improved and, in this regard, measures which were identified in 2008/09 will be implemented in the first quarter of 2009/10. These measures include the introduction of a work-flow system, project management methodologies, supported by appropriate systems, and basic technical skills in economics and contract management.

Furthermore, the department is intent on focusing on its monitoring and evaluation function. A formalised M&E framework is now in place and, from 2009/10, the implementation of every departmental programme and strategy will be regularly monitored and will be evaluated toward the end of the planning cycle, to measure the impact of this strategy.

A high staff turnover rate has continued to pose a challenge to the Financial Management unit. However, the new organisational structure provides for additional posts and temporary assistance will be sourced, where critically needed, until vacant posts are filled. The new posts are required to cope with the anticipated increase in demand for the unit's support services, linked to the increased departmental budget over the 2009/10 MTEF. Performance regarding the timeliness of financial management services, such as Supply Chain Management and Account Services, requires improvement. The intention is to significantly reduce the average lead time for the provision of financial management services, both to internal departmental units and external suppliers of goods and services to the department.

Legal Services personnel have each been assigned specific priority sub-programmes to which they will provide focused legal services. They will also monitor the projects of these priority sub-programmes, to be able to give the necessary legal advice in a timely manner.

Human Resources, on the other hand, will focus on skills development of departmental officials, while Information Technology and Communication will ensure that appropriate infrastructure is provided on a consistent and cost effective basis.

The department will focus on supporting the establishment of sector-based secondary co-operatives in the province, to help strengthen the business performance of member primary co-operatives, and improve their access to markets. The department's efforts to identify and help co-operatives access more markets will also continue, supported by a newly formed tertiary co-operative. The department's efforts to identify and help co-operatives to access more markets will also continue and, in this regard, it is intended to bring in expertise from Kenya.

Challenges are also being experienced in the structuring of loans made to SMMEs and co-operatives, where the approach does not take into account start-up specific conditions, production cycles, and seasonality factors that impact the cash flows of loan recipient start-ups. Consequently, too many SMMEs and co-operatives are required to begin loan repayments long before they have begun to generate income and healthy cash flows. The department has raised the issue with Ithala Development Finance Corporation (Ithala), and has secured the commitment of the development finance agency to review its structuring of enterprise development loans. The review should result in the adoption of a new funding model that will take into account the business specificities of each loan applicant. It will also consider providing for capital and interest holidays and 'top-ups' or additional funding. The 'top-ups' will be required to accommodate the expansion initiatives of well-performing enterprises.

With the departmental workload increasing, time management and a focus on value-adding activities have become increasingly important. In 2009/10, more attention will be paid to the management of time, through the introduction of tested time management tools. Another key solution being considered is the provision of shared services for municipalities, in the form of one-stop-shops, where the scarce skills of planning and economic development can be sourced at a central location.

In relation to trade and investment promotion, every effort will be made to ensure that projects are more appropriately and proactively packaged. In this regard, the fund managers will work in partnership with the provincial Trade and Investment Agency to identify and package catalytic projects, guided by the Provincial Spatial Economic Development Strategy (PSEDS). In 2009/10, every effort will be made to ensure that projects are more appropriately and proactively packaged.

The department will also intensify its efforts to provide the necessary leadership and co-ordination required to integrate the individual, fragmented initiatives of the different industrial sectors into a coherent system of initiatives – a system that builds synergies across industry value-chains and improves cluster relations with government.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 4.1 below shows the sources of funding for the Department of Economic Development over the seven-year period 2005/06 to 2011/12. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 4.1: Summary of receipts and financing

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Provincial allocation	157 590	402 424	1 394 441	2 646 518	2 646 518	2 646 518	2 401 745	1 531 496	1 372 727
Total receipts	157 590	402 424	1 394 441	2 646 518	2 646 518	2 646 518	2 401 745	1 531 496	1 372 727
Total payments	143 310	414 628	1 419 969	2 646 518	1 945 681	1 929 916	2 401 745	1 531 496	1 372 727
Surplus/(Deficit) before financing	14 280	(12 204)	(25 528)	-	700 837	716 602	-	-	-
Financing									
of which									
Provincial roll-overs	-	110 000	-	-	-	-	-	-	-
Provincial cash resources	-	-	84 000	-	(700 837)	(700 837)	-	-	-
Surplus/(deficit) after financing	14 280	97 796	58 472	-	-	15 765	-	-	-

The departmental budget peaked at R2.647 billion in the 2008/09 Main Budget. In the 2008/09 Adjustments Estimate, an amount of R700.837 million was surrendered to the Provincial Revenue Fund obtained collectively from the Co-operatives, SMME and Growth Funds, as well as the Liquor Entity due to the slow uptake of the funds and a delay in the establishment of the KwaZulu-Natal Liquor Entity. The allocation to the department remains high in the first year of the 2009/10 MTEF due to the continued funding of the Dube TradePort project, as well as the projected setting up of the liquor entity. The reduced allocation over the two outer years of the 2009/10 MTEF is the result of lower funding requirements for the Dube TradePort, as well as the reduction of the Growth and SMME Funds to R100 million each for the duration of the MTEF and the Co-operatives Fund to R85.109 million in 2009/10 and R100 million over the remainder of the 2009/10 MTEF. These reductions were due to the province having to fund a reduction in the equitable share over the MTEF, brought about by changes in the data that informs the provinces equitable share formula, as well as the world-wide economic downturn.

The under-expenditure in 2005/06 and 2006/07 can be ascribed to contractual problems experienced with the Bee Foundation project, as well as delays in the establishment of facilities and mentorship of primary and secondary co-operatives. The under-spending in 2007/08 was caused by delays in the implementation of the training and mentorship programmes due to challenges in meeting the deliverables, as well as delays in the finalisation of service level agreements for the training of primary co-operatives. This under-spending was further compounded by delays in finalising a contract for the Music Cluster project.

In 2006/07, the department received a roll-over, from surplus funds in Vote 6: Provincial Treasury, of R100 million towards the construction costs of the Dube TradePort as well as R10 million to cover the Bee Foundation project, which was not completed in the prior year. In 2007/08, the department received an additional allocation of R84 million to cover the escalated costs of the construction of the Dube TradePort. Further details are provided in Section 5.7.

As at the end of December, the department is projecting to under-spend its budget for 2008/09 due to delays in the appointment of staff, which has a commensurate effect on *Compensation of employees*. At the time of the 2008/09 Adjustments Estimate, the department had envisaged spending its full budget for this category. The department is projecting a balanced budget over the 2009/10 MTEF.

4.2 Departmental receipts collection

Table 4.2 below gives a summary of the receipts collected by the department. Details of departmental receipts are presented in the *Annexure – Vote 4: Economic Development*.

Table 4.2: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Tax receipts	3 999	3 760	4 017	4 045	4 045	4 036	38 095	41 905	46 095
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	3 999	3 760	4 017	4 045	4 045	4 036	38 095	41 905	46 095
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	42	48	57	119	119	111	128	136	144
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	7	2	1	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	274	1 100	414	35	35	250	38	40	42
Total	4 322	4 910	4 489	4 199	4 199	4 397	38 261	42 081	46 281

The main revenue collected by the department is in respect of liquor licences fees. The increased revenue from this source over the 2009/10 MTEF is linked to the expected increase in the basic tariffs applicable to these licences, as well as the recovery of the administrative costs of running the controlling entity which will be collected from the licencees.

It is expected that the KwaZulu-Natal Liquor Licensing Bill will be promulgated in 2009/10. In the interim, the Liquor Act (Act No. 27 of 1989) is still applicable. The new Liquor Bill proposes the establishment of a new public entity, the Liquor Board, which will be responsible for the liquor licensing functions. When the Bill is promulgated, the tariffs for liquor licences will be revised, to cover the administrative costs of the entity. The recovery of revenue from liquor licences will be incidental to the proposed functions of the liquor entity, whose main aim will be to regulate the liquor industry.

At this stage, the department is projecting to receive revenue from this source over the 2009/10 MTEF. However, when the new Liquor Bill is promulgated, the functions currently performed by the Liquor Regulation sub-programme will be taken over by the new entity, with a consequent shift of funding to the new entity.

Revenue from the category *Sale of goods and services other than capital assets* relates to commission on insurance and rental of buildings. Revenue from commission on insurance relates to fees paid by insurance companies for the collection of insurance premiums on their behalf, while the latter is in respect of the rental of state property. The department is projecting an inflationary adjustment to this source over the 2009/10 MTEF.

Fluctuations in respect of *Financial transactions in assets and liabilities* from 2005/06 to 2008/09, relate to the once-off recovery of debts due from other departments in respect of expenditure incurred in prior financial years. The decline in the projected income over the 2009/10 MTEF is due to previous years including this once-off revenue.

4.3 Donor funding

Table 4.3 reflects the projected funding received by the Department of Economic Development from donor sources.

The Local Economic Development (LED) unit of the department acts as a contracting authority with regard to the LED funding partnership with the European Union. The unit is charged with the implementation of the terms of the SA-EU financing agreement. In this regard, the expenditure of funds

must be made in terms of agreed implementation models and European financial regulations. Branded as the Gijima KZN LED Support Programme, it brings together skilled private and public sector technical teams funded through the European Union and the provincial government.

Table 4.3: Donor funding

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited	Audited	Audited				2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08	2008/09					
Donor Funding	-	109 738	-	49 162	-	64 223	47 805	10 040	-
European Union - Gijima KZN LED Support Programme	-	109 738	-	49 162	-	64 223	47 805	10 040	-
Total	-	109 738	-	49 162	-	64 223	47 805	10 040	-

Phases 4 and 5 of the LED European Union project called for proposals for the Local Competitiveness Fund (LCF) and the Business Enabling Fund (BEF), which were drafted in 2007. The department did not draw down any funding from the European Union in 2007/08, as the draw down made in 2006/07 was only paid out on the last day of the 2006/07 financial year.

There are currently a total of 185 projects, with a grant value of R130.7 million and a total project value of R206.7 million, in progress. To date, 34 projects have been completed.

An application has been made to the European Union for the extension of the funding. The figures over the 2009/10 MTEF are estimates, based on the acceptance of the application for the extension of the project. Similarly, the higher 2008/09 Estimated Actual is due to the expected extension of funding by the European Union.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 4: Economic Development*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Salary increases of 5.5 per cent for 2009/10, 4.9 per cent for 2010/11 and 4.5 per cent for 2011/12, effective 1 July each year;
- Pay progression of approximately 1 per cent of the wage bill effective from 1 July every year; and
- Inflation related items have been based on CPIX projections.

5.2 Additional allocation for the 2007/08 to 2009/10 MTEF

Table 4.4 shows additional funding received by the Department of Economic Development over the three MTEF periods: 2007/08, 2008/09 and 2009/10. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the Department of Economic Development in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2007/08 MTEF (i.e. for the financial years 2010/11 and 2011/12) are based on the incremental percentage used in the 2008/09 MTEF and 2009/10 MTEF. A similar approach was used for the carry-through allocations for the 2008/09 MTEF.

Table 4.4: Summary of additional provincial allocations for 2007/08 to 2011/12

R000	2007/08	2008/09	2009/10	2010/11	2011/12
2007/08 MTEF period	755 744	710 257	935 900	992 054	1 051 577
Carry-through of 2006/07 Adjustments Estimate - Admin costs iro Co-ops	9 744	10 235	11 000	11 660	12 360
Decrease in Richards Bay IDZ budget	(45 000)	(50 000)	(53 750)	(56 975)	(60 394)
Revised model for Integrated Business Support	7 000	8 022	9 000	9 540	10 112
Establishment of Music Recording Studio	10 000	12 000	15 000	15 900	16 854
Function shift - Growth Fund	500 000	500 000	709 500	752 070	797 194
Function shift - SMMEs Fund	190 000	230 000	245 150	259 859	275 451
2007/08 Adjustments Estimate - Dube TradePort	84 000	-	-	-	-
2008/09 MTEF period		(145 695)	199 242	(617 416)	(654 461)
Reduction in Growth Fund		(300 000)	(66 500)	-	-
Personnel inflation adjustment		734	1 216	1 471	1 559
Government Employees Medical Scheme		329	386	802	850
Skills development initiative together with Dept. of Science & Technology		4 156	2 965	3 299	3 497
Dube TradePort		119 086	196 175	(712 988)	(755 767)
Rejuvenation of Trading Centres in townships		15 000	45 000	90 000	95 400
Fan Parks		15 000	20 000	-	-
2009/10 MTEF period			(971 500)	(1 215 531)	(1 539 122)
Reduction in Growth Fund			(543 000)	(652 070)	(652 070)
Reduction in SMME Fund			(193 950)	(187 487)	(280 404)
Reduction in Co-operatives Fund			(234 550)	(170 326)	(261 310)
Reduction in Dube TradePort			-	(205 648)	(345 338)
Total	755 744	564 562	163 642	(840 893)	(1 142 006)

The function shift of the Growth Fund and the SMME Fund from Vote 6: Provincial Treasury comprised the main additional allocation in the 2007/08 MTEF. In addition, provision was made for the establishment of a non-profit agency to promote the local music industry, a revised model for Integrated Business Support as well as additional funding for the Dube TradePort project. The decrease in the allocation to the Richards Bay Industrial Development Zone (RBIDZ) relates to delays in the implementation of the project. The project is expected to gain momentum from 2009/10.

