

# VOTE 4

## Economic Development and Tourism

Operational budget	R 1 485 458 486
MEC remuneration	R 1 491 514
Total amount to be appropriated	R 1 486 950 000
Responsible MEC	Mr. M. Mabuyakhulu, MEC for Economic Development and Tourism
Administrating department	Economic Development and Tourism
Accounting officer	Head: Economic Development and Tourism

### 1. Overview

#### Vision

The vision of the Department of Economic Development and Tourism is: *For KwaZulu-Natal to become a competitive economy that improves the lives of its people.*

#### Mission statement

The department's mission is to: *Develop and implement strategies that encourage participatory sustainable economic development.*

#### Strategic objectives

**Strategic policy direction:** By focusing on driving the economic development strategies of the province, the department seeks to facilitate strategies to enhance the competitiveness of the priority sectors of the economy, in line with its industrial development strategy. It also seeks to promote the development of small business and social enterprises, to facilitate economic empowerment programmes, and manage the SMME, Co-operative and Growth Funds. In addition, it seeks to provide an effective and efficient consumer protection service and to ensure effective and prudent business regulation in the province.

The department has identified the following strategic objectives:

- To facilitate globally competitive and sustainable industries and services;
- To support the development of sustainable small, micro and medium and social enterprises that contribute to food security, wealth and job creation;
- To facilitate integrated planning that ensures effective implementation of sustainable economic development policies, strategies and programmes;
- To effectively promote and package KZN as the choice destination;
- To strengthen compliance with relevant legislation and government policies;
- To be the centre of excellence through effective and efficient administration that promotes service delivery and good corporate governance;
- To create a conducive environment for shared economic growth;
- To champion economic transformation;
- To oversee and co-ordinate implementation of economic policies and strategies; and
- To provide leadership in the formulation of economic policy, strategy and related legislation.

### **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-operative 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)
- Public Service Act 1994 (Act No. 103 of 1994)
- Public Service Regulations, 2001
- Public Finance Management Act 1999 (Act No. 1 of 1999), as amended, and Treasury Regulations
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Promotion of Access to Information Act 2000 (Act No. 2 of 2000)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Promotion of Administrative Justice Act 2000 (Act No. 3 of 2000)
- Basic Conditions of Employment Act 1997 (Act No. 75 of 1997)
- The Companies Act 2004 (Act No. 20 of 2004)
- Equality and Prevention of Unfair Discrimination Act 2000 (Act No. 4 of 2000)
- Liquor Act 1989 (Act No. 27 of 1989) as amended (to be replaced by the KZN Liquor Act 2010)
- KZN Film Commission Act 2010 (Act No. 3 of 2010)
- Business Act 1991 (Act No. 71 of 1991)
- National Consumer Act 2008 (Act No. 68 of 2008)

The following bills have recently been promulgated and have been forwarded to the Premier for assenting, and the department awaits notification of the respective Act numbers:

- Richards Bay Industrial Development Zone Bill
- Dube TradePort Bill

## **2. Review of the 2010/11 financial year**

Section 2 provides a review of 2010/11, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

### ***Economic recovery***

The provincial economy has seen a slow recovery following a severe recession in the country, as well as globally. This required the department to remain focussed on the key priorities of government in terms of

sustaining businesses through support initiatives and thereby retaining jobs, while creating new jobs through enterprise development and skills development. Furthermore, the key initiatives of the department are in line with the resolutions of the Economic Recovery Summit, which will benefit those sectors driving the economy.

### ***2010 World Cup***

The department played a key role in the 2010 World Cup in terms of providing opportunities for all citizens to watch various World Cup games by the construction of Public Viewing Areas (PVAs) in various strategic areas. Similarly, the department provided opportunities for entrepreneurs to participate in the PVAs. Other departments were also involved in the process – for example, the Department of Arts and Culture arranged for various artists to present performances of their works at various PVAs. In addition, it was ensured that protocols with regard to various VIPs were observed by means of the Tourism Buddy programme, in terms of which frontline staff at various public and business outlets were trained to ensure that tourists were treated with respect and supplied with correct information.

### ***Integrated economic development***

The European Union (EU) funded Gijima KZN Local Economic Development (LED) Support programme concluded its implementation activities in December 2010, although certification of projects and final payments are still in the process of being finalised. As at December 2010, of the 200 LED projects funded, 168 were completed, 22 were terminated and 10 remain to be completed. A total of 4 300 employment opportunities were created and more than R40 million was leveraged through the implementation of the Local Competitiveness Fund Grant Scheme which is a continuation of the LED projects, but funded from the equitable share rather than from donor funding. Projects aimed at building skills and capacity among LED stakeholders also gathered steam in 2010/11. A total of 303 people went through the LED leadership skills training (NQF 4/5/6) and postgraduate courses (NQF 7/8) offered through the University of KZN (UKZN). Of these, 53 obtained accredited qualifications.

With regard to provincially funded LED initiatives, the three-year partnership with Tongaat Hulett Sugar Limited, aimed at supporting small-scale cane-growers, began to yield good results. Despite being negatively affected by drought, at the time of writing, 291 hectares of cane were planted, with the expectation that 1 400 ha will be planted by March 2011, benefiting 239 beneficiaries (small-scale cane-growers) and creating more than 700 job opportunities. This is an LED project aimed at assisting small business ventures in KZN. In addition, the refurbishment of the Lamontville multi-media centre was completed, eight trading centre feasibility studies were completed and the Vryheid Special Development Initiative, aimed at assisting the municipality in promoting economic development in the area, was operationalised. Due to various reasons, such as lack of markets, and/or suitable premises, the construction of the Okhahlamba and Eshowe trading centres was stalled, as was the implementation of the Richmond Special Development Initiative. These projects will now be implemented in 2011/12.

The approach to sector based co-operatives continued to be successful, and contracts were secured with government departments and support programmes were fine-tuned to ensure appropriate support was provided at the appropriate times. The department's partnership with Kenya, relating to assistance with the activities of co-operatives, continued, and the accreditation of these courses was a highlight. There was great interest in the establishment of Savings and Credit Co-operatives (SACCO) which are democratic, member-driven, self-help co-operatives, owned, governed and managed by the members. The relationship between the department and the University of Zululand with regard to co-operative training continued, and the department expects the first intake of students early in 2011.

The funding of both co-operatives and SMMEs continued to be a challenge in terms of identifying viable businesses to fund. However, there was an improvement in the uptake of SMME projects, and the implementation of the business support model will provide further assurance of the recoverability of such funding.

### ***Sector development***

The airport portion of the Dube TradePort (DTP) (i.e. King Shaka International Airport) was officially opened in May 2010 in time for the 2010 World Cup. DTP secured the first international passenger airline flight, with the Emirates airline running a passenger airline service from Dubai to Durban. The DTP is

also developing other facilities parallel with the international air service. These include the generation of new cargo volume through productive investment and property development servicing the needs of the travelling market. In 2010/11, DTP commenced constructing a 16 hectare greenhouse Agri-zone that will produce over 3 000 tons of airfreight once fully operational. The Trade-zone property developments are geared to bring in more light manufacturing activities that are dependent on air cargo services. The planned Dube City is geared towards addressing the needs of the passenger market through the facilitation of hotel development, retail and entertainment needs.

The Agri-business Development Agency (ADA) was established in 2010/11 in line with a Cabinet decision to support land reform farmers in the province. The role of this new public entity is to ensure that emerging farmers and rural communities, particularly those that have acquired land through the restitution programme, have the required farming skills and experience to maintain their farms. Many successes were achieved in 2010 in terms of interventions, accessing markets and skills development initiatives, through commodity partnerships. Although the entity falls under the auspices of the Department of Economic Development and Tourism, who fund the operational costs of the entity, other provincial and national departments, such as the Department of Agriculture, Environmental Affairs and Rural Development and the national Department of Rural Development and Land Reform, are using the entity to accelerate land reform projects in KZN.

With regard to the Richards Bay Industrial Development Zone (RBIDZ), an application was made to National Treasury for the listing of the RBIDZ as a public entity in terms of Schedule 3B of the PFMA, due to a decision taken by the department that an entity be established to control the RBIDZ, and that all funding be transferred directly to the entity rather than via Ithala. The land ownership issue is taking longer to resolve than expected, due to environmental challenges on three of the five pieces of land. It is intended to negotiate with the uMhlathuze Municipality to return these pieces of land and for other parcels of land within the area to be given to the RBIDZ. The project has been granted a business licence to trade as an IDZ. This has enabled it to source funding of R80 million from the Department of Trade and Industry. This funding is additional to that allocated to the project by the department. Consultants were appointed to revise and update the business plan for the project. Civil engineers were appointed in November 2010 and have begun with an assessment of the project. The tender for the fencing of Phase 1A was awarded in January 2011, with work beginning on this in February 2011.

The Moses Kotane Institute project is an extension of the South African Liberation Institute of Technology, Philosophy and Political Science (SANLITPPS) project which commenced in 2009/10. The aim of this project is to train teachers and students in mathematics and science, to prepare them for their transition from schools to tertiary institutions. During 2010/11, the department reprioritised once-off additional funding to expand the Moses Kotane Institute's district offices to a further four districts, so as to meet the increasing demand for its services.

The KZN Convention Bureau was established in 2010/11. This is a partnership between the department, eThekweni Metro, the Durban Chamber of Commerce and the Albert Luthuli International Convention Centre to promote business tourism services in KZN and the metropolitan area of Durban.

#### ***Business regulation and governance***

The KZN Liquor Act was promulgated at the end of November 2010. The Act is currently with the Premier for assenting, whereafter it will come into operation with the establishment of the KZN Liquor Entity. This entity will control this sector and all aspects of liquor licences in the province.

The KZN Film Commission is a Section 21 company that was established in terms of KZN Film Commission Act No. 3 of 2010 in 2010/11. This is aimed at the co-ordination, marketing and development of films in KZN. The commission also seeks to facilitate investment in the film and video industry in KZN.

#### ***Economic planning***

The department is now equipped to produce a quarterly analysis of the economic trends for the province and to provide regular analysis of relevant statistics as and when required.

### 3. Outlook for the 2011/12 financial year

Section 3 looks at the key focus areas of 2011/12, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

#### *Integrated economic development*

Due to a variety of reasons, such as a lack of markets or suitable locations, the construction of the Okhahlamba and Eshowe trading centres did not take place in 2010/11. In addition, the implementation of the Richmond Special Development Initiative, which aims to assist the local municipality with the development of the local economy of that municipality, also did not proceed as planned due to problems with the municipality. These projects will be turned around and implemented in 2011/12.

#### *Trade and sector development*

The DTP project will continue with its development of constructing a 16 hectare greenhouse agri-zone that will produce over 3 000 tons of airfreight once fully operational. The trade-zone property developments will also continue, focusing on light manufacturing activities. The targets for 2011/12 are the export of 15 300 tons of produce through the cargo terminal, the creation of 500 permanent jobs and the generation of R100 million private sector investment.

The allocation provided to ADA by the department for operational costs will continue. As mentioned under the review of 2010/11, other departments are providing funding to the entity to enable it to assist land claimants in bringing the land allocated to them to its full potential.

The RBIDZ has made a start on Phase 1 of the project which relates to the development of facilities, including the provision of bulk services to the first portion of land. The entity is now fully capacitated to implement its business plan. The intention is that the actual construction of facilities, to suit client requirements, will take place in 2011/12, as well as the securing of tenants based on the current demand for land from investors.

The establishment of the KZN Film Commission in terms of the KZN Film Commission Act will allow for renewed focus on the industry, which is a major income generator and creator of jobs. It is planned to hold a Durban Film Mart programme in July 2011, at which African film makers will pitch their films to leading financiers.

It is hoped that the establishment of the KZN Convention Bureau in 2010/11 will enhance the marketability of KZN to host major conferences that will result in investment opportunities. A sophisticated and interactive website that promotes the various business tourism venues and services of KZN is in the process of being developed and will be launched in the first half of 2011/12. The bureau will also host the prestigious 17<sup>th</sup> Conference of Parties of the United Nations Framework Convention on Climate change in November 2011.

As mentioned previously, the EU funded Gijima KZN LED Support programme concluded its implementation activities in December 2010, although certification of projects and final payments are still in the process of being finalised. A proposal has been formulated for the continuation of funding and will be presented to the EU for approval. The department has begun identifying projects for 2011/12 utilising similar processes employed by Gijima, but funded by the department. This process allows for wide consultation and enforces the principles of partnership and ownership of programmes.

#### *Business regulation and governance*

The KZN Liquor Entity, which will be established in terms of the KZN Liquor Act 2010, will control all aspects of liquor licences and the control of this sector in the province. An integral part of the duties of this entity will be the review of liquor licence tariffs, and it is expected that these will be reviewed annually, with a consequent increase in revenue collections from this source.

Until now the rights of consumers have been protected by the provisions of the Consumer Affairs (Unfair Business Practices) Act. This Act was repealed by the Consumer Protection Act which was signed into law in 2009. The department is in the processes of finalising a provincial Consumer Protection Act, and it is anticipated that this will be promulgated in the middle of 2011/12. In addition, the department is also in

the process of drafting a provincial Business Act which is intended for promulgation before the end of 2011/12. The provincial Consumer Protection Act and the provincial Business Act will run hand in hand, and will be the legislation utilised by the department to protect the rights of the citizens of KZN.

### **Economic planning**

The department has recognised the need to enhance research skills development in the area of knowledge management, and has partnered with various tertiary institutions to improve the quality of the research skills of the students leaving such institutions. This will be continued in 2011/12.

## **4 Receipts and financing**

### **4.1 Summary of receipts and financing**

Table 4.1 below shows the sources of funding for the department over the seven-year period 2007/08 to 2013/14. The table also compares actual and budgeted receipts against actual and budgeted payments.

**Table 4.1: Summary of receipts and financing**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Provincial allocation	1 485 426	2 753 798	2 492 401	1 624 798	1 624 798	1 624 798	1 486 950	1 561 519	1 650 806
<b>Total</b>	<b>1 485 426</b>	<b>2 753 798</b>	<b>2 492 401</b>	<b>1 624 798</b>	<b>1 624 798</b>	<b>1 624 798</b>	<b>1 486 950</b>	<b>1 561 519</b>	<b>1 650 806</b>
<b>Total payments</b>	<b>1 511 081</b>	<b>1 766 565</b>	<b>2 425 317</b>	<b>1 624 798</b>	<b>1 724 798</b>	<b>1 680 868</b>	<b>1 486 950</b>	<b>1 561 519</b>	<b>1 650 806</b>
Surplus/(Deficit) before financing	(25 655)	987 233	67 084	-	(100 000)	(56 070)	-	-	-
Financing									
of which									
Provincial cash resources	84 000	(700 837)	-	-	100 000	100 000	-	-	-
<b>Surplus/(deficit) after financing</b>	<b>58 345</b>	<b>286 396</b>	<b>67 084</b>	<b>-</b>	<b>-</b>	<b>43 930</b>	<b>-</b>	<b>-</b>	<b>-</b>

The departmental budget peaked at R2.754 billion in 2008/09. The department has under-spent its allocation since 2007/08, as explained below.

The under-spending in 2007/08 was caused by delays in the implementation of 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 KZN Music Cluster project. In 2007/08, the department received additional funding of R84 million to cover the escalated costs of the construction of DTP.

In 2008/09, the department ended the year with a surplus of R987.233 million, before financing, due to the slow uptake of funding by the Ithala Development Finance Corporation (Ithala), because of changed lending policies, and a delay in the establishment of the KZN Liquor Entity. 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 KZN Liquor Entity, due to the slow uptake of funds and the delay in the establishment of this entity. This led to the department ending the year with a surplus of R286.396 million.

The under-spending in 2009/10 was due to the department's decision not to commence with certain projects, in terms of the cost-cutting measures in line with the Cabinet-approved Provincial Recovery Plan. These projects included KZN Youth Training, Co-operative Business Training through the FET colleges, the Tembe Honey Pilot Project and Clothing and Textile Co-operative Support.

The allocation to the department dropped significantly in the 2010/11 Main Appropriation due to the lower funding requirements for DTP, as a result of the completion of the airport portion of the project.

In the 2010/11 Adjusted Appropriation, the department was allocated R100 million, which had been returned to the Provincial Revenue Fund by Ithala. This funding had been transferred to Ithala in previous years for land purchased for the RBIDZ. Due to the decision to create a public entity to control the RBIDZ project, this funding will in future be transferred directly to the entity rather than via Ithala.

As part of the Provincial Recovery Plan, the department undertook to absorb the shortfall of the higher than anticipated 2009 and 2010 wage agreements through internal reprioritisation. Further, as a result of the moratorium on the filling of non-critical posts and a delay in the commencement of certain projects, the department is projecting that it will under-spend its 2010/11 budget by R43.930 million. The drop in the allocation over the 2011/12 MTEF is due to the lower capital requirements of DTP. The department is projecting a balanced budget over the 2011/12 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 and Tourism*.

**Table 4.2: Details of departmental receipts**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Tax receipts	4 017	4 282	4 831	41 905	41 905	4 349	46 095	48 400	51 062
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	4 017	4 282	4 831	41 905	41 905	4 349	46 095	48 400	51 062
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	57	90	111	136	136	90	144	151	159
Transfers received	-	-	-	-	-	100 000	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1	-	-	-	-	975	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	414	415	614	40	40	106	42	44	46
<b>Total</b>	<b>4 489</b>	<b>4 787</b>	<b>5 556</b>	<b>42 081</b>	<b>42 081</b>	<b>105 520</b>	<b>46 281</b>	<b>48 595</b>	<b>51 268</b>

The main revenue collected by the department is in respect of liquor licence fees. The substantial increase in the budgeted revenue in the 2010/11 Main Appropriation was based on the expectation of the KZN Liquor Act being promulgated in 2009/10. The KZN Liquor Act was in fact only promulgated in November 2010. The new Act proposes the establishment of a new entity, the KZN Liquor Entity, which will be responsible for the liquor licensing functions. With the promulgation of the Act, the tariffs for all grades of licences will be reviewed, and it is accordingly envisaged that revenue from this source will increase substantially over the 2011/12 MTEF. The reduction in the 2010/11 Revised Estimate reflects the delay in promulgating this Act.

Revenue from *Sale of goods and services other than capital assets* relates to commission on insurance and rental of parking. In 2009/10, revenue increased due to the increased parking fees from departmental officials. The 2010/11 Main Appropriation was based on an inflationary increase. The department is projecting a slight under-collection of this revenue in 2010/11 due to decreased recoveries of rentals for parking.

The revenue under *Transfers received* represents the return to the Provincial Revenue Fund of monies by Ithala in respect of previous year's transfers to the RBIDZ for land purchases. As mentioned previously, this funding was returned by Ithala due to a decision to register a public entity to control the RBIDZ. The money was allocated to the RBIDZ in the 2010/11 Adjusted Appropriation.

The revenue against *Interest, dividends and rent on land* represents interest paid by Ithala on the R100 million mentioned above.

Fluctuations in respect of *Transactions in financial assets and liabilities* from 2007/08 to 2009/10 relate to the once-off recovery of prior year's expenditure. Receipts from this category are difficult to predict, due to their nature.

### 4.3 Donor funding

Table 4.3 reflects the expenditure in respect of donor funding over the seven year period.

