



Province of the
EASTERN CAPE
PROVINCIAL TREASURY

EASTERN CAPE **ESTIMATES OF PUBLIC ENTITIES REVENUE & EXPENDITURE 2012/13**

Estimates for Public Entities Revenue and Expenditure

2012/13

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2012/13

Tabled in the Provincial Legislature
on 06 March 2012

FOREWORD

Public entities play an important role in the delivery of services and therefore it is important that their priorities are aligned to the provincial government, from where they derive their mandate and funding.

Due to the strategic nature of the public entities in enhancing service delivery, increasing attention is being given in regulating public entities, focusing on:



- Streamlining and integrating their budget processes with the broader public sector strategies
- Restructuring and rationalising
- Streamlining the human resource and remuneration practices of public entities with that of the public sector
- Strengthening compliance with the supply chain management framework
- Strengthening governance and internal control structures
- Strengthening general financial management practices

This publication is one of the first initiatives in ensuring greater transparency in public entity finances and the integration of these into the broader public sector budget processes. Over the medium term, Provincial Treasury will be focusing on improving the integration and regulation of the public entities in the province.

A handwritten signature in black ink, appearing to read 'Phumulo Masualle'.

Honourable Phumulo Masualle
MEC FOR PROVINCIAL PLANNING AND FINANCE

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1. Overview

The Eastern Cape has a total of twelve public entities listed (including two indirect listings) in Schedule 3 of the Public Finance Management Act 1 of 1999 (PFMA), as amended. Eight of these are listed as Provincial Public Entities (3C¹), namely:

- Eastern Cape Socio Economic Consultative Council (ECSECC)
- Eastern Cape Rural Finance Corporation (ECRFC)
- AsgiSA-EC (Pty) Ltd
- Eastern Cape Appropriate Technology Unit (ECATU)
- Eastern Cape Parks and Tourism Agency (ECPTA)
- Eastern Cape Gambling and Betting Board (ECGBB)
- Eastern Cape Liquor Board (ECLB)
- Eastern Cape Provincial Arts & Culture Council (ECPACC)

The remaining four public entities are listed as government business enterprises (3D²), namely:

- Eastern Cape Development Corporation (ECDCC)
- East London Industrial Development Zone (ELIDZ)
- Coega Development Corporation (CDC)
- Mayibuye Transport Corporation (MTC)

With effect from 01 April 2012, AsgiSA-EC and ECRFC will be merged to form the Rural Development Agency (RDA), bringing the total number of public entities to eleven. The overarching reason for the integration of these two entities is to create a holistic approach to rural development in the province.

Public entities have received over R3.7 billion in funding over the past four years, with an estimated R2.6 billion planned over the MTEF, representing 1.4 per cent of the total provincial payments and estimates. Public entities in the province directly employ over 1 300 people, generate approximately R500 million in own revenue and control assets totalling nearly R7.7 billion.

Total transfers to public entities increase from R802.3 million in 2011/12 to R873.9 million in 2012/13, representing an increase of 8.9 per cent. The biggest share (R1.1 billion) of the total transfers to public entities over the medium term goes to those that are focused on supporting economic development and job creation, namely: ECDCC, ELIDZ and CDC. The second biggest portion (R593 million) is for conservation and tourism, allocated to ECPTA. Over the medium term, it is projected that these entities will facilitate the creation of 42 871 jobs in the province, as indicated in their performance targets.

¹ A schedule 3C public entity is an organisation or company formed by the government to undertake certain activities on their behalf. They derive almost all their funding from the government.

² A schedule 3D public entity is similar to a 3C entity, except that they operate as a business and should not derive the majority of their funding from the government.

Table A: Summary of transfers to provincial public entities

Transfers per entity	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	%growth	
				Revised estimate				2011/12 to 2012/13	Avg 2012 to 2015
R'000	Audited				Medium-term estimates				
Coega Development Corporation	-	140 000	-	-	18 000	42 000	-		
Coega Development Corporation (specific projects)	8 500	16 249	1 000	-	-	-	-		
EC Arts Council	11 800	15 231	7 625	13 936	13 948	13 112	13 833	0.1	(2.0)
EC Arts Council (specific projects)	3 000	3 000	-	-	-	-	-		
EC Gambling & Betting Board	20 690	22 017	23 338	31 187	28 687	29 965	31 860	(8.0)	(1.3)
EC Rural Finance Corporation	125 000	172 500	137 300	62 072	-	-	-		
EC Rural Development Agency	-	-	-	-	155 000	20 788	22 035		
EC Liquor Board	28 137	24 621	26 098	32 325	32 137	35 893	38 047	(0.6)	3.6
EC Parks	105 000	102 500	126 168	-	-	-	-		
EC Tourism Board	76 940	83 050	42 553	-	-	-	-		
EC Parks & Tourism Agency	-	-	26 030	143 857	184 426	197 182	211 613	28.2	11.1
EC Appropriate Technology Unit	12 218	12 829	15 300	16 230	17 171	18 116	19 203	5.8	3.7
ECDC	268 699	338 199	202 752	255 169	183 259	196 482	206 054	(28.2)	(8.3)
ECDC (specific projects)	3 560	-	-	6 427	-	-	-		
ECSECC	36 902	34 986	31 431	38 011	39 968	42 166	44 696	5.1	3.5
ECYC	11 367	12 903	-	-	-	-	-		
ELIDZ	119 910	130 601	135 257	141 614	132 539	155 456	164 830	(6.4)	3.2
Mayibuye Transport Corporation	37 195	51 522	51 669	61 429	68 773	88 588	93 741	12.0	13.0
Total transfers	868 918	1 160 208	826 521	802 257	873 908	839 748	845 912	8.9	1.5
Total provincial payments & estimates	39 066 063	45 230 949	48 330 456	54 782 533	56 204 805	59 776 426	63 160 023		
Percentage share	2.2	2.6	1.7	1.5	1.6	1.4	1.3		

Revenue

Total revenue of public entities increased from R1.4 billion in 2008/09 to R1.5 billion in 2011/12 at an average annual rate of 0.9 per cent. This almost stagnant growth was largely due to a decrease in government transfers over this period as funding for AsgiSA-EC, which will form part of the RDA, projects ceased, as well as once-off allocations for 2010 FIFA World Cup related projects undertaken by various entities.

Over the MTEF period, government transfers continue to decrease at an average annual rate of 8.5 per cent, due to the following reasons:

- Part of the funding for the ELIDZ and CDC for the 2014/15 financial year will be determined after the Special Economic Zone (SEZ) bill is approved. The promulgation of this bill could change the way that IDZ's are funded
- The RDA has been allocated an amount of R155 million for the 2012/13 financial year. The allocations for the remainder of the MTEF period will be determined as soon as appropriate business plans have been submitted by the Department of Rural Development and Agrarian Reform to the Provincial Treasury.

The ECDC, ELIDZ and CDC account for 89.7 per cent (R1.5 billion) of own-generated revenue over the medium term. This revenue is earned through loans and the rendering of zone services. The CDC also earns further revenue through administrative fees on government infrastructure projects for which they are implementing agents. Total own-generated revenue increases at an average annual rate of 11 per cent over the MTEF.

The ECDC, ELIDZ, CDC and MTC, which are government business enterprises and therefore should be self-sufficient, have been receiving a majority of their funding from government. Over the MTEF, the Provincial Treasury will be undertaking an exercise to improve revenue generation of these entities in an effort to move government business enterprises towards self-sustainability.

Table B: Summary of actual revenue and estimates by source and entity

Revenue	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	%	% growth
	Audited			Revised estimate	Medium-term estimates			share 2012/13	2011/12 to 2012/13 Avg 2012 to 2015
R'000									
Admin fees	46 655	45 953	49 987	100 032	169 738	180 069	193 180	9.9	69.7 24.5
Other sales	26 487	27 703	20 168	146 888	23 070	24 360	25 609	1.3	(84.3) (44.1)
Interest, dividends and rent on land	221 164	200 307	238 995	231 893	235 932	278 910	301 753	13.7	1.7 9.2
Other non-tax revenue	76 317	113 285	198 570	21 828	22 841	23 111	26 413	1.3	4.6 6.6
Sale of capital assets	406	(1 583)	(198)	23	31	33	35	0.0	35.0 14.9
Fair value adjustments	-	32 036	-	23 910	44 307	45 480	39 248	2.6	85.3 18.0
Fines, penalties & forfeits	4	-	-	-	-	-	-	-	- -
Sub total: own revenue	371 034	417 702	507 523	524 573	495 918	551 962	586 237	28.8	(5.5) 3.8
Transfers received	1 041 742	1 737 524	1 264 386	927 716	1 226 032	938 658	710 234	71.2	32.2 (8.5)
Total revenue and estimates	1 412 776	2 155 226	1 771 909	1 452 289	1 721 950	1 490 620	1 296 471	100.0	18.6 (3.7)
ECSECC	37 668	31 534	34 441	38 187	40 155	42 364	44 908	2.3	5.2 5.6
ECRDA	184 468	231 468	306 078	50 574	160 970	-	-	9.3	218.3 (100.0)
ECATU	13 526	16 108	16 382	17 272	18 148	19 133	20 183	1.1	5.1 5.3
ECPTA	148 794	184 124	128 773	155 397	200 806	213 570	231 010	11.7	29.2 14.1
ECGBB	29 179	28 819	31 432	38 177	35 709	37 409	39 750	2.1	(6.5) 1.4
ECLB	28 805	24 926	26 537	32 687	32 589	36 293	38 460	1.9	(0.3) 5.6
ECDC	232 089	198 853	198 841	181 827	204 763	263 266	271 780	11.9	12.6 14.3
ELIDZ	89 295	154 753	168 519	178 738	168 540	178 857	201 461	9.8	(5.7) 4.1
CDC	573 447	1 203 370	776 867	669 543	756 283	578 882	320 935	43.9	13.0 (21.7)
MTC	63 120	65 570	68 680	75 690	89 320	106 952	113 300	5.2	18.0 14.4
ECPACC	12 385	15 701	15 359	14 197	14 667	13 895	14 685	0.9	3.3 1.1
Total revenue and estimates	1 412 776	2 155 226	1 771 909	1 452 289	1 721 950	1 490 620	1 296 471	100.0	18.6 (3.7)

Note: Transfers received as indicated in the above table include transfers from the dti to the ELIDZ and CDC, whereas Table A includes only the transfers made by the EC Province.

Expenditure

Total expenditure decreased from R1.7 billion in 2008/09 to R1.2 billion in 2011/12 at an average annual rate of 10.9 per cent in line with projects related to AsgiSA-EC ceasing as part of the provincial strategy to create a single rural development agency. Over the medium term, total expenditure increases at an average annual rate of 1.7 per cent.

Goods and services include all operational expenditure incurred in the carrying out of mandated activities. Expenditure in this category accounts for the largest share of total expenditure. Between 2008/09 and 2011/12, goods and services decrease at an average annual rate of 1.3 per cent due to the closure of AsgiSA-EC projects and once-off projects relating to the 2010 FIFA World Cup. Over the MTEF period, goods and services grow at a below-inflationary annual average rate of 3.9 per cent, due to entities achieving savings and efficiencies from operations as a result of decreasing government transfers, and funding for the RDA not yet being determined for the 2013/14 and 2014/15 years.

Compensation of employees accounts for the second largest share of total expenditure. Between 2008/09 and 2011/12 personnel costs grew at an average annual rate of 9.3 per cent to accommodate inflationary increases in the cost of living, together with the filling of vacant posts. Over the medium term, personnel costs grow at an average annual rate of 2 per cent. The low average rate of growth is attributable to attrition following the formation of the ECPTA and the RDA. Furthermore, expenditure for 2013/14 and 2014/15, as represented in Table C, does not include the RDA due to funding for these years not yet been determined.

By the 2011/12 financial year, public entities were in a net surplus position of R210.1 million, from a deficit of R140 million in 2008/09. A projected deficit of R11.3 million is expected for 2014/15 due to funding for the ELIDZ and CDC not yet been determined for that year.

Table C: Summary of actual expenditure and estimates by source and entity

Expenditure	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	%	%growth	
	Audited			Revised estimate	Medium-term estimates			share 2012/13	2011/12 to 2012/13	Avg 2012 to 2015
R'000										
Compensation of employees	382 355	432 266	438 783	498 828	540 004	505 874	529 174	39.9	8.3	2.0
Goods and services	602 248	844 305	720 572	579 723	718 251	625 522	650 769	53.1	23.9	3.9
Depreciation	58 289	62 894	60 483	56 207	63 418	67 132	74 759	4.7	12.8	10.0
Interest	3 422	3 683	2 859	3 294	539	204	194	0.0	(83.6)	(61.1)
Fair value adjustment	680 334	(4 946)	126 462	39 724	-	-	-	-	(100.0)	(100.0)
Rent	2 178	43 336	67 761	47 049	30 901	31 984	32 644	2.3	(34.3)	(11.5)
Total expenditure and estimates	1 728 826	1 381 538	1 416 920	1 224 826	1 353 113	1 230 716	1 287 540	100.0	10.5	1.7
ECSECC	38 232	36 291	35 175	38 187	40 155	42 364	44 908	3.0	5.2	5.6
ECRDA	100 981	190 673	180 692	108 735	159 386	-	-	11.8	46.6	(100.0)
ECATU	15 747	15 032	16 788	17 272	18 148	19 133	20 183	1.3	5.1	5.3
ECPTA	165 619	192 377	131 842	155 397	200 806	213 570	231 010	14.8	29.2	14.1
ECGBB	29 082	37 443	35 762	37 742	35 709	37 409	39 751	2.6	(5.4)	1.7
ECLB	26 149	26 313	29 257	32 687	32 589	36 293	38 460	2.4	(0.3)	5.6
ECDC	203 458	261 124	244 763	237 729	276 422	252 895	240 250	20.4	16.3	0.4
ELIDZ	84 990	99 893	252 214	160 161	153 877	159 766	181 219	11.4	(3.9)	4.2
CDC	992 310	436 466	407 005	339 805	334 045	353 281	369 859	24.7	(1.7)	2.9
MTC	61 355	70 579	68 516	82 914	87 308	102 110	107 216	6.5	5.3	8.9
ECPACC	10 903	15 346	14 906	14 197	14 668	13 895	14 685	1.1	3.3	1.1
Total expenditure and estimates	1 728 826	1 381 538	1 416 920	1 224 826	1 353 113	1 230 716	1 287 540	100.0	10.5	1.7

Table D: Summary of actual surplus/(deficit) and estimates by entity

Surplus / (deficit)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	%growth	
	Audited			Revised estimate	Medium-term estimates			2011/12 to 2012/13	Avg 2012 to 2015
R'000									
Total revenue	1 412 776	2 155 226	1 771 909	1 452 289	1 721 950	1 490 620	1 296 471	18.6	(3.7)
Total expenditure	1 728 826	1 381 538	1 416 920	1 224 826	1 353 113	1 230 716	1 287 540	10.5	1.7
Taxation (credit) / expense	(176 068)	22 978	(184 621)	17 391	15 848	19 091	20 242	(8.9)	5.2
Surplus / (deficit)	(139 983)	750 710	539 610	210 072	352 988	240 813	(11 311)	68.0	(137.8)
ECSECC	(564)	(4 757)	(734)	-	-	-	-	-	-
ECRDA	83 487	40 795	125 386	(58 161)	1 584	-	-	(102.7)	(100.0)
ECATU	(2 221)	1 076	(406)	-	-	-	-	-	-
ECPTA	(16 825)	(8 253)	(3 069)	-	-	-	-	-	-
ECGBB	96	(8 624)	(4 330)	435	-	-	-	(100.0)	(100.0)
ECLB	2 656	(1 387)	(2 720)	-	-	-	-	-	-
ECDC	28 631	(62 271)	(45 922)	(55 902)	(71 659)	10 371	31 530	28.2	(182.6)
ELIDZ	4 333	54 862	(83 683)	1 186	(1 185)	-	-	(199.9)	(100.0)
CDC	(242 823)	743 924	554 471	329 738	422 237	225 600	(48 924)	28.1	(152.9)
MTC	1 765	(5 009)	164	(7 224)	2 011	4 842	6 084	(127.8)	(194.4)
ECPACC	1 482	355	453	-	-	-	-	-	-
Surplus / (deficit)	(139 983)	750 710	539 610	210 072	352 989	240 813	(11 311)	68.0	(137.8)

Financial position

Total assets under the control of public entities increased from R5.9 billion in 2008/09 to R7.7 billion in 2011/12 at an average annual rate of 9.2 per cent. The asset base is largely represented by infrastructure assets developed by the ELIDZ and CDC. Over the medium term, physical assets increase to R7.9 billion as further properties are developed in these industrial development zones to cater for new investors.