The major changes in the 2008/09 MTEF were the reduction of the allocation to the Growth Fund, due to delays in the implementation of its projects, and the reduction in the 2010/11 and 2011/12 years for the Dube TradePort project. Additional amounts were also allocated for the rejuvenation of trading centres in townships for fan parks, as part of the preparations for the 2010 World Cup, as well as funding for a skills development initiative with the Department of Science and Technology. The department also received additional allocations over the 2008/09 MTEF for the personnel inflationary adjustment in respect of the annual salary increase and government's contribution towards the Government Employees Medical Scheme (GEMS).

The major adjustment made in the 2009/10 MTEF relates to the reduction in the allocations to the Growth, SMME and the Co-operatives Funds, as discussed previously. In addition, the allocation to the Dube TradePort project was reduced in the two outer years of the 2009/10 MTEF.

5.3 Summary by programme and economic classification

Tables 4.5 and 4.6 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2005/06 to 2011/12.

The budget is made up of five programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Industry Development, Business Regulation and Governance, and Economic Planning.

Table 4.5: Summary of payments and estimates by programme

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
1. Administration	33 720	36 619	51 259	66 825	117 528	118 280	118 469	123 495	130 444
2. Integrated Economic Development Services	21 153	186 702	803 672	878 468	143 522	171 845	571 812	604 923	602 764
3. Trade and Industry Development	74 067	177 791	546 758	1 631 730	1 647 489	1 610 652	1 636 912	725 135	555 760
4. Business Regulation and Governance	8 492	7 888	11 322	58 165	23 172	18 312	56 978	59 290	63 981
5. Economic Planning	5 878	5 628	6 958	11 330	13 970	10 827	17 574	18 653	19 778
Total	143 310	414 628	1 419 969	2 646 518	1 945 681	1 929 916	2 401 745	1 531 496	1 372 727

Table 4.6: Summary of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	94 166	108 875	117 758	338 135	368 469	366 067	486 873	516 927	529 153
Compensation of employees	25 083	35 997	39 493	86 771	86 771	68 073	102 426	108 059	113 462
Goods and services	69 083	72 878	78 138	251 364	281 698	297 994	384 447	408 868	415 691
Other	-	-	127	-	-	-	-	-	-
Transfers and subsidies to:	47 298	304 932	1 298 560	2 304 672	1 566 290	1 550 188	1 912 885	1 014 398	843 393
Provinces and municipalities	72	22	-	3 100	3 900	2 300	3 000	10 000	10 000
Departmental agencies and accounts	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Universities and technikons	-	-	1 274	4 156	4 856	560	4 500	3 300	-
Public corporations and private enterprises	15 634	144 849	763 235	734 737	6 500	2 647	371 985	391 745	397 957
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 500	130 000	493 089	1 520 239	1 508 594	1 502 631	1 478 984	552 716	373 900
Households	92	61	292	-	-	50	-	-	-
Payments for capital assets	1 846	821	3 651	3 711	10 922	13 661	1 987	171	181
Buildings and other fixed structures	-	-	-	-	-	6 000	-	-	-
Machinery and equipment	1 510	821	3 621	3 711	10 922	7 461	1 987	171	181
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	336	-	30	-	-	200	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	143 310	414 628	1 419 969	2 646 518	1 945 681	1 929 916	2 401 745	1 531 496	1 372 727

The increased expenditure for the vote as a whole in 2006/07 compared to 2005/06 was due to the function shift of the primary and secondary Co-operatives Fund as well as the incubator programme, from Provincial Treasury (Vote 6), while the increase in 2007/08 was due to the function shift, from Vote 6, of the SMME Fund (R200 million) and the Growth Fund (R500 million). This explains the increase in Programme 2: Integrated Economic Development Services from 2006/07 onwards. This also accounts for the increase in *Transfers and subsidies to: Public corporations and private enterprises*.

Programme 1: Administration shows an increase in the 2008/09 Adjusted Budget, due to the movement of funds from Programme 2 in respect of municipal charges for one-stop-shops, because of the difficulty in identifying these costs from the overall municipal account. In addition, 2010 funding was moved from Programme 2 and 5 to this programme, to enable more effective monitoring and control of these funds. This explains portion of the increased allocation to *Goods and services* in the same period.

The increased spending in respect of Programme 2 in 2007/08 was due to the function shift of the Growth Fund and the SMME Fund from Vote 6: Provincial Treasury in that year. In the 2008/09 Adjustments Estimate, funding allocated for transfer to Ithala in respect of the Co-operatives, SMME and Growth Funds was surrendered to the Provincial Revenue Fund, due to delays in implementing projects because of changes in lending requirements and amendments to the loan model. This explains the reduction in the allocation to *Transfers and subsidies to: Public corporations and private enterprises* in the same period. However, it is anticipated that these projects will be implemented over the 2009/10 MTEF, but at a lower level. In this regard, it should be noted that the funding for the Growth and SMME Funds was reduced to R100 million each over each year of the 2009/10 MTEF, while the allocation to the Co-operatives Fund was reduced to R85.109 million in 2009/10, and to R100 million over the remainder of the 2009/10 MTEF. This also explains the increase in *Transfers and subsidies to: Public corporations and private enterprises* over the 2009/10 MTEF when compared to the 2008/09 Adjusted Budget.

With regard to Programme 3: Trade and Industry Development, the increase in 2007/08 and further increase from 2008/09 onwards relates to the Dube TradePort and RBIDZ projects. The decrease in the allocation to this programme in the two outer years of the 2009/10 MTEF is attributable to the completion of the airport portion of the Dube TradePort project. This project continues after 2010 to allow for further development of the multi-modal logistics hub at the airport site. This explains the increase in *Transfers and subsidies to: Non-profit institutions* in 2007/08 and over the period 2008/09 and 2009/10, as well as the reduction in this category in the two outer years of the 2009/10 MTEF.

The 2007/08 Audited amount reflected against Programme 4: Business Regulation and Governance largely relates to provisions for the filling of posts and associated costs, in order to meet increased service

delivery requirements. The increase in the allocation to this programme in the 2008/09 Main Budget is attributable to a provision for the establishment of a Liquor Entity to administer the implementation of the KZN Liquor Bill. Due to delays in the promulgation of this Bill, this funding was surrendered to the Provincial Revenue Fund in the 2008/09 Adjustments Estimate. This explains the reduction in this programme in that period, as well as portion of the decrease in *Transfers and subsidies to: Public corporations and private enterprises*. The allocation over the 2009/10 MTEF relates to the provision of funding to this entity.

The increased allocation to Programme 5: Economic Planning in the 2008/09 Main Budget caters for increased staffing of the Monitoring and Evaluation sub-programme, as well as the review of the department's strategic plan. Provision was also made for an analysis of the effectiveness of the department's economic strategy. In the 2008/09 Adjustments Estimate, funding was provided for the implementation of a Project Management System, to monitor all projects run by the department. In the same process, the costs of *izimbizo* and workshops were moved from this programme, to Programme 1. The increased allocation over the 2009/10 MTEF relates to the full roll-out of the project management system across the department.

Compensation of employees increased in 2006/07 due to the function shift of the Co-operatives Fund from Vote 6. The substantial increase in the 2008/09 Main Budget is due to the drive to fill vacant posts, made possible by the department's move into additional office space at Head Office. Further, the department is filling posts at its eleven district offices. The low Estimated Actual is due to delays in the filling of posts, especially within Programme 5. The increase over the 2009/10 MTEF relates to annual salary increases and pay progression. It is expected that all vacant posts will be filled by the end of 2008/09.

The increase in *Goods and services* in the 2008/09 Main Budget is attributable to a provision for the rejuvenation of trading centres in townships, as well as for the establishment of fan parks in anticipation of the televising of 2009 Confederation Cup and the 2010 World Cup matches. In addition, funding was provided for the establishment of an entity to promote the local music industry and the planned expansion of the department into districts. In the 2008/09 Adjusted Budget, additional funding was allocated to this category to provide for the costs of software training in terms of an agreement with the Indian Government, and for the establishment of a call centre in Newcastle. In addition, the funding for the KZN Music Studio was moved from *Transfers and subsidies to: Non-profit institutions* to this category, due to the decision to appoint a service provider via a competitive bid process, rather than the establishment of a Section 21 company. This explains the reduction in this category in the same period. The increased allocation to *Transfers and subsidies to: Non-profit institutions* in 2009/10 and over the remainder of the 2009/10 MTEF, albeit at a declining rate, is attributable to transfers to the Dube TradePort project. The construction of the airport is scheduled to be completed in time for the 2010 World Cup. Further allocations over the 2009/10 MTEF are made to allow for additional commercialisation opportunities, such as overnight fresh produce supplies to the European continent. The high Estimated Actual in respect of *Goods and services* is due to the cost of holding *izimbizo* in all eleven districts of the department.

The category *Transfers and subsidies to: Provinces and municipalities* provides for joint funding initiatives which the department planned to undertake in 2008/09 and over the 2009/10 MTEF. Further details are provided in Section 5.8.

Machinery and equipment was increased in 2007/08 to provide for furniture and equipment for new appointments. The allocation in 2008/09 increased for the same reason. In the 2008/09 Adjustments Estimate, the allocation to this category was increased to provide for 2007/08 commitments only invoiced and paid for in 2008/09, including equipment for new offices, provision for asset costs associated with the implementation of the Master Systems Plan of the department, as well as equipment for one-stop-shops. The minimal allocation to this category over the 2009/10 MTEF has been ascribed to the fact that the bulk of the new equipment was purchased in 2008/09, with only a small allocation required in 2009/10.

The 2008/09 Estimated Actual in respect of *Buildings and other fixed structures* relates to the purchase of park homes for the Umkhanyakude District for regional offices, due to the lack of suitable accommodation in this area. The lack of office accommodation in the area was not anticipated during the 2008/09 Main Budget and Adjustments Estimate process.

5.4 Summary of payments and estimates by district municipal area

Table 4.7 shows the payments, excluding operational costs, to be incurred in each district municipality.

Table 4.7: Summary of payments and estimates by district municipal area

District Municipal Area	Outcome Audited 2007/08	Estimated Actual 2008/09	Medium-term Estimates		
			2009/10	2010/11	2011/12
R000					
eThekweni	1 320 092	1 534 300	1 452 601	742 639	719 693
Ugu	-	7 211	442	189	208
uMgungundlovu	-	198 897	699 618	523 047	372 547
Uthukela	-	5 321	937	2 247	2 471
Umzinyathi	-	4 811	938	1 599	1 759
Amajuba	-	3 991	2 303	1 214	1 336
Zululand	-	3 211	3 626	2 844	3 128
Umkhanyakude	-	3 311	445	550	605
uThungulu	-	13 311	57 133	60 316	63 312
llembe	-	2 811	688	653	719
Sisonke	-	3 511	2 312	1 475	1 623
Total	1 320 092	1 780 686	2 221 043	1 336 773	1 167 401

As can be seen from the table, spending is largely split between the eThekweni and uMgungundlovu District Municipal areas. This is due to the allocation of province-wide projects to the uMgungundlovu District, which is the location of the department's Head Office. The funding for the Dube TradePort project has been allocated to the eThekweni District.

The spending allocated to the uThungulu District Municipal Area can be attributed to the funding for the development of the RBIDZ, while that for the Sisonke area relates to the rejuvenation of trading centres in townships project.

It is not possible for the department to classify the historical expenditure for 2007/08 into district municipalities, as the accounting system was not set up to cater for this level of analytical detail at the time.

5.5 Summary of infrastructure payments and estimates

Table 4.8 below summarises the infrastructure payments and estimates relating to the department.

Table 4.8: Summary of infrastructure payments and estimates

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
New infrastructure assets	-	-	-	-	-	6 000	-	-	-
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair									
Upgrading and additions									
Rehabilitation and refurbishment									
Infrastructure transfer	-	-	431 000	1 493 439	1 493 439	1 493 439	1 533 848	789 528	769 078
Current	-	-	-	-	-	-	24 913	31 953	37 441
Capital	-	-	431 000	1 493 439	1 493 439	1 493 439	1 508 935	757 575	731 637
<i>Capital infrastructure</i>	-	-	431 000	1 493 439	1 493 439	1 499 439	1 508 935	757 575	731 637
<i>Current infrastructure</i>	-	-	-	-	-	-	24 913	31 953	37 441
Total	-	-	431 000	1 493 439	1 493 439	1 499 439	1 533 848	789 528	769 078

The Estimated Actual against the *New infrastructure assets* category relates to the cost of the purchase of park homes for the Umkhanyakude District for regional offices, due to the lack of suitable accommodation in this area. The lack of office accommodation in the area was not anticipated during the 2008/09 Main Budget and Adjustments Estimate process.