**Table 4.3: Details of payments and estimates of donor funding**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Donor funding	33 726	38 035	-	36 364	36 364	36 364	18 679	-	-
European Union-Gijima	33 726	38 035	-	36 364	36 364	36 364	18 679	-	-
<b>Total</b>	<b>33 726</b>	<b>38 035</b>	<b>-</b>	<b>36 364</b>	<b>36 364</b>	<b>36 364</b>	<b>18 679</b>	<b>-</b>	<b>-</b>

The department acts as a contracting authority with regard to a LED funding partnership with the EU, the Gijima KZN LED Support Programme. This programme brings together skilled private and public sector technical teams funded through the EU and the provincial government. It should be noted that the department received R106.107 million in 2006/07, plus interest thereon (not evident in Table 4.3 above) and Table 4.3 indicates the amounts that will be spent per year. The department estimates that it will spend R36.364 million on LED projects in 2010/11 and the remainder of the funding in 2011/12. As mentioned previously, the Gijima programme concluded its implementation activities in December 2010. However, the certification of projects is underway and payments will only be finalised in 2011/12, accounting for the amount reflected in that year. As at December 2010, the following was achieved:

- A cumulative total of 4 300 jobs were created.
- A cumulative total of 2 043 people went through training and skills development initiatives offered by the department.
- The department, together with the EU, continued with its contract with UKZN to offer the LED post-graduate programme, where 53 people will obtain accredited qualifications. It is envisaged that this programme will enhance the LED body of knowledge and capacitate municipal officials, as well as other LED stakeholders and practitioners.

## 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 and Tourism*. The budget structure largely conforms to the uniform budget and programme structure for the Economic Development sector. The main difference to the budget and programme structure for the sector is that this province has a Tourism Development sub-programme under Programme 2, and that Gambling and Betting falls under Vote 1: Office of the Premier.

### 5.1 Key assumptions

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

- Provision was made for the carry-through costs of the 2010 wage agreement and an inflationary wage adjustment of 5.5 per cent for each of the three years of the 2011/12 MTEF.
- Provision was made for an annual 1.5 per cent pay progression, and for the R800 per month housing allowance for staff on levels 1 to 10 as per the 2010 wage agreement.
- Provision was made for the filling of vacant posts, however, if the moratorium on the filling of non-critical posts is not lifted, these funds may be reallocated in the Adjustments Estimate process.
- All inflation related increases are based on headline CPI.
- The cost-cutting measures as defined in Provincial Treasury Circular PT (1) of 2010/11 (as reissued by the Provincial Treasury in 2011/12) will continue to be adhered to over the 2011/12 MTEF.



## 5.2 Additional allocations for the 2009/10 to 2011/12 MTEF

Table 4.4 shows the additional funding received by the department over the three MTEF periods: 2009/10, 2010/11 and 2011/12.

The purpose of the above table is two-fold. Firstly it shows the quantum of additional funding allocated to the department 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 2009/10 MTEF (i.e. for the financial years 2012/13 and 2013/14) are based on the incremental percentage used in the 2010/11 MTEF and 2011/12 MTEF. A similar approach was used for the carry-through allocations for the 2010/11 MTEF.

**Table 4.4: Summary of additional provincial allocations for 2009/10 to 2011/12 MTEF**

R thousand	2009/10	2010/11	2011/12	2012/13	2013/14
<b>2009/10 MTEF period</b>	<b>(971 500)</b>	<b>(1 215 531)</b>	<b>(1 539 122)</b>	<b>-</b>	<b>-</b>
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)	-	-
<b>2010/11 MTEF period</b>		<b>8 260</b>	<b>8 943</b>	<b>9 595</b>	<b>10 123</b>
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement		3 247	3 629	4 015	4 236
Ministry funding from Vote 6		4 993	5 293	5 558	5 864
Policy on Incapacity Leave and Ill Health Retirement (PILIR)		20	21	22	23
<b>2011/12 MTEF period</b>			<b>13 672</b>	<b>14 372</b>	<b>18 566</b>
Carry-through of 2010 Adjustments Estimate - 2010 wage agreement			2 955	3 681	5 937
Implementation of Consumer Act			4 000	3 400	3 400
KZN Sharks Board - Research on non-lethal shark deterrent			2 000	2 500	4 500
KZN Tourism Authority - Tourism Indaba			5 500	5 800	6 000
National Cabinet decision to cut provinces by 0.3 per cent			(783)	(1 009)	(1 271)
<b>Total</b>	<b>(971 500)</b>	<b>(1 207 271)</b>	<b>(1 516 507)</b>	<b>23 967</b>	<b>28 689</b>

The major adjustments made in the 2009/10 MTEF relate to the reduction in the allocations to the Growth, SMME and the Co-operatives Funds, as discussed previously. In addition, the allocation to DTP was reduced in the two outer years of the 2009/10 MTEF, due to the completion of the airport portion of the project.

The allocation over the 2010/11 MTEF made provision for the carry-through costs of the higher than anticipated 2009 wage agreement, and the movement of ministry funding from Vote 6: Provincial Treasury, due to the previous joint ministry budget in that vote. In addition, the allocation over the MTEF provided funding for the Policy on Incapacity Leave and Ill Health Retirement (PILIR).

The allocation for the 2011/12 MTEF includes the roll-out of the new KZN Consumer Protection Bill (to be promulgated in 2010). In terms of this bill, the rights of consumers have been legislated so as to protect them from exploitation by business. The KZN Sharks Board (KZNSB) received funding for research on an electronic shark repellent to replace the current methods being used.

In addition, the province has been awarded the right to hold the Tourism Indaba for the next five years commencing in 2011 and, based on this, the KZN Tourism Authority (TKZN) has been allocated funding across the 2011/12 MTEF. It should be noted that the additional funding allocated to the entity is only 50 per cent of the required funding for the staging of the Tourism Indaba. In line with an agreement with the Provincial Treasury, the department and the entity have undertaken to fund the remaining 50 per cent from within their existing baselines. The Tourism Indaba is an annual event at which tourism specialists meet to discuss tourism issues. The province has hosted this event for a number of years.

Also in the 2011/12 MTEF, National Treasury took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of the equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 votes. The effect of this on the department is a slight reduction of R783 000, R1.009 million and R1.271 million over the 2011/12 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 2007/08 to 2013/14.

The budget structure, which largely conforms to the uniform budget and programme structure for the Economic Development sector, is made up of five programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance and Economic Planning. As mentioned previously, the main difference to the budget and programme structure for the sector is that this province has the Tourism Development sub-programme under Programme 2, and Gambling and Betting falls under Vote 1: Office of the Premier.

**Table 4.5: Summary of payments and estimates by programme**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
1. Administration	51 386	103 676	146 275	188 748	194 748	180 389	185 610	189 139	200 073
2. Integrated Economic Development Services	775 659	117 905	231 305	481 300	453 300	443 080	491 932	502 236	530 470
3. Trade and Sector Development	666 534	1 517 159	2 016 308	870 776	998 776	989 356	715 471	772 918	817 475
4. Business Regulation and Governance	11 322	17 084	21 130	66 023	60 023	54 894	75 222	77 968	82 323
5. Economic Planning	6 180	10 741	10 299	17 951	17 951	13 149	18 715	19 258	20 465
<b>Total</b>	<b>1 511 081</b>	<b>1 766 565</b>	<b>2 425 317</b>	<b>1 624 798</b>	<b>1 724 798</b>	<b>1 680 868</b>	<b>1 486 950</b>	<b>1 561 519</b>	<b>1 650 806</b>

Note: Programme 1 includes MEC remuneration: Salary: R1 491 514

**Table 4.6: Summary of payments and estimates by economic classification**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
<b>Current payments</b>	<b>126 736</b>	<b>316 660</b>	<b>443 043</b>	<b>518 517</b>	<b>485 582</b>	<b>440 506</b>	<b>505 829</b>	<b>546 912</b>	<b>578 653</b>
Compensation of employees	43 010	68 918	100 183	140 117	139 982	120 851	151 914	158 203	166 904
Goods and services	83 726	247 742	342 860	378 400	345 600	319 655	353 915	388 709	411 749
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1 380 542</b>	<b>1 441 906</b>	<b>1 971 445</b>	<b>1 101 531</b>	<b>1 230 566</b>	<b>1 230 809</b>	<b>977 650</b>	<b>1 009 243</b>	<b>1 066 496</b>
Provinces and municipalities	2 800	1 626	-	-	100	100	-	-	-
Departmental agencies and accounts	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Universities and technikons	1 274	791	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	759 142	-	100 000	316 439	310 439	310 439	324 382	331 586	349 824
Non-profit institutions	497 182	1 312 607	1 712 916	633 460	766 260	766 502	483 537	499 014	526 460
Households	292	29	174	-	135	136	-	-	-
<b>Payments for capital assets</b>	<b>3 676</b>	<b>7 999</b>	<b>10 829</b>	<b>4 750</b>	<b>8 650</b>	<b>9 553</b>	<b>3 471</b>	<b>5 364</b>	<b>5 657</b>
Buildings and other fixed structures	-	-	3 261	-	-	-	-	-	-
Machinery and equipment	3 646	7 806	6 815	4 370	8 270	9 223	3 136	4 984	5 257
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	450	-	-	-	-	-	-
Software and other intangible assets	30	193	303	380	380	330	335	380	400
<b>Payments for financial assets</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 511 081</b>	<b>1 766 565</b>	<b>2 425 317</b>	<b>1 624 798</b>	<b>1 724 798</b>	<b>1 680 868</b>	<b>1 486 950</b>	<b>1 561 519</b>	<b>1 650 806</b>

The high expenditure for the vote as a whole in 2008/09 and 2009/10 was due to the increased funding allocated to DTP. The decreased allocations thereafter are due to the completion of the airport portion of the project. The increase in the 2010/11 Adjusted Appropriation is due to the allocation of R100 million to RBIDZ, also accounting for the increase in *Transfers and subsidies to: Non-profit institutions*.

The increase in Programme 1: Administration in 2008/09 was due to the movement of municipal charges for district offices from Programme 2: Integrated Economic Development Services to this programme, due to the centralisation of municipal charges under Programme 1. In addition, 2010 World Cup project funding was moved from Programme 2 and Programme 5: Economic Planning to this programme, to enable more effective monitoring and control of these funds. The higher 2010/11 Main Appropriation is mainly due to costs associated with the 2010 World Cup, additional costs for the new Ministry, as well as communication costs related to the marketing strategies for the province beyond 2010. The low 2010/11 Revised Estimate is due to delays in the Aldeia Nova project, which relates to the establishment of a community agricultural village in the Waaihoek area in the Umzinyathi district.

The reduced 2008/09 spending against Programme 2 was due to the funding for the Co-operatives, SMME and Growth Funds being surrendered to the Provincial Revenue Fund, because of delays in implementing projects. This also explains the reduction in *Transfers and subsidies to: Public corporations and private enterprises* in the same period. The increase in 2009/10 relates to the rejuvenation of trading centres in townships project and funding for the SMME Fund, while the increase in the 2010/11 Main Appropriation was for the Growth and SMME Funds and co-operative rehabilitation projects in the bakery, school nutrition and agricultural products sectors. The aim of these rehabilitation projects is to provide support to co-operatives to ensure that they run more efficiently. Due to slow progress on these projects, funding was moved to Programme 3: Trade and Sector Development in the 2010/11 Adjusted Appropriation to fund *Ifihlile* projects. In terms of *Ifihlile*, youth are trained in skills such as panel beating and brick laying. The allocation over the 2011/12 MTEF increases at a steady rate.

The increase in Programme 3 from 2007/08 to 2009/10 relates to DTP and RBIDZ, as well as transfer payments to TKZN and KZNSB. The sharp increase in 2009/10 relates to substantial allocations to DTP and RBIDZ in that year, while the decrease in the 2010/11 Main Appropriation was due to the completion of the airport portion of DTP and lower allocations to RBIDZ. In the 2010/11 Adjusted Appropriation, R100 million was allocated to RBIDZ. This had been returned to the Provincial Revenue Fund by Ithala in respect of previous years' allocations for land purchase for the RBIDZ. In addition, funding was reprioritised from low spending projects to projects that could be implemented in a shorter time period, such as the Industrial Strategy and the Amajuba Tannery. The lower allocation over the 2011/12 MTEF (which includes transfers for ADA, DTP and RBIDZ) is due to the lower capital requirements of DTP. The above reasons account for the movement in *Transfers and subsidies to: Non-profit institutions*.

The increased spending against Programme 4: Business Regulation and Governance in 2008/09 was due to the cost of establishing Consumer Protection offices in all regions. As mentioned previously, until now, the rights of consumers have been protected by the provisions of the Consumer Affairs (Unfair Business Practices) Act. This Act was repealed by the national Consumer Protection Act which was signed into law in 2009. The department is in the processes of finalising a provincial Consumer Protection Act, and it is anticipated that this will be promulgated in the middle of 2011/12. In addition, the department is envisaging that the provincial Business Act will be promulgated before the end of 2011/12. The provincial Consumer Protection Act and the provincial Business Act will run hand in hand and will be the legislation utilised by the department to protect the rights of the citizens of KZN. The increase in 2009/10 relates to further expansion of the services provided by this sub-programme, and included the cost of higher levels of advertising, and awareness campaigns. The 2010/11 Main Appropriation provides for the establishment costs of the KZN Liquor Entity, as well as a liquor inspectorate. Due to delays in the promulgation of the KZN Liquor Act, a portion of the funding for the establishment of the KZN Liquor Entity was reprioritised to the Moses Kotane Institute in the 2010/11 Adjustments Estimate, to provide for the establishment costs of four additional district offices. The allocation over the 2011/12 MTEF includes additional funding for the implementation of the new national Consumer Act across the province.

The high 2008/09 expenditure against Programme 5 was due to the appointment of additional monitoring and evaluation staff, the costs of a five-year review plan, and the development of an Industrial Development Strategy. The 2010/11 Main Appropriation caters for the establishment of the Policy and Planning and Research and Development sub-programmes. The dip in the 2010/11 Revised Estimate is due to certain research projects, such as the socio-economic impact of DTP and inner-city regeneration projects, not being carried out due to capacity constraints. The allocation to this programme increases at an inflationary rate over the 2011/12 MTEF.

The increase in *Compensation of employees* in 2008/09 was due to the expansion of the SCM and Corporate Services components, the establishment of Consumer Protection offices in all areas of the province and the cost of the higher than anticipated 2008 wage agreement. The substantial increase in 2009/10 was due to the filling of critical vacant posts, including those in the Office of the MEC. The increase in 2010/11 is due to the carry-through costs of the higher than anticipated 2008 and 2009 wage agreements, as well as provision for the appointment of critical staff for the Regulation Services and Liquor Regulation sub-programmes. The dip in the 2010/11 Revised Estimate was due to the moratorium

on the filling of non-critical posts, which the department anticipates will lead to under-spending of R20 million. The allocation over the 2011/12 MTEF grows at a steady rate.

The significant increase in spending against *Goods and services* in 2008/09 relates to the costs of the rejuvenation of trading centres in townships project, the establishment of district offices in all areas, software training in India (in terms of an agreement with the Indian government, departmental staff are sent to Indian tertiary institutions for training), and the establishment of the KZN Music Studio entity. In 2009/10, further substantial funding was allocated for the rejuvenation of trading centres in townships project, co-operative projects, and the creation of PVAs for the viewing of the 2009 Confederation Cup and the 2010 World Cup matches. It also included the cost of temporary staff employed to assist the Liquor Regulation section with the backlog of liquor licence applications. The increase in the 2010/11 Main Appropriation relates to co-operative rehabilitation projects and sector development projects, including the operationalisation of the KZN Music Studio. In the 2010/11 Adjusted Appropriation, funding in respect of ADA, which was previously allocated to *Goods and services*, was moved to *Transfers and subsidies to: Non-profit institutions*, as payments to this newly established public entity will be in the form of transfer payments. The allocation for this category increases at a steady rate over the 2011/12 MTEF.

The spending against *Transfers and subsidies to: Provinces and municipalities* in 2007/08 relates to the cost of building a lodge in the Sisonke district, while the spending in 2008/09 relates to the construction of market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas and the building of a multi-media centre in the eThekweni area. The allocation in the 2010/11 Adjusted Appropriation relates to a donation made to the International Newcastle Alliance Summit.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to funding provided to TIK, KZNSB and TKZN. The increase in 2009/10 relates to additional funding for the costs of the 2010 Tourism Indaba. In 2010/11, the entity was allocated funding for the Tour of SA cycling, which includes the UCI BMX championships. The 2011/12 MTEF allocations increase due to additional funding for the Tourism Indaba and for research on shark repellent, as mentioned in Section 5.2 above.

The spending against *Transfers and subsidies to: Universities and technikons* in 2007/08 and 2008/09 relates to the costs of a post-graduate course on logistics at the UKZN. There were Masters degree students who wished to pursue further studies, but did not have funding for such courses and so the department undertook to provide the funding for these higher level studies.

The high expenditure against *Transfers and subsidies to: Public corporations and private enterprises* in 2007/08 was due to the function shift of the Growth and SMME Funds to the department from Vote 6: Provincial Treasury. The spending in 2009/10 relates to funding for the SMME Fund in that year, while the allocations in the 2010/11 Main Appropriation and over the 2011/12 MTEF relate to funding for the Growth, SMME and Co-operative Funds and the KZN Liquor Entity. The allocation increases at a steady rate from 2010/11 onward.

As mentioned previously, the allocations to *Transfers and subsidies to: Non-profit institutions* cover transfers to DTP, RBIDZ, ADA and the Moses Kotane Institute, as well as several smaller projects. The allocations peaked in 2009/10, whereafter they decrease from 2010/11 onward, due to the completion of the airport portion of DTP. In the 2010/11 Adjusted Appropriation, the RBIDZ was allocated R100 million which was returned to the Provincial Revenue Fund by Ithala. The lower allocation over the 2011/12 MTEF reflects the lower capital requirements of DTP.

*Transfers and subsidies to: Households* covers payments made to ex-employees of the department and relates to their exit benefits.

The spending against *Buildings and other fixed structures* in 2009/10 relates to the costs of establishing a regional office in the Mkuze area which entailed the purchase of park homes. The office park is large enough to accommodate 30 offices and two boardrooms. The spending against *Land and sub-soil assets* in 2009/10 relates to the purchase of land in the Mkuze area for the regional office.

The high spending against *Machinery and equipment* in 2008/09 relates to commitments rolled over from 2007/08, including equipment for new offices, assets associated with the implementation of the Master Systems Plan of the department, and equipment for district offices. The spending in 2009/10 and in the 2010/11 Main Appropriation was for the purchase of vehicles. In the 2010/11 Adjusted Appropriation, funding was provided for the cost of security improvements to the offices of the department. The higher 2010/11 Revised Estimate relates to the costs of the previously mentioned security improvements. The allocation over the 2011/12 MTEF is to provide funding for computer equipment, as well as equipment for two regional offices still to be established.

The spending against *Software and other intangible assets* in 2008/09 was due to software costs. The 2009/10 Audited figure relates to the cost of additional Microsoft licences for the Tourism component, while the allocation in 2010/11 relates to the upgrading of various software licences. The allocations over the 2011/12 MTEF relate to Legal Services software, process management software, and software packages for new regional offices.

## 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. It should be noted that the figures in the table are merely estimates as procurement is centralised at head office, therefore it is difficult to project expenditure at district level.

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

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14
eThekweni	1 864 213	926 000	736 492	821 672	866 864
Ugu	-	446	468	492	519
uMgungundlovu	273 953	360 601	380 862	352 491	371 878
Uthukela	-	-	-	-	-
Umzinyathi	-	446	468	492	519
Amajuba	-	27 396	5 466	4 539	4 789
Zululand	-	10 200	10 710	11 246	11 865
Umkhanyakude	-	2 380	2 499	2 624	2 768
uThungulu	54 416	158 867	61 623	64 704	68 263
Ilembe	-	702	107	112	118
Sisonke	-	446	468	492	519
<b>Total</b>	<b>2 192 582</b>	<b>1 487 484</b>	<b>1 199 163</b>	<b>1 258 864</b>	<b>1 328 102</b>

As can be seen from the table above, spending is largely split between the eThekweni Metro and the uMgungundlovu District Municipality. 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 high allocation to the eThekweni Metro largely reflects funding for DTP, as this project is situated in that area.