Growing from R913.1 million in 2008/09 to R1.3 billion in 2011/12 at an average annual rate of 12.3 per cent, cash and cash equivalents represent 16.9 per cent of total assets. Projected cash and cash equivalents decrease to an overall negative balance of R157.5 million in 2014/15, largely as a result of a projected overdraft in CDC.

Table E: Summary of financial position

Financial position	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	%	%growth	
	Audited			Revised estimate	Medium-term estimates			share 2012/13	2011/12 to 2012/13	Avg 2012 to 2015
R'000										
Carrying value of assets	4 318 761	5 189 740	5 450 101	5 705 141	6 526 883	7 083 923	7 926 445	78.4	14.4	11.6
Of which: acquisition of assets	692 181	844 954	418 963	793 865	1 404 699	1 359 810	1 089 297	16.9	76.9	11.1
Investments	221 610	181 299	175 111	181 224	177 393	170 959	170 959	2.1	(2.1)	(1.9)
Cash and cash equivalents	913 077	1 117 332	1 150 392	1 293 328	1 084 534	725 332	(158 549)	13.0	(16.1)	(149.7)
Receivables and prepayments	425 375	430 469	517 217	481 468	531 486	634 098	673 739	6.4	10.4	11.9
Inventory	7 403	13 389	18 580	1 926	2 037	2 079	2 158	0.0	5.8	3.9
Total assets	5 886 226	6 932 229	7 311 400	7 663 086	8 322 333	8 616 391	8 614 753	100.0	8.6	4.0
Share capital and premium	1 625 379	1 674 094	1 710 244	1 748 070	1 754 225	1 754 225	1 754 225	21.1	0.4	0.1
Accumulated surplus	973 353	1 724 349	2 265 439	2 475 511	2 828 499	2 819 691	2 808 379	34.0	14.3	4.3
Other reserves	834 463	831 191	879 791	901 359	884 783	748 383	778 331	10.6	(1.8)	(4.8)
Borrowings	17 567	16 125	23 012	10 449	8 042	8 434	8 798	0.1	(23.0)	(5.6)
Trade and other payables	1 150 093	1 000 327	861 789	537 921	435 433	338 652	320 105	5.2	(19.1)	(15.9)
Provisions	24 272	48 464	52 154	56 834	59 910	61 183	65 502	0.7	5.4	4.8
Managed funds	183 561	184 863	196 043	223 093	315 844	331 564	351 172	3.8	41.6	16.3
Liabilities not classified elsewhere	173 913	201 721	23 667	378 518	547 316	949 799	971 849	6.6	44.6	36.9
Deferred income	903 625	1 251 095	1 299 261	1 331 332	1 488 281	1 604 460	1 556 391	17.9	11.8	5.3
Total equity and liabilities	5 886 226	6 932 229	7 311 400	7 663 086	8 322 333	8 616 391	8 614 753	100.0	8.6	4.0

Personnel information

Table F: Summary of actual and projected personnel numbers

Level/classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	No. of posts on approved establishment	No. of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	42	40	9	39	37	34	31	45	39	39
Senior management (Inc specialists)	160	154	15	112	120	128	139	151	139	140
Middle management	362	327	38	253	272	274	289	326	306	307
Semi-skilled	454	424	14	350	372	405	410	429	349	356
Very low skilled	492	481	12	485	476	474	469	484	473	477
Total	1 510	1 426	88	1 239	1 277	1 315	1 338	1 435	1 306	1 319
Compensation (R'000)				382 355	432 266	438 783	498 828	540 004	505 874	529 174
Unit cost (R'000)				309	339	334	373	376	387	401

1. As at 30 September 2011

Overall, public entities have a total post establishment of 1 510, of which 1 338 were filled at 30 September 2011. Approximately 12.7 per cent of the filled posts are at an executive and senior management level.

Between 2008/09 and 2011/12 the number of filled posts grew from 1 239 to 1 338, at an average annual rate of 2.6 per cent as vacant posts were filled in senior and middle management and semi-skilled levels, as well as the recruitment of temporary resources by CDC to work on provincial government infrastructure projects where they were the implementing agents. Over the MTEF period, the number of personnel decrease to 1 319 due a decrease in the number of temporary resources employed as well as natural attrition following the mergers to form the EC Parks and Tourism Agency and the Rural Development Agency.

Eastern Cape Socio Economic Consultative Council

Strategic overview: 2008/09 – 2014/15

The mandate of the Eastern Cape Socio Economic Consultative Council (ECSECC) is to:

- Facilitate and coordinate the implementation of development programmes between all key stakeholders in the province of the Eastern Cape
- Facilitate development by providing an avenue for formal inputs into the policy-making process of government
- Support government in advancing efficient service delivery
- Empower communities and the grassroots structures of civil society to engage in development
- Assist the provincial government in developing policies and strategies that will facilitate the growth of the provincial economy.

ECSECC has grown into an established development planning and facilitation institution, having developed significant capacity in its niche areas. It is well embedded in the development landscape of the province, and has critical relationships and networks with key role-players across the state and civil society sectors. ECSECC will build on these strengths and its institutional location in the Office of the Premier – to continue driving key initiatives that reposition the Eastern Cape in the national development agenda. Key priorities will be supporting provincial government in their on-going interactions with the National Planning Commission, national departments and state-owned entities.

Between the 2008/09 and 2010/11 financial years, the organisation had the following notable achievements:

- Supported industries in distress, the automotive sector and also packaged economic development strategies and action plans.
- Provided support to local municipalities and to the provincial government particularly in the packaging of infrastructure development programmes.
- Provided support to civil society through organising leadership development programmes and public policy dialogues focusing on topical issues in education, labour and economic transformation.
- Provided access to socio-economic information about the province.
- Contributed to the foreground of skills development into the agenda of the province.
- Sustained a functional HIV/Aids Council.

Over the MTEF period, ECSECC will continue its strategic advisory role in the province. Key work will focus on:

- Accelerating job creation in the province by assisting in creating employment and anti-poverty strategies.
- Leveraging of necessary resources for catalytic transport and logistics projects, and also coordinating the development of infrastructure development plans and the implementation of these plans.
- Improving the contribution to strengthen the Office of the Premiers' role in coordinating and monitoring the implementation of government's plans.

- Continuing to mobilise communities to participate in policy development processes as part of the strategy to improve public participation in policy processes.

Savings and cost effectiveness measures

Implementation of the financial model adopted in 2010/11 resulted in reduction of workshop costs and professional fees. Since ECSECC holds most workshops and conferences in-house, workshop costs decrease from R4.5 million in 2009/10 to R1.5 million in 2010/11. ECSECC adopted a model of executing most work internally therefore resulting in a decrease in professional fees from R3.5 million to R1.3 million in 2010/11 financial year. The implementation of the financial model will continue over the MTEF period.

Selected performance indicators

Table 1.1: ECSECC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of interventions to support Provincial Government leverage resources for Rural Development through packaging catalytic projects	The implementation of the rural development strategy is facilitated through the identification of best practice models, and the development of catalytic projects	- ³	-	2	2	2	1	1
Number of companies assisted to find company level solutions between industry, labour and Government	ECSECC provides innovative solutions and facilitates initiatives to protect jobs and halt de-industrialisation.	-	4	5	7	7	6	5
Number of municipalities assisted	Improve Planning & Local Economic Development capacity of targeted District, Metropolitan & Local Municipalities	4	4	4	4	4	4	4
Number of capacity building workshops conducted	Institutional and Organisational capacity of Communities of Development Practice is enhanced	2	2	2	2	2	2	2
Number of policy dialogues convened	Platform for policy discourse is created	4	4	5	4	3	3	3
Number of standardised statistical and spatial products developed	Create and maintain systems and mechanisms for internal and external access to socio-economic information and data.	-	-	-	1	1	1	1
Number of interventions identified and piloted/facilitated to improve the quality of learning and teaching	Implement measures to Improve quality of teaching and learning in education and training institutions	-	-	-	2	2	2	-
Number of HIV And AIDS advocacy and mobilisation campaigns	Universal access to early HIV diagnosis	3	3	3	3	3	3	3

³ Means that no planned activity for that particular financial year

Details of programmes/activities/objectives

Implementation of the rural development strategy facilitated through best practice models, and the development of catalytic projects: This is achieved through the identification and implementation of projects with potential to make an impact in the lives of the people of the Eastern Cape. This is done in partnership with the local and district municipalities. The Wild Coast Development Initiative is an example in this regard.

Provision of innovative solutions and facilitation of initiatives to protect jobs and halt de-industrialisation: Seeks to advance the industrial and job creation policy objectives of the province. The intention is protection and creation of jobs in the province and thus reducing unemployment rates and poverty. This is achieved through engagement of various business sectors in the province and interventions in companies facing challenges.

Improving planning and local economic development capacity of targeted districts, metropolitan and local municipalities: This is a strategy to improve capacity of municipalities so that they can deliver on their mandate of developmental local government. Targeted municipalities are within identified development nodes where existing catalytic projects will serve as a basis for broader development in surrounding areas. This is achieved through engagement of various development strategies of the province and municipalities, as well as participating in various platforms.

The enhancement of institutional and organisational capacity of communities of development practice: This is intended to empower institutions to participate in policy development processes in the province. This is achieved through the convening of various leadership development series.

The creation of a platform for policy discourse: Through dialogues, this is intended to promote cross pollination of ideas on key policy issues as an empowerment and stimulating strategy of civil society to participate effectively in policy development.

Create and maintain systems and mechanisms for internal and external access to socio-economic information and data: The purpose is to create access to socio-economic information of the province for purposes of planning, monitoring and evaluation of government programmes. This is achieved by publishing various information using different platforms.

Implement measures to improve quality of teaching and learning in education and training institutions: The basis for this is to lay a firm foundation for skills development. This is achieved through the collaboration with education stakeholders in the province.

Universal access to early HIV diagnosis: The intention is to contribute to the fight against the scourge in line with the provincial strategic plan. This is achieved through the provincial HIV/Aids Council which serves as a co-ordinating structure for all HIV/Aids interventions in the province. Partnerships with all the role players is vital in ensuring that efforts are combined for meaningful impact.

Expenditure estimates

Table1.2: ECSECC statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	766	286	180	178	187	198	212
Sale of goods and services							
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fair value adjustment							
Fines, penalties & forfeits							
Interest, dividends & rentals	766	274	125	160	168	177	189
Other non-tax revenue		12	55	18	19	21	23
Transfers received	36 902	31 248	34 261	38 009	39 968	42 166	44 696
Sale of capital assets							
Total revenue	37 668	31 534	34 441	38 187	40 155	42 364	44 908
Expenditure							
Current expenditure	38 232	36 291	35 175	38 187	40 155	42 364	44 908
Compensation of employees	15 285	18 748	20 326	20 592	21 622	22 703	23 838
Goods and services	21 636	15 327	11 900	14 095	14 511	15 521	17 070
Depreciation	431	700	921	1 010	1 272	1 340	1 400
Unauthorised expenditure							
Fair value adjustment							
Interest, dividends & rentals							
Interest	18		25				
Dividends							
Rentals	862	1 516	2 003	2 490	2 750	2 800	2 600
Transfers and subsidies							
Total expenses	38 232	36 291	35 175	38 187	40 155	42 364	44 908
Surplus / (Deficit)	(564)	(4 757)	(734)	-	-	-	-

Table 1.3: ECSECC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	1326	2 387	1 870	2 068	2 675	2 805	2 939
<i>Of which:</i>							
<i>Acquisition of assets</i>	443	1 500	510	711	607	130	134
Inventory							
Receivables and prepayments	1 802	1 783	253				
Cash and cash equivalents	6 867	2 546	3 563	1 400	1 577	1 600	1 700
Other assets							
Total assets	9 995	6 716	5 686	3 468	4 252	4 405	4 639
Share capital							
Reserves							
Accumulated surplus / deficit	6 876	2 119	1 385	1 385	1 385	1 385	1 385
Trade and other payables	1996	2 873	2 450	829	1 230	1 261	1 452
Provisions	1 123	1 518	1 542	1 035	1 448	1 610	1 703
Liabilities not classified elsewhere	0	206	309	219	189	149	99
Total equity and liabilities	9 995	6 716	5 686	3 468	4 252	4 405	4 639

Expenditure trends

Total revenue increased at an average annual rate of 5.3 per cent from R37.7 million in 2008/09 to R38.2 million in 2011/12. This increase was due to fluctuations in grant funding allocated to specific projects undertaken during that period. Over the medium term, revenue grows at an average annual inflationary rate of 5.6 per cent.

Goods and services expenditure decreased from R21.6 million in 2008/09 to R14.1 million in 2011/12 due to a change in the business model from the utilisation of consultants and other professionals to the utilisation of own staff to undertake ECSECC research projects. Although the increase in expenditure over the medium term is largely inflationary, the spending focus over the MTEF period will be on the facilitation of initiatives that protect jobs, create decent work, and accelerate structural transformation of the provincial economy. Spending will also focus on accelerating delivery of quality infrastructure and services and on continued support to the further education and training sector, skills demand planning, and supporting initiatives that build the artisanship and engineering capabilities in the province. This will be done through the facilitation of workshops, travelling and publishing certain information.

Personnel information

Table 1.4: ECSECC personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	1	1	-	1	1	1	1	1	1	1
Senior management(Inc. specialists)	25	25	2	15	21	25	23	26	26	26
Middle management	6	6	-	2	2	6	6	6	6	6
Semi-skilled	13	13	-	13	13	13	13	13	13	13
Very low skilled	4	4	-	2	3	4	4	4	4	4
Total	49	49	2	33	40	49	47	50	50	50
Compensation (R'000)				15 285	18 748	20 326	20 592	21 622	22 703	23 838
Unit cost (R'000)				463	469	415	420	432	454	477

1. As at 30 September 2011

The entity has an establishment of 49 posts, of which all are funded. There are no additional posts to the approved establishment. The number of posts filled increased from 33 to 47 mainly due to additional senior management and middle management personnel employed to assist in discharging the ECSECC's mandate. The new post of the finance manager, a gap identified for segregating duties within the finance section, will result in growth to 50 posts over medium term.