The increase in *Infrastructure transfer* in 2007/08 and 2008/09 was due to funding allocated to the Dube TradePort project. The allocation over the 2009/10 MTEF is in respect of the Dube TradePort and RBIDZ projects.

The Dube TradePort project is progressing on schedule and the following milestones have been achieved to date: the first layer of asphalt on the runway is more than 50 per cent complete and civil engineering work on the various taxiways is continuing on schedule. Concrete paving on the alpha apron has also commenced and is progressing well, while the concrete work in the main terminal is nearing completion. In addition, the erection of the second roof truss has been completed, and preparations have commenced for the installation of the third truss. The steelwork for the baggage handling system is also progressing well, while roof sheeting installation for the Cargo Terminal has been completed.

Work is also progressing well on the development of the N2 access road, along with roads in the terminal precinct. Adjacent to the airport, the Trade Zone's water main line is being laid, and satisfactory progress is being made. The 55 metre concrete column, which comprises the control tower, is complete, and the main cabin section is being positioned, currently at 90 per cent elevation. In addition, steel has been erected for all of the tanks which comprise the fuel farm.

In respect of the Richards Bay Industrial Development Zone project, the earthworks for TATA Steel's ferro-chrome plant commenced in mid-July 2006, providing it with its first tenant, and South Africa's first international export client within any IDZ. This milestone followed closely on the Department of Trade and Industry (DTI) proclaiming an additional area within the zone, as well as issuing the provisional industrial development zone operator permit to the RBIDZ. The new site is approximately 160 hectares in total, taking the total area to approximately 530 hectares. Three of the sites will be developed, as and when required by clients, although tentative engineering layouts have been developed to assist pre-planning and delivery.

5.6 Transfers to public entities

Table 4.9 provides a summary of departmental transfers to the public entity which falls under the auspices of the department. A financial summary in respect of Ithala is presented in the *Annexure – Vote 4: Economic Development*.

Table 4.9: Summary of departmental transfers to public entities

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Ithala Development Finance Corporation	15 634	144 859	804 142	694 572	50 000	50 000	338 859	356 975	359 636
<i>of which</i>									
Co-operatives	-	100 000	100 000	216 572	-	-	85 109	100 000	100 000
SMMEs	-	-	135 142	228 000	-	-	100 000	100 000	100 000
Growth Fund	-	-	500 000	200 000	-	-	100 000	100 000	100 000
Richards Bay IDZ	-	-	45 000	50 000	50 000	50 000	53 750	56 975	59 636
Accelerated Economic Development Unit	-	40 000	-	-	-	-	-	-	-
Project Specific Funding	15 634	4 859	24 000	-	-	-	-	-	-
Total	15 634	144 859	804 142	694 572	50 000	50 000	338 859	356 975	359 636

The Ithala Development Finance Corporation was established as an entity in 1999 by the KwaZulu-Natal Ithala Development Finance Corporation Act (Act No. 2 of 1999), with the aim of providing financing for historically marginalised communities. The department transfers funds to Ithala on a project-specific funding basis. Ithala then oversees the financing and control of the projects, as well as the recovery of the loans.

In the 2008/09 Adjusted Budget, the entire amount allocated to Ithala in the 2008/09 Main Budget, with the exception of the allocation for the RBIDZ, was surrendered to the Provincial Revenue Fund, due to changes in the loan model, as well as changes in lending requirements.

The reduced funding over the 2009/10 MTEF is as a result of the reduced allocation to the SMME and Growth Funds of R100 million each year of the 2009/10 MTEF, while the Co-operatives Fund receives R85.109 million in 2009/10 and R100 million each year for the remainder of the 2009/10 MTEF. The only exception to this reduction is the RBIDZ which has been allocated amounts of R53.75 million, R56.975 million and R59.636 million over the 2009/10 MTEF. The start-up of this project was delayed due to issues regarding land ownership. The progress made with this project is set out under Section 5.5.

5.7 Transfers to other entities

Table 4.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 4.10: Summary of departmental transfers to other entities

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Durban Chamber of Commerce & Industry	1 500	-	728	-	-	-	-	-	-
Dube TradePort	-	130 000	443 500	1 453 839	1 453 839	1 453 839	1 444 254	526 905	364 103
Trade & Investment KwaZulu-Natal	30 000	30 000	40 670	42 000	42 000	42 000	54 416	56 637	61 536
KZN Music Studio	-	-	-	12 000	-	-	15 000	15 900	-
KZN Film Commission	-	-	698	800	945	-	3 800	4 180	4 598
Clothing & Textile Sector Cluster Entity	-	-	750	2 600	850	-	450	-	-
Durban Trade Point	-	-	-	1 000	650	-	-	-	-
SEDA eThekweni	-	-	145	440	600	-	600	532	-
Co-operative Entities Set 1	-	-	2 819	10 500	5 800	-	-	-	-
Co-operative Entities Set 2	-	-	-	8 400	-	-	-	-	-
Co-operative Entities Set 3	-	-	-	34 138	-	-	-	-	-
Liquor Entity	-	-	-	37 127	-	-	33 126	36 438	40 082
ICTe cluster	-	-	1 400	-	1 400	-	2 000	4 000	4 000
Furniture Cluster Project	-	-	950	-	950	-	450	-	-
KZN Chillies & Spice Growers Association	-	-	85	-	-	-	-	-	-
Integrated Music Hub	-	-	1 107	-	-	-	800	-	-
University of KwaZulu-Natal	-	-	1 274	-	700	-	-	-	-
Liberec	-	-	-	-	-	-	6 930	-	-
Craft cluster	-	-	-	-	500	-	2 500	-	-
Indigenous music	-	-	-	-	-	-	1 000	-	-
Film Festival	-	-	-	-	-	-	1 200	1 200	1 200
Univ & Technikons - SANLITPPS	-	-	-	4 156	4 156	2 049	4 500	3 300	-
Total	31 500	160 000	494 126	1 607 000	1 512 390	1 497 888	1 571 026	649 092	475 519

As can be seen from the table, the major allocation to other entities in 2007/08 and 2008/09 was for the Dube TradePort project. The funding in respect of the Dube TradePort, a Section 21 company, covers the operational costs of the entity, the capital cost for the acquisition of a portion of the land at the new airport site, as well as the roll-out of the Dube TradePort capital project. The milestones that have been reached to date are discussed under Section 5.5 above. The allocation to this project decreases from 2010/11 due to the expected completion of the construction of the airport, and relates to funds to allow for further development of the multi-modal logistics hub at the airport site.

The second largest allocation is to Trade and Investment KwaZulu-Natal. The allocation to this entity grows steadily over the seven-year period. Projects currently underway include an export seminar for local manufacturers, Memorandum of Understanding between the province and China and a wood and furniture cluster trade mission.

Small amounts were allocated to various projects from 2007/08 onwards, such as the KZN Music Studio, Information Communication Technology and electronics (ICTe) cluster, the Integrated Music Hub project, and the University of KwaZulu-Natal, among others. The department has also adopted a strategy of cluster support and the table reflects transfers to various clusters over the 2009/10 MTEF.

The allocation to universities and technikons in 2008/09 and over the 2009/10 MTEF is to provide for the establishment of the South African National Liberation Institute of Technology, Philosophy and Political Science (SANLITPS), aimed at the training of engineering and technology teachers, who are capable of working together to prepare the youth for their transition from schools to tertiary institutions.

5.8 Transfers to municipalities

Tables 4.11 and 4.12 below indicate transfers to municipalities per category. Previously, the only transfer that the department made to municipalities was in respect of the Regional Service Council Levy (RSCL), which was paid to the eThekweni District Municipality. This levy was discontinued from July 2006.

The department identified three projects for joint funding in 2008/09. These were comprised of market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas, and the building of a multi-media centre in Lamontville in the eThekweni area. The projects in the eThekweni, Ubuhlebezwe and Umzimkulu areas fall under Categories A and B. In the 2008/09 Adjusted Budget, the allocation for the multi-media centre in Lamontville was postponed to a later date, and funding for a call-centre in Newcastle, as well the Aloe tea project transfer to the Ladysmith Municipality, was provided. The allocation in 2009/10 relates to funding for the finalisation of the call-centre in Newcastle.

The joint funding amounts between the department and the various municipalities for 2010/11 and 2011/12 are allocated to the uMgungundlovu District under Category C. The projects in this district are aimed at continuing the funding of LED projects previously supported by the Gijima EU donor funding which is projected to end in 2010/11.

Details of transfers per municipality are given in the *Annexure – Vote 4: Economic Development*.

Table 4.11: Summary of departmental transfers to municipalities by category

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Category A	72	22	-	2 400	3 200	-	-	-	-
Category B	-	-	-	700	700	2 300	3 000	-	-
Category C	-	-	-	-	-	-	-	10 000	10 000
Total	72	22	-	3 100	3 900	2 300	3 000	10 000	10 000

Table 4.12: Summary of departmental transfers to municipalities by grant name

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Regional Service Council Levy	72	22	-	-	-	-	-	-	-
Joint Project Funding	-	-	-	3 100	3 900	2 300	3 000	10 000	10 000
Total	72	22	-	3 100	3 900	2 300	3 000	10 000	10 000

6. Programme description

The services rendered by this department are categorised under five programmes, which are explained below. The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in the *Annexure – Vote 4: Economic Development*.

6.1 Programme 1: Administration

The main purpose of Programme 1: Administration is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions. This programme consists of three sub-programmes – Office of the HOD, Financial Management and Corporate Services.

Table 4.13 and 4.14 below illustrate the payments and estimates of this programme over the seven-year period 2005/06 to 2011/12.

Table 4.13: Summary of payments and estimates - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Office of the HOD	8 913	8 529	12 701	13 994	36 734	41 629	49 394	52 700	55 727
Financial Management	12 272	11 695	16 035	17 762	17 462	14 425	19 003	18 892	19 913
Corporate Services	12 535	16 395	22 523	35 069	63 332	62 226	50 072	51 903	54 804
Total	33 720	36 619	51 259	66 825	117 528	118 280	118 469	123 495	130 444

Table 4.14: Summary of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Current payments	32 617	36 207	50 242	65 575	111 217	110 251	117 337	123 495	130 444
Compensation of employees	10 919	14 943	15 778	30 417	30 417	22 922	35 487	37 439	39 311
Goods and services	21 698	21 264	34 337	35 158	80 800	87 329	81 850	86 056	91 133
Other	-	-	127	-	-	-	-	-	-
Transfers and subsidies to:	103	71	292	-	-	50	-	-	-
Provinces and municipalities	32	10	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	71	61	292	-	-	50	-	-	-
Payments for capital assets	1 000	341	725	1 250	6 311	7 979	1 132	-	-
Buildings and other fixed structures	-	-	-	-	-	6 000	-	-	-
Machinery and equipment	699	341	709	1 250	6 311	1 979	1 132	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	301	-	16	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	33 720	36 619	51 259	66 825	117 528	118 280	118 469	123 495	130 444

The increased spending against the Office of the HOD sub-programme in 2007/08 can be ascribed to restructuring of the department and the creation of additional capacity within the sub-programme. In the 2008/09 Adjusted Budget, 2010 project funding was moved to this sub-programme from Programmes 2 and 5, in order to ensure more effective monitoring and control of these funds. This also explains a portion of the increased allocation to *Goods and services* in the same period. The allocation over the 2009/10 MTEF reflects the continuation of these projects.

The lower 2006/07 Audited amount in respect of the Financial Management sub-programme, when compared to 2005/06, is attributable to the movement of the Auxiliary Services component from this sub-programme to the Corporate Services sub-programme. The increased 2007/08 Audited Outcome is due to the expansion of the Internal Control unit, as well as the creation of a System Control unit within this sub-programme. The allocation to this sub-programme is increased by an inflationary adjustment over the 2009/10 MTEF. The 2009/10 allocation includes once-off funding for a document tracking system. This explains the reduced allocation in 2010/11. It should be noted that it is not possible to adjust the comparative figures for this sub-programme, due to the dual functions performed by the staff.

With regard to the Corporate Services sub-programme, the increased spending in 2007/08 was due to a provision for the costs of the move of the department's Head Office to Pietermaritzburg. The increased allocation in the 2008/09 Main Budget was in line with the department's anticipated cost of delivering support services to other programmes and business units, and included the cost of an increased staff establishment as well as inflationary adjustments. In the 2008/09 Adjusted Budget, funding in respect of municipal charges for the one-stop-shop project was moved to this sub-programme from Programme 2: Integrated Economic Development Services, due to the difficulty of identifying these costs from the overall municipal account. In addition, the Adjusted Budget includes the roll-over of funds from 2007/08 for capital commitments, which were only invoiced in 2008/09, as well as for additional costs related to the Master Systems Plan project. The 2009/10 MTEF allocation is in line with the anticipated costs of delivering support services to other programmes and business units. The increase in the baseline reflects inflationary adjustments and provision for an increased staff establishment, as well as the aggregated cost of the department's district offices.