The decline in the allocation to eThekweni from 2011/12 onward reflects the lower allocations to DTP in that period. The spending in the uThungulu District Municipality from 2010/11 onward can largely be attributed to the funding for the development of the RBIDZ.

The projected high spending in the Amajuba District Municipality in 2010/11 is due to spending on the KZN Music Studio project.

The spending in the Zululand District Municipality relates to various LED projects, such as the rejuvenation of trading centres project.

## 5.5 Summary of conditional grant payments and estimates – Nil

## 5.6 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**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
New and replacement assets	-	-	3 261	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
<b>Infrastructure transfers</b>	<b>488 500</b>	<b>1 299 313</b>	<b>1 702 004</b>	<b>583 880</b>	<b>683 880</b>	<b>683 880</b>	<b>423 739</b>	<b>444 926</b>	<b>469 397</b>
Current	-	-	24 913	31 953	31 953	31 953	37 441	39 313	41 475
Capital	488 500	1 299 313	1 677 091	551 927	651 927	651 927	386 298	405 613	427 922
Capital infrastructure	488 500	1 299 313	1 680 352	551 927	651 927	651 927	386 298	405 613	427 922
Current infrastructure	-	-	24 913	31 953	31 953	31 953	37 441	39 313	41 475
<b>Total</b>	<b>488 500</b>	<b>1 299 313</b>	<b>1 705 265</b>	<b>583 880</b>	<b>683 880</b>	<b>683 880</b>	<b>423 739</b>	<b>444 926</b>	<b>469 397</b>

The department's infrastructure funding is mostly allocated against *Infrastructure transfers*, except in 2009/10 when expenditure was incurred against *New and replacement assets*, in respect of the establishment of the Mkuze regional office. Spending in this respect relates to the purchase of park homes for an office park which can accommodate thirty offices and two boardrooms.

The increase in *Infrastructure transfers* in 2008/09 and 2009/10 was predominantly due to the funding requirements of DTP. The allocation to this category in 2009/10 was in respect of DTP and RBIDZ.

The allocation to *Infrastructure Transfers: Current* relates to transfers for the operational costs of DTP. The allocation grows steadily over the period 2009/10 to 2013/14.

The allocation to *Infrastructure transfers: Capital* relates to both DTP and RBIDZ. The significant increase in spending in 2009/10 was due to the reprioritisation of funding from within the baseline of the department for DTP and RBIDZ, to cover commitments carried forward from 2008/09. The reduced allocation in 2010/11 was due to decreasing funding requirements of DTP due to the completion of the airport portion of the project.

As mentioned, the DTP project is continuing, and the current emphasis is on the construction of a 16 hectare greenhouse agri-zone that will produce over 3 000 tons of airfreight once fully operational. The targets for 2011/12 are the export of 15 300 tons of produce through the cargo terminal, the creation of 500 permanent jobs and the generation of R100 million in private sector investment.

With regard to the RBIDZ, as mentioned previously, the land ownership issue is delaying the process. However, the department is addressing this. A decision was made by the department that a public entity be created to control the RBIDZ, and that all transfers be made directly to this entity rather than via Ithala. Also, as mentioned previously, in the 2010/11 Adjusted Appropriation, R100 million was returned to the Provincial Revenue Fund by Ithala and was allocated to RBIDZ to finalise the purchase of land for Phase 1 of the project. Further details of the allocation to these entities can be found under Section 5.9.

## 5.7 Summary of Public Private Partnerships – Nil

## 5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 4.9 provides a summary of departmental transfers to the public entities that fall under the auspices of the department.

Financial summaries in respect of the various public entities are presented in the *Annexure – Vote 4: Economic Development and Tourism*.

**Table 4.9: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2007/08	2008/09	2009/10	Appropriation	Appropriation 2010/11	Estimate	2011/12	2012/13	2013/14
Ithala Development Finance Corporation	759 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
of which									
Co-operatives	100 000	-	-	80 000	-	-	84 300	89 500	94 423
Growth Fund	500 000	-	-	100 000	60 000	60 000	100 000	100 000	105 500
Ithala Share Capital	-	-	-	-	40 000	40 000	-	-	-
Project Specific Funding	24 000	-	-	-	-	-	-	-	-
SMMEs	135 142	-	100 000	100 000	180 000	180 000	100 000	100 000	105 500
KZN Sharks Board (KZNSB)	19 146	23 297	25 337	25 551	25 551	25 551	29 084	30 938	34 502
KZN Tourism Authority (TKZN)	60 036	61 556	78 602	69 444	71 444	71 444	79 111	83 092	87 543
Agri-business Development Agency (ADA)	-	-	-	-	26 800	26 800	20 000	15 000	15 825
<b>Total</b>	<b>838 324</b>	<b>84 853</b>	<b>203 939</b>	<b>374 995</b>	<b>403 795</b>	<b>403 795</b>	<b>412 495</b>	<b>418 530</b>	<b>443 293</b>

Ithala was established as an entity in 1999 by the KZN 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 and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. In 2008/09, the entire amount allocated to Ithala was returned to the Provincial Revenue Fund, due to changes in the loan model, as well as changes in lending requirements. The 2009/10 figure consisted of an allocation to the SMMEs Fund, which continues over the baseline. In 2009/10, the funding for the Co-operatives and the Growth Funds was reprioritised to provide for commitments relating to 2008/09, while TKZN received funding for the Tourism Indaba. In the 2010/11 Adjusted Appropriation, the allocation to the Co-operatives Fund was reprioritised to the SMMEs Fund, while the allocation to the Growth Fund was reduced by R40 million, which was transferred to Ithala in order to assist it with its capital adequacy ratios, which had fallen below that required by the Reserve Bank, which could have resulted in the loss of their banking licence. The allocations to Co-operatives, Growth and SMMEs Funds over the 2011/12 MTEF are resumed at more or less the same levels as in the past.

The allocation to KZNSB rises steadily over the seven-year period. The allocation over the 2011/12 MTEF includes funding for research into non-lethal shark deterrent.

The allocation to TKZN rises steadily over the seven-year period. The increase in 2009/10 relates to additional funding for the costs of the 2010 Tourism Indaba. As mentioned previously in Section 5.2, over the 2011/12 MTEF the entity was allocated 50 per cent of the costs of the Tourism Indaba, with the department undertaking to find the remaining 50 per cent from within its and the entity's baseline.

As mentioned previously, a new public entity, ADA was formed in 2010/11 to accelerate land reform projects in KZN. In the 2010/11 Adjusted Appropriation, the funding for this entity was moved from *Goods and services* due to the fact that these funds were transferred to the entity for establishment and operational costs. The 2010/11 allocation was higher than the allocation over the MTEF, due to it including once-off funding for the establishment costs of the entity. The higher allocation in 2011/12 than in 2012/13 relates to further once-off start-up costs.

## 5.9 Transfers to other entities

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

The major allocation to other entities over the seven-year period was to DTP and covers the operational costs of the entity, capital costs for the acquisition of land at the new airport site, as well as the roll-out of DTP capital projects. The achievements to date were discussed under Section 5.5.

The allocation to this project decreased from 2010/11 due to the completion of the airport portion of the project, while the remaining amounts relate to the development of the multi-nodal logistics hub at the airport site. The allocation over the 2011/12 MTEF is for the development of an agri-processing facility, various other projects and the operational costs of DTP.

**Table 4.10: Summary of departmental transfers to other entities**

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2007/08	2008/09	2009/10	Appropriation	Appropriation	Estimate	2011/12	2012/13	2013/14
						2010/11				
Anglican Church	1.2 Office of the HOD	-	-	-	-	-	242	-	-	-
Co-operatives Entity	3.1 Trade and Invest	2 819	152	59	-	-	-	-	-	-
Dube TradePort	3.1 Trade and Invest	443 500	1 299 313	1 598 254	526 905	526 905	526 905	364 103	382 308	403 335
Durban Chamber of Commerce	3.1 Trade and Invest	728	-	-	-	-	-	-	-	-
Trade & Investment KZN (TIK)	3.1 Trade and Invest	40 670	42 000	54 416	56 637	56 637	56 637	61 536	64 613	68 167
Clothing & Textile Sector Cluster Entity	3.2 Sector Development	750	-	1 643	-	-	-	-	-	-
Durban Film Festival	3.2 Sector Development	-	-	860	1 200	1 200	1 200	1 200	1 260	1 329
Furniture Cluster Project	3.2 Sector Development	950	950	450	-	-	-	-	-	-
ICTe cluster	3.2 Sector Development	1 400	554	1 800	-	-	-	-	-	-
Indigenous music	3.2 Sector Development	-	-	1 000	-	-	-	-	-	-
Integrated Music Hub	3.2 Sector Development	1 107	-	-	-	-	-	-	-	-
KZN Chillies and Spice Growers	3.2 Sector Development	85	-	-	-	-	-	-	-	-
KZN Film Commission	3.2 Sector Development	698	-	-	4 180	4 180	4 180	4 598	4 828	5 094
KZN Music Studio	3.2 Sector Development	-	-	-	15 900	15 900	15 900	4 000	3 000	3 165
Moses Kotane Institute	3.2 Sector Development	-	10 783	4 500	28 300	34 300	34 300	30 000	30 000	31 650
SEDA eThekweni	3.2 Sector Development	145	855	600	-	-	-	-	-	-
University of KwaZulu-Natal (UKZN)	3.2 Sector Development	1 274	791	-	-	-	-	-	-	-
Richards Bay IDZ	3.3 Industry Develop	45 000	-	103 750	56 975	156 975	156 975	59 636	62 618	66 062
KZN Liquor Entity	4.3 Liquor Regulation	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
<b>Total</b>		<b>539 126</b>	<b>1 355 398</b>	<b>1 767 332</b>	<b>726 536</b>	<b>826 536</b>	<b>826 778</b>	<b>565 155</b>	<b>590 713</b>	<b>623 203</b>

The allocation to TIK grows steadily over the seven-year period. Projects currently underway include activities to promote and facilitate an increase in the growth of fixed investment in KZN, and to encourage and retain business. In addition, the entity is seeking to develop export opportunities and the generation of export leads. It is also undertaking programmes to increase the awareness of the services which it offers and to this end has participated in eight exhibitions, and has had a total of 140 794 visits to its website. The entity has also increased BEE transactions in its service offering, which has resulted in 28 BEE companies benefiting from its financial services to date.

The allocation to the Moses Kotane Institute increased substantially in 2010/11 and is for the operational costs of the entity. In the 2010/11 Adjusted Appropriation, once-off additional funding reprioritised for transfer to the entity in order to establish offices in four additional districts. This explains the lower allocation over the 2011/12 MTEF.

As mentioned previously, the transfer to the RBIDZ is no longer made via Ithala as from 2010/11. In the 2010/11 Adjusted Appropriation, the allocation was increased by R100 million, which relates to funding allocated to Ithala in previous years for land purchase for the project, and which was returned to the Provincial Revenue Fund. The allocation over the 2011/12 MTEF grows steadily over the period.

In prior years, the funding for the KZN Music Studio was allocated to *Goods and services*. However, due to control and management issues, as well as the difficulty in finding a service provider, the department intends to utilise an entity for the operationalisation of the studio. The 2010/11 allocation was therefore against *Transfers and subsidies to: Non-profit institutions* and included the once-off establishment costs of the entity. This explains the lower allocation over the 2011/12 MTEF, which relates to the operational costs of the Music Studio.

There is a significant allocation over the 2011/12 MTEF to the KZN Liquor Entity established as a result of the promulgation of the KZN Liquor Act in 2010/11. This is to provide for the operational costs of the entity, which will administer the collection of liquor licence fees, as well as the issuing of liquor licences.

Small amounts were allocated to various projects from 2007/08 onward, such as the Durban Film Festival and KZN Film Commission.

## 5.10 Transfers to municipalities

Tables 4.11 and 4.12 below indicate transfers to municipalities per category.

Details of these transfers are given in *Annexure – Vote 4: Economic Development and Tourism*.



Table 4.11: Summary of departmental transfers to municipalities by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Category A	-	-	-	-	-	-	-	-	-
Category B	-	300	-	-	100	100	-	-	-
Category C	2 800	1 326	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 800</b>	<b>1 626</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
International Newcastle Alliance Summit	1.1 Office of the MEC	-	-	-	-	100	100	-	-	-
Joint Project Funding	3.2 Sector Development	-	1 626	-	-	-	-	-	-	-
Tourism Development (Building of lodges)	3.4 Tourism Developmt	2 800	-	-	-	-	-	-	-	-
<b>Total</b>		<b>2 800</b>	<b>1 626</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>

The allocation under Category C in 2007/08 relates to the building of a lodge in the Sisonke District Municipality as part of the Tourism function, which was transferred to the department from Vote 15: Arts and Culture in 2009/10.

In 2008/09, the department identified projects for joint funding. These included market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas. Funding was subsequently provided for a call-centre in Newcastle, as well as the Aloe tea project in the Ladysmith Municipality. These projects fall under Categories B and C.

In the 2010/11 Adjusted Appropriation, funding was allocated for a donation toward the costs of the International Newcastle Alliance summit.

No transfers to municipalities are planned over the 2011/12 MTEF.

## 5.11 Transfers and subsidies

Table 4.13 below is a summary of spending on *Transfers and subsidies* by programme and main category.

The category *Transfers and subsidies* under Programme 1 fluctuates over the seven-year period, largely due to the nature of transfers made. For example:

- *Provinces and municipalities* reflects a donation made to the Newcastle Municipality in respect of the International Newcastle Alliance Summit.
- *Non-profit institutions* relates to a donation made to the Anglican church's Mothers' Union of the Diocese of Natal.
- *Households* relates to exit benefits paid to ex-employees upon them leaving the department.

The category *Transfers and subsidies* under Programme 2 provides for the following:

- *Public corporations and private enterprises* was reduced in 2008/09 due to the slow uptake of funds by Ithala because of changes in the loan policy. In the 2010/11 Main Appropriation, the Growth and SMME Funds were each allocated R100 million and Co-operatives received R80 million. In the 2010/11 Adjusted Appropriation, the allocation to Co-operatives was reprioritised to the SMMEs Fund and R40 million of the allocation for the Growth Fund was transferred to Ithala in order to assist it with its capital adequacy ratios.

Table 4.13: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>1. Administration</b>	<b>292</b>	<b>28</b>	<b>168</b>	<b>-</b>	<b>235</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	100	100	-	-	-
Donation to International Newcastle Alliance Summit	-	-	-	-	100	100	-	-	-
Non-profit institutions	-	-	-	-	-	242	-	-	-
Anglican Church - Mother's union Natal diocese	-	-	-	-	-	242	-	-	-
Households	292	28	168	-	135	(2)	-	-	-
Social benefits	292	28	168	-	135	(2)	-	-	-
<b>2. Integrated Economic Development Services</b>	<b>735 142</b>	<b>700</b>	<b>100 059</b>	<b>280 000</b>	<b>280 000</b>	<b>280 030</b>	<b>284 300</b>	<b>289 500</b>	<b>305 423</b>
Provinces and municipalities	-	700	-	-	-	-	-	-	-
Joint funding projects	-	700	-	-	-	-	-	-	-
Public corporations and private enterprises	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Ithala									
Co-operatives	100 000	-	-	80 000	-	-	84 300	89 500	94 423
SMMEs	135 142	-	100 000	100 000	180 000	180 000	100 000	100 000	105 500
Growth Fund	500 000	-	-	100 000	60 000	60 000	100 000	100 000	105 500
Ithala Share Capital	-	-	-	-	40 000	40 000	-	-	-
Non-profit institutions	-	-	59	-	-	-	-	-	-
Co-operatives	-	-	59	-	-	-	-	-	-
Households	-	-	-	-	-	30	-	-	-
Social benefits	-	-	-	-	-	30	-	-	-
<b>3. Trade and Sector Development</b>	<b>645 108</b>	<b>1 441 178</b>	<b>1 871 212</b>	<b>785 092</b>	<b>919 892</b>	<b>919 971</b>	<b>653 268</b>	<b>677 657</b>	<b>716 672</b>
Provinces and municipalities	2 800	926	-	-	-	-	-	-	-
Building of lodges	2 800	-	-	-	-	-	-	-	-
Joint funding projects	-	926	-	-	-	-	-	-	-
Departmental agencies and accounts	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Trade and Investment KZN (TIK)	40 670	42 000	54 416	56 637	56 637	56 637	61 536	64 613	68 167
KZN Sharks Board (KZNSB)	19 146	23 297	25 337	25 551	25 551	25 551	29 084	30 938	34 502
KZN Tourism Authority (TKZN)	60 036	61 556	78 602	69 444	71 444	71 444	79 111	83 092	87 543
Universities and technikons	1 274	791	-	-	-	-	-	-	-
UKZN-Postgraduate course on logistics	1 274	791	-	-	-	-	-	-	-
Public corporations and private enterprises	24 000	-	-	-	-	-	-	-	-
Project Specific Funding-Ithala	24 000	-	-	-	-	-	-	-	-
Non-profit institutions	497 182	1 312 607	1 712 857	633 460	766 260	766 260	483 537	499 014	526 460
Agri-business Development Agency (ADA)	-	-	-	-	26 800	26 800	20 000	15 000	15 825
DTP	443 500	1 299 313	1 598 254	526 905	526 905	526 905	364 103	382 308	403 335
Durban Film Festival	-	-	860	1 200	1 200	1 200	1 200	1 260	1 329
KZN Film Commission	698	-	-	4 180	4 180	4 180	4 598	4 828	5 094
KZN Music Studio	-	-	-	15 900	15 900	15 900	4 000	3 000	3 165
Richards Bay IDZ	45 000	-	103 750	56 975	156 975	156 975	59 636	62 618	66 062
Moses Kotane Institute	-	10 783	4 500	28 300	34 300	34 300	30 000	30 000	31 650
Clothing and Textiles cluster entity	750	-	1 643	-	-	-	-	-	-
ICTe cluster	1 400	554	1 800	-	-	-	-	-	-
SEDA eThelwini	145	855	600	-	-	-	-	-	-
Indigenous Music	-	-	1 000	-	-	-	-	-	-
Furniture Cluster project	950	950	450	-	-	-	-	-	-
Integrated Music Hub	1 107	-	-	-	-	-	-	-	-
Co-operative Entity	2 819	152	-	-	-	-	-	-	-
Durban Chamber of Commerce	728	-	-	-	-	-	-	-	-
KZN Chillies and Spice Growers Association	85	-	-	-	-	-	-	-	-
Households	-	1	-	-	-	79	-	-	-
Social Benefits	-	1	-	-	-	79	-	-	-
<b>4. Business Regulation and Governance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 439</b>	<b>30 439</b>	<b>30 439</b>	<b>40 082</b>	<b>42 086</b>	<b>44 401</b>
Public corporations and private enterprises	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
KZN Liquor Entity	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
<b>5. Economic Planning</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	-	6	-	-	29	-	-	-
Social benefits	-	-	6	-	-	29	-	-	-
<b>Total</b>	<b>1 380 542</b>	<b>1 441 906</b>	<b>1 971 445</b>	<b>1 101 531</b>	<b>1 230 566</b>	<b>1 230 809</b>	<b>977 650</b>	<b>1 009 243</b>	<b>1 066 496</b>

The category *Transfers and subsidies* under Programme 3 provides for the following:

- *Departmental agencies and accounts* covers transfer payments made to TIK, KZNSB and TKZN.
  - The funding allocated to TIK and KZNSB increases steadily over the seven-year period.
  - The allocation to TKZN in 2009/10 increased substantially due to additional funding allocated for the costs of the 2010 Tourism Indaba. In the 2010/11 Adjusted Appropriation, the entity was allocated additional funding for the Tour of SA cycling, which includes the UCI BMX championships held in Pietermaritzburg in July 2010. As mentioned previously, the allocation over the 2011/12 MTEF includes funding for the Tourism Indaba. In terms of an agreement with

the Provincial Treasury, the allocation provided to the entity only amounts to 50 per cent of the requested amount, with the balance being sourced by the department from within *Goods and services* and portion contributed by TKZN from within its baseline.