Annexure: Detailed financial information

Entity	ECSECC						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	766	286	180	178	187	198	212
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	766	274	125	160	168	177	189
Other non-tax revenue		12	55	18	19	21	23
Transfers received	36 902	31 248	34 261	38 009	39 968	42 166	44 696
Sale of capital assets							
Total revenue	37 668	31 534	34 441	38 187	40 155	42 364	44 908
Expenses							
Current expense	38 232	36 291	35 175	38 187	40 155	42 364	44 908
Compensation of employees	15 285	18 748	20 326	20 592	21 622	22 703	23 838
Use of goods and services	21 636	15 327	11 900	14 095	14 511	15 521	17 070
Depreciation	431	700	921	1 010	1 272	1 340	1 400
Unauthorised expenditure							
Interest, dividends and rent on land	880	1 516	2 028	2 490	2 750	2 800	2 600
Interest	18	-	25				
Dividends							
Rent on land	862	1 516	2 003	2 490	2 750	2 800	2 600
Transfers and subsidies							
Total expenses	38 232	36 291	35 175	38 187	40 155	42 364	44 908
Surplus / (Deficit)	(564)	(4 757)	(734)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(317)	1 180	2 743	1 024	-	-	-
Adjustments for:							
Depreciation	431	700	921	1 010	1 272	1 340	1 400
Interest	(748)		25				
Net (profit) / loss on disposal of fixed assets	-	74	106				
Other		406	1 691	14	(1 272)	(1 340)	(1 400)
Operating surplus / (deficit) before changes in working capital	(881)	(3 577)	2 009	1 024	-	-	-
Changes in working capital	(3 204)	481	(482)	(2 385)	814	193	284
(Decrease) / increase in accounts payable	(1 602)	191	(604)	(1 621)	401	31	191
Decrease / (increase) in accounts receivable	(1 602)	290	107	(257)	-	-	-
(Decrease) / increase in provisions			15	(507)	413	162	93
Cash flow from operating activities	(4 085)	(3 096)	1 527	(1 361)	814	193	284
Transfers from government	36 902	31 248	34 261	38 009	39 968	42 166	44 696
Of which:							
Capital							
Current	36 902	31 248	34 261	38 009	39 968	42 166	44 696

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	ECSECC						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow from investing activities	305	(1 226)	(412)	(711)	(607)	(130)	(134)
Acquisition of Assets	(443)	(1 500)	(510)	(711)	(607)	(130)	(134)
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(443)	(1 506)	(461)	(261)	(121)	(29)	(30)
Furniture and Office equipment			(49)	(450)	(486)	(101)	(104)
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles		6					
Other flows from Investing Activities	748	274	98	-	-	-	-
Other 1	748	274	98	-	-	-	-
Other 2							
Cash flow from financing activities	-	-	(101)	(91)	(30)	(40)	(50)
Deferred Income							
Borrowing Activities			(101)	(91)	(30)	(40)	(50)
Other							
Net increase / (decrease) in cash and cash equivalents	(3 780)	(4 322)	1 014	(2 163)	177	23	100
Balance Sheet Data							
Carrying Value of Assets	1 326	2 387	1 870	2 068	2 675	2 805	2 939
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	751	574	476	450	571	600	630
Furniture and Office equipment	575	1 764	1 351	1 570	2 067	2 170	2 279
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software		49	43	48	37	35	30
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	ECSECC						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	6 867	2 546	3 563	1 400	1 577	1 600	1 700
Bank	6 867	2 546	3 563	1 400	1 577	1 600	1 700
Cash on Hand							
Other							
Receivables and Prepayments	1 802	1 783	253	-	-	-	-
Trade Receivables	1 802	1 588	-				
Other Receivables		60	-				
Prepaid Expenses		135	253				
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	9 995	6 716	5 686	3 468	4 252	4 405	4 639
Capital and Reserves	6 876	2 119	1 385	1 385	1 385	1 385	1 385
Share Capital and Premium	-						
Accumulated Reserves	7 440	6 876	2 119	1 385	1 385	1 385	1 385
Surplus / (Deficit)	(564)	(4 757)	(734)	-	-	-	-
Other							
Borrowings	-	206	309	219	189	149	99
Floating							
Current		206	309	219	189	149	99
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	1 996	2 873	2 450	829	1 230	1 261	1 452
Trade Payables	1 816	949	1 126	502	910	937	984
Accrued Interest							
Other	180	1 924	1 324	327	320	324	468
Deferred Income							
Provisions	1 123	1 518	1 542	1 035	1 448	1 610	1 703
Leave pay provision	72	769	778	280	648	860	903
Other 1	1 051	749	764	755	800	750	800
Other 2							
Other 3							
Other 4							
Funds Managed	-	-	-	-	-	-	-
Poverty Alleviation Fund	-						
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity & liabilities	9 995	6 716	5 686	3 468	4 252	4 405	4 639

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	15 132	18 604	20 038	20 137	21 270	22 220	23 307
Personnel numbers (head count)	33	40	49	47	50	50	50
Unit cost	459	465	409	428	425	444	466
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	45	-	-	138	-	-	-
Personnel numbers (head count)	1	-	-	1	-	-	-
Unit cost	45			138			
C. Interns							
Personnel cost (R thousand)	108	144	288	317	352	483	531
Personnel numbers (head count)	2	2	3	4	4	5	5
Unit cost	54	72	96	79	88	97	106
Total for entity							
Personnel cost (R thousand)	15 285	18 748	20 326	20 592	21 622	22 703	23 838
Personnel numbers (head count)	33	40	49	47	50	50	50
Unit cost	463	469	415	438	432	454	477
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.

3. A temporary employee is someone who is employed for a fixed time period for a specific task only.

4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.

5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.

6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.

7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.

8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	14	14	14	14	14	14	14
Executive Management	1	1	1	1	1	1	1
Senior Management	15	21	25	23	26	26	26
Middle Management	2	2	6	6	6	6	6
Professionals							
Semi-skilled	13	13	13	13	13	13	13
Very low skilled	2	3	4	4	4	4	4
Total	47	54	63	61	64	64	64

Eastern Cape Rural Development Agency

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Rural Development Agency (ECRDA) is the result of an integration of the Eastern Cape Rural Finance Corporation (ECRFC) and ASGISA-EC with effect from the 2012/13 financial year. The overarching reason for the integration of these two entities is to create a holistic approach to rural development in the province. The vision of ECRDA is to be a leading and vibrant organisation that improves livelihoods and develops sustainable rural communities and development initiatives in the Eastern Cape.

The new rural development agency will have a dedicated focus on formulating, promoting and ensuring the implementation of a comprehensive and integrated rural development strategy. The focus areas for the medium term are:

- Increasing sustainable public and private investment in rural areas
- Increasing rural households' income by generating decent work opportunities
- Contributing towards food security
- Stimulating sustainable economic opportunities and activity in rural communities.

The core functions of the rural development entity will thus comprise research and development, financial resourcing and management, project design and packaging, project management, infrastructure development, stakeholder relations, marketing, as well as skills transfer and training.

In previous financial years, the integrating entities have made significant strides towards food security by continuously ensuring that cropping is facilitated by own and private sector funding for at least 10 000 hectares in different parts of the province.

In the short term, the main focus will be the alignment and development of existing skills to ensure that the available resources are adequately equipped to implement the strategy of the new agency. ECRDA, after research and consideration of best practice, will re-engineer and streamline the business processes of the integrating institutions in order to support, using skills and technology, an efficient, effective development organisation. Concurrently, the process of seamless integration of the entities will be managed to negate as much as possible the impact of changing organisational structures on existing rural development projects and service delivery at large.

Savings and cost effectiveness measures

The establishment of ECRDA is envisaged to bring about cost savings towards the latter part of the MTEF period. The operations of a single rural development organisation will require funding over the MTEF period, thus duplication of activities in the long term will be avoided. Most importantly, the effectiveness of having a single authority for rural development in the province outweighs the short term cost implications of organisational restructuring.

Selected performance indicators

Table 2.1: ECRDA annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of hectares under production	Facilitation of agricultural production by limited implementation of agricultural projects and facilitating the financing of agricultural production from development funding institutions and the private sector.	6 700	10 257	9 674	9 674 ha harvested No new hectares planted after harvesting.	1 756 implement 3 500 facilitate		
Number of silos built/refurbished	Facilitate the refurbishment of the clustered silos and erection of a milling plant by providing contributing towards a PPP.	-	-	-	1	1		
Number of communities having access to mechanisation units	Providing small farmer and community support by through funding the minimum contribution required from these farmers and communities when applying for mechanization financing.	-	-	-	5	7		

Note: (1) A “-” in the table means that the performance indicator was not applicable to that year. (2) The performance indicators for 2013/14 and 2014/15 are not presented because the funding for these years has not yet been determined.

Details of programmes/activities/objectives

The funding allocation available to ECRDA as an integrated entity is less than the funding that was available to the forming entities between 2008/09 and 2010/11. This decrease necessitates a new strategy and operating model for rural development.

Since ECRDA has insufficient resources to fund all the direly needed rural-based projects, the agency aims to create a vehicle that can facilitate funding of these projects by the public sector and development finance institutions (DFIs). Facilitation and leveraging of funds are thus key for the most significant programmes listed below. This includes the provision of loans (in full or with other institutions), grant funding, project implementation and mentoring.

Programme 1: Agricultural production

Agricultural production is one of the core pillars of agrarian transformation as well as food production. The primary indicator for this objective is the number of hectares under production by implementing agricultural activity, and importantly, leveraging funding for agricultural production. The area under production, in line with the decreasing available funding, thus indicates a decline from 2009/10, and this is expected to continue until 2013/14. Thereafter, the impact of the infrastructure development and building the ECRDA brand amongst possible donors and investors, are expected to create a complete recovery by 2014/15.

Agricultural production focus areas

- **Dry land cropping – food security:** Contribute to food security and make optimum use of available fertile land for subsistence and commercial use by facilitating the planting of the maize and other crops

- **Irrigated cropping:** Contribute to commercial irrigation farming by erecting/refurbishing irrigation infrastructure and provision of working capital and technical skills
- **New irrigation schemes:** Facilitate the development of new irrigation schemes as multi-year programmes
- **Fruit, herbs and spices production:** Contribute to cluster development by partnering with other development institutions in order to provide funding and skills.
- **Livestock:** Livestock market development by partnering with stakeholders to facilitate roving cattle auctions and provision of overwintering support.

Programme 2: Infrastructure development

In practice, rural communities require access to quality physical, social and economic infrastructure which acts as the catalyst to turn land and other natural resources into viable assets in the hands of the rural poor.

Past cropping programmes have indicated that the lack of storage facilities has a devastating effect on the viability of cropping in the province. The programme's initial focus is the refurbishment of the Butterworth silos and erecting a mill in the vicinity through a public private partnership (PPP). As the production capabilities within the province increases over the next three years, other possible sites for similar partnerships will be identified.

Programme 3: Infrastructure and mechanisation support programme

The primary aim of the programme is to develop mechanisation capability in the province by leveraging funding. This entails the provision of small farmer and community support by making available, as loan funding, the minimal contribution required when applying for mechanisation financing. In addition to infrastructure, access to mechanisation within the province is critical when considering the global, long-term future of agricultural production. By funding the risk portion of the mechanisation costs when a community/individual applies for financing, other DFIs and private sector financiers can be attracted to fund the remainder. The aim is to facilitate mechanisation loans exceeding R40 million. By increasing the mechanisation availability in the province in a coordinated manner, this will increase economic activity and decrease production costs in the long run, and result in increased hectares being planted.

Expenditure estimates

Table 2.2: ECRDA statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	59 480	44 514	168 506	13 502	5 970		
Sale of goods and services	21 069	28 771	26 741	9 627	1 985		
Of which:							
Admin fees	5 546	6 742	1 867	3 885	1 985		
Sales by market establishments	-	-	-	-	-		
Other sales	11 578	5 004	12 790	0	0		
Fines, penalties & forfeits	-	-	-	-	-		
Interest, dividends & rentals	22 125	15 193	12 919	4 822	3 985		
Other non-tax revenue	31 809	22 579	153 720	4 795	-		
Transfers received	125 000	186 954	137 600	37 072	155 000		
Sale of capital assets	(12)	-	(28)	-	-		
Total revenue	184 468	231 468	306 078	50 574	160 970		
Expenditure							
Current expenditure	100 981	190 673	180 692	108 735	159 386		
Compensation of employees	26 203	35 433	46 509	46 203	61 302		
Goods and services	71 641	150 104	129 818	56 737	91 675		
Depreciation	1 057	2 040	2 925	4 445	4 948		
Unauthorised expenditure	-	-	-	-	-		
Interest, dividends & rentals							
Interest	1 102	2 048	398	300	324		
Dividends	-	-	-	-	-		
Rentals	978	1 048	1 042	1 050	1 138		
Transfers and subsidies							
Total expenses	100 981	190 673	180 692	108 735	159 386		
Surplus / (Deficit)	83 487	40 795	125 386	(58 161)	1 584		

Note: The financial information for the 2013/14 and 2014/15 financial years is not presented in the table above as funding for these years has not yet been determined.

Table 2.3: ECRDA statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	20 967	34 599	27 851	16 439	16 889		
<i>Of which:</i>							
<i>Acquisition of assets</i>	2 281	6 203	6 822	3 015	4 500		
Inventory	5 708	11 764	4 701	-	-		
Receivables and prepayments	61 938	96 322	240 371	219 728	176 248		
Cash and cash equivalents	295 696	224 365	223 728	86 553	68 332		
Other assets	26 437	18 497	12 934	12 933	6 434		
Total assets	389 779	372 991	509 585	335 653	267 903		
Share capital	1	1	1	1	1		
Reserves	47 697	53 753	46 690	41 989	-		
Accumulated surplus / deficit	201 299	180 716	306 104	246 171	219 376		
Trade and other payables	210 006	152 434	164 188	49 917	23 300		
Provisions	3 235	3 792	3 738	4 010	2 947		
Liabilities not classified elsewhere	-		31 967	-	-		
Total equity and liabilities	389 779	372 991	509 585	335 653	267 903		

Note: The financial information for the 2013/14 and 2014/15 financial years is not presented in the table above as funding for these years has not yet been determined.

The expenditure trend for ECRDA over the past four years is based on the combined results of ECRFC and ASGISA-EC. These two entities had very different focus areas and funding constraints; hence reflecting on the global expenditure pattern may be misleading.

The 2011/12 expenditure estimates for ECDRA indicates a deficit for the 2011/12 revised estimate which improves to a limited surplus in 2012/13.

Funding for the outer two years will be determined during the adjusted estimates, when the Provincial Treasury has received the business plans from the Department of Rural Development and Agrarian Reform.

Personnel information

Table 2.4: ECRDA personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	6	6	2	5	6	6	4	6		
Senior management	12	12	-	4	5	5	12	13		
Middle management	31	31	10	16	26	30	21	23		
Semi-skilled	89	89	4	79	88	98	85	89		
Very low skilled	21	21	3	16	17	18	18	19		
Total	159	159	19	120	142	157	140	150		
Compensation (R'000)				26 203	35 433	46 509	46 203	61 302		
Unit cost (R'000)				218	250	296	330	409		

¹. As at September 2011

In the past four years, the entities experienced a steady growth rate for personnel until the latter part of 2009/10 when a moratorium on new appointments was placed at both ECRFC and ASGISA-EC, due to the merger process that commenced at that stage. Apart from inflationary increments, no significant activity took place within the sphere of employee costs.

The integration of ECRFC and ASGISA-EC in the bridging period between 2011/12 and 2012/13 is expected to create a spike in the employment costs. This is not just attributable to the possible attrition of employees, but also skills requirements of ECRDA's organogram upon the finalisation of the strategy.