Compensation of employees shows a substantial increase in the 2008/09 Main Budget, due to the cost of additional capacity across all sub-programmes, as well as the movement of senior management salary costs from the service delivery programmes to this programme. The department was not able to re-state the historic figures in respect of this category. The low 2008/09 Estimated Actual figure in respect of this category is due to delays in the appointment of staff. The increase over the 2009/10 MTEF reflects an inflationary increase.

The increase in *Goods and services* in 2007/08 was partly as a result of the move of the sub-programme: Office of the Chief Financial Officer, from the old Programme 2: Financial Administration to Programme 1, to ensure alignment with the sector. In addition, the 2007/08 amount includes the costs of computer services and increased rentals due to the move of the Head Office to Pietermaritzburg. In the 2008/09 Adjusted Budget, funding was moved to this category from Programmes 2 and 5, in respect of 2010 projects, and municipal charges for one-stop-shops. In addition, funding was provided for additional projects such as a hydro-electric feasibility study in Jozini, business networking, etc, as well as the additional costs of the Master Systems Plan project. The allocation over the 2009/10 MTEF grows by an inflationary increase.

The expenditure in respect of *Transfers and subsidies to: Households* in 2007/08 relates to lump-sum payments of leave-pay and other benefits which were paid out to employees who elected to take the severance package when the department moved from Durban to Pietermaritzburg.

The 2008/09 Estimated Actual in respect of *Buildings and other fixed structures* relates to the purchase of park homes for the Umkhanyakude district for regional offices, due to the lack of suitable accommodation in this area. The lack of office accommodation in the area was not anticipated during the 2008/09 Main and Adjusted Budget process.

The high 2005/06 expenditure in respect of *Machinery and equipment* is attributed to the replacement of departmental vehicles, while the high spending in 2007/08 relates to the cost of equipment for new appointments. The allocation in the 2008/09 Main Budget was to provide for the cost of replacing capital equipment. The 2008/09 Adjusted Budget includes the roll-over of 2007/08 commitments only invoiced and paid for in 2008/09, equipment for new offices and a provision for the purchase of assets associated with the implementation of the Master Systems Plan of the department. No funds have been allocated to this category in 2010/11 and 2011/12, as the bulk of new equipment purchases were concluded in 2008/09 with a smaller portion allocated in 2009/10.

The spending against the category *Software and other intangible assets* in 2005/06 relates to the purchase of legal reference software for the Legal Services unit, while that in 2007/08 was due to once-off software costs for the Information Technology section, which falls under the Corporate Services sub-programme.

6.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in the Province of KwaZulu-Natal. This programme consists of four sub-programmes, namely: Enterprise Development, Local Economic Development, Economic Empowerment and the Growth Fund.

Tables 4.15 and 4.16 below illustrate the summary of payments and estimates relating to Programme 2 for the period 2005/06 to 2011/12.

Table 4.15: Summary of payments and estimates - Programme 2: Integrated Economic Development Services

	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
R000									
Enterprise Development	10 948	176 363	288 917	627 465	88 154	130 627	364 285	378 418	365 728
Local Economic Development	5 876	6 700	9 197	37 025	33 921	21 689	87 414	104 750	113 520
Economic Empowerment	4 329	3 639	5 558	13 978	21 447	19 529	20 113	21 755	23 516
Growth Fund	-	-	500 000	200 000	-	-	100 000	100 000	100 000
Total	21 153	186 702	803 672	878 468	143 522	171 845	571 812	604 923	602 764

Table 4.16: Summary of payments and estimates by economic classification - Prog. 2: Integrated Economic Development Services

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Current payments	20 743	46 568	38 349	176 338	133 457	164 598	286 348	296 592	294 527
Compensation of employees	5 368	11 364	13 237	30 926	30 926	27 098	37 041	39 080	41 033
Goods and services	15 375	35 204	25 112	145 412	102 531	137 500	249 307	257 512	253 494
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	36	140 005	763 155	700 710	7 200	2 647	285 109	308 331	308 237
Provinces and municipalities	15	5	-	3 100	700	-	-	10 000	10 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	140 000	763 155	697 610	6 500	2 647	285 109	298 331	298 237
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	21	-	-	-	-	-	-	-	-
Payments for capital assets	374	129	2 168	1 420	2 865	4 600	355	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	374	129	2 154	1 420	2 865	4 400	355	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	14	-	-	200	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	21 153	186 702	803 672	878 468	143 522	171 845	571 812	604 923	602 764

The substantial increase in the Enterprise Development sub-programme in 2006/07 relates to the increased emphasis on the establishment of the Small Enterprise Development Agencies (SEDA) and funding for the incubator programme. In 2007/08, this funding was increased due to the function shift of the SMME Fund from Provincial Treasury (Vote 6). This explains the increase in *Transfers and subsidies to: Public corporations and private enterprises* in that year. The significant increase in the allocation to this sub-programme in the 2008/09 Main Budget is attributable to the planned increased capitalisation of the SMME and the Co-operatives Funds. In the 2008/09 Adjusted Budget, the major portion of this allocation was surrendered to the Provincial Revenue Fund, due to delays in transferring funds to Ithala because of changes in lending requirements, as well as changes to the loan model. This partly explains the reduction in *Transfers and subsidies to: Public corporations and private enterprises* in the same period. The reduction in respect of this category in the outer year of the MTEF is due to the reduced capitalisation of the SMME and Co-operatives Funds.

With regard to the Local Economic Development sub-programme, the increase in spending in 2007/08 relates to the costs associated with the hosting of the Provincial Local Economic Development conference, while the substantial increase in the allocation in 2008/09 relates to the planned expansion of Local Economic Development projects. The significant increase in the allocation over the 2009/10 MTEF is attributable to the additional funding received for the rejuvenation of trading centres in townships.

The Economic Empowerment sub-programme shows a high 2005/06 spending when compared to 2006/07, due to delays in secondary co-operatives spending in 2006/07, while the higher spending in 2007/08 is attributable to the cost of additional staffing. Similarly, the substantial increase in the 2008/09 Main Budget and Adjusted Budget was to provide for the cost of additional staffing and the increase in the scope of work to be undertaken by this unit. The 2009/10 MTEF allocations cater for an increase in the implementation pace of the recently approved KZN Broad Based Black Economic Empowerment (BBBEE) strategy, and in the scale of its projects. In addition, funds have been allocated for the creation of a Black Economic Empowerment (BEE) complaints unit within the sub-programme.

As mentioned previously, the Growth Fund was transferred to this programme in 2007/08, explaining the allocation of funding from that year. Due to delays in the implementation of projects, the level of funding of this entity was reduced from 2008/09. In the 2008/09 Adjusted Budget, the allocation was surrendered to the Provincial Revenue Fund due to delays in transferring funds to Ithala for the reasons mentioned previously. This explains the remainder of the reduction in the category *Transfers and subsidies to: Public corporations and private enterprises*. The allocation to the Growth Fund was set at a lower level over the 2009/10 MTEF, due to the provincial reprioritisation in order to fund the reduction in the province's equitable share allocation.

Compensation of employees increased in 2006/07 due to the shifting of the co-operatives operational budget from Vote 6, while the increase in the 2008/09 Main Budget relates to the expansion of all sub-programmes. The allocation over the 2009/10 MTEF rises steadily.

The increase in spending in 2006/07 in respect of *Goods and services* was due to the function shift of the funding for the Co-operatives Fund. Delays in the implementation of these projects resulted in this allocation being reduced in 2007/08, to offset spending pressures in respect of Dube TradePort. The increased allocation to this category in 2008/09 relates to funding for the rejuvenation of trading centres in townships and for the creation of fan parks, in anticipation of the televising of games such as the 2009 Confederation Cup and the 2010 World Cup. In addition, funding was allocated for the costs of the planned expansion of the department into districts. The allocation over the 2009/10 MTEF is attributable to the transfer payments for the SMME and Co-operatives Funds to Ithala being located in this sub-programme. The high 2008/09 Estimated Actual in respect of this category is due to the costs of holding *izimbizo* in all eleven districts of the department.

The allocation to *Transfers and subsidies to: Provinces and municipalities* in 2008/09 relates to the transfer of funding to the eThekweni Metro for the Lamontville Multi-media centre. In the 2008/09 Adjusted Budget, this funding was surrendered to the Provincial Revenue Fund due to delays in finalising the architectural design of the centre. The allocation in the two outer years of the 2009/10 MTEF relates to projected transfers to the uMgungundlovu District Municipality for the co-operative produce supply facilities, to be run by the secondary and tertiary co-operatives.

The high spending on *Machinery and equipment* in 2007/08 and in the 2008/09 Main Budget was to provide for the capital requirements of new appointments. In the 2008/09 Adjustments Estimate, this category was further increased to provide for capital equipment of one-stop-shops.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.17 below shows the main service delivery measures pertaining to Programme 2, which are standardised in terms of the sector.

Table 4.17: Service delivery measures – Programme 2: Integrated Economic Development Services

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
Enterprise Development					
To provide an integrated business support services for SMMEs and Co-operatives	• Number of SMMEs supported through the institutions	404	485	582	582
	• Number of co-operatives supported	500	500	500	500
	• Number of institutions established	3	2	2	2
	• Number of institutions supported	-	5	7	9
Local Economic Development					
To develop sustainable Local Economic Development (LED) projects and build the capacity of municipalities	• Number of economic development projects supported at municipalities	10	10	15	20
	• Number of capacity building interventions at municipalities	18	20	20	20
	• Number of LED strategies aligned to PGDS and other spatial development plans	-	2	1	1
Economic Empowerment					
To create an enabling environment for the development and empowerment of the previously disadvantaged individuals and groups	• Number of BBBEE workshops conducted	4	3	3	3

6.3 Programme 3: Trade and Industry Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion. This programme comprises three sub-programmes, namely Trade and Investment Promotion, Industry Development and Sector Development.

Tables 4.18 and 4.19 below give a summary of payments and estimates relating to Programme 3 for the period 2005/06 to 2011/12.

Table 4.18: Summary of payments and estimates - Programme 3: Trade and Industry Development

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Trade and Investment Promotion	48 826	169 378	488 890	1 507 214	1 505 116	1 498 009	1 515 965	611 979	456 387
Industry Development	-	-	45 000	50 000	50 000	50 311	53 750	56 975	59 637
Sector Development	25 241	8 413	12 868	74 516	92 373	62 332	67 197	56 181	39 736
Total	74 067	177 791	546 758	1 631 730	1 647 489	1 610 652	1 636 912	725 135	555 760

Table 4.19: Summary of payments and estimates by economic classification - Programme 3: Trade and Industry Development

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	26 725	12 919	12 161	65 495	88 899	63 423	47 262	60 816	66 414
Compensation of employees	2 590	3 082	3 377	8 663	8 663	5 828	9 017	9 512	9 988
Goods and services	24 135	9 837	8 784	56 832	80 236	57 595	38 245	51 304	56 426
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	47 141	164 852	534 335	1 566 035	1 558 145	1 546 791	1 589 650	664 248	489 275
Provinces and municipalities	7	3	-	-	3 200	2 300	3 000	-	-
Departmental agencies and accounts	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Universities and technikons	-	-	1 274	4 156	4 856	560	4 500	3 300	-
Public corporations and private enterprises	15 634	4 849	-	-	-	-	53 750	56 975	59 637
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 500	130 000	492 391	1 519 439	1 507 649	1 501 931	1 473 984	547 336	368 102
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	201	20	262	200	445	438	-	71	71
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	201	20	262	200	445	438	-	71	71
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	74 067	177 791	546 758	1 631 730	1 647 489	1 610 652	1 636 912	725 135	555 760

The substantial increase in the Trade and Investment Promotion sub-programme from 2006/07 onwards, and over the 2009/10 MTEF, can be ascribed to funding for Trade and Investment KwaZulu-Natal (TIKZN), as well as the Dube TradePort and Richard Bay IDZ projects. This explains the increase in *Transfers and subsidies to: Non-profit institutions* in 2007/08 and 2008/09. The reduction in the funding for this sub-programme in the two outer years of the 2009/10 MTEF relates to the completion of the airport portion of the Dube TradePort project. The funding to this project is continued after 2010 to allow for further development of the multi-modal logistics hub at the airport site. This also explains the decrease in *Transfers and subsidies to: Non-profit institutions* over the same period. Further details of the allocations to these entities are set out in Section 5.7.