- *Public corporations and private enterprises* covers two transfer payments:
  - The funding allocated to ADA in the 2010/11 Main Appropriation was once-off establishment and operating costs. The allocation for this entity was originally under *Goods and services* but was moved to this category in the 2010/11 Adjusted Appropriation. The MTEF allocations decrease slightly due to the initial 2010/11 allocations including once-off establishment costs.
  - In 2007/08, R24 million was allocated in respect of various projects controlled by Ithala.
- *Non-profit institutions* includes allocations to the following projects:
  - The allocation to DTP decreased in 2010/11 and over the 2011/12 MTEF due to the completion of the airport portion of the project. The 2010/11 allocation was for the development of the multi-nodal portion of the project, while the allocation over the MTEF is for the development of the agri-zone and cargo-handling portion of the project.
  - The RBIDZ project was delayed until 2009/10, due to land ownership issues. In 2009/10, additional funding was allocated for the purchase of land. In the 2010/11 Adjusted Appropriation, R100 million was allocated to this project being funds transferred to Ithala in previous years, which were returned to the Provincial Revenue Fund. The allocation over the 2011/12 MTEF continues at a steady rate.
  - The allocation to the Moses Kotane Institute commenced in 2008/09. In the 2010/11 Adjusted Appropriation, funding of R28.300 million was shifted to this category from *Universities and technikons*, as the institution did not fulfil the SCOA definition of a tertiary institution.
  - A number of new allocations were made to this category in the 2010/11 MTEF, including the KZN Music Studio. The high allocation to the KZN Music Studio in 2010/11 was due to the set-up costs of the entity.

Programme 4 caters for the transfer of funds for the KZN Liquor Entity. This transfer falls under *Transfers and subsidies to: Public corporations and private enterprises*. Due to delays in the promulgation of the KZN Liquor Act, the funding for this entity was reprioritised to areas of spending pressure in 2009/10. The Act was promulgated in November 2010 and funding allocated to the entity in 2010/11. This allocation continues over the 2011/12 MTEF and relates to the operational costs of the entity.

The only allocation to Programme 5 was *Transfers and subsidies to: Households* which relates to termination benefits paid to ex-employees of the department on leaving the department.

## 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 and Tourism*. The budget structure largely conforms to the uniform budget and programme structure for the Economic Development sector.

### 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 four sub-programmes, namely Office of the MEC, Office of the HOD, Financial Management and Corporate Services.

Tables 4.14 and 4.15 below illustrate the payments and estimates of this programme over the seven-year period 2007/08 to 2013/14.

**Table 4.14: Summary of payments and estimates - Programme 1: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Office of the MEC	-	-	15 793	25 253	21 553	21 674	26 678	28 050	29 709
Office of the HOD	12 701	28 890	37 741	60 044	47 044	45 165	49 640	46 180	48 658
Financial Management	16 035	12 908	20 551	23 428	22 928	19 881	24 752	26 022	27 561
Corporate Services	22 650	61 878	72 190	80 023	103 223	93 669	84 540	88 887	94 145
<b>Total</b>	<b>51 386</b>	<b>103 676</b>	<b>146 275</b>	<b>188 748</b>	<b>194 748</b>	<b>180 389</b>	<b>185 610</b>	<b>189 139</b>	<b>200 073</b>

**Table 4.15: Summary of payments and estimates by economic classification - Programme 1: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>50 242</b>	<b>100 131</b>	<b>136 249</b>	<b>185 008</b>	<b>187 273</b>	<b>171 664</b>	<b>183 319</b>	<b>185 016</b>	<b>195 723</b>
Compensation of employees	15 778	21 627	40 302	53 964	53 829	49 288	59 756	60 979	64 332
Goods and services	34 464	78 504	95 947	131 044	133 444	122 376	123 563	124 037	131 391
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>292</b>	<b>28</b>	<b>168</b>	<b>-</b>	<b>235</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	100	100	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	242	-	-	-
Households	292	28	168	-	135	(2)	-	-	-
<b>Payments for capital assets</b>	<b>725</b>	<b>3 517</b>	<b>9 858</b>	<b>3 740</b>	<b>7 240</b>	<b>8 385</b>	<b>2 291</b>	<b>4 123</b>	<b>4 350</b>
Buildings and other fixed structures	-	-	3 261	-	-	-	-	-	-
Machinery and equipment	709	3 324	5 922	3 430	6 930	8 075	1 971	3 781	3 989
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	450	-	-	-	-	-	-
Software and other intangible assets	16	193	225	310	310	310	320	342	361
<b>Payments for financial assets</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>51 386</b>	<b>103 676</b>	<b>146 275</b>	<b>188 748</b>	<b>194 748</b>	<b>180 389</b>	<b>185 610</b>	<b>189 139</b>	<b>200 073</b>

The allocation to the Office of the MEC sub-programme only commenced in 2009/10, as the department previously shared an MEC with Vote 6: Provincial Treasury. In 2009/10, funding of R4.711 million was shifted from Vote 6 and R10.200 million was reprioritised from Programme 4, due to delays in the promulgation of the KZN Liquor Act, to provide for the set-up costs of the new ministry office, as well as operational costs. Further funding for the sub-programme from 2010/11 going forward was sourced from cost-cutting. The funding for this sub-programme increases steadily over the MTEF.

The high spending against the Office of the HOD sub-programme in 2008/09 caters for 2010 projects moved to this sub-programme in order to ensure more effective monitoring and control of them. This also explains a portion of the increase in *Goods and services* in 2008/09. The spending in 2009/10 included the cost of 2010 World Cup projects, including PVAs and the 2010 Communication Strategy, while the peak in 2010/11 relates to funding for once-off 2010 World Cup projects.

In the 2010/11 Adjusted Appropriation, savings were reprioritised from the Office of the HOD and the Financial Management sub-programmes and moved to the Corporate Services sub-programme to provide for the establishment of a centralised departmental communications unit which had not been budgeted for.

The low spending in 2008/09 against the Financial Management sub-programme was due to reprioritisation of funding to the Office of the HOD sub-programme for special projects. The 2009/10 amount includes once-off funding for the procurement of a document tracking system, funding to expand the size of the department's vehicle fleet, and funding to increase capacity in the SCM component. The increased allocation from 2010/11 relates to the appointment of staff to assist with the administration of the district offices.

With regard to the Corporate Services sub-programme, the substantial increase in 2008/09 relates to once-off costs for the setting up of district offices, which were moved to this sub-programme from

Programme 2. It also includes commitments rolled over from 2007/08, as well as additional costs related to the Master Systems Plan. The Master Systems Plan is a strategic plan aimed at the efficient and effective use of the department's Information and Communication Technology. The increase in 2010/11 relates to a provision for increased staffing, as well as the aggregated cost of the department's district offices. In the 2010/11 Adjusted Appropriation, savings were reprioritised to this sub-programme from the Office of the HOD and the Financial Management sub-programmes due to the moratorium on the appointment of non-critical staff, to fund the once-off costs of establishing a centralised departmental communications unit. The allocation increases steadily over the 2011/12 MTEF.

*Compensation of employees* shows an increase in 2008/09 due to the cost of additional capacity across all sub-programmes, as well as the expansion of the SCM and Corporate Services components. The substantial increase in 2009/10 and in the 2010/11 Main Appropriation relates partly to the expansion of the staff establishment of the Office of the MEC.

The substantial increase in *Goods and services* in 2008/09 and in 2010/11 was mainly due to the costs of 2010 World Cup projects, as mentioned above, as well as municipal charges for one-stop-shops. In addition, costs were incurred on projects such as a hydro-electric feasibility study in Jozini, and the costs of the Master Systems Plan. The department has a special projects unit in the Office of the HOD sub-programme which undertakes preliminary investigations of prospective projects. In 2009/10, funding was shifted from Vote 6: Provincial Treasury and reprioritised from Programme 4 to provide additional funding for the Office of the MEC sub-programme.

The spending against *Transfers and subsidies to: Households* relates to the payment of benefits to staff who have left the service of the department.

As mentioned previously, the spending against *Buildings and other fixed structures* in 2009/10 relates to the establishment of an office park for the Mkuze regional office, while the spending against *Land and sub-soil assets* in the same year was for the purchase of land for the Mkuze office.

The high spending in 2008/09 against *Machinery and equipment* is due to the replacement of vehicles, commitments rolled over from 2007/08, equipment for the head office building and the purchase of computer equipment associated with the implementation of the Master Systems Plan. In 2009/10, funding was reprioritised from Programme 4 to provide for vehicles delivered but not paid for. The 2010/11 Main Appropriation relates to funding for the purchase of additional vehicles for the expanded staffing of the department. The significant increase in the 2010/11 Adjusted Appropriation relates to the cost of security improvements to the head office of the department, after a risk assessment identified areas of high risk. The allocation over the 2011/12 MTEF relates to funding for computer equipment of the head office, as well as equipment for two regional offices to be established.

The spending against *Software and other intangible assets* in 2008/09 was due to once-off software costs. The 2009/10 Audited figure relates to the cost of additional Microsoft licences in respect of the Tourism component. The allocation in 2010/11 and over the 2011/12 MTEF relates to legal software resources required by the Legal Services unit, as well as process management software, and software packages for the new regional offices.

## **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 KZN.

Programme 2 consists of three sub-programmes, namely: Enterprise Development, Regional and Local Economic Development, and Economic Empowerment.

Tables 4.16 and 4.17 below illustrate payments and estimates for the period 2007/08 to 2013/14.

Table 4.16: Summary of payments and estimates - Programme 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Enterprise Development	760 904	78 541	146 759	389 684	337 684	330 622	387 535	395 515	417 750
Regional and Local Economic Development	9 197	18 759	37 961	66 602	60 602	46 000	78 491	80 003	84 500
Economic Empowerment	5 558	20 605	46 585	25 014	55 014	66 458	25 906	26 718	28 220
<b>Total</b>	<b>775 659</b>	<b>117 905</b>	<b>231 305</b>	<b>481 300</b>	<b>453 300</b>	<b>443 080</b>	<b>491 932</b>	<b>502 236</b>	<b>530 470</b>

Table 4.17: Summary of payments and estimates by economic classification - Prog. 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>38 349</b>	<b>114 795</b>	<b>130 992</b>	<b>200 800</b>	<b>172 800</b>	<b>162 595</b>	<b>207 047</b>	<b>212 185</b>	<b>224 466</b>
Compensation of employees	13 237	25 421	32 127	41 866	41 866	36 360	44 782	47 308	49 910
Goods and services	25 112	89 374	98 865	158 934	130 934	126 235	162 265	164 877	174 556
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>735 142</b>	<b>700</b>	<b>100 059</b>	<b>280 000</b>	<b>280 000</b>	<b>280 030</b>	<b>284 300</b>	<b>289 500</b>	<b>305 423</b>
Provinces and municipalities	-	700	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Non-profit institutions	-	-	59	-	-	-	-	-	-
Households	-	-	-	-	-	30	-	-	-
<b>Payments for capital assets</b>	<b>2 168</b>	<b>2 410</b>	<b>254</b>	<b>500</b>	<b>500</b>	<b>455</b>	<b>585</b>	<b>551</b>	<b>581</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 154	2 410	206	480	480	455	585	529	558
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	14	-	48	20	20	-	-	22	23
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>775 659</b>	<b>117 905</b>	<b>231 305</b>	<b>481 300</b>	<b>453 300</b>	<b>443 080</b>	<b>491 932</b>	<b>502 236</b>	<b>530 470</b>

The high spending in 2007/08 was due to the function shift of the Growth and SMME Funds from Vote 6: Provincial Treasury. This explains the increase in the Enterprise Development sub-programme and *Transfers and subsidies to: Public corporations and private enterprises* in that year. The reduced spending in 2008/09 relates to the return of the major portion of this allocation to the Provincial Revenue Fund, because of delays in transferring funds to Ithala due to changes in lending requirements and changes to the loan model. This explains the substantial reduction in the Enterprise Development sub-programme in that year. The substantial increase in 2009/10 relates to funding for the SMME Fund, while the sharp increase in the 2010/11 Main Appropriation relates to funding allocated to the Co-operatives, Growth and SMMEs Funds in that year, and explains the increase in *Transfers and subsidies to: Public corporations and private enterprises*. In the 2010/11 Adjusted Appropriation, savings identified in *Goods and services* in respect of co-operative rehabilitation projects were reprioritised to Programme 3 to fund new projects, such as the Industrial Strategy and Amajuba Tannery.

The substantial increase against the Regional and Local Economic Development sub-programme in 2008/09 relates to the rejuvenation of trading centres in townships project. A further significant increase was allocated for this project in 2009/10, partly explaining the large increase in *Goods and services*. The higher allocation to this sub-programme in 2010/11 relates to a number of high impact projects, including the Richmond Special Development Initiative and the Tongaat Hulett sugar project. The allocation over the 2011/12 MTEF increases by an inflationary adjustment.

Spending against the Economic Empowerment sub-programme increased substantially in 2008/09 due to the cost of additional staffing, and the increase in the scope of work to be undertaken, such as the implementation of the BBBEE Act. The increase in 2009/10 relates to funding reprioritised from *Goods and services*, from within the programme, for the *Ifihlile* project.

The increased spending against *Compensation of employees* in 2008/09 relates to the expansion of all sub-programmes, particularly the Economic Empowerment sub-programme, in line with the organisational structure. The increase in the 2010/11 Main Appropriation relates to the carry-through costs of the 2008 and 2009 wage agreements. The lower Revised Estimate for 2010/11 relates to the moratorium on the

filling of non-critical posts. The allocation to this category rises steadily over the 2011/12 MTEF. However, if the moratorium on the filling of non-critical posts is not lifted, these funds may be reallocated in the Adjustments Estimate process.

The substantial increase in *Goods and services* in 2008/09 and 2009/10 relates to the rejuvenation of trading centres in townships project and the creation of PVAs, 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 planned expansion of the department into districts, as well as the cost of holding *izimbizo* in all 11 districts of the province. The increase in the 2010/11 Main Appropriation relates to co-operative rehabilitation projects. In the 2010/11 Adjusted Appropriation, savings identified due to delays in the co-operative rehabilitation projects were moved to the Economic Empowerment sub-programme to fund the *Ifihlile* project. The allocation over the 2011/12 MTEF reflects steady growth.

The high spending on *Machinery and equipment* in 2007/08 and in 2008/09 was to provide for the capital requirements of new appointments and capital equipment of one-stop-shops.

### Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.18 below shows the main service delivery measures pertaining to Programme 2, both standardised and non-standardised.

It is noted that, during 2010/11, the department undertook a careful evaluation of the performance information reflected in previous years. Following this review, a decision was taken to introduce new measures that are more relevant and quantifiable. It should be noted that ‘n/a’ means that the department does not intend to carry out this function in that period, and ‘new’ means that the target is new in that period.

**Table 4.18: Service delivery measures – Programme 2: Integrated Economic Development Services**

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2010/11	2011/12	2012/13	2013/14
1. Enterprise Development						
1.1	Access to skills development and mentorship	<ul style="list-style-type: none"><li>No. of SMMEs supported through the institutions</li><li>No. of SMMEs trained in Technology Demonstration Cum Training centres technical programmes</li><li>No. of SMMEs trained in sewing and basic computer skills at Luwamba Wellness Centre</li><li>No. of small enterprises receiving pre-financing training and business support by SEDA</li><li>No. of SMMEs trained in business management</li></ul>	2 195 60 - - 1 045	2 604 60 150 336 1 842	2 604 60 150 336 1 842	2 604 60 150 336 1 842
1.2	Access to funding for SMMEs	<ul style="list-style-type: none"><li>No. of loan applications forwarded to SMME Fund<ul style="list-style-type: none"><li>No. of Ithala loan applications</li><li>No. of other financial institutions</li></ul></li><li>No. of SMMEs assisted to access finance<ul style="list-style-type: none"><li>No. of Ithala loan applications</li><li>No. of other financial institutions</li></ul></li></ul>	294 56  217 33	400 152  300 110	400 152  300 110	400 152  300 110
1.3	Provision of access to markets	<ul style="list-style-type: none"><li>No. of SMMEs assisted to access markets at Royal Show</li></ul>	23	30	20	20
1.4	Creation and development of infrastructure for integrated business support service delivery to SMMEs	<ul style="list-style-type: none"><li>No. of one stop shop and satellite business information centres supported</li></ul>	new	15	15	15
1.5	Creation of sustainable jobs	<ul style="list-style-type: none"><li>No. of jobs created</li></ul>	1 746	1 746	1 746	1 746
2. Co-operatives Development						
2.1	Access to funding for co-operatives	<ul style="list-style-type: none"><li>No. of co-operatives supported</li><li>No. of co-operatives funded</li></ul>	456 100	390 80	200 50	200 50

**Table 4.18: Service delivery measures – Programme 2: Integrated Economic Development Services**

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2010/11	2011/12	2012/13	2013/14
2.2 Access to skills development and mentorship	• No. of primary co-operatives trained	100	80	50	50
	• No. of co-operatives mentored	100	80	50	50
	• No. of existing co-operatives rehabilitated	156	150	50	50
	• No. of students and staff	96	96	96	96
2.3 Institutional structures created at district level to support co-operatives	• No. of economic infrastructure to support co-operatives	7	9	11	11
	• No. of sector specific secondary co-operatives established	11	11	11	11
	• No. of savings co-operatives established and operational	8	10	11	11
2.4 Access to markets created	• No. of co-operative exhibitions conducted	2	2	2	2
	• No. of markets (private and public)	10	10	10	10
<b>3. Local Economic Development (LED)</b>					
3.1 Facilitation of pro-poor investments at municipal level	• No. of partnerships based LED projects implemented	24	4	12	12
	• No. of direct sustainable jobs created or saved	500	272	300	300
	• No. of feasibility studies completed	30	-	10	10
3.2 Alignment of LED plans at all levels	• No. of LED planning projects completed (includes all LED planning and technical assistance projects)	49	-	10	10
3.3 Capacitated LED institutions and stakeholders	• No. of capacity building interventions at municipalities	2	2	1	1
	• No. of people trained	320	133	200	200
<b>4. Economic Empowerment</b>					
4.1 BBBEE monitored and evaluated	• No. of BEE advisory council meetings	1	4	4	4
	• No. of verification certificates	14	14	14	14
	• No. of BBBEE complaints cases handled	50	60	60	60
4.2 BBBEE skills and enterprise development	• No. of dissemination workshops held for women entrepreneurs	3	5	8	10
	• No. of entrepreneurship training held	4	7	10	10
	• No. of women entrepreneurs supported	1 000	1 200	2 000	2 500

### 6.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion.

This programme comprises four sub-programmes, namely Trade and Investment Promotion, Sector Development, Strategic Initiatives (Industry Development) and Tourism Development.

Tables 4.19 and 4.20 below give a summary of payments and estimates relating to Programme 3 for the period 2007/08 to 2013/14.