Annexure: Detailed financial information

Entity	EC Rural Development Agency						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	59 480	44 514	168 506	13 502	5 970	-	-
Sale of goods and services other than capital assets	5 546	6 742	1 867	3 885	1 985	-	-
Of which:							
Admin fees	5 546	6 742	1 867	3 885	1 985		
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	22 125	15 193	12 919	4 822	3 985		
Other non-tax revenue	31 809	22 579	153 720	4 795			
Transfers received	125 000	186 954	137 600	37 072	155 000		
Sale of capital assets	(12)	-	(28)	-	-		
Total revenue	184 468	231 468	306 078	50 574	160 970	-	-
Expenses							
Current expense	100 981	190 673	180 692	108 735	159 386	-	-
Compensation of employees	26 203	35 433	46 509	46 203	61 302		
Use of goods and services	71 641	150 104	129 818	56 737	91 675		
Depreciation	1 057	2 040	2 925	4 445	4 948		
Unauthorised expenditure							
Interest, dividends and rent on land	2 080	3 096	1 440	1 350	1 462	-	-
Interest	1 102	2 048	398	300	324		
Dividends	-	-	-	-	-		
Rent on land	978	1 048	1 042	1 050	1 138		
Transfers and subsidies							
Total expenses	100 981	190 673	180 692	108 735	159 386	-	-
Surplus / (Deficit)	83 487	40 795	125 386	(58 161)	1 584	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(7 955)	(119)	(103 269)	5 333	(13 526)	-	-
Adjustments for:							
Depreciation	1 057	2 040	2 925	4 445	4 948		
Interest	142	135	97	300	324		
Net (profit) / loss on disposal of fixed assets	12	-	28	-	-		
Other	(9 166)	(2 294)	(106 319)	588	(18 798)		
Operating surplus / (deficit) before changes in working capital	75 532	40 676	22 117	(52 828)	(11 943)	-	-
Changes in working capital	97 502	(99 718)	(29 789)	5 384	(1 774)	-	-
(Decrease) / increase in accounts payable	109 529	(57 862)	(22 239)	(8 744)	(2 251)		
Decrease / (increase) in accounts receivable	(11 853)	(41 875)	(7 550)	14 128	477		
(Decrease) / increase in provisions	(174)	19	-	-	-		
Cash flow from operating activities	173 034	(59 042)	(7 672)	(47 444)	(13 717)	-	-
Transfers from government	125 000	172 500	137 300	62 073	155 000	-	-
Of which:							
Capital							
Current	125 000	172 500	137 300	62 073	155 000		
Cash flow from investing activities	(2 430)	(11 617)	(10 747)	(3 015)	(4 500)	-	-
Acquisition of Assets	(2 281)	(6 203)	(6 822)	(3 015)	(4 500)	-	-
Land	-	-	-	-	-		
Dwellings	-	(253)	(86)	-	-		
Non- Residential Buildings	-	-	-	-	-		
Investment Property	-	-	-	-	-		
Other Structures (Infrastructure Assets)	-	-	-	-	-		
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-		
Capital Work in Progress	-	-	-	-	-		
Heritage Assets	-	-	-	-	-		
Biological Assets	-	-	-	-	-		
Computer equipment	(801)	(1 341)	(1 120)	(750)	(1 500)		
Furniture and Office equipment	(944)	(1 315)	(552)	(205)	(1 000)		
Other Machinery and equipment	(465)	(1 565)	(879)	(20)	-		
Specialised military assets	-	-	-	-	-		
Transport Assets	-	(1 030)	(4 107)	-	-		
Computer Software	-	-	-	(1 900)	(2 000)		
Mastheads and Publishing titles	-	-	-	-	-		
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-		
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-		
Service and Operating Rights	-	-	-	-	-		
Other Intangibles	(71)	(699)	(78)	(140)	-		
Other flows from Investing Activities	(149)	(5 414)	(3 925)	-	-	-	-
Other 1	30	(5 325)	(3 789)				
Other 2	(179)	(89)	(136)				
Cash flow from financing activities	1	-	-	(93 339)	-	-	-
Deferred Income	-	-	-	511			
Borrowing Activities	-	-	-	-			
Other	1	-	-	(93 850)			
Net increase / (decrease) in cash and cash equivalents	170 605	(70 659)	(18 419)	(143 798)	(18 217)	-	-

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Rural Finance Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	20 967	34 599	27 851	16 439	16 889	-	-
Land	559	559	559	559	559		
Dwellings	-	214	242	218	152		
Non- Residential Buildings	2 926	2 861	2 795	2 730	2 665		
Investment Property	2 066	2 028	1 990	1 952	1 914		
Other Structures (Infrastructure Assets)	36	13	7	-	-		
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-		
Capital Work in Progress	-	-	-	-	-		
Heritage Assets	-	-	-	-	-		
Biological Assets	11 578	21 061	10 590	-	-		
Computer equipment	1 129	1 682	1 775	1 699	2 740		
Furniture and Office equipment	2 163	2 782	2 540	2 064	2 559		
Other Machinery and equipment	445	1 838	2 147	1 718	1 202		
Specialised military assets	-	-	-	-	-		
Transport Assets	-	928	4 788	3 665	2 472		
Computer Software	65	633	418	1 834	2 625		
Mastheads and Publishing titles	-	-	-	-	-		
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-		
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-		
Service and Operating Rights	-	-	-	-	-		
Other Intangibles	-	-	-	-	-		
Investments	5 469	5 941	12 934	12 934	6 434	-	-
Floating	-	-	-	-	-		
Current	5 469	5 941	12 934	12 934	6 434		
1<5 Years	-	-	-	-	-		
5<10 Years	-	-	-	-	-		
>10 Years	-	-	-	-	-		
Cash and Cash Equivalents	295 696	224 365	223 728	86 553	68 332	-	-
Bank	295 691	224 356	223 719	86 549	68 332		
Cash on Hand	5	9	9	4	-		
Other	-	-	-	-	-		
Receivables and Prepayments	61 938	96 322	240 371	219 728	184 214	-	-
Trade Receivables	7 027	31 968	62 495	34 477	-		
Other Receivables	53 261	62 704	80 285	87 660	86 623		
Prepaid Expenses	-	-	-	-	-		
Accrued Income	1 650	1 650	97 591	97 591	97 591		
Inventory	5 708	11 764	4 701	-	-	-	-
Trade	-	-	-	-	-		
Other	5 708	11 764	4 701	-	-		
Total Assets	389 779	372 991	509 585	335 653	275 869	-	-
Capital and Reserves	187 715	234 566	352 889	290 027	249 622	-	-
Share Capital and Premium	1	1	1	1	1		
Accumulated Reserves	56 530	140 017	180 812	306 198	248 037		
Surplus / (Deficit)	83 487	40 795	125 386	(58 161)	1 584		
Other	47 697	53 753	46 690	41 989	-		
Borrowings	-	-	-	-	-	-	-
Floating	-	-	-	-	-		
Current	-	-	-	-	-		
1<5 Years	-	-	-	-	-		
5<10 Years	-	-	-	-	-		
>10 Years	-	-	-	-	-		
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations	-	-	-	-	-		
Unrecognised transitional liabilities	-	-	-	-	-		
Other	-	-	-	-	-		
Trade and Other Payables	198 829	134 633	120 991	41 616	23 300	-	-
Trade Payables	22 191	18 329	14 057	6 064	3 300		
Accrued Interest	-	-	-	-	-		
Other	176 638	116 304	106 934	35 552	20 000		
Deferred Income	-	-	-	-	-	-	-
Provisions	3 235	3 792	3 738	4 010	2 947	-	-
Leave pay provision	2 636	3 114	3 017	3 200	2 060		
Other 1	525	585	639	710	767		
Other 2	74	93	82	100	120		
Other 3	-	-	-	-	-		
Other 4	-	-	-	-	-		
Funds Managed	-	-	31 967	-	-	-	-
Poverty Alleviation Fund	-	-	-	-	-		
Regional Development Fund	-	-	-	-	-		
Third Party Funds	-	-	-	-	-		
Mafisa	-	-	31 967	-	-		
Contingent Liabilities	-	-	-	-	-	-	-
Other 1	-	-	-	-	-		
Other 2	-	-	-	-	-		
Other 3	-	-	-	-	-		
Other 4	-	-	-	-	-		
Total equity and liabilities	389 779	372 991	509 585	335 653	275 869	-	-

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	26 203	35 433	46 209	46 010	61 099		
Personnel numbers (head count)	120	142	152	137	147		
Unit cost	218	250	304	336	416		
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)	-	-	300	193	202		
Personnel numbers (head count)	-	-	5	3	3		
Unit cost			60	64	67		
Total for entity							
Personnel cost (R thousand)	26 203	35 433	46 509	46 203	61 302	-	-
Personnel numbers (head count)	120	142	157	140	150	-	-
Unit cost	218	250	296	330	409		
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	21	22	23	21	21		
Executive Management	5	6	6	4	6		
Senior Management	4	5	5	12	13		
Middle Management	16	18	18	11	12		
Professionals	-	8	12	10	11		
Semi-skilled	79	88	98	85	89		
Very low skilled	16	17	18	18	19		
Total	141	164	180	161	171	-	-

Eastern Cape Appropriate Technology Unit

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Appropriate technology Unit (ECATU) is a schedule 3C public entity. The entity reports to the Department of Rural Development and Agrarian Reform (DRDAR) and is mandated with promoting appropriate technologies that contribute towards rural development and poverty eradication through:

- Conducting applied research, adaptation and mainstreaming of appropriate technologies
- Contributing towards evidence based policy and decision making
- Promoting innovative methodologies for service delivery

During 2008/09 and 2009/10 ECATU completed and handed over a pre-school in Nyandeni Local Municipality and Mabandla Cultural Village in Sisonke Local Municipality. Other projects include the school-based water and sanitation programmes in Nyandeni, King Sabata Dalinyebo, and Buffalo City municipalities. Furthermore, more than 10 rural co-operatives were trained in the OR Tambo district.

Between 2010/11 and 2011/12, the entity successfully implemented two alternative energy pilot projects - biogas and solar energy. These projects were implemented in Cedarville High School in the Matatiele Local Municipality (biogas project) and the Ndakeni Village in Mount Ayliff (solar energy project). ECATU has now partnered with Innovate Eastern Cape, an innovation driver and coordination unit established under the auspices of the Department of Economic Development, Environment and Tourism (DEDEAT) to conduct a feasibility study on rolling out biogas in identified government facilities and rural schools.

In order to assist in addressing the school infrastructure backlogs in the Department of Education, ECATU has been implementing and demonstrating the use of cost-effective alternative approaches to deliver infrastructure including use of the soil cement brick technology. ECATU handed over two pre-schools in 2011 which were built in the rural villages of Ngqeleleni using the ECATU soil-cement-brick methodology.

Over the medium term, ECATU will be focussing on:

- Training rural communities, co-operatives and other community based organisation on the principles of organic farming and agroprocessing
- Demonstrating and promoting sustainable, cost effective labour intensive technologies to improve community infrastructure (such as building with the ECATU soil-cement-brick technology), as well as facilitating basic access to water and sanitation in rural areas in the form of rain-water harvesting, water purification and building of sanitation facilities (such as pit latrine toilets)
- Completing feasibility studies on rolling out alternative energy in government facilities and rural areas.

Savings and cost effectiveness measures

Over the MTEF period, ECATU is aiming to achieve savings on goods and services by using alternative ways of operations, using internal journals publications and thereby reducing the number of externally printed publications and making use of ECATU's website as a key driver of awareness. These should result in an average saving in goods and services of R352 000 (5.2 per cent) over the MTEF period.

Selected performance indicators

Table 3.1: ECATU annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of cooperatives successfully trained in financial management, marketing, basic accounting and bookkeeping	To facilitate training of community cooperatives and CBOs, leading towards job creation	20	0	6	5	20	25	25
Number of case studies and impact assessments to determine the level of impact of each project had on the communities where it was implemented to further research on its sustainability, review its challenges and its feasibility to be implemented elsewhere	To generate appropriate research and disseminate relevant development information	1	2	1	2	4	4	4
Number of alternative technologies implemented	To facilitate provision of appropriate technologies for up/downstream beneficiation, contributing towards rural development	-	-	3	2	4	4	4
Number of organic gardens piloted	Contribution towards rural development and sustainable livelihoods	3	3	1	3	6	8	10
Number of technology tests undertaken in infrastructure, water and sanitation, agriculture and food security and alternative energy sectors	To facilitate provision of appropriate technologies for up/downstream beneficiation	3	1	4	3	4	5	5

Note: A "-" in the table means that the performance indicator was not applicable to that year.

Details of programmes/activities/objectives

The research and development and business development programmes (which constitute the core business of ECATU) are externally focused and deal with service delivery and carrying out the mandate of development, adaptation and piloting of appropriate technologies for poverty eradication and rural development. The two units respond to the following objectives:

To facilitate the provision of appropriate technologies for up/downstream beneficiation: One of ECATU's main activities is to adapt appropriate technologies which could benefit rural communities in order eradicate poverty. This is done by piloting such technologies, using cost effective and labour intensive methods

To increase the number of innovations and technologies for use by communities: ECATU is making inroads in introducing alternative energy sources in rural communities. Solar and biogas technologies have been piloted and as a result, the entity is working on a broader plan to roll out these technologies on a much wider scale. Technologies such as agro-processing and organic farming have also been introduced to rural communities to promote sustainable rural livelihoods.

To identify and leverage alternative funding sources: The business development unit devises strategies on identifying alternative sources of funding to complement baseline funding received from the Department of Rural Development and Agrarian Reform. These strategies are implemented by means of linking up with strategic partners to fund various projects. Municipalities, government departments and developmental organisations have come on board by funding some of the projects implemented by ECATU.

To facilitate training of community co-operatives and Community Based Organisations (CBOs): One the roles of the business development unit are the capacity building of community co-operatives through the facilitation of training and assisting these co-operatives in linking them to the markets. The entity has successfully trained a number of co-operatives in the past two years in areas such as financial management, marketing and basic bookkeeping.

Expenditure estimates

Table 3.2: ECATU statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	1 313	1 146	1 176	1 042	1 096	1 153	1 214
Sale of goods and services	1 162	1 121	1 115	978	1 030	1 085	1 142
Of which:							
Admin fees	59	3	5	5	5	6	6
Sales by market establishments	-	-	-	-	-	-	-
Other sales	1 103	1 118	1 110	973	1 025	1 079	1 136
Fines, penalties & forfeits	-	-	-	-	-	-	-
Interest, dividends & rentals	86	25	61	64	66	68	72
Other non-tax revenue	65	-	-	-	-	-	-
Transfers received	12 218	14 969	15 496	16 230	17 052	17 980	18 969
Total revenue	13 526	16 108	16 382	17 272	18 148	19 133	20 183
Expenditure							
Current expenditure	15 747	15 032	16 788	17 272	18 148	19 133	20 182
Compensation of employees	8 131	9 004	8 935	10 082	11 178	12 296	13 525
Goods and services	7 223	5 561	7 545	6 865	6 628	6 477	6 279
Depreciation	393	467	308	325	342	360	379
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends & rentals	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	15 747	15 032	16 788	17 272	18 148	19 133	20 183
Surplus / (Deficit)	(2 221)	1 076	(406)	-	-	-	-

Table 3.3: ECATU statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Carrying value of assets	4 746	4 204	5 205	5 056	4 890	4 720	4 541
<i>Of which:</i>							
<i>Acquisition of assets</i>	481	42	54	175	180	190	200
Inventory	164	155	142	128	155	104	94
Receivables and prepayments	816	799	120	108	97	87	79
Cash and cash equivalents	81	36	2 434	2 557	2 889	3 149	3 432
Other assets	-	-	-	-	-	-	-
Total assets	5 807	5 194	7 901	7 849	8 031	8 060	8 146
Share capital	5 375	5 375	5 375	5 375	5 375	5 375	5 375
Reserves	2 047	1 047	3 068	3 068	3 068	3 068	3 068
Accumulated surplus / deficit	(3 815)	(2 640)	(3 011)	(3 011)	(3 011)	(3 011)	(3 011)
Trade and other payables	1 133	1 209	1 334	1 281	2 004	2 033	2 119
Provisions	151	203	298	314	115	330	418
Deferred income	916	-	837	822	480	265	177
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Total equity and liabilities	5 807	5 194	7 901	7 849	8 031	8 060	8 146

Expenditure trends

ECATU receives almost all its revenue from the Department of Rural Development and Agrarian Reform. Other revenue is earned from the sale of products or project fees earned. Total revenue increased from R13.5 million in 2008/09 to R17.3 million in 2011/12 at an average annual rate of 6.3 per cent. Over the MTEF period, revenue grows to R20.2 million at an average annual rate of 5.3 per cent.

Compensation of employees increased from R 8.1 million in 2008/09 to R 10.1 million in 2011/12 at an average rate of 7.6 per cent and is expected to rise to R 13.5 million in 2014/15 at an average rate of 10.3 per cent. The increase in both periods is mainly to build capacity by attracting and retaining skilled individuals to deliver on the entity's mandate.