No funding was allocated to the Industry Development sub-programme until 2007/08, due to delays in finalising the RBIDZ project, the only project for which the sub-programme is responsible. Further allocations are made to cover the cost of the land acquisition and the maintenance cost of the land. Full details of the progress to date are set out in Section 5.5

The high spending in 2005/06 in respect of the Sector Development sub-programme, when compared to 2006/07, relates to expenditure in respect of the Bee Foundation Project. This explains the reduction in spending from 2005/06 to 2006/07 in respect of *Goods and services*. The substantial increase in this sub-programme in 2007/08 and 2008/09 relates to funding for the establishment of an entity to promote the

local music industry and the funding of a call- centre in Newcastle, as well as provincial sector strategies. In the 2008/09 Adjustments Estimate, the funding of this sub-programme was substantially increased to provide for the costs of software training in terms of an agreement with the Indian Government, additional costs in respect of the establishment of a call-centre in Newcastle, as well as a transfer to the Ladysmith Municipality in respect of the Aloe tea project. This explains portion of the increased 2008/09 Adjusted Budget for *Goods and services*, as well as the allocation to *Transfers and subsidies to: Provinces and municipalities*. In addition, in the same process, the costs of the KZN Music Studio were moved from *Transfers and subsidies to: Non-profit institutions* to *Goods and services*, due to the decision to appoint a service provider to carry out this project, rather than establish a Section 21 company. This explains the remainder of the increase in this category, as well as the reduction in the allocation to *Transfers and subsidies to: Non-profit institutions*.

In 2009/10, funds were allocated to *Transfers and subsidies to: Provinces and municipalities* to provide for the costs of the completion of the Newcastle call-centre project.

The allocation to *Transfers and subsidies to: Departmental agencies and accounts* provides funding for TIKZN. The allocation increases steadily over the seven-year period.

The 2007/08 Audited expenditure in respect of *Transfers and subsidies to: Universities and technikons* relates to a transfer to the University of KwaZulu-Natal in respect of the graduate programme in logistics, while the allocation in 2008/09 and over the 2009/10 MTEF relates to the costs of the establishment of the South African National Liberation Institute of Technology, Philosophy and Political Science.

The low spending over the period 2006/07 to 2008/09 in respect of *Transfers and subsidies to: Public corporations and private enterprises* relates to delays in the finalisation of the RBIDZ project, due to problems relating to land ownership issues.

The 2008/09 Adjusted Budget allocation to *Machinery and equipment* relates to the roll-over of funding from 2007/08 in respect of capital commitments only invoiced in 2008/09.

Service delivery measures – Programme 3: Trade and Industry Development

Table 4.20 below shows the main service delivery measures pertaining to Programme 3, which are standardised in terms of the sector.

The service delivery measures have been extended to incorporate targets for additional key sectors, namely indigenous music and Information, Communication Technology and Electronics. The department also aims to improve on its information management through the use of technology.

Table 4.20: Service delivery measures – Programme 3: Trade and Industry Development

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
Trade and Investment Promotion					
To implement strategies for the positioning of the industrial sector as a key contributor to economic growth and development	• Number of Foreign Direct Investments facilitated	1	2	2	3
	• Value of investments attracted	R5m	R5m	R10m	R10m
	• Number of companies actively assisted with export support	20	5	-	5
Sector Development					
To strengthen the international competitiveness of sectors and position them as key contributors to economic growth and development	• Number of key sectors identified and supported	8	8	8	8
	• Number of interventions implemented in key sectors	8	8	8	8
Industry Development					
To facilitate the implementation of strategic programmes that aim to strengthen the competitiveness of priority sectors of the provincial economy	• Number of high-impact initiatives packaged/developed	1	-	1	1
	• Number of high impact initiatives implemented	2	2	2	1

6.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. The programme consists of two sub-programmes, namely Consumer Protection and Liquor Regulation.

Tables 4.21 and 4.22 below summarise the payments and estimates for the seven-year period from 2005/06 to 2011/12.

Table 4.21: Summary of payments and estimates - Programme 4: Business Regulation and Governance

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Consumer Protection	5 210	4 329	6 443	12 428	13 752	10 682	16 053	15 502	16 155
Liquor Regulation	3 282	3 559	4 879	45 737	9 420	7 630	40 925	43 788	47 826
Total	8 492	7 888	11 322	58 165	23 172	18 312	56 978	59 290	63 981

Table 4.22: Summary of payments and estimates by economic classification - Programme 4: Business Regulation and Governance

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	8 347	7 666	11 065	20 297	22 721	18 094	23 352	22 751	23 788
Compensation of employees	4 073	4 632	5 040	11 743	11 743	8 658	14 820	15 634	16 416
Goods and services	4 274	3 034	6 025	8 554	10 978	9 436	8 532	7 117	7 372
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	11	3	-	37 127	-	-	33 126	36 439	40 083
Provinces and municipalities	11	3	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	37 127	-	-	33 126	36 439	40 083
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments	134	219	257	741	451	218	500	100	110
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	109	219	257	741	451	218	500	100	110
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	25	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	8 492	7 888	11 322	58 165	23 172	18 312	56 978	59 290	63 981

The lower spending for the programme as a whole in 2006/07 when compared to 2005/06 is attributable to the costs of the World Consumer Day hosted by the department, as well as spending pressures in the Consumer Protection sub-programme which were incurred in 2005/06. This explains the decrease in the 2006/07 spending in respect of the Consumer Protection sub-programme, as well as the reduced spending in respect of *Goods and services* for the same period. The higher spending in respect of this programme in 2007/08 is attributable to the strengthening of the delivery capacity of the two sub-programmes, as well as the filling of posts in these two sections.

The substantial increase in the 2008/09 allocation of the Consumer Protection sub-programme caters for the establishment of offices in all regions of the province, as well as the Office of the Consumer Protector and the Consumer Tribunal. This explains the increased allocation to *Compensation of employees*, *Goods and services* and *Machinery and equipment* in the 2008/09 Main Budget. The low Estimated Actual in respect of *Compensation of employees* is due to delays in the filling of posts. The allocation over the 2009/10 MTEF relates to further expansion of the coverage of services provided by the sub-programme to the rest of the province. This includes the cost of higher levels of advertising and awareness campaigns to be conducted by the unit.

With regard to the Liquor Regulation sub-programme, the substantial increase in the 2008/09 Main Budget relates to the provision made for the setting up of the provincial Liquor Authority. This explains the amount allocated to *Transfers and subsidies to: Public corporations and private enterprises*. In the 2008/09 Adjusted Budget, this allocation was surrendered to the Provincial Revenue Fund, due to delays

in the promulgation of the KZN Liquor Bill, explaining the reduction in *Transfers and subsidies to: Public corporations and private enterprises*.

In the 2008/09 Adjustments Estimate, further funding was made available for both of the sub-programmes in order to provide for additional projects such as the Informal Trading Bill, Business Licence audit and the Consumer Bill.

It is planned to commence with the establishment of the Liquor Entity in 2009/10, hence the increased allocation to the Liquor Regulation sub-programme and to *Transfers and subsidies to: Public corporations and private enterprises* over the 2009/10 MTEF.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.23 below provides the main service delivery measures pertaining to Programme 4, which are standardised in terms of the sector.

Table 4.23: Service delivery measures – Programme 4: Business Regulation and Governance

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
Regulation Services					
To strengthen compliance with legislation and government policies	• Number of barriers identified	2	4	4	4
	• Number of barriers addressed	2	4	4	4
Consumer Protection					
To develop, implement and promote measures that ensure the rights and interests of consumers are protected.	• Number of key sectors identified and supported	8	8	8	8
	• Number of consumer rights interventions conducted	24 900	25 000	25 000	25 000
Liquor Regulation					
To promote and maintain an effective and efficient regulatory system for the liquor industry	• Number of liquor licence applications processed	3 600	4 000	4 500	4 500

6.5 Programme 5: Economic Planning

The purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development. The sub-programmes consist of Knowledge Management and Monitoring and Evaluation.

Tables 4.24 and 4.25 summarise payments and budgeted estimates for the period 2005/06 to 2011/12.

Table 4.24: Summary of payments and estimates - Programme 5: Economic Planning

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
Knowledge Management	4 877	3 332	3 937	6 567	7 408	5 412	11 333	12 064	12 839
Monitoring and Evaluation	1 001	2 296	3 021	4 763	6 562	5 415	6 241	6 589	6 939
Total	5 878	5 628	6 958	11 330	13 970	10 827	17 574	18 653	19 778

Table 4.25: Summary of payments and estimates by economic classification - Programme 5: Economic Planning

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	5 734	5 515	5 941	10 430	12 175	9 701	12 574	13 273	13 980
Compensation of employees	2 133	1 976	2 061	5 022	5 022	3 567	6 061	6 394	6 714
Goods and services	3 601	3 539	3 880	5 408	7 153	6 134	6 513	6 879	7 266
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	1	778	800	945	700	5 000	5 380	5 798
Provinces and municipalities	7	1	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	80	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	698	800	945	700	5 000	5 380	5 798
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	137	112	239	100	850	426	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	127	112	239	100	850	426	-	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	10	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	5 878	5 628	6 958	11 330	13 970	10 827	17 574	18 653	19 778

The increase in the programme as a whole in the 2008/09 Main Budget was due to a provision for increased staffing of the Monitoring and Evaluation sub-programme, as well as a provision for the review of the department's strategic plan. A provision was also made for the costs of an analysis of the effectiveness of the department's economic strategy. This explains the increase in *Compensation of employees* and *Goods and services* in the 2008/09 Main Budget.

With regard to the Knowledge Management sub-programme, the decrease in spending from 2005/06 to 2006/07 relates to the capacitation of the office of the Head of Department and the subsequent movement, in 2006/07, of projects formerly administrated in the Knowledge Management unit to the Office of the HOD sub-programme in Programme 1: Administration.

In the 2008/09 Adjustments Estimate, additional funding was provided for projects in both sub-programmes of the programme. These include a five-year review plan, an analysis of SMMEs in KwaZulu-Natal, an Industrial Development Strategy review, as well as increased amounts for printing and publications and subsistence and travel in the Monitoring and Evaluation sub-programme, and an economic review in respect of the Knowledge Management sub-programme. In addition, further amounts were provided for the Film Festival project and for capital equipment for the Monitoring and Evaluation sub-programme. These amounts were reduced by the movement of the costs of *izimbizo* and workshops to Programme 1: Administration. This explains the increase in *Machinery and equipment* in the 2008/09 Adjusted Budget, as well as the increase in *Goods and services*. Delays in the filling of various senior posts resulted in a projected under-spend for 2008/09 in respect of *Compensation of employees*.

The substantial increase in the allocation over the 2009/10 MTEF relates to the costs of the KZN Film Commission and the Film Festival. This explains the substantial increase in *Transfers and subsidies to: Non-profit institutions* over the 2009/10 MTEF.

No provision has been made for the acquisition of assets in the 2009/10 MTEF against *Machinery and equipment*.

Service delivery measures – Programme 5: Economic Planning

Table 4.26 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning which are standardised in terms of the sector. In the main, the service delivery targets for this programme show an upward trend, which is in line with the increase in the budget allocation. The department intends expanding its activities by providing specialist services in building capacity, leveraging finance and developing management information within the department.

Table 4.26: Service delivery measures – Programme 5: Economic Planning

Output type	Performance measures	Estimated annual targets			
		2008/09	2009/10	2010/11	2011/12
Policy and Planning					
To co-ordinate and provide leadership in provincial economic policy and strategy development	• Number of integrated policies	1	1	1	1
	• Number of strategies developed	2	2	2	2
	• Number of policies reviewed/updated	1	1	1	1
Research and Development					
To conduct or commission research on the provincial economy and engage in ongoing economic analysis	• Number of research reports compiled	3	4	5	6
Knowledge Management					
To access, store and disseminate information on the provincial economy	• Number of economic intelligence reports developed	4	4	4	4
	• Number of knowledge management modules developed	10	15	20	20
Monitoring and Evaluation					
To determine the effectiveness and impact of provincial economic development policies, strategies and programmes.	• Number of monitoring reports	3	4	5	5
	• Number of evaluation reports	5	3	6	6

7. Other programme information

7.1 Personnel numbers and costs

Tables 4.27 and 4.28 below provide details of the approved personnel establishment per programme, the total personnel costs of the department and provides details of the personnel numbers and costs.

Table 4.27: Personnel numbers and costs per programme

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2006	31 March 2007	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
1. Administration	52	59	69	115	116	116	116
2. Integrated Economic Development Services	26	42	49	103	108	108	108
3. Trade and Industry Development	9	12	10	24	24	24	24
4. Business Regulation and Governance	25	22	30	50	55	55	55
5. Economic Planning	8	7	7	15	16	16	16
Total	120	142	165	307	319	319	319
Total personnel cost (R000)	25 083	35 997	39 493	68 073	102 426	108 059	113 462
Unit cost (R000)	209	254	239	222	321	339	356

The increase in personnel numbers from 2007 to 2009 under Programme 1: Administration pertains to the filling of posts in a number of key areas within this programme. These include the development of a supply chain management component. The increase in the staffing of Programmes 3 and 4 for the same period is due to the filling of core function posts within these programmes. The decline in average cost per employee in 2007/08 relates to the greater numbers of staff at levels 1 to 12 being provided for in the staff establishment. The timing of the recruitment of new staff in 2008/09 has also skewed the average cost per employee, as the denominator applies to the full year expenditure, whereas the staff were only recruited in the latter half of the year, and the related expenditure is less than a year.