**Table 4.19: Summary of payments and estimates - Programme 3: Trade and Sector Development**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Trade and Investment Promotion	516 983	1 351 231	1 661 483	594 534	594 534	592 985	436 969	487 626	514 624
Sector Development	13 566	63 505	133 062	98 709	126 709	124 230	84 252	81 509	86 022
Strategic Initiatives (Industry Development)	45 000	-	103 754	56 975	156 975	156 975	59 636	62 618	66 062
Tourism Development	90 985	102 423	118 009	120 558	120 558	115 166	134 614	141 165	150 767
<b>Total</b>	<b>666 534</b>	<b>1 517 159</b>	<b>2 016 308</b>	<b>870 776</b>	<b>998 776</b>	<b>989 356</b>	<b>715 471</b>	<b>772 918</b>	<b>817 475</b>



Table 4.20: Summary of payments and estimates by economic classification - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>21 139</b>	<b>74 743</b>	<b>144 735</b>	<b>85 684</b>	<b>78 484</b>	<b>68 904</b>	<b>62 118</b>	<b>95 172</b>	<b>100 710</b>
Compensation of employees	6 894	10 318	10 332	17 568	17 568	13 294	18 733	19 763	20 850
Goods and services	14 245	64 425	134 403	68 116	60 916	55 610	43 385	75 409	79 860
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>645 108</b>	<b>1 441 178</b>	<b>1 871 212</b>	<b>785 092</b>	<b>919 892</b>	<b>919 971</b>	<b>653 268</b>	<b>677 657</b>	<b>716 672</b>
Provinces and municipalities	2 800	926	-	-	-	-	-	-	-
Departmental agencies and accounts	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Universities and technikons	1 274	791	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	24 000	-	-	-	-	-	-	-	-
Non-profit institutions	497 182	1 312 607	1 712 857	633 460	766 260	766 260	483 537	499 014	526 460
Households	-	1	-	-	-	79	-	-	-
<b>Payments for capital assets</b>	<b>287</b>	<b>1 238</b>	<b>361</b>	<b>-</b>	<b>400</b>	<b>481</b>	<b>85</b>	<b>89</b>	<b>93</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	287	1 238	361	-	400	481	70	73	77
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	15	16	16
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>666 534</b>	<b>1 517 159</b>	<b>2 016 308</b>	<b>870 776</b>	<b>998 776</b>	<b>989 356</b>	<b>715 471</b>	<b>772 918</b>	<b>817 475</b>

The allocation to this programme increased substantially in 2008/09 and 2009/10 due to increased transfers to DTP and RBIDZ in those years, with the biggest increase being that to DTP. The decrease in the 2010/11 Main Appropriation was due to the completion of the airport portion of the DTP. This also explains the trends in the Trade and Investment Promotion sub-programme, as well as *Transfers and subsidies to: Non-profit institutions* over this period. The allocations to this sub-programme and to *Transfers and subsidies to: Non-profit institutions* over the 2011/12 MTEF reflect funding for the development of the multi-nodal logistics hub and the agri-zone of the DTP, and the transfers to TIK.

The increase in the Sector Development sub-programme in 2008/09 relates to software training in India, the Newcastle call-centre, a transfer to the Ladysmith Municipality for the Aloe tea project, and the KZN Music Studio. The substantial increase in 2009/10 was due to high impact projects, such as the partnership with Crossley Carpets, Moses Kotane Institute and the Clothing and Textile Support programme, explaining the substantial increase in *Goods and services* in that year. In the 2010/11 Adjusted Appropriation, funding was reprioritised from slow-progress projects in other programmes and used to fund a number of projects, such as the Industrial Strategy and the Amajuba Tannery. The 2011/12 MTEF allocations decrease due to the once-off nature of some of the projects mentioned above.

The Strategic Initiatives (Industry Development) sub-programme reflects the allocations made to the RBIDZ. The spending on this project accelerated from 2009/10. As mentioned previously, in the 2010/11 Adjusted Appropriation, an amount of R100 million was allocated to the entity. This related to funding returned to the Provincial Revenue Fund by Ithala, in respect of prior years' funding received by it for land purchased for the RBIDZ. The allocation shows a steady increase over the 2011/12 MTEF and explains the increase in *Transfers and subsidies to: Non-profit institutions* in that period.

The Tourism Development sub-programme shows steady growth over the seven years. As mentioned previously under Section 5.2, the increased allocation to TKZN over the 2011/12 MTEF relates to the costs of the Tourism Indaba. In terms of an agreement with Provincial Treasury, the allocation provided to the entity amounts to 50 per cent of the requested amount, with the balance being sourced by the department from within *Goods and services* and a portion contributed by TKZN from within its baseline.

*Compensation of employees* shows increased spending in 2008/09 and 2009/10 due to the annual wage agreements. The overall increase in 2009/10 is low as it was offset by savings (due to the moratorium) which were reprioritised to *Transfers and subsidies to: Departmental agencies and accounts* to provide for portion of the increased transfer to TKZN for the Tourism Indaba. The increase in the 2010/11 Main Appropriation relates to the carry-through costs of the higher than anticipated 2008 and 2009 wage agreements. The allocation over the 2011/12 MTEF grows at a steady rate.

Spending against *Goods and services* in 2008/09 relates to the costs of the KZN Music Studio which were moved from *Transfers and subsidies to: Non-profit institutions*. As mentioned previously, this was due to a decision to appoint a service provider to carry out this project. The substantial increase in 2009/10 relates to the previously mentioned reprioritisation of funding from Programme 2 for high impact projects. The allocation in the 2010/11 Main Appropriation was for sector development projects, including the operationalisation of the KZN Music Studio, the operational costs of the KZN Film Commission and the costs of the Durban Film Festival. The 2011/12 allocation decreases due to the reclassification of ADA to transfer payments, as well as consultants' fees for other projects.

The allocation in 2007/08 in respect of *Transfers and subsidies to: Provinces and municipalities* relates to the costs of building a lodge in the Sisonke area, while the spending in 2008/09 relates to the construction of market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas.

The allocation to *Transfers and subsidies to: Departmental agencies and accounts* relates to funding provided to TIK, KZNSB and TKZN. The high 2009/10 spending relates to additional funding for the costs of the 2010 Tourism Indaba. In 2010/11, the entity was allocated additional funding for the Tour of SA cycling event, which included the UCI BMX championships. In the 2011/12 MTEF, the KZNSB received additional funding for research into non-lethal shark deterrent, while TKZN received R5.500 million, R5.800 million and R6 million, respectively, for each year of the MTEF, being 50 per cent of the cost of the Tourism Indaba over the three years. In terms of an agreement between the department and Treasury, 50 per cent of the costs of the Tourism Indaba will be borne by the department, with the other 50 per cent being provided as additional funding. The department's share of these costs will be paid from *Goods and services*, as they will procure services on behalf of TKZN, while TKZN will be providing for portion of the costs from within its baseline.

The expenditure against *Transfers and subsidies to: Universities and technikons* in 2007/08 and 2008/09 relates to transfers to UKZN in respect of a graduate programme in logistics.

*Transfers and subsidies to: Non-profit institutions* relates to transfers made to DTP, RBIDZ, ADA and the Moses Kotane Institute and a number of smaller projects. The high spending in 2008/09 and 2009/10 reflects the increased spending on DTP in these years. The completion of the airport portion of the project in 2009/10 explains the decrease in the 2010/11 Main Appropriation. In the 2010/11 Adjusted Appropriation, the allocation for ADA was shifted from *Goods and services* to this category, as ADA was listed as a public entity and therefore was being funded by transfer payments. In addition, savings were reprioritised from *Transfers and subsidies to: Public corporations and private enterprises* in respect of the KZN Liquor Entity (due to delays in the finalisation of the KZN Liquor Act) and were allocated to the Moses Kotane Institute to provide for the establishment of a further four district offices. Further, the R100 million returned to the Provincial Revenue Fund by Ithala in respect of the RBIDZ was allocated to the RBIDZ for land purchases. The allocation over the 2011/12 MTEF increases at a steady rate.

The high 2008/09 Audited figure in respect of *Machinery and equipment* relates to the roll-over of commitments from 2007/08 in respect of capital commitments only invoiced in 2008/09.

### **Service delivery measures – Programme 3: Trade and Sector Development**

Table 4.21 below shows the main service delivery measures pertaining to Programme 3, which are standardised in terms of the sector.

It is noted that, during 2010/11, the department undertook a careful evaluation of the performance information reflected in previous years. Following this review, a decision was taken to introduce new measures that are more relevant and quantifiable.

It should be noted that 'n/a' means that the department does not intend to carry out this function in that period, and 'new' means that the target is new in that period.

Table 4.21: Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2010/11	2011/12	2012/13	2013/14	
<b>1. Trade and Investment Promotion</b>						
1.1 To promote the competitiveness of industries and to increase export potential	<ul style="list-style-type: none"> <li>No. of SMMEs and emerging enterprises exporting due to the Trade Point Durban initiative</li> <li>No. of overseas promotional agents/distributors engaged</li> <li>No. of international trade exhibitions</li> <li>No. of local exhibitions emerging enterprises participated in</li> <li>No. of emerging enterprises participating in local exhibitions</li> </ul>	500 1 8 3 196	510 n/a n/a n/a n/a	600 n/a n/a n/a n/a	n/a n/a n/a n/a n/a	
<b>2. Logistics</b>						
2.1 Rural logistics infrastructure projects initiated, supported and successfully completed	<ul style="list-style-type: none"> <li>No. of SMMEs benefiting from rural logistics infrastructure development projects</li> <li>Value of logistics costs (% of current costs) saved as a result of supported logistics infrastructure projects</li> </ul>	25 5%	25 5%	50 10%	100 15%	
2.2 Logistics skills development interventions implemented	<ul style="list-style-type: none"> <li>No. of logistics skills programmes offered</li> <li>No. of SMMEs who receive and complete accredited training</li> </ul>	new new	2 25	4 100	6 200	
<b>3. Tool making industries</b>						
3.1 Developing apprentices in the tool making industry	<ul style="list-style-type: none"> <li>No. of courses developed</li> <li>No. of students trade tested</li> <li>No. of students completing programme successfully</li> <li>No. of centres of excellence introduced</li> <li>No. of companies using the centres of excellence</li> <li>No. of jobs created at centres of excellence</li> </ul>	1 3 8 new new 8	5 15 25 1 10 5	3 25 50 1 15 7	1 35 75 14 25 12	
<b>4. Automotive</b>						
4.1 Key interventions implemented	<ul style="list-style-type: none"> <li>No. of supplier development programmes completed</li> <li>No. of automotive supplier park master plans and business plans developed</li> <li>No. of automotive supplier park construction frameworks developed</li> </ul>	2 1 new	5 1 1	5 n/a n/a	5 n/a n/a	
<b>5. Agri-business</b>						
5.1 Interventions to support the growth of agri-business and agri-processing sector	<ul style="list-style-type: none"> <li>No. of industry clusters supported</li> <li>No. of projects supported</li> <li>No. of agri-business entrepreneurs trained</li> </ul>	new 5 390	2 13 180	3 15 200	4 15 200	
<b>6. Wood and Wood Products</b>						
6.1 Competitiveness programmes/projects implemented for wood and wood products	<ul style="list-style-type: none"> <li>No. of cluster development programmes implemented</li> <li>No. of projects implemented for wood and wood products</li> <li>No. of business plans completed</li> <li>No. of furniture manufacturers trained</li> </ul>	1 2 2 20	n/a 3 n/a n/a	n/a - n/a n/a	n/a - n/a n/a	
<b>7. Creative industries</b>						
7.1 To support the KZN arts and craft sector	<ul style="list-style-type: none"> <li>No. of one village one product (OVOP) projects initiated and supported</li> <li>No. of crafters exposed to markets</li> </ul>	2 400	6 400	3 400	11 400	
7.2 To develop and promote the KZN indigenous music industry	<ul style="list-style-type: none"> <li>No. of integrated hubs established</li> </ul>	2	2	2	2	
7.3 To develop and promote the competitiveness of the film industry	<ul style="list-style-type: none"> <li>No. of film offices established</li> <li>No. of film festivals staged</li> </ul>	1 2	1 2	1 2	1 2	
7.4 To develop and promote the KZN indigenous music industry	<ul style="list-style-type: none"> <li>No. of musicians recorded</li> <li>No. of musicians mobilised for cluster</li> <li>No. of integrated music hubs established</li> </ul>	24 200 1	24 200 n/a	24 200 n/a	24 300 n/a	
<b>8. Chemicals</b>						
8.1 Interventions implemented to facilitate growth	<ul style="list-style-type: none"> <li>No. of clusters established</li> <li>No. of strategic projects supported</li> </ul>	new 3	1 1	n/a n/a	n/a n/a	
<b>9. Clothing and textile</b>						
9.1 Clusters supported	<ul style="list-style-type: none"> <li>No. of clusters supported</li> <li>No. of Master of Science: Textile beneficiaries supported</li> <li>No. of continuous profession's development programme beneficiaries</li> </ul>	2 19 22	2 19 28	2 n/a n/a	2 n/a n/a	

**Table 4.21: Service delivery measures – Programme 3: Trade and Sector Development**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2010/11	2011/12	2012/13	2013/14	
<b>10. Information and Communication Technology electronic (ICTe)</b>						
10.1 Facilitate the formation of strategic partnerships	<ul style="list-style-type: none"> <li>No. of ICTe sub-clusters formed</li> <li>No. of international engagements</li> <li>No. of cluster forum workshops</li> </ul>	1 3 2	1 2 2	1 2 2	1 2 1	
10.2 Promotion of SMMEs and BEE within the sub-sector	<ul style="list-style-type: none"> <li>No. of new ICTe incubators established</li> </ul>	new	1	1	1	
10.3 Enable job creation	<ul style="list-style-type: none"> <li>No. of incubator/technology park/software feasibility studies completed</li> <li>No. of software engineering centres/ICT manufacturing plants established</li> </ul>	1 1	1 1	1 1	1 1	
10.4 Facilitate implementation of high impact projects	<ul style="list-style-type: none"> <li>No. of high impact projects facilitated</li> <li>No. of broadband workshops held</li> <li>No. of digital community hubs established</li> </ul>	3 3 12	3 2 10	3 2 10	3 2 10	
10.5 Facilitate skills development	<ul style="list-style-type: none"> <li>No. of info-proneurs personnel trained</li> <li>No. of software engineers trained</li> <li>No. of technology roadmaps formulated</li> </ul>	12 12 375	10 10 200	10 10 200	10 10 200	
<b>11. Business process outsourcing (BPO)</b>						
11.1 Facilitate the growth of the KZN BPO sector	<ul style="list-style-type: none"> <li>No. of BPO training centres established</li> <li>No. of BPO provincial strategies developed</li> <li>No. of BPO management training programs</li> <li>No. of BPO park feasibility studies completed</li> </ul>	1 1 200 new	1 - 250 1	1 2 250 1	1 1 250 n/a	
<b>12. Tourism Development</b>						
12.1 Promoting and prioritising tourism growth through public and private sector engagements	<ul style="list-style-type: none"> <li>No. of targeted public and private sector engagements to promote, prioritise and grow tourism</li> </ul>	16	16	16	16	
12.2 Promotion of tourism growth through targeted engagements	<ul style="list-style-type: none"> <li>No. of provincial tourism committee meetings held to improve intergovernmental relations</li> <li>No. of global competitiveness programme meetings held to improve the province's competitiveness</li> <li>No. of tourism business forum meetings held to enhance intersectional relations</li> <li>No. of BEE forums held to promote tourism transformation and compliance within the province</li> </ul>	5 4 4 4	4 4 4 4	4 4 4 4	4 4 4 4	
12.3 To build tourism awareness and capacitate communities	<ul style="list-style-type: none"> <li>No. of delegates attending awareness, safety workshops/campaigns and trainings for knowledge and information dissemination</li> <li>No. of unemployed tourism graduates placed for the purposes of job creation and local govt. support</li> <li>No. of delegates attending the Careers Expo for purposes of exposure to potential employers, different careers within the sector</li> <li>No. of tourism and hospitality establishments participating in up-skilling of service standards</li> <li>No. of trained business owners and managers to increase hospitality business skills</li> <li>No. of tourist guides trained in tourism and hospitality industry</li> </ul>	590 27 20 000 150 75 30	680 27 10 000 1 330 90 40	750 122 8 000 1 440 90 40	800 130 8 000 1 440 90 40	

## 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 three sub-programmes, namely Regulation Services, Consumer Protection and Liquor Regulation.

Tables 4.22 and 4.23 below summarise the payments and estimates for the seven-year period from 2007/08 to 2013/14.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Regulation Services	-	-	-	5 027	4 793	1 546	5 239	5 431	5 747
Consumer Protection	6 443	9 667	12 639	13 967	13 967	12 836	18 686	18 764	19 679
Liquor Regulation	4 879	7 417	8 491	47 029	41 263	40 512	51 297	53 773	56 897
<b>Total</b>	<b>11 322</b>	<b>17 084</b>	<b>21 130</b>	<b>66 023</b>	<b>60 023</b>	<b>54 894</b>	<b>75 222</b>	<b>77 968</b>	<b>82 323</b>

Table 4.23: Summary of payments and estimates by economic classification - Programme 4: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>11 065</b>	<b>16 827</b>	<b>20 908</b>	<b>29 074</b>	<b>29 074</b>	<b>24 341</b>	<b>34 720</b>	<b>35 375</b>	<b>37 387</b>
Compensation of employees	5 040	7 850	11 894	16 174	16 174	14 296	17 439	18 332	19 340
Goods and services	6 025	8 977	9 014	12 900	12 900	10 045	17 281	17 043	18 047
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 439</b>	<b>30 439</b>	<b>30 439</b>	<b>40 082</b>	<b>42 086</b>	<b>44 401</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>257</b>	<b>257</b>	<b>222</b>	<b>510</b>	<b>510</b>	<b>114</b>	<b>420</b>	<b>507</b>	<b>535</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	257	257	222	460	460	94	420	507	535
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	50	50	20	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>11 322</b>	<b>17 084</b>	<b>21 130</b>	<b>66 023</b>	<b>60 023</b>	<b>54 894</b>	<b>75 222</b>	<b>77 968</b>	<b>82 323</b>

In terms of the uniform budget and programme structure for the sector, funding was allocated to a new sub-programme: Regulation Services from 2010/11. The aim of this sub-programme is to monitor and control informal trade. Portion of this funding was reprioritised from the Consumer Protection sub-programme, which formerly performed part of the formal and informal trade interventions. Due to the lack of separate records, it was not possible to restate the historic figures.

The high spending against the Consumer Protection sub-programme in 2008/09 was due to the costs of the establishment and capacitating of offices in all regions of KZN, as well as the Office of the Consumer Protector and the Consumer Tribunal. This explains the increased allocation to *Compensation of employees* and *Goods and services* in that year. As mentioned previously, until now the rights of consumers have been protected by the provisions of the Consumer Affairs (Unfair Business Practices) Act. This Act was repealed by the Consumer Protection Act which was signed into law in 2009. It is anticipated that a provincial Consumer Protection Act will be promulgated in the middle of 2011/12. The increase in 2009/10 relates to further expansion of the coverage of the services provided by this sub-programme to the rest of KZN. This includes the cost of higher levels of advertising and awareness campaigns. The higher allocation over the 2011/12 MTEF is due to an additional allocation for the implementation of the new national Consumer Act. For further details see Section 5.2.

The high expenditure against the Liquor Regulation sub-programme in 2008/09 and 2009/10 was due to the cost of temporary staff appointed to assist with the clearing of the backlog of liquor licence applications. This explains the high spending against *Goods and services* in these years. The substantial increase in the 2010/11 Main Appropriation provides for the establishment costs of the KZN Liquor Entity, as well as a liquor inspectorate. Due to delays in the promulgation of the KZN Liquor Act, a portion of the allocation to this programme, for the operational costs of the KZN Liquor Entity, was reprioritised to the Moses Kotane Institute under Programme 3, in the 2010/11 Adjusted Appropriation, to provide for the establishment of four additional district offices of the entity. This explains the fluctuations in *Transfers and subsidies to: Public corporations and private enterprises* in 2010/11. The allocation over the 2011/12 MTEF includes funding for the KZN Liquor Entity, and shows an inflationary increase.

With regard to *Compensation of employees*, as mentioned previously, the increase in 2008/09 was due to the establishment of Consumer Protection offices in all areas of the province in terms of the Business Act. The increase in 2009/10 was due to the carry-through costs of the 2008 wage agreement and the higher than anticipated 2009 wage agreement. The increased allocation in the 2010/11 Main Appropriation includes staffing costs for the new Regulation Services sub-programme, as well as the costs of liquor inspectorate staff under the Liquor Regulation sub-programme.