Expenditure on goods and services decreased from R 7.2 million in 2008/09 to R 6.9 million in 2011/12 at an average rate of -1.2 per cent and is expected to decline to R 6.5 million in 2014/15. The saving on goods and services is achieved through the prioritisation of activities and the use of alternative means of operations and innovation.

The spending focus over the MTEF period will be on the development of a resource centre, brick yard, organic gardens and research.

Personnel information

Table 3.4: ECATU personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	2	2	-	4	3	2	2	3	3	3
Senior management	1	1	-	9	6	1	1	1	1	1
Middle management	8	8	-	6	7	3	8	8	8	8
Professionals	10	10	-	5	7	4	10	10	10	10
Semi-skilled	13	13	1	9	10	13	12	13	13	13
Very low skilled	13	13	-	11	14	13	13	12	11	11
Total	47	47	1	44	47	36	46	47	46	46
Compensation (R'000)				8 131	9 004	8 935	10 082	11 178	12 296	13 525
Unit cost (R'000)				185	192	248	219	238	267	294

¹ As at 30 September 2011

ECATU has an establishment of 47 posts, of which there is only 1 vacancy at 30 September 2011. Employee numbers have not significantly changed from 2008/09 to 2011/12 and up to 2014/15 it is anticipated that this trend will continue. The increase in personnel costs in the medium term are largely inflationary and to allow for the attraction and retention of well skilled individuals to enhance the capacity of ECATU.

Annexure: Detailed financial information

Entity	Eastern Cape Appropriate Technology Unit						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	1 313	1 146	1 176	1 042	1 096	1 153	1 214
Sale of goods and services other than capital assets	1 162	1 121	1 115	978	1 030	1 085	1 142
Of which:							
Admin fees	59	3	5	5	5	6	6
Sales by market establishments	-	-	-	-	-	-	-
Other sales	1 103	1 118	1 110	973	1 025	1 079	1 136
Fines penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	86	25	61	64	66	68	72
Other non-tax revenue	65	-	-	-	-	-	-
Transfers received	12 218	14 969	15 496	16 230	17 052	17 980	18 969
Sale of capital assets	(5)	(7)	(290)	-	-	-	-
Total revenue	13 526	16 108	16 382	17 272	18 148	19 133	20 183
Expenses							
Current expense	15 747	15 032	16 788	17 272	18 148	19 133	20 183
Compensation of employees	8 131	9 004	8 935	10 082	11 178	12 296	13 525
Use of goods and services	7 223	5 561	7 545	6 865	6 628	6 477	6 279
Depreciation	393	467	308	325	342	360	379
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	15 747	15 032	16 788	17 272	18 148	19 133	20 183
Surplus / (Deficit)	(2 221)	1 076	(406)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	398	474	598	325	345	360	379
Adjustments for:							
Depreciation	393	467	308	325	345	360	379
Interest	-	-	-	-	-	-	-
Net (profit) / loss on disposal of fixed assets	5	7	290	-	-	-	-
Other	-	-	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	(1 823)	1 550	192	325	345	360	379
Changes in working capital	(255)	(226)	996	(27)	167	90	103
(Decrease) / increase in accounts payable	118	(252)	254	(53)	183	29	85
Decrease / (increase) in accounts receivable	(351)	26	742	26	(16)	61	18
(Decrease) / increase in provisions	(22)	-	-	-	-	-	-
Cash flow from operating activities	(2 078)	1 324	1 188	298	512	450	482
Transfers from government	12 218	14 969	15 496	16 230	17 052	17 980	18 969
Of which:							
Capital	481	42	54	176	180	190	200
Current	11 737	14 927	15 442	16 054	16 872	17 790	18 769

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Appropriate Technology Unit						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow from investing activities	(459)	(42)	372	(175)	(180)	(190)	(200)
Acquisition of Assets	(481)	(42)	(54)	(175)	(180)	(190)	(200)
Land	-	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-	-
Non- Residential Buildings	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-
Other Structures (Infrastructure Assets)	-	-	-	-	-	-	-
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-
Computer equipment	(74)	(42)	(54)	(62)	(50)	(50)	(50)
Furniture and Office equipment	(68)	-	-	(10)	(23)	(23)	(23)
Other Machinery and equipment	(253)	-	-	(103)	(107)	(117)	(127)
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	(86)	-	-	-	-	-	-
Computer Software	-	-	-	-	-	-	-
Mastheads and Publishing titles	-	-	-	-	-	-	-
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-	-
Other Intangibles	-	-	-	-	-	-	-
Other flows from Investing Activities	22	-	426	-	-	-	-
Other 1	22	-	426	-	-	-	-
Other 2	-	-	-	-	-	-	-
Cash flow from financing activities	490	(1 327)	837	-	-	-	-
Deferred Income	81	(918)	837	-	-	-	-
Borrowing Activities	-	-	-	-	-	-	-
Other	409	(409)	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(2 047)	(45)	2 397	123	332	260	282
Balance Sheet Data							
Carrying Value of Assets	4 746	4 204	5 205	5 056	4 890	4 720	4 541
Land	200	200	-	-	-	-	-
Dwellings	-	-	-	-	-	-	-
Non- Residential Buildings	3 500	3 289	4 658	4 551	4 362	4 205	4 025
Investment Property	-	-	-	-	-	-	-
Other Structures (Infrastructure Assets)	-	-	-	-	-	-	-
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-
Computer equipment	141	74	75	78	75	75	75
Furniture and Office equipment	210	153	126	87	126	126	126
Other Machinery and equipment	327	235	185	182	185	185	185
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	368	253	161	141	131	121	112
Computer Software	-	-	-	17	11	8	18
Mastheads and Publishing titles	-	-	-	-	-	-	-
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-	-
Other Intangibles	-	-	-	-	-	-	-

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Appropriate Technology Unit						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Investments	-	-	-	-	-	-	-
Floating	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Cash and Cash Equivalents	81	36	2 434	2 557	2 889	3 149	3 432
Bank	-	27	45	50	55	60	66
Cash on Hand	2	2	4	2	2	2	2
Other	79	7	2 385	2 505	2 832	3 087	3 364
Receivables and Prepayments	816	799	120	108	97	87	79
Trade Receivables	165	106	120	108	97	87	79
Other Receivables	651	693	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accrued Income	-	-	-	-	-	-	-
Inventory	164	155	142	128	155	104	94
Trade	164	155	142	128	155	104	94
Other	-	-	-	-	-	-	-
Total Assets	5 807	5 194	7 901	7 849	8 031	8 060	8 146
Capital and Reserves	3 607	3 782	5 432	5 432	5 432	5 432	5 432
Share Capital and Premium	5 375	5 375	5 375	5 375	5 375	5 375	5 375
Accumulated Reserves	(1 594)	(3 716)	(2 605)	(3 011)	(3 011)	(3 011)	(3 011)
Surplus / (Deficit)	(2 221)	1 076	(406)	-	-	-	-
Other	2 047	1 047	3 068	3 068	3 068	3 068	3 068
Borrowings	-	-	-	-	-	-	-
Floating	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations	-	-	-	-	-	-	-
Unrecognised transitional liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Trade and Other Payables	1 133	1 209	1 334	1 281	2 004	2 033	2 118
Trade Payables	724	1 209	1 334	1 281	2 004	2 033	2 118
Accrued Interest	-	-	-	-	-	-	-
Other	409	-	-	-	-	-	-
Deferred Income	916	-	837	822	480	265	177
Provisions	151	203	298	314	115	330	418
Leave pay provision	151	203	298	314	115	330	418
Other 1	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund	-	-	-	-	-	-	-
Regional Development Fund	-	-	-	-	-	-	-
Third Party Funds	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Contingent Liabilities	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	7 841	8 687	8 882	9 977	10 975	12 072	13 279
Personnel numbers (head count)	33	35	34	42	45	45	45
Unit cost	238	248	261	238	244	268	295
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost							
C. Interns							
Personnel cost (R thousand)	290	317	53	106	203	224	246
Personnel numbers (head count)	11	12	2	4	2	1	1
Unit cost	26	26	26	26	102	224	246
Total for entity							
Personnel cost (R thousand)	8 131	9 004	8 935	10 082	11 178	12 296	13 525
Personnel numbers (head count)	44	47	36	46	47	46	46
Unit cost	185	192	248	219	238	267	294
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	3	8	8	8	8	8	8
Executive Management	4	3	2	2	3	3	3
Senior Management	9	6	1	1	1	1	1
Middle Management	6	7	3	8	8	8	8
Professionals	5	7	4	10	10	10	10
Semi-skilled	9	10	13	12	13	13	13
Very low skilled	11	14	13	13	12	11	11
Total	47	55	44	54	55	54	54

Eastern Cape Parks and Tourism Agency

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Parks and Tourism Agency (ECPTA) was established in July 2010 as a result of the merger of the Eastern Cape Parks and Eastern Cape Tourism Boards, with the mandate of the new entity contained in the ECPTA Act (Act No. 2 of 2010). The objective of ECPTA is to manage biodiversity in protected areas and promote and manage tourism in the province.

ECPTA has, since its establishment, advanced the agenda of development and promotion of the Eastern Cape Province as a premier tourism destination. It has achieved this through a range of interventions in the areas of destination development, conservation and biodiversity management. The following has been achieved since the establishment of the ECPTA in July 2010:

- Increasing the Management Effectiveness Tracking Tool (METT) score, which is an international benchmark for tracking the effectiveness of conservation management, from an average score of 34 to an average of 51; an achievement that has received national recognition and praise
- Increasing the number of registered tourism products in the province from 1 900 to 2 060
- Increasing the size of the conservation estate by more than 24 000 ha through the proclamation of the Amathole Marine Protected Area
- Hosting a number of iconic tourism events which has showcased the Eastern Cape as a premier tourism destination. In this regard, it has leveraged more the R90 million in media exposure for the Eastern Cape as a tourism destination
- Emerging as one of the largest contributors to the Black Rhino Range Expansion Programme, for which it has received acclaim for its innovative rhino management, capture and relocation methods.

Over the medium-term the following priorities have been identified:

- Increase the management effectiveness of protected areas where all reserves achieve an average METT-SA score of 55
- Increase revenue from biodiversity from R10 million in 2010/11 to R78 million by 2014/15
- To enhance the standard of compliance with BBBEE legislation at an industry minimum of 60% of all registered tourism products
- To promote the province as a preferred tourism destination in order to increase the number of visitors from 10 000 in 2011/12 to 13 000 at the end of 2014/15 by hosting event partnerships initiatives.
- Create 2296 jobs by the 2014/15 financial year in the conservation and tourism sector.

Savings and cost effectiveness measures

It is anticipated that the cost savings achieved by means of the establishment of the ECPTA will continue throughout the MTEF period as the refocusing and regrouping around the concept of destination development and leveraging off the dual mandate of the ECPTA will enable further cost savings and an increase in the generation of own revenue. The finalisation of the organisational structure in the 2011/12 year will further enable cost savings due to the completion of employee skills profiling and the alignment of the establishment with the objectives and mandate of the entity.

Selected performance indicators

Table 4.1: ECPTA annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
METT-SA score achieved in Protected Areas according to defined categories	Improve management effectiveness of protected areas	- ⁴	-	34	51	55	67	67
Revenue generated from large animal management plan and ecological services	Grow revenue from biodiversity goods and services	-	-	R 10m	R 9m	R8m	R23.9m	R27,2m
Number of visitors attending event partnerships initiatives	Marketing and promotion of provincial tourism	-	-	-	10 000	12 000	12 500	13 000
% of registered tourism products which are compliant with BBBEE	Enhance Provincial Tourism transformation	-	-	-	-	50	70	100
Funds leveraged from partners for biodiversity management and protected area development initiatives	Establish partnerships to achieve biodiversity and tourism outputs	R23m	R23m	R30m	R33m	R35m	R40m	R184m
Number of jobs created per annum	Increase jobs created through ECPTA projects	-	-	-	360	423	913	600

Details of programmes/activities/objectives

Conservation: The effective management of protected areas is measured according to the METT-SA assessment criteria. In the 2010/11 year METT-SA assessment report, the Eastern Cape scored an overall average score of 34, which is below the national average acceptable score of 49. Due to a number of organisational improvements during the 2011/12 year, the average score has been increased to 51 and the ECPTA is confident to obtain an improved score of 55 in the 2012/13 financial year. The amended target will see the ECPTA obtain a METT-SA score of 67 by end of 2013/2014 financial year.

In protecting the integrity of biodiversity, the economic value of biological goods and services will provide significant opportunities for the ECPTA to generate revenue and sustain the environmental integrity. Specific biodiversity initiatives includes the large animal management and payment for ecological services which is estimated to generate R78 million by the 2014/15 financial year

⁴ Note: Where a "-" is indicated, the performance indicator was not set for that year

Business development, tourism and marketing: The destination marketing and promotion of the province must respond to the needs of the market and align to market trends nationally and internationally. Marketing is a key aspect to increasing visitor numbers to the province. This will be done through creating awareness of tourism opportunities, promoting the province and provincial parks and providing credible visitor information through the MTEF period.

Expenditure estimates

Table 4.2: ECPTA statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	20 000	39 492	8 316	11 540	16 380	16 388	19 397
Sale of goods and services							
Of which:							
Admin fees	-	457	-	1 876	1 989	2 108	2 234
Sales by market establishments	-	-	-				
Other sales	5 334	7 903	-				
Fines, penalties & forfeits							
Interest, dividends & rentals	3 599	1 774	757	1 200	1 785	1 892	2 006
Other non-tax revenue	11 067	29 358	7 559	8 464	12 606	12 388	15 157
Transfers received	128 794	144 632	120 457	143 857	184 426	197 182	211 613
Sale of capital assets							
Total revenue	148 794	184 124	128 773	155 397	200 806	213 570	231 010
Expenditure							
Current expenditure	165 619	192 377	131 842	155 397	200 806	213 570	231 010
Compensation of employees	87 797	90 496	71 691	105 900	107 000	113 420	124 762
Goods and services	70 111	92 783	60 037	42 770	86 675	92 591	98 235
Depreciation	7 669	9 071	114	6 727	7 131	7 559	8 013
Unauthorised expenditure							
Interest, dividends & rentals							
Interest	42	27					
Dividends							
Rentals							
Transfers and subsidies							
Total expenses	165 619	192 377	131 842	155 397	200 806	213 570	231 010
Surplus / (Deficit)	(16 825)	(8 253)	(3 069)	-	-	-	-

Table 4.3: ECPTA statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Carrying value of assets	84 895	87 998	83 151	98 052	103 935	110 171	116 782
<i>Of which:</i>							
<i>Acquisition of assets</i>	16 729	11 551	4 520	7 202	7 564	7 947	8 354
Inventory	160	56	12 062	52	55	58	62
Receivables and prepayments	5 992	5 577	1 349	3 685	3 906	4 140	4 388
Cash and cash equivalents	87 917	76 441	56 443	51 980	70 077	89 329	109 806
Other assets							
Total assets	178 964	170 072	153 005	153 769	177 973	203 699	231 038
Share capital	-	-	-	-	-	-	-
Reserves	36 994	37 470	39 304	55 813	75 692	96 832	119 311
Accumulated surplus / deficit	35 735	28 927	25 858	25 858	25 858	25 858	25 858
Trade and other payables	26 336	34 087	39 790	42 178	44 708	47 391	50 234
Borrowings	4	7	1 244	-	-	-	-
Deferred Income	79 895	71 026	46 809	29 920	31 715	33 618	35 635
Total equity and liabilities	178,964	170,072	153,005	153,769	177,973	203,699	231,038

Expenditure trends

Between 2008/09 and 2010/11 the entities operated individually and their mandates were separate, therefore analysis of expenditure trends for that period may be misleading.