Personnel costs have increased significantly from 2005/06, due to changes in the approved establishment of the department, the creation of new posts, and the filling of managerial positions to deliver services in terms of the departmental strategic plan.

As Table 4.28 shows, the department employs only full-time personnel, and does not expect any fluctuations over the MTEF.

Table 4.28: Details of departmental personnel numbers and costs

	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Total for department									
Personnel numbers (head count)	120	142	165	307	307	307	319	319	319
Personnel cost (R000)	25 083	35 997	39 493	86 771	86 771	68 073	102 426	108 059	113 462
Human resources component									
Personnel numbers (head count)	16	17	20	28	28	28	30	30	30
Personnel cost (R000)	3 412	3 890	4 291	6 505	6 505	6 380	8 651	9 127	9 583
Head count as % of total for department	13.33	11.97	12.12	9.12	9.12	9.12	9.40	9.40	9.40
Personnel cost as % of total for department	13.60	10.81	10.87	7.50	7.50	9.37	8.45	8.45	8.45
Finance component									
Personnel numbers (head count)	6	9	8	20	20	20	21	21	21
Personnel cost (R000)	1 451	1 782	1 782	5 119	5 119	3 029	5 582	5 889	6 183
Head count as % of total for department	5.00	6.34	4.85	6.51	6.51	6.51	6.58	6.58	6.58
Personnel cost as % of total for department	5.78	4.95	4.51	5.90	5.90	4.45	5.45	5.45	5.45
Full time workers									
Personnel numbers (head count)	120	142	165	307	307	307	319	319	319
Personnel cost (R000)	25 083	35 997	39 493	86 771	86 771	68 073	102 426	108 059	113 462
Head count as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Personnel cost as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R000)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R000)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

7.2 Training

Table 4.29 below reflects the expenditure and estimates for training for the seven-year period. The increase in training costs in the 2008/09 Main Budget is due to the increase in the number of posts, as well as the requirement to improve the knowledge of staff, in line with the operational requirements of the strategic plan.

The reduction in the provision for training in the 2008/09 Adjusted Budget resulted from a slower recruitment process which saw fewer new staff joining the department than anticipated. The surplus training budget was re-prioritised into other items during the financial year,

The increase over the 2009/10 MTEF can be attributed to the department's aim of providing the necessary skills to empower departmental officials to implement the departmental strategy.

Table 4.29: Expenditure on training

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
1. Administration	274	266	61	1 145	457	344	627	665	704
2. Integrated Economic Development Services	58	127	254	1 600	468	237	652	691	733
3. Trade and Industry Development	10	93	81	270	293	201	87	224	238
4. Business Regulation and Governance	29	28	79	330	294	47	165	175	185
5. Economic Planning	13	12	8	60	164	47	60	64	67
Total	384	526	483	3 405	1 676	876	1 591	1 819	1 927

Table 4.30 provides further information on training analysed into gender and type of training for the seven-year period.

Table 4.30: Information on training

	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	2005/06	2006/07	2007/08				2008/09	2009/10	2010/11
Number of staff	120	142	165	307	307	307	319	319	319
Number of personnel trained	93	110	127	176	179	179	245	245	245
of which									
Male	38	57	54	80	78	78	116	116	116
Female	55	53	73	96	101	101	129	129	129
Number of training opportunities									
of which									
Tertiary	31	13	35	30	24	24	26	30	30
Workshops	-	3	-	10	10	10	20	30	40
Seminars	-	3	2	30	22	22	20	20	20
Other	9	235	109	-	-	-	-	-	-
Number of bursaries offered	31	13	35	30	35	35	40	45	50
Number of interns appointed	-	10	18	30	20	20	25	30	36
Number of learnerships appointed	-	-	-	-	-	-	20	20	20
Number of days spent on training	190	610	194	1 000	963	963	200	200	200

The number of training days rose in 2006/07 when compared to 2005/06, because there were a number of employees who were trained on MS Office products (Word/Excel/PowerPoint) on a drive to develop computer skills for all employees. The number of training days is higher in 2008/09 when compared to 2007/08, as there was a specific training that was targeted for all employees on Project Management and Basic Economics in order to assist employees in performing their work functions.

ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT

Table 4.A: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Tax receipts	3 999	3 760	4 017	4 045	4 045	4 036	38 095	41 905	46 095
Casino taxes									
Motor vehicle licences									
Horseracing									
Other taxes	3 999	3 760	4 017	4 045	4 045	4 036	38 095	41 905	46 095
Non-tax receipts	49	50	58	119	119	111	128	136	144
Sale of goods and services other than capital asset	42	48	57	119	119	111	128	136	144
Sales by market establishments	42	48	57	119	119	111	128	136	144
Administrative fees									
Other sales	42	48	57	119	119	111	128	136	144
<i>Of which</i>									
<i>Other Sales</i>	42	48	57	119	119	111	128	136	144
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	7	2	1	-	-	-	-	-	-
Interest	7	2	1	-	-	-	-	-	-
Dividends									
Rent on land									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Financial transactions	274	1 100	414	35	35	250	38	40	42
Total	4 322	4 910	4 489	4 199	4 199	4 397	38 261	42 081	46 281

Table 4.B: Details of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	94 166	108 875	117 758	338 135	368 469	366 067	486 873	516 927	529 153
Compensation of employees	25 083	35 997	39 493	86 771	86 771	68 073	102 426	108 059	113 462
Salaries and wages	21 953	31 922	39 493	74 526	74 526	55 828	88 577	93 449	98 121
Social contributions	3 130	4 075	-	12 245	12 245	12 245	13 849	14 610	15 341
Goods and services	69 083	72 878	78 138	251 364	281 698	297 994	384 447	408 868	415 691
<i>of which</i>									
Administrative fees	42 380	42 148	-	-	-	-	-	-	-
Advertising	7 492	6 910	6 658	13 943	12 781	13 124	7 172	8 778	9 305
Assets <R5000	2 312	3 540	1 185	1 326	1 510	1 421	1 431	1 525	1 616
Audit cost: External	16 899	20 280	1 163	1 700	1 254	1 254	1 500	1 590	1 685
Bursaries (employees)	-	-	35	686	567	636	810	856	907
Catering: Departmental activities	-	-	1 808	1 883	2 486	2 187	2 959	3 215	3 408
Communication	-	-	3 387	4 103	3 424	4 319	4 199	4 463	4 732
Computer services	-	-	5 044	4 376	4 693	6 245	5 167	5 497	5 827
Cons/prof: business & advisory services	-	-	17 879	180 773	210 809	216 837	306 171	322 204	323 827
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	441	805	338	329	894	948	1 004
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	1 709	3 349	2 425	-	880	869	921
Entertainment	-	-	-	-	2	-	-	-	-
Government motor transport	-	-	-	-	-	133	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	780	3 172	1 917	1 501	2 766	2 932	3 106
Lease payments	-	-	8 075	7 615	10 756	10 227	21 783	23 034	24 418
Owned & leasehold property expenditure	-	-	1 140	1 350	4 470	6 116	4 218	4 471	4 740
Transport provided dept activity	-	-	-	-	1 221	1 473	-	-	-
Travel and subsistence	-	-	7 052	9 308	9 337	9 642	14 440	15 796	16 742
Training & staff development	-	-	483	3 405	1 676	876	1 591	1 819	1 927
Operating expenditure	-	-	3 045	3 796	952	6 356	3 286	4 334	4 592
Venues and facilities	-	-	9 814	8 207	6 946	6 339	2 845	5 110	5 416
Other	-	-	8 440	1 567	4 134	8 979	2 335	1 427	1 518
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	127	-	-	-	-	-	-
Transfers and subsidies to:	47 298	304 932	1 298 560	2 304 672	1 566 290	1 550 188	1 912 885	1 014 398	843 393
Provinces and municipalities	72	22	-	3 100	3 900	2 300	3 000	10 000	10 000
Municipalities	72	22	-	3 100	3 900	2 300	3 000	10 000	10 000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Universities and technikons	-	-	1 274	4 156	4 856	560	4 500	3 300	-
Public corporations and private enterprises	15 634	144 849	763 235	734 737	6 500	2 647	371 985	391 745	397 957
Public corporations	15 634	144 849	763 235	734 737	6 500	2 647	371 985	391 745	397 957
Subsidies on production	-	-	-	-	-	-	53 750	56 975	59 637
Other transfers	15 634	144 849	763 235	734 737	6 500	2 647	318 235	334 770	338 320
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisation	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 500	130 000	493 089	1 520 239	1 508 594	1 502 631	1 478 984	552 716	373 900
Households	92	61	292	-	-	50	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	92	61	292	-	-	50	-	-	-
Payments for capital assets	1 846	821	3 651	3 711	10 922	13 661	1 987	171	181
Buildings and other fixed structures	-	-	-	-	-	6 000	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	6 000	-	-	-
Machinery and equipment	1 510	821	3 621	3 711	10 922	7 461	1 987	171	181
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 510	821	3 621	3 711	10 922	7 461	1 987	171	181
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	336	-	30	-	-	200	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	143 310	414 628	1 419 969	2 646 518	1 945 681	1 929 916	2 401 745	1 531 496	1 372 727

Table 4.C: Details of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	32 617	36 207	50 242	65 575	111 217	110 251	117 337	123 495	130 444
Compensation of employees	10 919	14 943	15 778	30 417	30 417	22 922	35 487	37 439	39 311
Salaries and wages	9 556	13 068	15 778	26 038	26 038	18 543	30 614	32 298	33 913
Social contributions	1 363	1 875	-	4 379	4 379	4 379	4 873	5 141	5 398
Goods and services	21 698	21 264	34 337	35 158	80 800	87 329	81 850	86 056	91 133
<i>of which</i>									
Administrative fees	4 845	2 757	-	-	-	-	-	-	-
Advertising	2 926	3 909	3 113	3 285	5 263	4 745	2 615	2 772	2 938
Assets <R5000	867	879	317	740	476	490	888	941	998
Audit cost: External	13 060	13 719	1 009	1 400	1 254	1 254	1 500	1 590	1 685
Bursaries (employees)	-	-	13	401	201	265	330	350	371
Catering: Departmental activities	-	-	459	486	1 018	1 008	1 008	1 068	1 133
Communication	-	-	1 678	2 298	2 149	3 101	2 226	2 359	2 501
Computer services	-	-	4 916	3 806	4 645	6 071	4 467	4 735	5 019
Cons/prof:business & advisory services	-	-	1 444	6 810	44 917	44 739	44 019	45 955	48 626
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	250	155	246	262	894	948	1 004
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	1 119	685	2 182	-	770	816	865
Entertainment	-	-	-	-	-	-	-	-	-
Government motor transport	-	-	-	-	-	133	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	507	1 330	1 078	808	1 836	1 946	2 063
Lease payments	-	-	6 704	6 013	7 527	10 050	9 891	10 484	11 113
Owned & leasehold property expenditure	-	-	1 140	1 350	3 674	5 320	4 218	4 471	4 740
Transport provided dept activity	-	-	-	-	696	904	-	-	-
Travel and subsistence	-	-	1 416	2 180	1 701	1 762	2 734	2 898	3 072
Training & staff development	-	-	61	1 145	457	344	627	665	704
Operating expenditure	-	-	1 053	1 679	392	3 818	1 601	1 697	1 798
Venues and facilities	-	-	5 176	503	1 319	1 973	1 285	1 362	1 444
Other	-	-	3 962	892	1 605	282	941	999	1 059
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	127	-	-	-	-	-	-
Transfers and subsidies to:	103	71	292	-	-	50	-	-	-
Provinces and municipalities	32	10	-	-	-	-	-	-	-
Municipalities	32	10	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Foreign governments and international organisation	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	71	61	292	-	-	50	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	71	61	292	-	-	50	-	-	-
Payments for capital assets	1 000	341	725	1 250	6 311	7 979	1 132	-	-
Buildings and other fixed structures	-	-	-	-	-	6 000	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	6 000	-	-	-
Machinery and equipment	699	341	709	1 250	6 311	1 979	1 132	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	699	341	709	1 250	6 311	1 979	1 132	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	301	-	16	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	33 720	36 619	51 259	66 825	117 528	118 280	118 469	123 495	130 444

Table 4.D: Details of payments and estimates by economic classification - Programme 2: Integrated Economic Development Services