*Goods and services* increased in 2008/09 and 2009/10 due to the cost of the employment of temporary staff to assist the Liquor Regulation section with the backlog of liquor licence applications. Provision was also made for the costs of an audit of liquor licence applications. As mentioned previously, the increased allocation over the 2011/12 MTEF is due to additional funding for the implementation of the new national Consumer Act across the province.

The allocation to *Transfers and subsidies to: Public corporations and private enterprises* from 2010/11 relates to the allocation to the KZN Liquor Entity formed in terms of the KZN Liquor Act, to administer the liquor sector of the province. Due to delays in the promulgation of the Act, the allocation to this category was reduced in the 2010/11 Adjusted Appropriation and portion of the funding reprioritised to the Moses Kotane Institute to provide for the establishment of four additional district offices. The allocation over the 2011/12 MTEF shows an inflationary increase.

The allocation against *Machinery and equipment* in 2010/11 relates to the planned establishment of an office for the Business Regulation and Governance section in Durban. This did not happen, hence the low 2010/11 Revised Estimate. The allocation over the 2011/12 MTEF is for the furniture and equipment for the expansion of the staff establishment of this programme.

The allocation to *Software and other intangible assets* in 2010/11 relates to credit information software.

## Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.24 below provides the main service delivery measures pertaining to Programme 4, which are standardised in terms of the sector.

It is noted that, during 2010/11, the department undertook a careful evaluation of the performance information reflected in previous years. Following this review, a decision was taken to introduce new measures that are more relevant and quantifiable. It should be noted that ‘n/a’ means that the department does not intend to carry out this function in that period, and ‘new’ means that the target is new in that period.

**Table 4.24: Service delivery measures – Programme 4: Business Regulation and Governance**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2010/11	2011/12	2012/13	2013/14	
<b>1. Regulation Services</b>						
1.1 Establish and manage a policy framework which creates an enabling environment for the development and support of the informal sector	• Alignment of the provincial policy on municipal plans (IDP & LED strategies)	8	11	9	9	
	• No. of municipalities monitored and evaluated on the implementation of the white paper	11	11	11	11	
	• No. of skills development interventions provided to the LED officials and traders	new	7	9	11	
	• No. of provincial forum meetings conducted	new	4	4	4	
	• No. of district forums conducted	new	4	4	4	
1.2 Establish and manage the implementation of a regulatory framework with municipalities which contributes to the legislative compliance within the formal business sector	• No. of municipalities monitored and evaluated with implementation of regulations	15	20	20	20	
	• No. of reviews of the Business Act (Act No. 71 of 1991)	1	1	1	n/a	
	• No. of amendments to the Business Act	new	1	1	1	
	• No. of barriers identified that restrict business compliance	new	2	2	1	
	• No. of barriers addressed to ensure business compliance	new	2	2	1	

**Table 4.24: Service delivery measures – Programme 4: Business Regulation and Governance**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2010/11	2011/12	2012/13	2013/14	
<b>2. Consumer Protection</b>						
2.1	To educate and inform the consumers of KZN	<ul style="list-style-type: none"> <li>No. of NGOs, local municipalities and district municipalities targeted</li> <li>No. of workshops/campaigns targeted to specific sector consumers</li> <li>No. of minor workshops/campaigns targeted to specific sector consumers</li> <li>No. of consumers targeted (in millions)</li> <li>No. of consumers informed (in millions)</li> <li>No. of media campaigns on regional /national radio stations targeted per quarter</li> <li>No. of district consumer forum meetings held</li> <li>No. of provincial consumer forum meetings held</li> </ul>	20 4 146 2.5 6.5 4 new new	24 4 146 2.8 6.8 4 12 2	24 4 146 3.0 6.8 4 12 2	24 4 146 3.0 6.8 4 12 2
2.2	To address consumer complaints	<ul style="list-style-type: none"> <li>No. of complaints received (i.e. walk in, telephonic and written complaints)</li> <li>No. of written claims investigated</li> <li>No. of written claims resolved</li> <li>No. of consumer rights interventions conducted (No. of sector /industry specific issues investigated)</li> </ul>	6 200 750 650 4	7 000 800 720 6	8 000 900 800 8	8 000 900 800 8
<b>3. Liquor Regulation</b>						
3.1	Manage and implement an effective and efficient liquor administrative processes	<ul style="list-style-type: none"> <li>No. of liquor licence applications processed</li> <li>Turnaround time for processing applications (in months)</li> <li>No. of new applications (Section 19) received and processed</li> <li>No. of applications in terms of section 113 received and processed</li> <li>No. of applications in terms of section 120 received and processed</li> <li>No. of postponed applications processed</li> <li>No. of applications granted</li> <li>No. of applications refused</li> <li>No. of applications postponed</li> </ul>	1 970 2 1 536 378 56 1 006 2 223 256 1 537	2 150 2 1 655 478 76 1 000 2 400 280 900	2 300 2 1 900 578 96 1 000 3 000 310 900	2 350 2 2 000 250 100 1 000 3 100 340 900
3.2	To raise awareness and provide education on liquor issues	<ul style="list-style-type: none"> <li>No. of workshops co-ordinated/ organised</li> <li>No. of persons workshopped/trained</li> <li>No. of people accessed through print and electronic media (in millions)</li> </ul>	22 815 1.65	25 1 000 1.7	30 1 200 1.8	30 1 200 1.8
3.3	To implement enforcement and compliance within the prescripts of the applicable liquor legislation	<ul style="list-style-type: none"> <li>No. of stakeholder forums established</li> <li>No. of licensed premises inspected</li> <li>No. of inspection blitzes held with SAPS</li> <li>No. of new entrants licensed</li> </ul>	11 1 000 6 100%	11 2 000 8 100%	11 2 100 10 100%	11 2 200 12 100%

## 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 Policy and Planning, Research and Development, Knowledge Management and Monitoring and Evaluation.

It should be noted that the Policy and Planning and Research and Development sub-programmes were allocated funding reprioritised from the Knowledge Management sub-programme in the 2010/11 Main Appropriation and over the 2011/12 MTEF. Prior to this, the department was unable to finance these sub-programmes, explaining the lack of funding from 2007/08 to 2009/10.

Tables 4.25 and 4.26 summarise payments and budgeted estimates for the seven-year period 2007/08 to 2013/14.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Policy and Planning	-	-	-	3 749	3 749	2 766	3 885	3 969	4 215
Research and Development	-	-	-	4 889	4 889	3 165	5 049	5 128	5 450
Knowledge Management	3 159	4 923	4 356	1 595	1 595	833	1 693	1 781	1 893
Monitoring and Evaluation	3 021	5 818	5 943	7 718	7 718	6 385	8 088	8 380	8 907
<b>Total</b>	<b>6 180</b>	<b>10 741</b>	<b>10 299</b>	<b>17 951</b>	<b>17 951</b>	<b>13 149</b>	<b>18 715</b>	<b>19 258</b>	<b>20 465</b>

Table 4.26: Summary of payments and estimates by economic classification - Programme 5: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>5 941</b>	<b>10 164</b>	<b>10 159</b>	<b>17 951</b>	<b>17 951</b>	<b>13 002</b>	<b>18 625</b>	<b>19 164</b>	<b>20 367</b>
Compensation of employees	2 061	3 702	5 528	10 545	10 545	7 613	11 204	11 821	12 472
Goods and services	3 880	6 462	4 631	7 406	7 406	5 389	7 421	7 343	7 895
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	6	-	-	29	-	-	-
<b>Payments for capital assets</b>	<b>239</b>	<b>577</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>90</b>	<b>94</b>	<b>98</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	239	577	104	-	-	118	90	94	98
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	30	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6 180</b>	<b>10 741</b>	<b>10 299</b>	<b>17 951</b>	<b>17 951</b>	<b>13 149</b>	<b>18 715</b>	<b>19 258</b>	<b>20 465</b>

The increased spending against this programme in 2008/09 was due to a provision for increased staffing of the Monitoring and Evaluation sub-programme, the costs of a five-year review plan, an Industrial Development Strategy, as well as spending on printing and publications. There was also spending on office furniture and equipment. This explains the increase in *Machinery and equipment* and *Goods and services* in 2008/09. The lower 2010/11 Revised Estimate is due to certain research projects which the department wanted to be conducted by UKZN, but which could not be carried out due to capacity constraints. The research projects which were not carried out were the socio-economic impact of DTP, inner-city regeneration and a review of the PSEDS. This explains the low spending against *Goods and services* in the same period. The allocation from 2011/12 then increases, in line with inflation.

As mentioned previously, the Policy and Planning and Research and Development sub-programmes were allocated funding reprioritised from the Knowledge Management sub-programme in the 2010/11 Main Appropriation and over the 2011/12 MTEF. Prior to this, the department was unable to finance these sub-programmes, explaining the lack of funding from 2007/08 to 2009/10.

The substantial increase in *Compensation of employees* in 2009/10 was due to the carry-through costs of the 2008 and 2009 wage agreements. The increased allocation over the 2010/11 MTEF relates to the costs of the staffing of the newly created Policy and Planning and Research and Development sub-programmes. The filling of posts will be undertaken, taking into account the current moratorium on the filling of non-critical posts.

As mentioned above, the low 2009/10 spending against *Goods and services* was due to research projects which the department wanted to be conducted by the UKZN, but which could not be carried out. The substantial increase in the 2010/11 Main Appropriation was due to funding for the Policy and Planning and Research and Development sub-programmes which were only funded from that year. The allocation grows steadily over the 2011/12 MTEF.



**Service delivery measures – Programme 5: Economic Planning**

Table 4.27 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning which are standardised in terms of the sector. It is noted that, during 2010/11, the department undertook a careful evaluation of the performance information reflected in previous years. Following this review, a decision was taken to introduce new measures that are more relevant and quantifiable.

**Table 4.27: Service delivery measures – Programme 5: Economic Planning**

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2010/11	2011/12	2012/13	2013/14
<b>1. Policy and Planning</b>					
1.1 Provide technical support in the drafting, implementation and review of policies and strategies	<ul style="list-style-type: none"> <li>No. of policies of strategies drafted/reviewed and implemented</li> <li>No. of integrated policies</li> <li>No. of strategies developed</li> <li>No. of policies reviewed/updated</li> <li>No. of publications distributed to stakeholders</li> </ul>	3	4	2	3
		1	1	-	-
		1	2	1	2
		1	1	1	1
		6	6	6	6
1.2 To be the prime source of economic information in the province	<ul style="list-style-type: none"> <li>No. of quarterly statistical and economic analysis reports written</li> <li>No. of operational economic statistical portals</li> <li>No. of district municipality statistical overviews</li> </ul>	4	4	4	4
		1	1	1	1
		2	2	2	2
1.3 Track and analyse macro-economic developments in regional and global economies	<ul style="list-style-type: none"> <li>No. of economic snap shot reports</li> <li>No. of macro-economic snap shots</li> </ul>	4	4	4	4
		1	1	1	1
1.4 Provide technical support in the drafting, implementation and review of policies and strategies	<ul style="list-style-type: none"> <li>No. of economic training sessions conducted</li> </ul>	2	2	2	2
<b>2. Research and Development</b>					
2.1 Generation of macro-economic research on the KZN economy	<ul style="list-style-type: none"> <li>No. of research reports compiled</li> </ul>	5	5	6	7
2.2 Development of innovative economic research	<ul style="list-style-type: none"> <li>No. of new research articles uploaded onto the electronic portals</li> <li>No. of research studies co-ordinated</li> </ul>	20	25	30	35
		8	10	12	15
<b>3. Knowledge Management</b>					
3.1 Develop an innovative knowledge management system for the DEDT	<ul style="list-style-type: none"> <li>No. of knowledge management modules and strategies formulated</li> <li>No. of economic intelligence reports developed</li> </ul>	1	1	1	1
		1	2	2	2
3.2 Operationalise and institutionalise effective and efficient management of economic development information for DEDT	<ul style="list-style-type: none"> <li>% of operational level of department resource centre</li> <li>No. of relevant economic resource materials gathered and stored</li> </ul>	100%	100%	100%	100%
		20	40	40	50
3.3 Provide coaching and mentorship to DEDT staff on project management	<ul style="list-style-type: none"> <li>No. of staff competently using PMIS</li> </ul>	20	40	60	80
<b>4. Monitoring and Evaluation</b>					
4.1 To monitor and evaluate departmental projects and strategies	<ul style="list-style-type: none"> <li>No. of monitoring reports</li> <li>No. of evaluation reports</li> </ul>	9	12	14	16
		3	3	3	3
4.2 To provide monitoring and evaluation capacity building for relevant stakeholders in KZN	<ul style="list-style-type: none"> <li>No. of stakeholders trained on research and monitoring and evaluation</li> <li>No. of monitoring and evaluations of stakeholders facilitated</li> <li>No. of stakeholders trained on monitoring and evaluation</li> </ul>	60	80	80	80
		2	2	3	2
		20	40	60	80
4.3 To determine the effectiveness and impact of provincial economic development policies, strategies and programmes	<ul style="list-style-type: none"> <li>No. of district FP members supported and trained on monitoring and evaluation</li> <li>No. of monitoring and evaluation sessions facilitated</li> </ul>	20	40	60	80
		1	2	4	4

## 7. Other programme information

### 7.1 Personnel numbers and costs

Tables 4.28 and 4.29 show the approved personnel establishment per programme, the total personnel costs of the department and provides details of the personnel numbers and costs. As Table 4.29 shows, the department employs only full-time personnel, and does not expect any fluctuations over the MTEF.

**Table 4.28: Personnel numbers and costs per programme**

	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
<b>Personnel numbers</b>							
1. Administration	69	97	103	117	172	172	172
2. Integrated Economic Development Services	49	75	95	92	115	115	115
3. Trade and Sector Development	23	25	43	39	46	46	46
4. Business Regulation and Governance	30	32	47	45	51	51	51
5. Economic Planning	7	8	13	10	25	25	25
<b>Total</b>	<b>178</b>	<b>237</b>	<b>301</b>	<b>303</b>	<b>409</b>	<b>409</b>	<b>409</b>
Total personnel cost (R thousand)	43 010	68 918	100 183	120 851	151 914	158 203	166 904
Unit cost (R thousand)	242	291	333	399	371	387	408

**Table 4.29: Details of departmental personnel numbers and costs**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Total for department</b>									
Personnel numbers (head count)	178	237	301	396	343	303	409	409	409
Personnel cost (R thousand)	43 010	68 918	100 183	140 117	139 982	120 851	151 914	158 203	166 904
<b>Human resources component</b>									
Personnel numbers (head count)	20	28	26	26	26	26	28	28	28
Personnel cost (R thousand)	4 291	6 380	7 090	7 992	7 992	6 526	8 629	9 104	9 604
Head count as % of total for department	11	12	9	7	8	9	7	7	7
Personnel cost as % of total for department	10	9	7	6	6	5	6	6	6
<b>Finance component</b>									
Personnel numbers (head count)	8	20	20	60	60	60	60	60	60
Personnel cost (R thousand)	1 782	3 029	5 245	5 889	5 889	10 661	15 822	16 692	17 610
Head count as % of total for department	4	8	7	15	17	20	15	15	15
Personnel cost as % of total for department	4	4	5	4	4	9	10	11	11
<b>Full time workers</b>									
Personnel numbers (head count)	178	237	301	396	301	301	409	409	409
Personnel cost (R thousand)	43 010	68 918	100 183	140 117	139 982	120 851	151 914	158 203	166 904
Head count as % of total for department	100	100	100	100	88	99	100	100	100
Personnel cost as % of total for department	100	100	100	100	100	100	100	100	100
<b>Part-time workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousand)									
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
<b>Contract workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousand)									
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

The increase in personnel numbers from 2008 to 2009 under Programme 1 pertains to the filling of posts in a number of key areas within this programme. These include the development of a SCM component. The high staffing numbers under Administration from March 2010 are due to the staff appointed in the Office of the MEC.

The increase in the staffing of Programmes 3 and 4 for the same period is due to the filling of posts within these programmes.

The timing of the recruitment of new staff in 2008/09 has also affected 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. The high unit cost in 2010/11 relates to the effect of the 2010 wage agreement, as well as high level appointments in Programme 1. The lower unit costs over the 2011/12 MTEF are based on the higher projected staffing numbers.

Provision was made for the filling of vacant posts in terms of the organisational structure. However, if the moratorium on the filling of non-critical posts is not lifted, these funds may be reallocated in the Adjustments Estimate process.

## 7.2 Training

Table 4.30 below reflects the payments and estimates for training for the seven-year period.

**Table 4.30: Payments on training**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
1. Administration	61	571	857	1 255	1 255	787	1 318	1 384	1 460
2. Integrated Economic Development Services	254	178	18	-	-	-	-	-	-
3. Trade and Sector Development	81	226	547	-	-	36	-	-	-
4. Business Regulation and Governance	79	14	-	-	-	-	-	-	-
5. Economic Planning	8	17	36	-	-	-	-	-	-
<b>Total</b>	<b>483</b>	<b>1 006</b>	<b>1 458</b>	<b>1 255</b>	<b>1 255</b>	<b>823</b>	<b>1 318</b>	<b>1 384</b>	<b>1 460</b>

The large training expenditure for Programmes 2 and 3 in 2007/08 was due to a more intensive training programme implemented for officials in the unit who, prior to 2007/08, had not been exposed to sufficient training opportunities, and these were in the areas of co-operatives and local economic development.

A decision was taken in 2009/10 to centralise the bulk of the training budget and move the funds to the Human Resource Management unit under Programme 1. This was to allow the unit to exercise control over the quality and accreditation of training courses attended by departmental officials. This explains the large increase in the training expenditure under Programme 1 from 2009/10.

Table 4.31 provides further information on training analysed into gender and type of training for the seven-year period.

**Table 4.31: Information on training**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Number of staff	178	237	301	396	343	303	409	409	409
Number of personnel trained	197	208	301	519	396	396	396	396	396
of which									
Male	84	89	116	257	157	157	157	157	157
Female	113	119	185	262	239	239	239	239	239
Number of training opportunities	146	56	66	80	90	90	80	90	90
of which									
Tertiary	35	24	26	30	30	30	30	30	30
Workshops	-	10	20	30	40	40	30	40	40
Seminars	2	22	20	20	20	20	20	20	20
Other	109	-	-	-	-	-	-	-	-
Number of bursaries offered	35	35	43	48	48	48	53	53	56
External	35	35	43	48	48	48	53	53	56
Internal									
Number of interns appointed	18	20	25	30	30	30	36	36	38
Number of learnerships appointed	-	-	20	20	20	20	20	20	21
Number of days spent on training	194	963	200	200	200	200	200	200	211

The high number of training days in 2008/09 relates to specific training on project management and basic economics that was targeted for all employees in order to assist employees in performing their work functions.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.



## ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT AND TOURISM

Table 4.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Tax receipts</b>	<b>4 017</b>	<b>4 282</b>	<b>4 831</b>	<b>41 905</b>	<b>41 905</b>	<b>4 349</b>	<b>46 095</b>	<b>48 400</b>	<b>51 062</b>
Casino taxes									
Horse racing taxes									
Liquor licences	4 017	4 282	4 831	41 905	41 905	4 349	46 095	48 400	51 062
Motor vehicle licences									
<b>Sale of goods and services other than capital assets</b>	<b>57</b>	<b>90</b>	<b>111</b>	<b>136</b>	<b>136</b>	<b>90</b>	<b>144</b>	<b>151</b>	<b>159</b>
Sale of goods and services produced by dept. (excl. capital assets)	57	90	111	136	136	90	144	151	159
Sales by market establishments	57	90	111	136	136	90	144	151	159
Administrative fees									
Other sales	-	-	-	-	-	-	-	-	-
Of which									
Other									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises	-	-	-	-	-	100 000	-	-	-
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>975</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest	1	-	-	-	-	975	-	-	-
Dividends									
Rent on land									
<b>Sale of capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land and subsoil assets									
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>414</b>	<b>415</b>	<b>614</b>	<b>40</b>	<b>40</b>	<b>106</b>	<b>42</b>	<b>44</b>	<b>46</b>
<b>Total</b>	<b>4 489</b>	<b>4 787</b>	<b>5 556</b>	<b>42 081</b>	<b>42 081</b>	<b>105 520</b>	<b>46 281</b>	<b>48 595</b>	<b>51 268</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
<b>Current payments</b>	<b>126 736</b>	<b>316 660</b>	<b>443 043</b>	<b>518 517</b>	<b>485 582</b>	<b>440 506</b>	<b>505 829</b>	<b>546 912</b>	<b>578 653</b>
Compensation of employees	43 010	68 918	100 183	140 117	139 982	120 851	151 914	158 203	166 904
Salaries and wages	42 553	61 437	88 478	121 617	121 727	110 022	132 490	137 711	145 286
Social contributions	457	7 481	11 705	18 500	18 255	10 829	19 424	20 492	21 618
Goods and services	83 726	247 742	342 860	378 400	345 600	319 655	353 915	388 709	411 749
of which									
Administrative fees	-	-	711	269	269	623	283	296	312
Advertising	6 658	15 246	20 370	9 391	9 391	12 011	9 861	10 354	10 923
Assets <R5000	1 185	3 339	1 853	5 221	5 221	1 746	5 482	5 758	6 074
Audit cost: External	1 163	1 431	2 580	2 000	2 000	3 167	2 100	2 205	2 326
Bursaries (employees)	35	301	885	1 776	1 776	819	1 865	1 958	2 065
Catering: Departmental activities	1 808	4 267	3 199	1 667	1 667	1 056	1 751	1 837	1 938
Communication	3 387	5 065	7 240	12 013	12 013	8 962	12 614	13 245	13 974
Computer services	5 044	3 977	8 229	8 182	8 182	12 995	8 272	9 021	9 518
Cons/prof: Business & advisory services	19 416	132 589	221 137	249 654	216 854	205 161	219 030	249 537	264 922
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	441	687	613	-	-	1 630	-	-	-
Contractors	-	-	5 334	-	-	3 149	-	-	-
Agency & support/outourced services	1 709	-	393	4 740	4 740	2 991	4 977	5 227	5 514
Entertainment	-	-	17	91	91	74	95	100	105
Fleet services (incl. GMT)	-	340	264	-	-	424	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	97	4 401	4 401	33	4 621	4 851	5 117
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	15	-	-	3	-	-	-
Inventory: Raw materials	-	-	84	-	-	768	-	-	-
Inventory: Medical supplies	-	-	79	-	-	7	-	-	-
Inventory: Medicine	-	-	-	-	-	9	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	32	-	-	34	-	-	-
Inventory: Stationery and printing	780	1 806	4 490	-	-	3 541	-	-	-
Lease payments (incl. operating, excl. fin)	8 075	13 026	20 188	31 921	31 921	25 731	33 517	35 194	37 133
Property payments	1 140	4 522	5 763	8 415	8 415	7 057	8 836	9 278	9 788
Transport provided: Departmental activity	-	2 501	324	113	113	159	119	125	132
Travel and subsistence	7 052	18 496	21 831	18 333	18 333	18 812	19 250	20 213	21 326
Training and development	483	1 006	1 458	1 255	1 255	823	1 318	1 384	1 460
Operating expenditure	14 686	28 707	5 822	12 638	12 638	4 893	13 286	11 157	11 770
Venues and facilities	10 664	10 436	9 851	6 320	6 320	2 977	6 638	6 969	7 352
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>1 380 542</b>	<b>1 441 906</b>	<b>1 971 445</b>	<b>1 101 531</b>	<b>1 230 566</b>	<b>1 230 809</b>	<b>977 650</b>	<b>1 009 243</b>	<b>1 066 496</b>
Provinces and municipalities	2 800	1 626	-	-	100	100	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2 800	1 626	-	-	100	100	-	-	-
Municipalities	2 800	1 626	-	-	100	100	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Universities and technikons	1 274	791	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	759 142	-	100 000	316 439	310 439	310 439	324 382	331 586	349 824
Public corporations	759 142	-	100 000	316 439	310 439	310 439	324 382	331 586	349 824
Subsidies on production	24 000	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Other transfers	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	497 182	1 312 607	1 712 916	633 460	766 260	766 502	483 537	499 014	526 460
Households	292	29	174	-	135	136	-	-	-
Social benefits	-	-	6	-	-	-	-	-	-
Other transfers to households	292	29	168	-	135	136	-	-	-
<b>Payments for capital assets</b>	<b>3 676</b>	<b>7 999</b>	<b>10 829</b>	<b>4 750</b>	<b>8 650</b>	<b>9 553</b>	<b>3 471</b>	<b>5 364</b>	<b>5 657</b>
Buildings and other fixed structures	-	-	3 261	-	-	-	-	-	-
Buildings	-	-	3 261	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 646	7 806	6 815	4 370	8 270	9 223	3 136	4 984	5 257
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 646	7 806	6 815	4 370	8 270	9 223	3 136	4 984	5 257
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	450	-	-	-	-	-	-
Software and other intangible assets	30	193	303	380	380	330	335	380	400
<b>Payments for financial assets</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 511 081</b>	<b>1 766 565</b>	<b>2 425 317</b>	<b>1 624 798</b>	<b>1 724 798</b>	<b>1 680 868</b>	<b>1 486 950</b>	<b>1 561 519</b>	<b>1 650 806</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>50 242</b>	<b>100 131</b>	<b>136 249</b>	<b>185 008</b>	<b>187 273</b>	<b>171 664</b>	<b>183 319</b>	<b>185 016</b>	<b>195 723</b>
Compensation of employees	15 778	21 627	40 302	53 964	53 829	49 288	59 756	60 979	64 332
Salaries and wages	15 778	18 947	35 489	46 721	46 831	41 796	52 151	52 956	55 867
Social contributions	-	2 680	4 813	7 243	6 998	7 492	7 605	8 023	8 465
Goods and services	34 464	78 504	95 947	131 044	133 444	122 376	123 563	124 037	131 391
of which									
Administrative fees	-	-	317	21	21	480	22	23	24
Advertising	3 113	6 393	16 490	2 150	2 150	8 499	2 257	2 370	2 500
Assets <R5000	317	1 395	1 580	2 656	2 656	1 066	2 789	2 929	3 090
Audit cost: External	1 009	1 431	2 377	2 000	2 000	2 244	2 100	2 205	2 326
Bursaries (employees)	13	150	437	914	914	666	959	1 007	1 062
Catering: Departmental activities	459	1 482	1 470	1 604	1 604	732	1 684	1 768	1 865
Communication	1 678	3 486	4 862	9 986	9 986	7 138	10 485	11 009	11 614
Computer services	4 916	3 806	7 935	8 122	8 122	12 916	8 208	8 955	9 448
Cons/prof: Business & advisory services	1 444	24 655	8 351	45 342	47 742	33 382	33 878	30 228	32 422
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	250	687	600	-	-	1 630	-	-	-
Contractors	-	-	4 373	-	-	2 654	-	-	-
Agency & support/outourced services	1 119	-	345	580	580	2 991	609	640	675
Entertainment	-	-	-	73	73	63	76	80	84
Fleet services (incl. GMT)	-	340	262	-	-	424	-	-	-
Housing									
Inventory: Food and food supplies	-	-	43	2 018	2 018	26	2 118	2 224	2 346
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	-	3	-	-	3	-	-	-
Inventory: Raw materials	-	-	50	-	-	762	-	-	-
Inventory: Medical supplies	-	-	-	-	-	7	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	23	-	-	29	-	-	-
Inventory: Stationery and printing	507	1 005	4 038	-	-	2 493	-	-	-
Lease payments (incl. operating, excl. fin)	6 704	13 220	19 743	31 428	31 428	25 464	33 000	34 650	36 559
Property payments	1 140	3 839	5 763	8 415	8 415	7 057	8 836	9 278	9 788
Transport provided: Departmental activity	-	844	218	113	113	159	119	125	132
Travel and subsistence	1 416	1 968	10 039	6 902	6 902	8 132	7 247	7 610	8 029
Training and development	61	571	857	1 255	1 255	787	1 318	1 384	1 460
Operating expenditure	5 142	10 757	2 614	4 788	4 788	1 713	5 047	4 600	4 853
Venues and facilities	5 176	2 475	3 157	2 677	2 677	859	2 811	2 952	3 114
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
<b>Transfers and subsidies to</b>	<b>292</b>	<b>28</b>	<b>168</b>	<b>-</b>	<b>235</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	100	100	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	100	100	-	-	-
Municipalities	-	-	-	-	100	100	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	-	-	-	-	-	242	-	-	-
Households	292	28	168	-	135	(2)	-	-	-
Social benefits									
Other transfers to households	292	28	168	-	135	(2)	-	-	-
<b>Payments for capital assets</b>	<b>725</b>	<b>3 517</b>	<b>9 858</b>	<b>3 740</b>	<b>7 240</b>	<b>8 385</b>	<b>2 291</b>	<b>4 123</b>	<b>4 350</b>
Buildings and other fixed structures	-	-	3 261	-	-	-	-	-	-
Buildings									
Other fixed structures	-	-	3 261	-	-	-	-	-	-
Machinery and equipment	709	3 324	5 922	3 430	6 930	8 075	1 971	3 781	3 989
Transport equipment									
Other machinery and equipment	709	3 324	5 922	3 430	6 930	8 075	1 971	3 781	3 989
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	-	-	450	-	-	-	-	-	-
Software and other intangible assets	16	193	225	310	310	310	320	342	361
<b>Payments for financial assets</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>51 386</b>	<b>103 676</b>	<b>146 275</b>	<b>188 748</b>	<b>194 748</b>	<b>180 389</b>	<b>185 610</b>	<b>189 139</b>	<b>200 073</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2010/11	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>	<b>38 349</b>	<b>114 795</b>	<b>130 992</b>	<b>200 800</b>	<b>172 800</b>	<b>162 595</b>	<b>207 047</b>	<b>212 185</b>	<b>224 466</b>
Compensation of employees	13 237	25 421	32 127	41 866	41 866	36 360	44 782	47 308	49 910
Salaries and wages	13 237	22 576	28 500	36 429	36 429	33 023	39 074	41 286	43 558
Social contributions	-	2 845	3 627	5 437	5 437	3 337	5 708	6 022	6 352
Goods and services	25 112	89 374	98 865	158 934	130 934	126 235	162 265	164 877	174 556
of which									
Administrative fees	-	-	65	170	170	77	179	187	197
Advertising	1 744	3 744	1 278	2 175	2 175	710	2 284	2 398	2 530
Assets <R5000	541	1 134	111	798	798	57	838	880	928
Audit cost: External	154	-	203	-	-	119	-	-	-
Bursaries (employees)	16	74	8	230	230	155	242	254	268
Catering: Departmental activities	718	1 372	942	-	-	229	-	-	-
Communication	348	355	787	1 181	1 181	1 122	1 241	1 303	1 375
Computer services	43	-	-	30	30	-	32	33	35
Cons/prof: Business & advisory services	10 827	60 627	85 043	141 879	113 879	114 936	144 357	146 772	155 455
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	3	-	-	-	-	-	-
Contractors	-	-	604	-	-	326	-	-	-
Agency & support/outourced services	197	-	6	-	-	-	-	-	-
Entertainment	-	-	17	18	18	11	19	20	21
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	17	676	676	-	710	745	786
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	31	-	-	3	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	1	-	-	2	-	-	-
Inventory: Stationery and printing	110	288	107	-	-	163	-	-	-
Lease payments (incl. operating, excl. fin)	1 147	(401)	-	400	400	-	420	441	465
Property payments	-	683	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	929	-	-	-	-	-	-	-
Travel and subsistence	3 305	13 088	6 526	6 963	6 963	5 635	7 312	7 677	8 100
Training and development	254	178	18	-	-	-	-	-	-
Operating expenditure	3 261	3 453	794	3 324	3 324	1 513	3 486	2 965	3 128
Venues and facilities	2 447	3 850	2 304	1 090	1 090	1 177	1 145	1 202	1 268
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>735 142</b>	<b>700</b>	<b>100 059</b>	<b>280 000</b>	<b>280 000</b>	<b>280 030</b>	<b>284 300</b>	<b>289 500</b>	<b>305 423</b>
Provinces and municipalities	-	700	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	700	-	-	-	-	-	-	-
Municipalities	-	700	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Public corporations	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	735 142	-	100 000	280 000	280 000	280 000	284 300	289 500	305 423
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	59	-	-	-	-	-	-
Households	-	-	-	-	-	30	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	30	-	-	-
<b>Payments for capital assets</b>	<b>2 168</b>	<b>2 410</b>	<b>254</b>	<b>500</b>	<b>500</b>	<b>455</b>	<b>585</b>	<b>551</b>	<b>581</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 154	2 410	206	480	480	455	585	529	558
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 154	2 410	206	480	480	455	585	529	558
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	14	-	48	20	20	-	-	22	23
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>775 659</b>	<b>117 905</b>	<b>231 305</b>	<b>481 300</b>	<b>453 300</b>	<b>443 080</b>	<b>491 932</b>	<b>502 236</b>	<b>530 470</b>



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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
<b>Current payments</b>	<b>21 139</b>	<b>74 743</b>	<b>144 735</b>	<b>85 684</b>	<b>78 484</b>	<b>68 904</b>	<b>62 118</b>	<b>95 172</b>	<b>100 710</b>
Compensation of employees	6 894	10 318	10 332	17 568	17 568	13 294	18 733	19 763	20 850
Salaries and wages	6 437	9 755	9 110	15 304	15 304	13 294	16 355	17 255	18 204
Social contributions	457	563	1 222	2 264	2 264	-	2 378	2 508	2 646
Goods and services	14 245	64 425	134 403	68 116	60 916	55 610	43 385	75 409	79 860
of which									
Administrative fees	-	-	55	60	60	28	63	66	70
Advertising	533	1 899	951	3 767	3 767	975	3 956	4 153	4 381
Assets <R5000	108	365	41	565	565	434	593	623	657
Bursaries (employees)	2	75	440	632	632	(2)	664	697	735
Catering: Departmental activities	213	987	532	30	30	61	32	33	35
Communication	118	66	181	227	227	274	238	250	264
Computer services	-	24	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	4 969	40 972	122 540	53 069	45 869	50 129	27 582	59 516	63 093
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	10	-	-	-	-	-	-
Contractors	-	-	274	-	-	24	-	-	-
Agency & support/outsourced services	-	-	42	3 960	3 960	-	4 158	4 366	4 606
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	2	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	25	760	760	-	798	838	884
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	12	-	-	-	-	-	-
Inventory: Raw materials	-	-	2	-	-	-	-	-	-
Inventory: Medical supplies	-	-	79	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	9	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	1	-	-	-
Inventory: Other consumables	-	-	5	-	-	-	-	-	-
Inventory: Stationery and printing	48	231	90	-	-	69	-	-	-
Lease payments (incl. operating, excl. fin)	49	50	444	45	45	267	47	50	53
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	722	87	-	-	-	-	-	-
Travel and subsistence	1 581	2 300	3 588	1 910	1 910	2 565	2 006	2 106	2 222
Training and development	81	226	547	-	-	36	-	-	-
Operating expenditure	4 292	13 341	1 423	2 378	2 378	505	2 499	1 925	2 031
Venues and facilities	2 251	3 167	3 033	713	713	235	749	786	829
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>645 108</b>	<b>1 441 178</b>	<b>1 871 212</b>	<b>785 092</b>	<b>919 892</b>	<b>919 971</b>	<b>653 268</b>	<b>677 657</b>	<b>716 672</b>
Provinces and municipalities	2 800	926	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2 800	926	-	-	-	-	-	-	-
Municipalities	2 800	926	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	119 852	126 853	158 355	151 632	153 632	153 632	169 731	178 643	190 212
Universities and technikons	1 274	791	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	24 000	-	-	-	-	-	-	-	-
Public corporations	24 000	-	-	-	-	-	-	-	-
Subsidies on production	24 000	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	497 182	1 312 607	1 712 857	633 460	766 260	766 260	483 537	499 014	526 460
Households	-	1	-	-	-	79	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	1	-	-	-	79	-	-	-
<b>Payments for capital assets</b>	<b>287</b>	<b>1 238</b>	<b>361</b>	<b>-</b>	<b>400</b>	<b>481</b>	<b>85</b>	<b>89</b>	<b>93</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	287	1 238	361	-	400	481	70	73	77
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	287	1 238	361	-	400	481	70	73	77
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	15	16	16
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>666 534</b>	<b>1 517 159</b>	<b>2 016 308</b>	<b>870 776</b>	<b>998 776</b>	<b>989 356</b>	<b>715 471</b>	<b>772 918</b>	<b>817 475</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2010/11	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>	<b>11 065</b>	<b>16 827</b>	<b>20 908</b>	<b>29 074</b>	<b>29 074</b>	<b>24 341</b>	<b>34 720</b>	<b>35 375</b>	<b>37 387</b>
Compensation of employees	5 040	7 850	11 894	16 174	16 174	14 296	17 439	18 332	19 340
Salaries and wages	5 040	6 802	10 270	13 956	13 956	14 296	15 111	15 875	16 748
Social contributions	-	1 048	1 624	2 218	2 218	-	2 328	2 457	2 592
Goods and services	6 025	8 977	9 014	12 900	12 900	10 045	17 281	17 043	18 047
of which									
Administrative fees	-	-	274	-	-	22	-	-	-
Advertising	1 172	3 164	1 555	1 184	1 184	1 776	1 243	1 306	1 378
Assets <R5000	128	212	84	1 197	1 197	175	1 257	1 320	1 393
Audit cost: External	-	-	-	-	-	804	-	-	-
Bursaries (employees)	4	-	-	-	-	-	-	-	-
Catering: Departmental activities	390	397	236	-	-	16	-	-	-
Communication	1 199	1 115	1 312	540	540	314	567	595	628
Computer services	85	50	294	30	30	-	32	33	35
Cons/prof: Business & advisory services	56	1 752	2 135	3 671	3 671	3 511	7 590	7 567	8 050
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	191	-	-	-	-	-	-	-	-
Contractors	-	-	83	-	-	145	-	-	-
Agency & support/outourced services	359	-	-	200	200	-	210	221	233
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	4	810	810	4	851	893	942
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Raw materials	-	-	-	-	-	3	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	2	-	-	-	-	-	-
Inventory: Stationery and printing	100	219	135	-	-	490	-	-	-
Lease payments (incl. operating, excl. fin)	142	122	-	-	-	-	-	-	-
Property payments									
Transport provided: Departmental activity	-	6	19	-	-	-	-	-	-
Travel and subsistence	413	679	1 301	2 293	2 293	2 101	2 407	2 528	2 667
Training and development	79	14	-	-	-	-	-	-	-
Operating expenditure	1 362	493	627	1 945	1 945	313	2 042	1 444	1 523
Venues and facilities	345	754	952	1 030	1 030	371	1 082	1 136	1 198
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
<b>Transfers and subsidies to</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 439</b>	<b>30 439</b>	<b>30 439</b>	<b>40 082</b>	<b>42 086</b>	<b>44 401</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Public corporations and private enterprises	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Public corporations	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Subsidies on production	-	-	-	36 439	30 439	30 439	40 082	42 086	44 401
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
<b>Payments for capital assets</b>	<b>257</b>	<b>257</b>	<b>222</b>	<b>510</b>	<b>510</b>	<b>114</b>	<b>420</b>	<b>507</b>	<b>535</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	257	257	222	460	460	94	420	507	535
Transport equipment									
Other machinery and equipment	257	257	222	460	460	94	420	507	535
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	-	50	50	20	-	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>11 322</b>	<b>17 084</b>	<b>21 130</b>	<b>66 023</b>	<b>60 023</b>	<b>54 894</b>	<b>75 222</b>	<b>77 968</b>	<b>82 323</b>