Total expenditure increased from R131.8 million in 2010/11 (when the ECPTA was established) to R155.3 million in 2011/12 at a rate of 17.9 per cent. In the 2012/13 financial year the grant allocation of R184.4 million represents an increase of 28.2 per cent from 2011/12. The additional funds are earmarked for infrastructure development and destination tourism initiatives. This increasing trend continues over the MTEF period, with total expenditure increasing at an average annual rate of 14.1 per cent between the 2013/14 and 2014/15 years.

Personnel costs absorb a large portion of total expenditure. From R71.6 million in 2010/11 (when the ECPTA was established), compensation of employees increased to R105.9 million in 2011/12, at an average annual rate of 47.7 per cent. This increase is due to the finalisation of the organisational structure of the ECPTA and the payment of voluntary severance packages in order to achieve the correct skills mix for the entity as a direct consequence of the merger. A salary parity process was followed in order to ensure uniformity amongst employees at an annual estimated cost of R4.2 million. The ECPTA has also moved from a very low skilled base profile to one of a more semi-skilled profile which has contributed to the increase in compensation of employees. Over the medium-term, compensation of employees increases to R124.7 million in 2014/15, at an average annual rate of 5.6 per cent. This increase in compensation of employees over the MTEF will also be as a result of the filling of critical vacant posts in terms of the approved organisational structure.

Own revenue generated by the ECPTA will increase at an average annual rate of 18.9 per cent over the MTEF period as the entity is striving towards striking a balance between own revenue and grant allocation.

Personnel information

Table 4.4: ECPTA personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	6	6	0	7	5	3	3	6	6	6
Senior management	40	36	4	40	41	38	38	38	39	40
Middle management	36	28	8	27	29	29	27	30	31	31
Skilled	63	47	16	56	52	47	44	47	48	49
Semi-skilled	232	169	63	235	225	220	216	228	233	237
Very low skilled	150	142	8	272	253	233	229	142	147	152
Total	527	428	99	637	605	570	557	491	504	515
Compensation (R'000)				87 797	90 496	71 691	105 900	107 000	113 420	124 762
Unit cost (R'000)				138	150	126	190	218	225	242

The organisational establishment of the ECPTA was finalised and approved in September 2011, with 527 approved posts. At mid-year (September 2011) the number of posts filled amounted to 557, which is more than the approved establishment as a result of the merger process. During the period September to December 2011 a voluntary severance package process was undertaken in order to achieve the correct skills mix for the mandate of the ECPTA. As at December 2011, the actual number of posts filled is 428, with 99 vacant posts. The ECPTA has moved from a very low skilled base profile to a semi-skilled base profile. The entity anticipates filling all critical vacant posts by the end of the MTEF period.

Annexure: Detailed financial information

Entity	Eastern Cape Parks and Tourism Agency						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	20 000	39 492	8 316	11 540	16 380	16 388	19 397
Sale of goods and services other than capital assets	5 334	8 360	-	1 876	1 989	2 108	2 234
Of which:							
Admin fees	-	457	-	1 876	1 989	2 108	2 234
Sales by market establishments	-	-	-	-	-	-	-
Other sales	5 334	7 903	-	-	-	-	-
Fines penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	3 599	1 774	757	1 200	1 785	1 892	2 006
Other non-tax revenue	11 067	29 358	7 559	8 464	12 606	12 388	15 157
Transfers received	128 794	144 632	120 457	143 857	184 426	197 182	211 613
Sale of capital assets							
Total revenue	148 794	184 124	128 773	155 397	200 806	213 570	231 010
Expenses							
Current expense	165 619	192 377	131 842	155 397	200 806	213 570	231 010
Compensation of employees	87 797	90 496	71 691	105 900	107 000	113 420	124 762
Use of goods and services	70 111	92 783	60 037	42 770	86 675	92 591	98 235
Depreciation	7 669	9 071	114	6 727	7 131	7 559	8 013
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	42	27	-	-	-	-	-
Interest	42	27	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies							
Total expenses	165 619	192 377	131 842	155 397	200 806	213 570	231 010
Surplus / (Deficit)	(16 825)	(8 253)	(3 069)	-	(0)	(0)	(0)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(13 413)	17 073	(949)	5 527	5 346	5 667	6 007
Adjustments for:							
Depreciation	7 669	9 071	141	6 727	7 131	7 559	8 013
Interest	-	-	(856)	(1 200)	(1 785)	(1 892)	(2 006)
Net (profit) / loss on disposal of fixed assets	(20 182)	9 811	(10)	-	-	-	-
Other	(900)	(1 809)	(224)	-	-	-	-
Operating surplus / (deficit) before changes in working capital	(30 238)	8 820	(4 018)	5 527	5 346	5 667	6 007
Changes in working capital	1 973	1 469	(3 057)	52	2 310	2 448	2 595
(Decrease) / increase in accounts payable	5 730	1 054	(5 703)	2 388	2 531	2 682	2 843
Decrease / (increase) in accounts receivable	(3 757)	415	2 646	(2 336)	(221)	(234)	(248)
(Decrease) / increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	(28 265)	10 289	(7 075)	5 579	7 656	8 115	8 602
Transfers from government	128 794	144 632	120 457	143 857	184 426	197 182	211 613
Of which:							
Capital	-	-	-	-	-	-	-
Current	128 794	144 632	120 457	143 857	184 426	197 182	211 613
Cash flow from investing activities	(16 729)	(11 551)	(4 520)	(6 321)	(6 630)	(6 958)	(7 306)
Acquisition of Assets	(16 729)	(11 551)	(4 520)	(7 202)	(7 564)	(7 947)	(8 354)
Land	(6 158)	(2 725)	-	-	-	-	-
Dwellings	-	-	(4 520)	(762)	(807)	(856)	(907)
Non- Residential Buildings	(3 749)	(614)	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-
Other Structures (Infrastructure Assets)	(1 132)	(1 002)	-	-	-	-	-
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-
Computer equipment	(1 987)	(1 411)	-	(1 169)	(1 169)	(1 169)	(1 169)
Furniture and Office equipment	(1 309)	(824)	-	(605)	(641)	(680)	(720)
Other Machinery and equipment	(1 167)	(1 443)	-	(1 278)	(1 354)	(1 436)	(1 522)
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	(1 030)	(3 384)	-	(3 003)	(3 184)	(3 375)	(3 577)
Computer Software	-	-	-	(385)	(408)	(433)	(459)
Mastheads and Publishing titles	-	-	-	-	-	-	-
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-	-
Other Intangibles	(197)	(148)	-	-	-	-	-
Other flows from Investing Activities	-	-	-	881	933	989	1 049
Other 1	-	-	-	881	933	989	1 049
Other 2	-	-	-	-	-	-	-

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Parks and Tourism Agency						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow from financing activities	69 139	(10 214)	(8 403)	(3 721)	17 072	18 096	19 182
Deferred Income	65 049	(8 869)	(24 217)	(16 889)	1 795	1 903	2 017
Borrowing Activities	4 090	(1 345)	1 237	(1 244)	-	-	-
Other	-	-	14 577	14 412	15 276	16 193	17 165
Net increase / (decrease) in cash and cash equivalents	24 145	(11 476)	(19 998)	(4 464)	18 097	19 253	20 479
Balance Sheet Data							
Carrying Value of Assets	84 895	87 998	83 151	98 052	103 935	110 171	116 782
Land	21 001	23 912	23 152	32 720	34 683	36 764	38 970
Dwellings	-	-	24 161	22 266	23 602	25 018	26 519
Non- Residential Buildings	13 967	14 287	-	-	-	-	-
Investment Property	4 601	5 601	7 100	-	-	-	-
Other Structures (Infrastructure Assets)	12 192	10 612	2 496	15 404	16 328	17 308	18 346
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	8 130	8 408	8 403	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	12 439	11 867	-	-	-	-	-
Computer equipment	2 709	2 221	3 764	5 320	5 639	5 977	6 336
Furniture and Office equipment	3 038	2 923	3 292	4 653	4 932	5 228	5 541
Other Machinery and equipment	2 733	3 111	4 922	6 956	7 374	7 816	8 285
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	3 896	4 814	5 861	8 284	8 781	9 307	9 866
Computer Software	-	-	-	2 450	2 597	2 753	2 918
Mastheads and Publishing titles	-	-	-	-	-	-	-
Patents, Licences, Copyrights, Brand names and Trademarks	-	-	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-	-
Other Intangibles	189	242	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Floating	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Cash and Cash Equivalents	87 917	76 441	56 443	51 980	70 077	89 329	109 806
Bank	80 988	64 171	56 443	51 980	70 077	89 329	109 806
Cash on Hand	15	8	-	-	-	-	-
Other	6 914	12 262	-	-	-	-	-
Receivables and Prepayments	5 992	5 577	1 349	3 685	3 906	4 140	4 388
Trade Receivables	4 490	4 544	132	187	198	210	222
Other Receivables	1 436	691	1 217	3 498	3 708	3 930	4 166
Prepaid Expenses	66	342	-	-	-	-	-
Accrued Income	-	-	-	-	-	-	-
Inventory	160	56	12 062	52	55	58	62
Trade	160	56	12 062	52	55	58	62
Other	-	-	-	-	-	-	-
Total Assets	178 964	170 072	153 005	153 769	177 973	203 699	231 038
Capital and Reserves	72 729	64 952	65 162	81 671	101 550	122 691	145 171
Share Capital and Premium	-	-	-	-	-	-	-
Accumulated Reserves	52 560	35 735	28 927	25 858	25 858	25 858	25 858
Surplus / (Deficit)	(16 825)	(8 253)	(3 069)	-	(0)	(0)	(0)
Other reserves	36 994	37 470	39 304	55 813	75 692	96 833	119 313
Borrowings	4	7	1 244	-	-	-	-
Floating	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
1<5 Years	4	7	1 244	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations	-	-	-	-	-	-	-
Unrecognised transitional liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Trade and Other Payables	26 336	34 087	39 790	42 178	44 708	47 391	50 234
Trade Payables	18 283	18 954	19 964	21 162	22 432	23 778	25 204
Accrued Interest	-	-	-	-	-	-	-
Other	8 053	15 133	19 826	21 016	22 276	23 613	25 030
Deferred Income	79 895	71 026	46 809	29 920	31 715	33 618	35 635
Provisions	-	-	-	-	-	-	-
Leave pay provision	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund	-	-	-	-	-	-	-
Regional Development Fund	-	-	-	-	-	-	-
Third Party Funds	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Contingent Liabilities	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Total equity and liabilities	178 964	170 072	153 005	153 769	177 973	203 699	231 038

Province of the Eastern Cape
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Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	87 797	90 496	71 691	105 900	107 000	113 420	124 762
Personnel numbers (head count)							
Unit cost							
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
Total for entity							
Personnel cost (R thousand)	87 797	90 496	71 691	105 900	107 000	113 420	124 762
Personnel numbers (head count)	637	605	570	557	491	504	515
Unit cost	138	150	126	190	218	225	242
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level							
Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	9	9	9	9	9	9	9
Executive Management	7	5	3	3	6	6	6
Senior Management	40	41	38	38	38	39	40
Middle Management	27	29	29	27	30	31	31
Professionals	56	52	47	44	47	48	49
Semi-skilled	235	225	220	216	228	233	237
Very low skilled	272	253	233	229	142	147	152
Total	646	614	579	566	500	513	524

Eastern Cape Gambling and Betting Board

Strategic overview: 2008/09 – 2014/15

The role of the Eastern Cape Gambling and Betting Board (ECGBB) is to regulate all gambling activities in the province, including the protection of consumers and public education regarding legal and illegal gambling as contemplated in the Eastern Cape Gambling and Betting Act (5 of 1997).

Between 2008/09 and 2009/10, the ECGBB secured close to R1.7 billion re-investments through the casino re-licensing process in Port Elizabeth and Mzamba.

In 2010/11, the gambling and gaming industry became a key facilitator of tourism in the province. It employed 2,914 people and contributed to local economic development through concessions to local companies. There were more than four million visitors to casinos and almost R2 billion was invested in casino establishments by license operators. Route and site operations generated gross gaming revenues of R103.4 million and contributed R10.3 million to the Provincial Revenue Fund.

Over the medium term, ECGBB will focus on promoting and enforcing compliance with the Eastern Cape Gambling and Betting Act. This will entail compliance audits, verification of gambling devices and employees in the industry, and revenue audits as complementary activities towards maximising the revenue collected on behalf of the provincial government. In addition, the gambling and licensing tariffs will also be reviewed. The number of casino zones is not planned to increase, but other areas of gaming will receive focus, such as horse racing, limited payout machines and bingo licenses.

A consumer protection and public education strategy will be developed to promote responsible gambling and protection of the public from unfair and unscrupulous gambling. Furthermore, ECGBB will be entering into strategic partnerships with the provincial South African Police Services, the provincial National Prosecution Authority, South African Receiver of Revenue and Financial Intelligence Centre in order to strengthen investigations, detection and prevention of illegal gambling in the province.

ECGBB will also work towards building a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest activities on gambling regulation and consumer protection.

Savings and cost effectiveness measures

The entity is implementing cost cutting measures due to a decrease in available funding. The areas of focus will be on overseas travelling which will be limited to board approved travelling and urgent travelling only. More efforts will also be made to reduce spending on local travelling, training and development, and corporate social responsibility. ECGBB has employed a full time legal advisor, and therefore it is also expected that outsourced legal fees will reduce significantly. It is estimated that goods and services will decrease by approximately 5.9 per cent per annum over the MTEF period.

Selected performance indicators

Table 5.1: ECGBB annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Amount of Revenue collected on behalf of the province.	Collection of gambling and gaming taxes on behalf of the EC Province	R 89 m	R 89 m	R 92 m	R 102 m	R 111 m	R 117 m	R 125 m
Number of Revenue Audits Conducted.	To ensure compliance and adherence to bid commitments, licence conditions, legislation and regulations prior to and after the commencement of the operations.	29	40	34	34	36	42	42
Number of "sweeps" conducted in the province.	To protect the public interest and the licensed operators from unfair and illegal competition	1	1	1	1	5	5	5
Number of Compliance Audits Conducted.	To ensure compliance and adherence to bid commitments, licence conditions, legislation and regulations prior to and after the commencement of the operations.	131	460	42	7	54	75	75
Number of responsible gambling campaigns conducted per annum	To advise the public on the social impact of irresponsible gambling.	-	-	-	-	5	7	10
Number of various licences issued out by the Board per annum.	Award licenses and certificates to suitable qualified Applicants.	3	1	1	5	20 ⁵	1	1

Note: Where a "-" is indicated, it means that the performance indicator was not applicable to that year.

Details of programmes, activities and objectives

ECGBB oversees all gambling activities in the Eastern Cape in line with the prescripts of the Eastern Cape Gambling and Betting Act. Its mandate is implemented through the following main divisions:

Management services: Provides financial management, strategic, legal and communication services to the entity.

Regulatory services: Provides licenses of all gambling activities to qualifying individuals and/or businesses, inspection of gambling facilities to ensure compliance with the law, and the collection of gambling taxes and fees on behalf of the province.

Socio-economic development: Promotes responsible gambling, monitors corporate social investment initiatives of the gambling industry, and promotes tourism and investments relating to the gambling and gaming industry.

⁵ The large increase in the number of licences awarded in 2012/13 is due to a focus on the licencing of bingo, limited payout machines (LPOs) and other gaming sectors. In previous year, the main area of focus was casino licences.

Advisory services: Provides information and advice on all gambling issues and investigates/arbitrates on all gambling disputes in the province.