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	20 743	46 568	38 349	176 338	133 457	164 598	286 348	296 592	294 527
Compensation of employees	5 368	11 364	13 237	30 926	30 926	27 098	37 041	39 080	41 033
Salaries and wages	4 699	10 350	13 237	26 644	26 644	22 816	32 141	33 911	35 605
Social contributions	669	1 014	-	4 282	4 282	4 282	4 900	5 169	5 428
Goods and services	15 375	35 204	25 112	145 412	102 531	137 500	249 307	257 512	253 494
<i>of which</i>									
Administrative fees	13 355	29 876	-	-	-	-	-	-	-
Advertising	346	1 041	1 744	6 276	2 195	3 144	2 524	2 675	2 836
Assets <R5000	465	1 494	541	130	636	504	463	491	520
Audit cost: External	1 209	2 793	154	300	-	-	-	-	-
Bursaries (employees)	-	-	16	80	236	236	300	318	337
Catering: Departmental activities	-	-	718	794	1 153	698	1 265	1 341	1 421
Communication	-	-	348	526	683	510	590	626	663
Computer services	-	-	43	-	-	-	-	-	-
Cons/prof:business & advisory services	-	-	10 827	120 812	82 507	115 057	221 734	228 284	222 514
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	300	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	197	2 644	215	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	110	1 284	247	292	468	496	525
Lease payments	-	-	1 147	1 296	2 962	(44)	11 501	12 188	12 921
Owned & leasehold property expenditure	-	-	-	-	796	796	-	-	-
Transport provided dept activity	-	-	-	-	510	551	-	-	-
Travel and subsistence	-	-	3 305	5 007	4 961	5 176	8 330	8 830	9 359
Training & staff development	-	-	254	1 600	468	237	652	691	733
Operating expenditure	-	-	1 446	288	93	1 131	995	1 055	1 118
Venues and facilities	-	-	2 447	3 850	3 157	2 026	410	435	461
Other	-	-	1 815	225	1 712	7 186	75	82	86
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	36	140 005	763 155	700 710	7 200	2 647	285 109	308 331	308 237
Provinces and municipalities	15	5	-	3 100	700	-	-	10 000	10 000
Municipalities	15	5	-	3 100	700	-	-	10 000	10 000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	140 000	763 155	697 610	6 500	2 647	285 109	298 331	298 237
Public corporations	-	140 000	763 155	697 610	6 500	2 647	285 109	298 331	298 237
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	140 000	763 155	697 610	6 500	2 647	285 109	298 331	298 237
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	21	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	21	-	-	-	-	-	-	-	-
Payments for capital assets	374	129	2 168	1 420	2 865	4 600	355	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	374	129	2 154	1 420	2 865	4 400	355	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	374	129	2 154	1 420	2 865	4 400	355	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	14	-	-	200	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	21 153	186 702	803 672	878 468	143 522	171 845	571 812	604 923	602 764

Table 4.E: Details of payments and estimates by economic classification - Programme 3: Trade and Industry Development

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	26 725	12 919	12 161	65 495	88 899	63 423	47 262	60 816	66 414
Compensation of employees	2 590	3 082	3 377	8 663	8 663	5 828	9 017	9 512	9 988
Salaries and wages	2 266	2 725	3 377	7 516	7 516	4 681	7 844	8 275	8 689
Social contributions	324	357	-	1 147	1 147	1 147	1 173	1 237	1 299
Goods and services	24 135	9 837	8 784	56 832	80 236	57 595	38 245	51 304	56 426
<i>of which</i>									
Administrative fees	20 774	6 895	-	-	-	-	-	-	-
Advertising	1 556	899	533	2 638	2 876	2 640	1 450	2 713	2 876
Assets <R5000	653	626	108	251	202	195	40	50	53
Audit cost: External	1 152	1 417	-	-	-	-	-	-	-
Bursaries (employees)	-	-	2	110	120	135	150	156	165
Catering: Departmental activities	-	-	213	195	154	164	170	259	275
Communication	-	-	118	147	96	71	186	209	222
Computer services	-	-	-	-	27	27	-	20	21
Cons/prof:business & advisory services	-	-	3 432	48 231	72 324	49 056	32 582	41 610	46 150
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	17	17	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	20	6	-	110	53	56
Entertainment	-	-	-	-	-	-	-	-	-
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	48	95	108	96	28	30	31
Lease payments	-	-	49	96	61	52	100	53	56
Owned & leasehold property expenditure	-	-	-	-	-	-	-	-	-
Transport provided dept activity	-	-	-	-	9	9	-	-	-
Travel and subsistence	-	-	1 581	1 066	1 689	1 657	1 950	2 556	2 709
Training & staff development	-	-	81	270	293	201	87	224	238
Operating expenditure	-	-	494	863	422	589	25	877	929
Venues and facilities	-	-	1 401	2 764	1 575	1 558	200	2 306	2 444
Other	-	-	724	86	257	1 128	1 167	188	201
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	47 141	164 852	534 335	1 566 035	1 558 145	1 546 791	1 589 650	664 248	489 275
Provinces and municipalities	7	3	-	-	3 200	2 300	3 000	-	-
Municipalities	7	3	-	-	3 200	2 300	3 000	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	30 000	30 000	40 670	42 440	42 440	42 000	54 416	56 637	61 536
Universities and technikons	-	-	1 274	4 156	4 856	560	4 500	3 300	-
Public corporations and private enterprises	15 634	4 849	-	-	-	-	53 750	56 975	59 637
Public corporations	15 634	4 849	-	-	-	-	53 750	56 975	59 637
<i>Subsidies on production</i>	-	-	-	-	-	-	53 750	56 975	59 637
<i>Other transfers</i>	15 634	4 849	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Foreign governments and international organisation	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 500	130 000	492 391	1 519 439	1 507 649	1 501 931	1 473 984	547 336	368 102
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	201	20	262	200	445	438	-	71	71
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	201	20	262	200	445	438	-	71	71
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	201	20	262	200	445	438	-	71	71
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	74 067	177 791	546 758	1 631 730	1 647 489	1 610 652	1 636 912	725 135	555 760

Table 4.F: Details of payments and estimates by economic classification - Programme 4: Business Regulation and Governance

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	8 347	7 666	11 065	20 297	22 721	18 094	23 352	22 751	23 788
Compensation of employees	4 073	4 632	5 040	11 743	11 743	8 658	14 820	15 634	16 416
Salaries and wages	3 564	4 015	5 040	9 981	9 981	6 896	12 699	13 396	14 067
Social contributions	509	617	-	1 762	1 762	1 762	2 121	2 238	2 349
Goods and services	4 274	3 034	6 025	8 554	10 978	9 436	8 532	7 117	7 372
<i>of which</i>									
Administrative fees	815	218	-	-	-	-	-	-	-
Advertising	2 242	710	1 172	1 464	2 371	2 509	450	477	506
Assets <R5000	220	325	128	150	106	116	25	27	28
Audit cost: External	997	1 781	-	-	-	-	-	-	-
Bursaries (employees)	-	-	4	95	10	-	30	32	34
Catering: Departmental activities	-	-	390	388	141	290	480	509	539
Communication	-	-	1 199	1 084	449	598	1 097	1 163	1 233
Computer services	-	-	85	570	21	50	700	742	787
Cons/prof:business & advisory services	-	-	56	1 470	5 478	3 563	2 951	1 201	1 100
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	191	350	75	50	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	359	-	22	-	-	-	-
Entertainment	-	-	-	-	2	-	-	-	-
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	100	308	331	244	353	374	396
Lease payments	-	-	142	180	177	119	210	223	236
Owned & leasehold property expenditure	-	-	-	-	-	-	-	-	-
Transport provided dept activity	-	-	-	-	6	9	-	-	-
Travel and subsistence	-	-	413	649	671	647	1 232	1 306	1 384
Training & staff development	-	-	79	330	294	47	165	175	185
Operating expenditure	-	-	22	736	31	414	310	329	348
Venues and facilities	-	-	345	490	566	547	400	424	449
Other	-	-	1 340	290	227	233	129	135	147
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	11	3	-	37 127	-	-	33 126	36 439	40 083
Provinces and municipalities	11	3	-	-	-	-	-	-	-
Municipalities	11	3	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	37 127	-	-	33 126	36 439	40 083
Public corporations	-	-	-	37 127	-	-	33 126	36 439	40 083
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	37 127	-	-	33 126	36 439	40 083
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	134	219	257	741	451	218	500	100	110
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	109	219	257	741	451	218	500	100	110
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	109	219	257	741	451	218	500	100	110
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	25	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	8 492	7 888	11 322	58 165	23 172	18 312	56 978	59 290	63 981

Table 4.G: Details of payments and estimates by economic classification - Programme 5: Economic Planning

R000	Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
Current payments	5 734	5 515	5 941	10 430	12 175	9 701	12 574	13 273	13 980
Compensation of employees	2 133	1 976	2 061	5 022	5 022	3 567	6 061	6 394	6 714
Salaries and wages	1 868	1 764	2 061	4 347	4 347	2 892	5 279	5 569	5 847
Social contributions	265	212	-	675	675	675	782	825	867
Goods and services	3 601	3 539	3 880	5 408	7 153	6 134	6 513	6 879	7 266
<i>of which</i>									
Administrative fees	2 591	2 402	-	-	-	-	-	-	-
Advertising	422	351	96	280	76	86	133	141	149
Assets <R5000	107	216	91	55	90	116	15	16	17
Audit cost: External	481	570	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	28	20	20	27	36	38	40
Communication	-	-	44	48	47	39	100	106	113
Computer services	-	-	-	-	-	97	-	-	-
Cons/prof:business & advisory services	-	-	2 120	3 450	5 583	4 422	4 885	5 154	5 437
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	34	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Government motor transport	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory:Learn & teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	15	155	153	61	81	86	91
Lease payments	-	-	33	30	29	50	81	86	92
Owned & leasehold property expenditure	-	-	-	-	-	-	-	-	-
Transport provided dept activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	337	406	315	400	194	206	218
Training & staff development	-	-	8	60	164	47	60	64	67
Operating expenditure	-	-	30	230	14	404	355	376	399
Venues and facilities	-	-	445	600	329	235	550	583	618
Other	-	-	599	74	333	150	23	23	25
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	1	778	800	945	700	5 000	5 380	5 798
Provinces and municipalities	7	1	-	-	-	-	-	-	-
Municipalities	7	1	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	80	-	-	-	-	-	-
Public corporations	-	-	80	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	80	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisation	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	698	800	945	700	5 000	5 380	5 798
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	137	112	239	100	850	426	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	127	112	239	100	850	426	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	127	112	239	100	850	426	-	-	-
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	10	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Total	5 878	5 628	6 958	11 330	13 970	10 827	17 574	18 653	19 778

Table 4.H: Details of estimates on infrastructure

Type of Infrastructure	Programme	Number of Projects	Total Costs	Medium-term Estimates		
				2009/10	2010/11	2011/12
New infrastructure assets		-	-	-	-	-
Existing infrastructure assets		-	-	-	-	-
Maintenance and repair		-	-	-	-	-
Upgrading and additions		-	-	-	-	-
Rehabilitation and refurbishment		-	-	-	-	-
Infrastructure transfers		3	4 971 635	1 533 848	789 528	769 078
Infrastructure transfers - Current		-	-	24 913	31 953	37 441
<i>Dube TradePort</i>	<i>Programme 3</i>	-	-	24 913	31 953	37 441
Infrastructure transfers - Capital		3	4 971 635	1 508 935	757 575	731 637
<i>Dube TradePort</i>	<i>Programme 3</i>	1	4 715 430	1 419 341	700 600	672 000
<i>Richards Bay IDZ</i>	<i>Programme 3</i>	1	220 361	53 750	56 975	59 637
<i>Co-operatives Infrastructure</i>	<i>Programme 2</i>	1	35 844	35 844	-	-
<i>Capital infrastructure</i>		3	4 971 635	1 508 935	757 575	731 637
<i>Current infrastructure</i>		-	-	24 913	31 953	37 441
Total		3	4 971 635	1 533 848	789 528	769 078

Note: Total costs represent total estimated expenditure of a particular project of which the project life span may not coincide fully with the MTEF period.