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2010/11	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>	<b>5 941</b>	<b>10 164</b>	<b>10 159</b>	<b>17 951</b>	<b>17 951</b>	<b>13 002</b>	<b>18 625</b>	<b>19 164</b>	<b>20 367</b>
Compensation of employees	2 061	3 702	5 528	10 545	10 545	7 613	11 204	11 821	12 472
Salaries and wages	2 061	3 357	5 109	9 207	9 207	7 613	9 799	10 339	10 909
Social contributions	-	345	419	1 338	1 338	-	1 405	1 482	1 563
Goods and services	3 880	6 462	4 631	7 406	7 406	5 389	7 421	7 343	7 895
of which									
Administrative fees	-	-	-	18	18	16	19	20	21
Advertising	96	46	96	115	115	51	121	127	134
Assets <R5000	91	233	37	5	5	14	5	6	6
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	2	-	-	-	-	-	-	-
Catering: Departmental activities	28	29	19	33	33	18	35	36	38
Communication	44	43	98	79	79	114	83	88	93
Computer services	-	97	-	-	-	79	-	-	-
Cons/prof: Business & advisory services	2 120	4 583	3 068	5 693	5 693	3 203	5 623	5 454	5 902
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outourced services	34	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	8	137	137	3	144	151	159
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	1	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	1	-	-	2	-	-	-
Inventory: Stationery and printing	15	63	120	-	-	326	-	-	-
Lease payments (incl. operating, excl. fin)	33	35	1	48	48	-	50	53	56
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	337	461	377	265	265	379	278	292	308
Training and development	8	17	36	-	-	-	-	-	-
Operating expenditure	629	663	364	203	203	849	212	223	235
Venues and facilities	445	190	405	810	810	335	851	893	943
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	6	-	-	29	-	-	-
Social benefits	-	-	6	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	29	-	-	-
<b>Payments for capital assets</b>	<b>239</b>	<b>577</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>90</b>	<b>94</b>	<b>98</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	239	577	104	-	-	118	90	94	98
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	239	577	104	-	-	118	90	94	98
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	30	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6 180</b>	<b>10 741</b>	<b>10 299</b>	<b>17 951</b>	<b>17 951</b>	<b>13 149</b>	<b>18 715</b>	<b>19 258</b>	<b>20 465</b>

Table 4.H: Details of payments of infrastructure by category

No.	Project name	Region	Municipality	Type of infrastructure		Project duration		Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates	
				Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish					2011/12	2012/13	2013/14
R thousand														
New and replacement assets									-	-	-	-	-	-
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs									-	-	-	-	-	-
Infrastructure transfers - current														
1.	Dube TradePort	eThekwini	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	Programme 3	-	-	-	37 441	39 313	41 475
Total Infrastructure transfers - current									-	-	-	37 441	39 313	41 475
Infrastructure transfers - capital														
1.	Dube TradePort	eThekwini	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	Programme 3	-	4 913 587	944 956	326 662	342 995	361 860
2.	Richards Bay IDZ	Umhlatuze	uThungulu	RBIDZ	1	01 Apr 2010	31 Mar 2011	Programme 3	-	233 630	44 382	59 636	62 618	66 062
Total Infrastructure transfers - capital									-	5 147 217	989 338	386 298	405 613	427 922
Total Infrastructure									-	5 147 217	989 338	423 739	444 926	469 397

Table 4.I: Summary of transfers to municipalities (Joint Project Funding, Building of lodges, International Newcastle Alliance Summit)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2007/08	2008/09	2009/10	Appropriation	Appropriation	Estimate	2011/12	2012/13	2013/14
<b>A KZN2000 eThekweni</b>	-	-	-	-	-	-	-	-	-
<b>Total: Ugu Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Uthukela Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Umzinyathi Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Amajuba Municipalities</b>	-	926	-	-	100	100	-	-	-
B KZN252 Newcastle	-	-	-	-	100	100	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	926	-	-	-	-	-	-	-
<b>Total: Zululand Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Umkhanyakude Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uThungulu Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Ilembe Municipalities</b>	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Sisonke Municipalities</b>	2 800	700	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	300	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	2 800	400	-	-	-	-	-	-	-
<b>Unallocated</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	2 800	1 626	-	-	100	100	-	-	-

Table 4.J: Financial summary for the KZN Sharks Board

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
Tax revenue							
Non-tax revenue	20 023	19 732	20 924	21 499	23 639	25 057	26 561
Sale of goods and services other than capital assets							
Of which:							
Admin fees							
Sales by market establishments							
Non-market est. sales							
Other non-tax revenue	20 023	19 732	20 924	21 499	23 639	25 057	26 561
Transfers received	19 146	23 297	25 337	25 551	29 084	30 938	34 502
Sale of capital assets							
<b>Total revenue</b>	<b>39 169</b>	<b>43 029</b>	<b>46 261</b>	<b>47 050</b>	<b>52 723</b>	<b>55 995</b>	<b>61 063</b>
<b>Expenses</b>							
Current expense	42 502	39 068	46 077	50 175	55 372	59 508	67 392
Compensation of employees	29 190	22 794	27 391	32 714	34 873	37 279	39 330
Goods and services	9 832	12 415	13 620	13 082	15 867	17 319	22 858
Depreciation	3 480	3 842	5 055	4 370	4 632	4 910	5 204
Interest, dividends and rent on land	-	17	11	10	-	-	-
Interest	-	17	11	10	-	-	-
Dividends							
Rent on land							
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
Transfers and subsidies							
<b>Total expenses</b>	<b>42 502</b>	<b>39 068</b>	<b>46 077</b>	<b>50 175</b>	<b>55 372</b>	<b>59 508</b>	<b>67 392</b>
<b>Surplus / (Deficit)</b>	<b>(3 333)</b>	<b>3 961</b>	<b>184</b>	<b>(3 126)</b>	<b>(2 649)</b>	<b>(3 513)</b>	<b>(6 329)</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	(798)	1 362	2 047	3 220	3 414	3 619	3 836
Adjustments for:							
Depreciation	3 468	3 842	5 055	4 370	4 632	4 910	5 205
Interest	(953)	(1 656)	(1 196)	550	583	618	655
Net (profit) / loss on disposal of fixed assets	(195)	(192)	(303)	(100)	(106)	(112)	(119)
Other	(3 118)	(632)	(1 509)	(1 600)	(1 696)	(1 797)	(1 905)
Operating surplus / (deficit) before changes in working capital	(4 131)	5 323	2 231	95	765	106	(2 494)
Changes in working capital	6 962	2 160	(417)	(442)	(469)	(497)	(526)
(Decrease) / increase in accounts payable	(185)	1 984	(1 336)	(1 416)	(1 501)	(1 591)	(1 687)
Decrease / (increase) in accounts receivable	804	164	657	696	738	782	829
(Decrease) / increase in provisions	6 343	12	262	278	294	312	331
<b>Cash flow from operating activities</b>	<b>2 831</b>	<b>7 483</b>	<b>1 814</b>	<b>(347)</b>	<b>296</b>	<b>(391)</b>	<b>(3 020)</b>
Transfers from government	-	-	-	-	-	-	-
Of which: Capital							
: Current							
<b>Cash flow from investing activities</b>	<b>(78)</b>	<b>(4 370)</b>	<b>(5 047)</b>	<b>(2 744)</b>	<b>(2 909)</b>	<b>(3 083)</b>	<b>(3 268)</b>
Acquisition of Assets	(1 032)	(6 009)	(6 232)	(4 000)	(4 240)	(4 494)	(4 764)
Other flows from Investing Activities	954	1 639	1 185	1 256	1 331	1 411	1 496
<b>Cash flow from financing activities</b>	<b>259</b>	<b>197</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3 012</b>	<b>3 310</b>	<b>(3 073)</b>	<b>(3 091)</b>	<b>(2 612)</b>	<b>(3 474)</b>	<b>(6 288)</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	59 541	63 242	64 604	68 480	66 000	64 000	62 000
Investments	5 043	4 650	4 348	4 609	4 885	5 179	5 489
Cash and Cash Equivalents	14 081	17 392	14 320	15 179	12 000	10 000	8 000
Receivables and Prepayments	1 498	1 402	798	846	897	950	1 007
Inventory	1 311	1 467	1 504	1 594	1 690	1 791	1 899
<b>TOTAL ASSETS</b>	<b>81 474</b>	<b>88 153</b>	<b>85 574</b>	<b>90 708</b>	<b>85 472</b>	<b>81 920</b>	<b>78 395</b>
Capital & Reserves	23 467	72 223	72 392	76 736	70 661	66 220	61 754
Borrowings	89	89	41	43	46	49	51
Post Retirement Benefits	-	6 330	4 480	4 749	5 034	5 336	5 656
Trade and Other Payables	3 017	5 100	3 972	4 210	4 463	4 731	5 015
Provisions	2 236	2 247	2 509	2 660	2 819	2 988	3 168
Other	52 665	2 164	2 180	2 311	2 449	2 596	2 752
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>81 474</b>	<b>88 153</b>	<b>85 574</b>	<b>90 708</b>	<b>85 472</b>	<b>81 920</b>	<b>78 395</b>
<b>Contingent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 4:K Financial summary for the KwaZulu Natal Tourism Authority

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
Tax revenue							
Non-tax revenue	4 250	2 418	2 672	300	100	105	110
Sale of goods and services other than capital assets	3 245	1 507	2 289	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Non-market est. sales							
Other non-tax revenue	1 005	911	383	300	100	105	110
Transfers received	59 036	66 413	70 012	71 444	79 111	83 092	87 543
Sale of capital assets							
<b>Total revenue</b>	<b>63 286</b>	<b>68 831</b>	<b>72 684</b>	<b>71 744</b>	<b>79 211</b>	<b>83 197</b>	<b>87 653</b>
<b>Expenses</b>							
Current expense	59 732	68 197	72 466	71 744	79 211	83 197	87 653
Compensation of employees	14 550	16 679	18 803	21 386	23 739	25 230	26 618
Goods and services	44 125	49 608	52 124	49 217	54 183	56 601	59 587
Depreciation	1 057	1 910	1 539	1 141	1 289	1 366	1 448
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
Transfers and subsidies							
<b>Total expenses</b>	<b>59 732</b>	<b>68 197</b>	<b>72 466</b>	<b>71 744</b>	<b>79 211</b>	<b>83 197</b>	<b>87 653</b>
<b>Surplus / (Deficit)</b>	<b>3 554</b>	<b>634</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	2 062	2 821	1 922	1 441	1 389	1 471	1 558
Adjustments for:							
Depreciation	1 057	1 910	1 539	1 141	1 289	1 366	1 448
Interest	1 005	911	383	300	100	105	110
Net (profit) / loss on disposal of fixed assets							
Other							
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>5 616</b>	<b>3 455</b>	<b>2 140</b>	<b>1 441</b>	<b>1 389</b>	<b>1 471</b>	<b>1 558</b>
Changes in working capital	-	-	-	-	-	-	-
(Decrease) / increase in accounts payable							
Decrease / (increase) in accounts receivable							
(Decrease) / increase in provisions							
<b>Cash flow from operating activities</b>	<b>5 616</b>	<b>3 455</b>	<b>2 140</b>	<b>1 441</b>	<b>1 389</b>	<b>1 471</b>	<b>1 558</b>
Transfers from government	-	-	-	-	-	-	-
Of which: Capital							
: Current							
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Acquisition of Assets							
Other flows from Investing Activities							
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5 616</b>	<b>3 455</b>	<b>2 140</b>	<b>1 441</b>	<b>1 389</b>	<b>1 471</b>	<b>1 558</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	3 829	3 014	1 989	1 596	1 692	1 793	1 901
Investments							
Cash and Cash Equivalents	24 691	9 423	20 872	25 558	27 092	28 717	30 440
Receivables and Prepayments	1 793	5 036	6 638	4 694	4 976	5 275	5 592
Inventory							
<b>TOTAL ASSETS</b>	<b>30 313</b>	<b>17 473</b>	<b>29 499</b>	<b>31 848</b>	<b>33 760</b>	<b>35 785</b>	<b>37 933</b>
<b>Capital &amp; Reserves</b>	<b>5 100</b>	<b>5 734</b>	<b>5 952</b>	<b>5 100</b>	<b>5 406</b>	<b>5 730</b>	<b>6 074</b>
Borrowings							
Post Retirement Benefits							
Trade and Other Payables	24 417	10 694	22 341	25 593	27 129	28 757	30 482
Provisions	796	1 045	1 206	1 155	1 225	1 298	1 376
<b>Managed Funds</b>							
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>30 313</b>	<b>17 473</b>	<b>29 499</b>	<b>31 848</b>	<b>33 760</b>	<b>35 785</b>	<b>37 932</b>
<b>Contingent Liabilities</b>							

Note: The information in the financial summary relating to Transfers received is not the same as the entity's AFS, as a result of technical adjustments.

**Table 4.L: Financial summary for the Ithala Development Finance Corporation**

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
Tax revenue							
Non-tax revenue	234 087	1 035 031	904 800	684 913	822 937	852 099	882 405
Sale of goods and services other than capital assets	87 349	115 546	157 908	140 697	149 139	158 087	167 572
Of which:							
Admin fees	87 349	115 546	157 908	140 697	149 139	158 087	167 572
Sales by market establishments							
Non-market est. sales							
Other non-tax revenue	146 738	919 485	746 892	544 216	673 798	694 012	714 832
Transfers received	759 142	38 073	129 814	280 000	284 300	289 500	305 423
Of which: Transfers from department	759 142	-	100 000	280 000	284 300	289 500	305 423
Co-operatives	100 000	-	-	-	84 300	89 500	94 423
Growth Fund	500 000	-	-	60 000	100 000	100 000	105 500
Ithala Share Capital	-	-	-	40 000	-	-	-
Project specific funding	24 000	-	-	-	-	-	-
SMMs	135 142	-	100 000	180 000	100 000	100 000	105 500
<b>Sale of capital assets</b>	-	-	-	3 831	-	-	-
<b>Total revenue</b>	<b>993 229</b>	<b>1 073 104</b>	<b>1 034 614</b>	<b>968 744</b>	<b>1 107 237</b>	<b>1 141 599</b>	<b>1 187 828</b>
<b>Expenses</b>							
Current expense	807 478	1 001 749	957 030	893 593	941 351	989 024	1 045 141
Compensation of employees	216 082	258 614	284 567	325 357	353 012	383 018	415 575
Goods and services	438 068	567 093	523 232	435 903	453 339	476 006	504 566
Depreciation	34 630	32 893	39 866	50 323	55 000	60 000	65 000
Interest, dividends and rent on land	117 756	143 284	97 976	80 450	80 000	70 000	60 000
Interest	117 756	143 284	97 976	80 450	80 000	70 000	60 000
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Tax and Outside shareholders Interest	942	6 469	11 562	1 560	-	-	-
Adjustments to Fair Value	-	(6 604)	(173)	-	-	-	-
Unearned reserves (social security funds only)							
Transfers and subsidies							
<b>Total expenses</b>	<b>807 478</b>	<b>1 001 749</b>	<b>957 030</b>	<b>893 593</b>	<b>941 351</b>	<b>989 024</b>	<b>1 045 141</b>
<b>Surplus / (Deficit)</b>	<b>185 751</b>	<b>71 355</b>	<b>77 584</b>	<b>75 151</b>	<b>165 885</b>	<b>152 575</b>	<b>142 686</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	145 962	20 206	160 361	252 601	16 076	27 681	12 281
Adjustments for:							
Depreciation	34 630	32 893	39 866	50 323	55 000	60 000	65 000
Interest	117 756	143 284	97 976	80 450	80 000	70 000	60 000
Net (profit) / loss on disposal of fixed assets	81	(4 911)	2 116	-	-	-	-
Other	(6 505)	(151 060)	20 403	121 828	(118 924)	(102 319)	(112 719)
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>331 713</b>	<b>91 561</b>	<b>237 945</b>	<b>327 752</b>	<b>181 961</b>	<b>180 256</b>	<b>154 967</b>
Changes in working capital	(57 445)	19 247	(77 948)	67 838	1 681	2 472	3 366
(Decrease) / increase in accounts payable	11 914	14 951	1 891	(9 196)	4 535	5 401	6 370
Decrease / (increase) in accounts receivable	(85 123)	(19 588)	(43 308)	94 007	(4 684)	(4 812)	(4 945)
(Decrease) / increase in provisions	15 764	23 884	(36 531)	(16 973)	1 829	1 884	1 941
<b>Taxation paid</b>	<b>1 819</b>	<b>1 510</b>	<b>1 168</b>	<b>1 400</b>	<b>1 600</b>	<b>1 680</b>	<b>1 780</b>
<b>Cash flow from operating activities</b>	<b>276 087</b>	<b>112 318</b>	<b>161 165</b>	<b>396 990</b>	<b>185 242</b>	<b>184 408</b>	<b>160 113</b>
Transfers from government	759 142	-	100 000	280 000	284 300	289 500	305 423
Of which: Capital	84 000	-	-	40 000	-	-	-
: Current	675 142	-	100 000	240 000	284 300	289 500	305 423
<b>Cash flow from investing activities</b>	<b>(49 768)</b>	<b>(9 528)</b>	<b>(298 709)</b>	<b>(487 917)</b>	<b>(450 000)</b>	<b>(470 000)</b>	<b>(480 000)</b>
Acquisition of Assets	(54 791)	(71 958)	(180 623)	(183 655)	(350 000)	(350 000)	(350 000)
Other flows from Investing Activities	5 023	62 430	(118 086)	(304 262)	(100 000)	(120 000)	(130 000)
<b>Cash flow from financing activities</b>	<b>(182 007)</b>	<b>68 782</b>	<b>20 381</b>	<b>(276 266)</b>	<b>(60 000)</b>	<b>(50 000)</b>	<b>(40 000)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>803 454</b>	<b>171 572</b>	<b>(17 163)</b>	<b>(87 193)</b>	<b>(40 458)</b>	<b>(46 092)</b>	<b>(54 464)</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	2 431 960	2 429 049	2 556 159	2 708 707	2 787 836	2 859 053	2 923 147
Investments	13 571	11 180	11 875	11 875	11 875	11 875	11 875
Cash and Cash Equivalents	1 667 726	1 837 734	1 828 658	1 741 603	1 782 061	1 828 153	1 882 617
Receivables and Prepayments	150 561	168 938	211 109	117 102	120 615	124 234	127 961
Inventory	18 398	6 193	41 556	58 529	59 700	60 894	62 111
<b>TOTAL ASSETS</b>	<b>4 282 216</b>	<b>4 453 094</b>	<b>4 649 357</b>	<b>4 637 816</b>	<b>4 762 087</b>	<b>4 884 208</b>	<b>5 007 711</b>
Capital & Reserves	1 548 848	1 619 328	1 674 997	1 673 811	1 839 696	1 992 271	2 134 957
Borrowings	1 788 577	1 898 800	1 901 527	2 173 298	2 113 298	2 063 298	2 023 298
Post Retirement Benefits	54 474	59 923	64 375	67 503	70 203	73 713	78 136
Trade and Other Payables	117 352	146 061	151 100	61 177	63 012	64 903	66 850
Provisions	16 669	23 360	31 933	60 971	62 800	64 684	66 625
<b>Managed Funds</b>	<b>756 296</b>	<b>705 622</b>	<b>825 425</b>	<b>601 056</b>	<b>613 077</b>	<b>625 339</b>	<b>637 845</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>4 282 216</b>	<b>4 453 094</b>	<b>4 649 357</b>	<b>4 637 816</b>	<b>4 762 087</b>	<b>4 884 208</b>	<b>5 007 711</b>
<b>Contingent Liabilities</b>	<b>522</b>	<b>-</b>	<b>21 799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>