Expenditure estimates

Table 5.2: ECGBB statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	8 337	6 728	8 120	6 967	6 991	7 411	7 855
Sale of goods and services							
Of which:							
Admin fees	3 763	5 452	7 552	6 366	6 539	6 932	7 348
Sales by market establishments							
Other sales							
Fines, penalties & forfeits	4						
Interest, dividends & rentals	2 556	1 275	568	601	452	479	507
Other non-tax revenue	2 014						
Transfers received	20 690	22 017	23 338	31 187	29 824	29 965	31 860
Sale of capital assets	151	74	(27)	23	31	33	35
Total revenue	29 179	28 819	31 432	38 177	36 846	37 409	39 750
Expenditure							
Current expenditure	-	-	-	-	-	-	-
Compensation of employees	12 262	13 778	14 120	18 684	21 281	22 558	23 911
Goods and services	16 159	22 914	20 879	18 272	14 738	13 974	14 910
Depreciation	641	751	763	786	827	877	929
Unauthorised expenditure							
Interest, dividends & rentals							
Interest	20						
Dividends							
Rentals							
Transfers and subsidies							
Total expenses	29 082	37 443	35 762	37 742	36 846	37 409	39 750
Surplus / (Deficit)	96	(8 624)	(4 330)	435	-	-	-

Table 5.3: ECGBB statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	7 766	7 535	7 127	6 905	6 609	6 315	6 020
Of which:							
Acquisition of assets	1 022	506	381	554	500	550	600
Inventory	35	18	-	-	-	-	-
Receivables and prepayments	7 420	8 758	8 610	6 065	6 429	6 815	7 224
Cash and cash equivalents	23 909	11 376	52 547	10 244	11 013	11 808	12 634
Other assets	-	-	-	-	-	-	-
Total assets	39 130	27 688	68 285	23 214	24 051	24 938	25 878
Share capital	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Accumulated surplus / deficit	21 596	13 158	8 828	9 263	9 263	9 263	9 263
Trade and other payables	14 060	10 858	56 369	8 931	9 467	10 035	10 637
Provisions	3 474	3 671	3 088	5 020	5 321	5 640	5 979
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Funds managed	-	-	-	-	-	-	-
Total equity and liabilities	39 130	27 688	68 285	23 214	24 051	24 938	25 878

Expenditure trends

ECGBB receives a majority of its funding from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). Other revenue is earned through the recovery of fees charged on inspections. Revenue has grown consistently at an average annual rate of 7 per cent from R29.2 million in 2008/09 to R38.2 million in 2011/12. Government funding decreases from R31.2 million in 2011/12 to R29.8 million in 2012/13. Over the MTEF period, total revenue grows at an average annual rate of 1.4 per cent. The decreased funding from the DEDEAT over the medium term has made it essential that the ECGBB reduce all non-core expenditure items in order to maintain services. Through the implementation of cost-saving measures to greatly reduce non-core operational expenditure, the entity will reduce goods and services from R18.3 million in 2011/12 to R14.9 million in 2014/15.

Currently, a dispute exists between the Casino Association of South Africa (CASA) and the ECGBB regarding the fees charged by EGBCC for inspections. Discussions are on-going, but should the CASA be successful, ECGBB will have to reduce administrative fees revenue by approximately R1 million per annum.

Between 2008/09 and 2011/12, compensation of employees increased at an average annual rate of 11.1 per cent due to higher than expected salary adjustments and the filling of vacant posts in executive management. Personnel costs increase by 13.9 per cent from 18.7 million in 2011/12 to R21.6 million in 2012/13. This is a result of the filling of vacant posts in compliance and regulation, and also due to inflationary linked cost-of-living adjustments.

Personnel information

Table 5.4: ECGBB personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	3	3	-	2	2	3	3	5	5	5
Senior management	8	7	4	3	3	3	3	5	5	5
Middle management	29	29	6	18	18	18	23	30	30	30
Semi-skilled	-	-	-				-	-	-	-
Very low skilled	3	3	-	3	3	3	3	3	3	3
Total	43	42	10	26	26	27	32	43	43	43
Compensation (R'000)				12 262	13 778	14 120	18 684	21 281	22 558	23 911
Unit cost (R'000)				472	530	523	584	495	525	556

¹ As at 30 September 2011

ECGBB has a staff establishment of 43, of which 42 are funded and 32 were filled as at 30 September 2011. Between 2008/09 and 2010/11, ECGBB's personnel numbers remained fairly constant. In 2011/12 it was decided to increase the number of middle management to improve the entity's capacity for regulation and compliance, and also in legal and supply chain management. A further decision was taken by the Board in 2011/12 to increase the executive management positions from three to five, thereby further increasing capacity in compliance and regulation. Over the medium term, although the total number of posts will not increase, the organogram will be revised to accommodate the change in positions from senior to executive management.

Annexure: Detailed financial information

Entity	Eastern Cape Gambling and Betting Board						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	8 337	6 728	8 120	6 967	6 991	7 411	7 855
Sale of goods and services other than capital assets	3 763	5 452	7 552	6 366	6 539	6 932	7 348
Of which:							
Admin fees	3 763	5 452	7 552	6 366	6 539	6 932	7 348
Sales by market establishments	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-
Fines penalties and forfeits	4	-	-	-	-	-	-
Interest, dividends and rent on land	2 556	1 275	568	601	452	479	507
Other non-tax revenue	2 014	-	-	-	-	-	-
Transfers received	20 690	22 017	23 338	31 187	28 687	29 965	31 860
Sale of capital assets	151	74	(27)	23	31	33	35
Total revenue	29 179	28 819	31 432	38 177	35 709	37 409	39 750
Expenses							
Current expense	29 082	37 443	35 762	37 742	35 709	37 409	39 751
Compensation of employees	12 262	13 778	14 120	18 684	21 281	22 558	23 911
Use of goods and services	16 159	22 914	20 879	18 272	13 601	13 974	14 910
Depreciation	641	751	763	786	827	877	929
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	20	-	-	-	-	-	-
Interest	20	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies							
Total expenses	29 082	37 443	35 762	37 742	35 709	37 409	39 751
Surplus / (Deficit)	96	(8 624)	(4 330)	435	-	(0)	(0)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(1 878)	(119)	377	57	344	364	387
Adjustments for:							
Depreciation	641	751	763	786	827	877	929
Interest	(2 556)	(1 275)	(568)	(601)	(452)	(479)	(507)
Net (profit) / loss on disposal of fixed assets	(151)	(74)	27	(23)	(31)	(33)	(35)
Other	189	480	155	(105)	-	-	-
Operating surplus / (deficit) before changes in working capital	(1 782)	(8 743)	(3 954)	492	344	364	387
Changes in working capital	2 747	(4 361)	45 075	(42 961)	473	502	532
(Decrease) / increase in accounts payable	2 964	(3 202)	45 510	(47 438)	536	568	602
Decrease / (increase) in accounts receivable	(809)	(1 356)	148	2 545	(364)	(386)	(409)
(Decrease) / increase in provisions	592	197	(583)	1 932	301	319	338
Cash flow from operating activities	965	(13 104)	41 122	(42 470)	817	866	919
Transfers from government	20 690	22 017	23 338	31 187	28 687	29 965	31 860
Of which:							
Capital							
Current	20 690	22 017	23 338	31 187	28 687	29 965	31 860
Cash flow from investing activities	(1 022)	(506)	(381)	(554)	(500)	(550)	(600)
Acquisition of Assets	(1 207)	(618)	(396)	(554)	(500)	(550)	(600)
Land							
Dwellings							
Non- Residential Buildings		(78)	-				
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(234)	(154)	(285)	(100)	(90)	(100)	(110)
Furniture and Office equipment	(140)	(48)	(15)	(18)	(123)	(190)	(220)
Other Machinery and equipment	(262)	(65)	(97)	(2)	(20)	(20)	(20)
Specialised military assets							
Transport Assets	(570)	(272)	-	(434)	(267)	(240)	(250)
Computer Software							
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Other flows from Investing Activities	185	111	16	-	-	-	-
Other - Acquisition of Assets							
Other - Proceeds on disposal of property, plant and equipment	185	111	16	-	-	-	-
Cash flow from financing activities	2 638	1 075	430	601	452	479	507
Deferred Income							
Borrowing Activities							
Other	2 638	1 075	430	601	452	479	507
Net increase / (decrease) in cash and cash equivalents	2 581	(12 535)	41 171	(42 423)	769	795	826

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Gambling and Betting Board						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	7 766	7 535	7 127	6 905	6 609	6 315	6 020
Land	1 071	1 071	1 071	1 071	1 071	1 071	1 071
Dwellings							
Non- Residential Buildings	4 594	4 566	4 459	4 352	4 368	4 338	4 274
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets	-						
Computer equipment	391	327	375	308	238	191	143
Furniture and Office equipment	682	582	426	406	307	243	181
Other Machinery and equipment	208	148	117	243	103	95	70
Specialised military assets							
Transport Assets	819	841	681	525	521	377	281
Computer Software							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	23 909	11 376	52 547	10 244	11 013	11 808	12 634
Bank	23 909	11 374	52 545	10 242	11 011	11 806	12 632
Cash on Hand		2	-	2	2	2	2
Other							
Receivables and Prepayments	7 420	8 758	8 610	6 065	6 429	6 815	7 224
Trade Receivables	52	559	382	587	622	659	699
Other Receivables	7 265	7 791	7 941	5 322	5 641	5 980	6 339
Prepaid Expenses	103	408	288	157	166	176	187
Accrued Income	-	-	-	-	-	-	-
Inventory	35	18	-	-	-	-	-
Trade							
Other	35	18	-	-	-	-	-
Total Assets	39 130	27 688	68 285	23 214	24 051	24 938	25 878
Capital and Reserves	21 596	13 158	8 828	9 263	9 263	9 263	9 263
Share Capital and Premium							
Accumulated Reserves	21 499	21 783	13 158	8 828	9 263	9 263	9 263
Surplus / (Deficit)	96	(8 624)	(4 330)	435	-	(0)	(0)
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	14 060	10 858	56 369	8 931	9 467	10 035	10 637
Trade Payables	6 863	3 849	4 047	896	950	1 007	1 067
Accrued Interest	-	-	-	-	-	-	-
Other	7 197	7 009	52 321	8 035	8 517	9 028	9 569
Deferred Income	-	-	-	-	-	-	-
Provisions	3 474	3 671	3 088	5 020	5 321	5 640	5 979
Leave pay provision	708	889	748	1 200	1 272	1 348	1 429
13th cheque & performance bonus	2 006	2 030	1 708	2 500	2 650	2 809	2 978
Workman's compensation	179	52	44	120	127	135	143
Audit fees	581	700	589	1 200	1 272	1 348	1 429
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund							
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity & liabilities	39 130	27 688	68 285	23 214	24 051	24 938	25 878

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	12 262	13 778	14 120	18 684	21 281	22 558	23 911
Personnel numbers (head count)	26	26	27	32	43	43	43
Unit cost	472	530	523	584	495	525	556
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
Total for entity							
Personnel cost (R thousand)	12 262	13 778	14 120	18 684	21 281	22 558	23 911
Personnel numbers (head count)	26	26	27	32	43	43	43
Unit cost	472	530	523	584	495	525	556
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	8	8	8	8	8	8	8
Executive Management	2	2	3	3	5	5	5
Senior Management	3	3	3	3	5	5	5
Middle Management	5	5	5	9	15	15	15
Professionals	13	13	13	14	15	15	15
Semi-skilled	-	-	-	-	-	-	-
Very low skilled	3	3	3	3	3	3	3
Total	34	34	35	40	51	51	51

Eastern Cape Liquor Board

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Liquor Board (ECLB) was established in terms of the Eastern Cape Liquor Act 10 of 2003 and is tasked to regulate the registration of retail sales and micro-manufacturing of liquor in the province, encourage and support the liquor industry, and manage and reduce the socio-economic and other costs of excessive alcohol consumption. Together with participation at both national and local forums, a broad range of partnerships have been established with relevant stakeholders who have further promoted social accountability and regulatory compliance and enforcement in the liquor industry. Increasingly, other provinces are engaging the ECLB with a view of using the models employed in the Eastern Cape as a benchmark in establishing their own respective liquor regulating entities.

ECLB has successfully achieved the following over the 2008/09 to 2011/12 period:

- Awareness campaigns conducted in 45 schools and 35 clinics throughout the province to broaden the outreach of education campaigns for pregnant women and children. This education drive focused on the dangers of alcohol abuse and the health risks that alcohol presents such as the Foetal Alcohol Syndrome.
- Eighty liquor traders empowered through training in business skills and provision of business information relating to access to resources and development of a sustainable business.
- Five liquor traders associations established to further ECLB's aim of establishing self-monitoring of the liquor industry. More liquor traders associations will be developed in the following year of the MTEF.
- 1 301 new liquor licenses issued in the 2011/12 financial year with full participation of the communities and ward councillors.
- 91 blitz operations conducted and 360 illegal liquor outlets closed.
- 2 584 compliance inspections conducted.

In addition to continuing with the above programmes, the following initiatives will be initiated over the MTEF period:

- Research conducted will be utilised to guide ECLB in understanding and responding to the prevalence of alcohol abuse in the Eastern Cape and assist in directing the necessary resources to combat these issues.
- ECLB has obtained liquor industry market research results which provide a base of liquor industry business intelligence as well as market related information and trends. This in turn will guide ECLB in remaining at the forefront of liquor industry governance and regulation in the province.
- ECLB is embarking on a strategy to create public awareness of the entity and its mandate. This strategy will ensure that ECLB is established as the primary port of call for all matters relating to the governance and regulation of the liquor industry in the province.

Savings and cost effectiveness measures

In order to curtail operational costs, and taking the size of the expected staff establishment relative to the functions of the entity into account, ECLB relocated to other premises during the 2011/12 financial year. This will result in an average of 40 per cent cost savings in rental expense over the MTEF period. These savings, together with improved efficiency and cost effectiveness through streamlining of business processes in the licensing division, will enable the Liquor Board to employ additional inspectors to ensure that its compliance and enforcement mandate is strengthened.

Selected performance indicators

Table 6.1: ECLB annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new liquor licenses processed within 60 days	Efficient Licensing	- ⁶	-	-	450	710	781	859
Number of Liquor Traders empowered annually	Liquor Traders Empowerment	-	-	-	0	100	150	200
Percentage/Number of pre-registration inspections and reports on all compliant license inspections	Compliance inspections	95%	100%	100%	100%	1092 ⁷	1201	1321
Percentage/Number of compliance monitoring visits conducted	Compliance enforcement	90%	90%	90%	7100	7500	7800	8000
Number of public education campaigns conducted annually	Public Education	-	30	35	80	112	127	152

Details of programmes/activities/objectives

ECLB delivers on its mandate by organising its operations into programme components which pursue the organisation's high level goals and objectives through the following activities:

Licensing: Administers the processing of applications for registration of retail sale and micro-manufacturing in accordance with the provisions of the EC Liquor Act and other applicable statutory provisions.

Compliance and enforcement: Ensures full compliance with the EC Liquor Act by means of conducting pre-registration inspections to verify whether applications meet the requirements of the Act, and performs compliance monitoring to ensure that registered liquor retail establishments are fully compliant with the Act and regulations.

Marketing and communications: Educates the public on the dangers of the abuse of alcohol.