Table 4.I: Summary of transfers to municipalities (Regional Service Council Levy and Joint Project Funding)

R000		Outcome			Main Budget	Adjusted Budget	Estimated Actual	Medium-term Estimates		
		Audited 2005/06	Audited 2006/07	Audited 2007/08				2008/09	2009/10	2010/11
A	eThekweni	72	22	-	2 400	3 200	-	-	-	-
	Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B	KZ211 Vulamehlo	-	-	-	-	-	-	-	-	-
B	KZ212 Umdoni	-	-	-	-	-	-	-	-	-
B	KZ213 Umzumbe	-	-	-	-	-	-	-	-	-
B	KZ214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B	KZ215 Eziqolweni	-	-	-	-	-	-	-	-	-
B	KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C	DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
	Total: uMgungundlovu Municipalities	-	-	-	-	-	-	10 000	10 000	-
B	KZ221 uMshwathi	-	-	-	-	-	-	-	-	-
B	KZ222 uMngeni	-	-	-	-	-	-	-	-	-
B	KZ223 Mpofana	-	-	-	-	-	-	-	-	-
B	KZ224 Impendle	-	-	-	-	-	-	-	-	-
B	KZ225 Msunduzi	-	-	-	-	-	-	-	-	-
B	KZ226 Mkhambathini	-	-	-	-	-	-	-	-	-
B	KZ227 Richmond	-	-	-	-	-	-	-	-	-
C	DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	10 000	10 000	-
	Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B	KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B	KZ233 Indaka	-	-	-	-	-	-	-	-	-
B	KZ234 Umtshezi	-	-	-	-	-	-	-	-	-
B	KZ235 Okhahlamba	-	-	-	-	-	-	-	-	-
B	KZ236 Imbabazane	-	-	-	-	-	-	-	-	-
C	DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
	Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B	KZ241 Endumeni	-	-	-	-	-	-	-	-	-
B	KZ242 Nquthu	-	-	-	-	-	-	-	-	-
B	KZ244 Msinga	-	-	-	-	-	-	-	-	-
B	KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C	DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
	Total: Amajuba Municipalities	-	-	-	-	-	2 300	3 000	-	-
B	KZ252 Newcastle	-	-	-	-	-	2 300	3 000	-	-
B	KZ253 eMadlangeni	-	-	-	-	-	-	-	-	-
B	KZ254 Dannhauser	-	-	-	-	-	-	-	-	-
C	DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
	Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B	KZ261 eDumbe	-	-	-	-	-	-	-	-	-
B	KZ262 uPhongolo	-	-	-	-	-	-	-	-	-
B	KZ263 Abaqulusi	-	-	-	-	-	-	-	-	-
B	KZ265 Nongoma	-	-	-	-	-	-	-	-	-
B	KZ266 Ulundi	-	-	-	-	-	-	-	-	-
C	DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
	Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B	KZ271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B	KZ272 Jozini	-	-	-	-	-	-	-	-	-
B	KZ273 The Big Five False Bay	-	-	-	-	-	-	-	-	-
B	KZ274 Hlabisa	-	-	-	-	-	-	-	-	-
B	KZ275 Mtubatuba	-	-	-	-	-	-	-	-	-
C	DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
	Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B	KZ281 Mbonambi	-	-	-	-	-	-	-	-	-
B	KZ282 uMhlatuze	-	-	-	-	-	-	-	-	-
B	KZ283 Ntambanana	-	-	-	-	-	-	-	-	-
B	KZ284 Umlalazi	-	-	-	-	-	-	-	-	-
B	KZ285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B	KZ286 Nkandla	-	-	-	-	-	-	-	-	-
C	DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
	Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B	KZ291 Mandeni	-	-	-	-	-	-	-	-	-
B	KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B	KZ293 Ndwedwe	-	-	-	-	-	-	-	-	-
B	KZ294 Maphumulo	-	-	-	-	-	-	-	-	-
C	DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
	Total: Sisonke Municipalities	-	-	-	700	700	-	-	-	-
B	KZ5a1 Ingwe	-	-	-	-	-	-	-	-	-
B	KZ5a2 Kwa Sani	-	-	-	-	-	-	-	-	-
B	KZ5a4 Greater Kokstad	-	-	-	-	-	-	-	-	-
B	KZ5a5 Ubuhlebezwe	-	-	-	400	400	-	-	-	-
B	KZ5a6 Umzimkulu	-	-	-	300	300	-	-	-	-
C	DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
	Unallocated	-	-	-	-	-	-	-	-	-
Total		72	22	-	3 100	3 900	2 300	3 000	10 000	10 000

Table 4.J: Transfers to municipalities - Joint Project Funding

R000	Outcome			Main Budget	Adjusted Budget 2008/09	Estimated Actual	Medium-term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				2009/10	2010/11	2011/12
A eThekweni	-	-	-	2 400	3 200	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZ211 Vulamehlo									
B KZ212 Umdoni									
B KZ213 Umzumbe									
B KZ214 uMuziwabantu									
B KZ215 Eziqolweni									
B KZ216 Hibiscus Coast									
C DC21 Ugu District Municipality									
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	10 000	10 000
B KZ221 uMshwathi									
B KZ222 uMngeni									
B KZ223 Mpofana									
B KZ224 Impendle									
B KZ225 Msunduzi									
B KZ226 Mkhambathini									
B KZ227 Richmond									
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	10 000	10 000
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZ232 Emnambithi/Ladysmith									
B KZ233 Indaka									
B KZ234 Umtshezi									
B KZ235 Okhahlamba									
B KZ236 Imbabazane									
C DC23 Uthukela District Municipality									
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZ241 Endumeni									
B KZ242 Nquthu									
B KZ244 Msinga									
B KZ245 Umvoti									
C DC24 Umzinyathi District Municipality									
Total: Amajuba Municipalities	-	-	-	-	-	2 300	3 000	-	-
B KZ252 Newcastle	-	-	-	-	-	2 300	3 000	-	-
B KZ253 eMadlangeni									
B KZ254 Dannhauser									
C DC25 Amajuba District Municipality									
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZ261 eDumbe									
B KZ262 uPhongolo									
B KZ263 Abaqulusi									
B KZ265 Nongoma									
B KZ266 Ulundi									
C DC26 Zululand District Municipality									
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZ271 Umhlabuyalingana									
B KZ272 Jozini									
B KZ273 The Big Five False Bay									
B KZ274 Hlabisa									
B KZ275 Mtubatuba									
C DC27 Umkhanyakude District Municipality									
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZ281 Mbonambi									
B KZ282 uMhlathuze									
B KZ283 Ntambanana									
B KZ284 Umlalazi									
B KZ285 Mthonjaneni									
B KZ286 Nkandla									
C DC28 uThungulu District Municipality									
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZ291 Mandeni									
B KZ292 KwaDukuza									
B KZ293 Ndwedwe									
B KZ294 Maphumulo									
C DC29 Ilembe District Municipality									
Total: Sisonke Municipalities	-	-	-	700	700	-	-	-	-
B KZ5a1 Ingwe									
B KZ5a2 Kwa Sani									
B KZ5a4 Greater Kokstad									
B KZ5a5 Ubuhlebezwe	-	-	-	400	400	-	-	-	-
B KZ5a6 Umzimkulu	-	-	-	300	300	-	-	-	-
C DC43 Sisonke District Municipality									
Unallocated									
Total	-	-	-	3 100	3 900	2 300	3 000	10 000	10 000

Table 4.K: Financial summary for Ithala Development Finance Corporation

R000				Estimated	Medium-term estimate		
	Audited 2005/06	Audited 2006/07	Audited 2007/08	outcome 2008/09	2009/10	2010/11	2011/12
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	582 472	706 610	861 248	972 486	991 803	1 100 106	1 248 481
Sale of goods and services other than capital assets	152 844	190 707	230 412	247 726	302 314	342 098	393 590
Of which:							
Admin fees	83 488	107 071	130 770	137 882	179 807	209 498	250 790
Market establishments	–	–	–	–	–	–	–
Incidental Sales	69 356	83 636	99 642	109 844	122 507	132 600	142 800
Other non-tax revenue	429 628	515 903	630 836	724 760	689 489	758 008	854 891
Interest on investments	45 970	53 323	107 659	158 897	142 562	124 071	143 694
Interest on loans advanced	191 154	253 056	308 895	328 394	299 493	333 579	367 910
Domestic	191 154	253 056	308 895	328 394	299 493	333 579	367 910
Other	192 504	209 524	214 282	237 469	247 434	300 358	343 287
Transfers received	15 493	48 916	53 055	27 877	275 274	276 837	276 600
Total revenue	597 965	755 526	914 303	1 000 363	1 267 077	1 376 943	1 525 081
Expenses							
Current expense	548 108	652 065	706 297	876 024	1 014 545	1 103 658	1 217 077
Compensation of employees	187 822	189 589	218 942	257 257	317 866	345 370	370 134
Goods and services	247 017	336 473	334 919	437 971	520 244	558 167	611 450
Depreciation	33 313	33 099	34 630	34 857	38 247	46 531	49 284
Interest, dividends and rent on land	79 956	92 904	117 806	145 939	138 188	153 590	186 209
Interest	79 956	92 904	117 806	145 939	138 188	153 590	186 209
Dividends	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–
Transfers and subsidies	12 668	13 873	15 115	19 410	18 647	20 511	22 562
Total expenses	560 776	665 938	721 412	895 434	1 033 192	1 124 169	1 239 639
Surplus / (Deficit)	37 189	89 588	192 891	104 929	233 885	252 774	285 442
Tax payment	–	–	–	–	–	–	–
Outside shareholders interest	–	–	–	–	–	–	–
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	72 978	139 849	81 193	41 510	102 536	117 025	127 602
Adjustments for:							
Depreciation	33 313	33 099	34 630	34 857	38 247	46 531	49 284
Interest	1 011	951	168	–	–	–	–
Impairments	12 311	1 000	3 209	50	–	–	–
Net (profit) / loss on disposal of fixed assets	(1 290)	(1 313)	82	(5 129)	–	–	–
Other	27 633	106 112	43 104	11 732	64 289	70 494	78 318
Operating surplus / (deficit) before changes in working capital	110 167	229 437	274 084	146 439	336 421	369 799	413 044
capital							
Changes in working capital	(3 890)	(13 653)	(55 363)	(18 952)	(35 966)	(51 836)	(55 339)
(Decrease) / increase in accounts payable	22 912	7 066	9 002	10 000	5 000	5 000	5 000
Decrease / (increase) in accounts receivable	(22 368)	(16 005)	(66 084)	(29 952)	(39 966)	(55 836)	(59 339)
Decrease / (increase) in inventory	(4 434)	(4 714)	1 719	1 000	(1 000)	(1 000)	(1 000)
(Decrease) / increase in provisions	–	–	–	–	–	–	–
Cash flow from operating activities	106 277	215 784	218 721	127 487	300 455	317 963	357 705
Transfers from government	260 115	–	613 969	(26 720)	50 000	–	–
Of which: Capital	–	–	–	–	–	–	–
: Current	260 115	–	613 969	(26 720)	50 000	–	–
Cashflow from advancing activities	(336 231)	(274 233)	14 123	60 344	(246 983)	(266 597)	(272 098)
Cash flow from investing activities	(51 544)	(26 849)	(58 721)	(161 001)	(462 326)	(365 973)	(411 480)
Acquisition of Assets	(45 698)	(17 836)	(54 791)	(176 631)	(462 326)	(365 973)	(411 480)
Other flows from Investing Activities	(5 846)	(9 013)	(3 930)	15 630	–	–	–
Cash flow from financing activities	80 716	28 797	14 423	132 940	421 636	452 890	507 828
Net increase / (decrease) in cash and cash equivalents	(200 782)	(56 501)	802 515	133 050	62 782	138 283	181 955
Balance Sheet Data							
Carrying Value of Assets	858 878	838 721	853 596	995 370	1 419 449	1 738 891	2 101 087
Long Term Investments	15 930	16 997	12 109	12 109	12 109	12 109	12 109
Loans	1 578 443	1 503 952	1 389 346	1 235 818	1 308 093	1 461 357	1 602 065
Cash and Cash Equivalents	576 595	859 226	1 216 128	1 349 178	1 411 960	1 550 243	1 731 838
Receivables and Prepayments	95 807	109 409	192 866	195 000	206 000	217 000	228 000
Inventory	8 692	13 406	20 216	21 216	20 216	19 216	18 216
TOTAL ASSETS	3 134 345	3 341 711	3 684 261	3 808 691	4 377 827	4 998 816	5 693 315
Capital & Reserves	1 106 784	1 194 216	1 386 390	1 495 460	1 729 345	1 982 119	2 267 561
Borrowings	1 736 629	1 774 055	1 788 577	1 816 390	2 143 052	2 502 384	2 902 315
Post Retirement Benefits	51 125	53 282	54 474	56 821	58 076	59 442	60 849
Trade and Other Payables	221 471	300 103	433 905	417 185	422 185	427 185	432 185
Provisions	18 336	20 055	20 915	22 835	25 169	27 686	30 405
Managed Funds	–	–	–	–	–	–	–
TOTAL EQUITY & LIABILITIES	3 134 345	3 341 711	3 684 261	3 808 691	4 377 827	4 998 816	5 693 315
Contingent Liabilities	–	–	–	–	–	–	–
Note: The amounts reflected in the transfers received, differ in some instances to the Public Entity table in the Budget Statement. The amounts transferred to the entity as per the Public Entity tables are reflected below:							
R000	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfer to Ithala Development Finance Corporation	15 634	144 859	804 142	50 000	338 859	356 975	359 636