⁶ The performance indicator was not set for this year and hence was not reported on

⁷ There was a change in the manner in which performance targets were set, from reporting of percentages to actual number achievements, in compliance with the National Treasury Framework for Strategic Plans and Annual Performance Plans

Expenditure estimates

Table 6.2: ECLB statement of financial performance

R'000							
Statement of financial performance							
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	668	305	345	362	452	400	413
Sale of goods and services							
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fines, penalties & forfeits							
Interest, dividends & rentals	645	267	155	145	181	160	165
Other non-tax revenue	23	38	190	217	271	240	248
Transfers received	28 137	24 621	26 098	32 325	32 137	35 893	38 047
Sale of capital assets			94				
Total revenue	28 805	24 926	26 537	32 687	32 589	36 293	38 460
Expenditure							
Current expenditure	26 149	26 313	29 257	32 687	32 589	36 293	38 460
Compensation of employees	14 010	15 227	16 696	18 031	19 474	21 032	22 714
Goods and services	10 663	9 536	9 714	11 468	9 779	11 769	12 089
Depreciation	1 476	1 550	2 847	3 188	3 336	3 492	3 657
Unauthorised expenditure							
Interest, dividends & rentals							
Interest							
Dividends							
Rentals							
Transfers and subsidies							
Total expenses	26 149	26 313	29 257	32 687	32 589	36 293	38 460
Surplus / (Deficit)	2 656	(1 387)	(2 720)	-	-	-	-

Table 6.3: ECLB statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Carrying value of assets	5 810	6 114	4 376	4 353	4 561	4 796	4 850
<i>Of which:</i>							
<i>Acquisition of assets</i>	664	1223	993	1 413	1 487	1 569	1 854
Inventory							
Receivables and prepayments	89	109	126	183	170	160	150
Cash and cash equivalents	4 879	3 764	4 831	5 551	5 933	6 364	6 710
Other assets							
Total assets	10 778	9 987	9 333	10 087	10 664	11 320	11 710
Share capital							
Reserves							
Accumulated surplus / deficit	8 675	7 289	4 569	5 369	5 369	5 369	5 369
Trade and other payables	2 102	2 698	4 764	4 718	5 295	5 951	6 341
Provisions							
Liabilities not classified elsewhere							
Total equity and liabilities	10 778	9 987	9 333	10 087	10 664	11 320	11 710

Expenditure trends

Total expenditure increased from R26.1 million in 2008/09 to R32.7 million in 2011/12 at an average annual rate of 5.7 per cent. This trend continues over the MTEF period, with total expenditure increasing at an average annual rate of 5.6 per cent.

Personnel costs absorb a large portion of total expenditure. From R14.0 million in 2008/09, compensation of employees increased to R18.0 million in 2011/12, at an average annual rate of 6.5 per cent. Over the medium term, compensation of employees increases to R22.7 million in 2011/12, at an average annual rate of 8 per cent. This increase over the MTEF includes the addition of two middle management positions being filled in terms of the approved establishment.

Personnel information

Table 6.4: ECLB personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establish- ment	Number of funded posts (establish- ment)	Number of vacant posts	Actual			31 Dec	Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	1	1		1	1	1	1	1	1	1
Senior management	4	4		4	3	4	4	4	4	4
Middle management	22	19	3	17	16	17	19	22	22	22
Semi-skilled	37	31	6	35	38	35	31	31	35	37
Very low skilled	4	4		6	5	3	4	4	4	4
Total	68	59	9	63	63	60	59	62	66	68
Compensation (R'000)				14 010	15 227	16 696	18 031	19 474	21 032	22 714
Unit cost (R'000)				222	242	278	306	314	319	334

1. At 30 September 2011

The entity has a post establishment of 68 posts, of which nine are vacant. From 63 posts in 2008/09, the number of filled posts reduced to 59 in 2011/12. The entity aims to fill all inspector and senior inspector positions over the remainder of the MTEF period. These positions have been vacated due to disciplinary actions having been taken against the officials.

One senior management position has been filled on a contract basis, however, this position needs to be filled in a permanent capacity during the MTEF period.

Annexure: Detailed financial information

Entity	Eastern Cape Liquor Board						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	668	305	345	362	452	400	413
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	645	267	155	145	181	160	165
Other non-tax revenue	23	38	190	217	271	240	248
Transfers received	28 137	24 621	26 098	32 325	32 137	35 893	38 047
Sale of capital assets			94				
Total revenue	28 805	24 926	26 537	32 687	32 589	36 293	38 460
Expenses							
Current expense	26 149	26 313	29 257	32 687	32 589	36 293	38 460
Compensation of employees	14 010	15 227	16 696	18 031	19 474	21 032	22 714
Use of goods and services	10 663	9 536	9 714	11 468	9 779	11 769	12 089
Depreciation	1 476	1 550	2 847	3 188	3 336	3 492	3 657
Unauthorised expenditure							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	26 149	26 313	29 257	32 687	32 589	36 293	38 460
Surplus / (Deficit)	2 656	(1 387)	(2 720)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 197	1 550	2 732	2 325	2 159	2 329	2 805
Adjustments for:							
Depreciation	1 476	1 550	2 847	3 188	3 336	3 492	3 657
Interest				(145)	(181)	(160)	(165)
Net (profit) / loss on disposal of fixed assets							
Other	(279)		(115)	(718)	(996)	(1 003)	(687)
Operating surplus / (deficit) before changes in working capital	3 853	163	12	2 325	2 159	2 329	2 805
Changes in working capital	(61)	(360)	1 085	11	564	646	380
(Decrease) / increase in accounts payable	(101)	(340)	1 102	(46)	577	656	390
Decrease / (increase) in accounts receivable	40	(20)	(17)	57	(13)	(10)	(10)
(Decrease) / increase in provisions							
Cash flow from operating activities	3 792	(197)	1 097	2 336	2 723	2 975	3 185
Transfers from government	-	-	-	-	-	-	-
Of which:							
Capital							
Current							
Cash flow from investing activities	(664)	(1 223)	(993)	(1 413)	(1 487)	(1 569)	(1 854)
Acquisition of Assets	(664)	(1 223)	(993)	(1 413)	(1 487)	(1 569)	(1 854)
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	(664)	(883)	(937)	(1 113)	(1 187)	(1 269)	(1 654)
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles		(340)	(56)	(300)	(300)	(300)	(200)
Other flows from Investing Activities	-	-	-	-	-	-	-
Other 1							
Other 2							

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Entity	Eastern Cape Liquor Board						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow from financing activities	(722)	306	963	(203)	(854)	(975)	(985)
Deferred Income							
Borrowing Activities							
Other	(722)	306	963	(203)	(854)	(975)	(985)
Net increase / (decrease) in cash and cash equivalents	2 406	(1 114)	1 067	720	382	431	346
Balance Sheet Data							
Carrying Value of Assets	5 810	6 114	4 376	4 353	4 561	4 796	4 850
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)	1 724	1 097	300	200	60	40	20
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	835	595	413	275	200	140	90
Furniture and Office equipment	1 246	2 259	1 830	2 437	2 657	2 986	3 215
Other Machinery and equipment							
Specialised military assets							
Transport Assets	1 936	1 754	1 369	966	869	780	650
Computer Software							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles	69	409	464	475	775	850	875
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	4 879	3 764	4 831	5 551	5 933	6 364	6 710
Bank	4 871	3 760	4 827	5 545	5 927	6 358	6 704
Cash on Hand	8	4	4	6	6	6	6
Other							
Receivables and Prepayments	89	109	126	183	170	160	150
Trade Receivables	89	109	92	183	170	160	150
Other Receivables			15				
Prepaid Expenses			19				
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	10 778	9 987	9 333	10 087	10 664	11 320	11 710
Capital and Reserves	8 676	7 289	4 569	5 369	5 369	5 369	5 369
Share Capital and Premium	-						
Accumulated Reserves	6 020	8 676	7 289	4 569	4 569	4 569	4 569
Surplus / (Deficit)	2 656	(1 387)	(2 720)	-	-	-	-
Other				800	800	800	800
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	2 102	2 698	4 764	4 718	5 295	5 951	6 341
Trade Payables	2 102	1 668	2 770	3 595	3 876	4 278	4 653
Accrued Interest							
Other		1 030	1 994	1 123	1 419	1 673	1 688
Deferred Income	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Leave pay provision							
Other 1							
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund	-						
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity and liabilities	10 778	9 987	9 333	10 087	10 664	11 320	11 710

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	14 010	15 227	16 696	18 031	19 474	21 032	22 714
Personnel numbers (head count)	63	63	60	59	62	66	68
Unit cost	222	242	278	306	314	319	334
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
Total for entity							
Personnel cost (R thousand)	14 010	15 227	16 696	18 031	19 474	21 032	22 714
Personnel numbers (head count)	63	63	60	59	62	66	68
Unit cost	222	242	278	306	314	319	334
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	4	4	4	4	4	4	4
Executive Management	1	1	1	1	1	1	1
Senior Management	4	3	4	4	4	4	4
Middle Management	12	12	12	12	13	13	13
Professionals	5	4	5	7	9	9	9
Semi-skilled	35	38	35	31	31	35	37
Very low skilled	6	5	3	4	4	4	4
Total	67	67	64	63	66	70	72

Eastern Cape Development Corporation

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Development Corporation (ECDC) was established by the ECDC Act (No 2 of 1997), to address prevailing socio-economic challenges and market failures within the Eastern Cape using policy interventions. ECDC's mandate is to plan, finance, coordinate, market, promote and implement development initiatives in the fields of industry, commerce, agriculture, transport and finance. The entity is a government business enterprise classified as a schedule 3D public entity in terms of the PFMA. Its programmes and priorities to promote economic growth and development are aligned to the Provincial Growth and Development Plan, Provincial Industrial Development Strategy and Industrial Policy Action Plan.

The corporation's focus of 2008/09 was on improving operational effectiveness and financial performance. Through these efforts, the entity was able to remove bottlenecks and inefficiencies in loan disbursements and exceeded targets by R122 million, and disbursed a total of R311 million in loan finance. A further R436 million was disbursed between 2009/10 and 2011/12. During 2008/09 to 2011/12, the entity provided non-financial development services to 1 146 small micro and medium-sized (SMMEs) and facilitated investments to the value of R2.5 billion.

The strategic goals over the long term are to stimulate economic activity through:

- Focused investment in vital sectors of the Eastern Cape economy (such as manufacturing, agro-processing, construction, retail, services and the green economy)
- Investment in intellectual leadership (such as research and innovation)
- Optimisation of all resources so as to maximise investment returns
- Attainment of financial sustainability
- Building of a strong brand
- Establishing integrated partnerships with stakeholders to ensure maximum leverage of resources and development outcomes.

ECDC's customer focus is primarily to enterprises (emerging and existing), investors (local and international) and government.

Over the medium term the following priorities will be undertaken:

- Building a viable development finance institution (DFI)
- Unbundling non-performing and non-core assets
- Undertaking investment and trade promotion in the province
- Building a capable organisation for high performance with a centre of expertise in business and financial structuring, product development, as well as innovation and knowledge.

ECDC also implements various special projects as directed by its shareholder (DEAET), namely: Imvaba Co-operatives Fund, Eastern Cape Industrial Jobs Stimulus Fund, Local and Regional Economic Development Fund (LRED). During the forthcoming financial year, other strategic initiatives such the Eastern Cape Agro-Processing Initiative and the Eastern Cape Provincial Investment Fund, have been identified, housed and implemented within

ECDC. These strategic initiatives are meant to tackle mega investment projects especially in the agro-processing, forestry and infrastructure related sectors in the province.

Savings and cost effectiveness measures

In terms of its risk tolerance framework and other management tools, ECDC has implemented programmes to reduce operational costs, gross loan impairments, and also a funding and viability model. These risk mitigation measures are meant to ensure that the corporation is prudent with its expenditure whilst being viable, sustainable and generating maximum returns especially for socio-economic development priorities such as job creation. Over the MTEF period, the aim is to reduce operational costs by 5 per cent during 2012/13 and thereafter by a further 5 per cent in the subsequent years. This is evidenced by the projected surpluses from 2013/14 onwards.

Selected performance indicators

Table 7.1: ECDC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of SMME's assisted non-financially	Provision of non-financial development services to businesses in priority sectors	392	266	288	200	230	280	300
Number of jobs facilitated or saved ⁸	Job creation in various operations such financing, projects and investment and trade promotion.	3567	6076	3584	3709	4265	4905	5641
Value of loans disbursed	Value of loans disbursed to enterprises.	R312m	R225m	R111.1m ⁹	R100m	R210m	R260m	R310m
Rentals and arrear rental collected	Value collected from rentals and arrears as part of property management	R55.2m	R49.1m	R49.5m	R46.0m	R42.0m	R43.2m	R34.5m
Value of investments facilitated	Value of investments secured from foreign and local direct investment	R731.4m	R592m	R661.4m	R500m	R750m	R800m	R850m
Value of exports facilitated	Value of exports generated through export Promotion	R202.2	R502m	R1.060m	R900m	R990m	R1.000m	R1.200m

Details of programmes, activities and objectives

Since 2010/11, ECDC has undertaken a review of corporate functions to better align operational functions. Implementation of the realigned functions began in the 2011/12 financial year and will continue into 2012/13.

Administration and management services: Provides overall organisational financial management, communication, strategic and legal services.

⁸ Includes jobs created in loan financing, development projects, investment and trade promotion and enterprise development services.

⁹ 2010/11 reflects a change in composition of formula to calculate loans disbursed and excludes other financial transactions, such as refunds, fees and insurance as recommended by the Auditor General.

Loans, equity investments and risk capital: Provides funding with respect to business loans, taking risk laden investments to stimulate new economic growth areas, business support, credit risk, due diligence, managing customer service, export promotion and development, non-financial SMME support and property management and development. Support capacity to the funding function includes debt collection and business support which is meant to improve the quality of the loan portfolio thereby reducing impairments.

Research and innovation: Identifies new economic opportunities, develops micro and macro-economic models for analysis and forecasting, contributes to policy formulation and broader economic planning, researches new financial products and services and assesses economic impact reports including product development and knowledge management, and the coordination and promotion of foreign and local direct investment.

Expenditure estimates

Table 7.2: ECDC statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	164 468	122 125	114 396	95 965	112 803	166 708	170 394
Sale of goods and services	7 108	6 370	4 670	3 840	7 056	7 408	7 779
Of which:							
Admin fees	7 108	6 370	4 670	3 840	7 056	7 408	7 779
Sales by market establishments							
Other sales							
Fines, penalties & forfeits							
Interest, dividends & rentals	144 839	104 708	101 733	87 537	99 747	153 000	156 000
Other non-tax revenue	12 521	11 047	7 993	4 588	6 000	6 300	6 615
Transfers received	68 552	78 399	84 709	85 862	91 960	96 558	101 386
Sale of capital assets	(931)	(1 671)	(264)				
Total revenue	232 089	198 853	198 841	181 827	204 763	263 266	271 780
Expenditure							
Current expenditure	203 458	261 124	244 763	237 729	276 422	252 895	240 250
Compensation of employees	70 017	84 013	77 391	85 180	91 659	87 076	82 722
Goods and services	129 751	173 935	164 217	144 954	179 236	160 076	151 530
Depreciation	1 679	1 568	1 560	1 972	2 026	1 924	1 828
Unauthorised expenditure	-	-	-				
Interest, dividends & rentals	2 011	1 608	1 595	5 623	3 501	3 819	4 170
Interest	2 011	1 608	1 595	2 994	215	204	194
Dividends	-	-	-				
Rentals				2 629	3 286	3 615	3 976
Transfers and subsidies							
Total expenses	203 458	261 124	244 763	237 729	276 422	252 895	240 250
Surplus / (Deficit)	28 631	(62 271)	(45 922)	(55 902)	(71 659)	10 371	31 530

Table 7.3: ECDC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	531 014	566 418	598 871	601 479	607 864	45 017	49 253
Of which:							
Acquisition of assets	1 527	1 354	1 907	3 205	15 000	-	21 000
Inventory							
Receivables and prepayments	273 271	237 268	198 919	163 600	217 985	479 765	502 875
Cash and cash equivalents	254 500	281 508	309 646	356 056	319 640	484 640	512 011
Other assets							
Total assets	1 273 042	1 256 752	1 267 155	1 289 425	1 316 448	1 180 381	1 235 098
Share capital	298 683	347 398	383 548	421 374	427 530	427 530	427 530
Reserves	722 415	716 023	758 425	758 425	758 425	593 425	593 425
Accumulated surplus / deficit	(52 723)	(114 994)	(160 916)	(216 818)	(288 477)	(278 106)	(246 576)
Trade and other payables	82 840	82 465	77 881	70 363	72 119	74 527	77 650
Provisions	5 117	4 926	7 529	7 904	8 694	9 129	9 586
Deferred income	30 508	30 128	26 411	26 399	23 759	21 383	19 245
Funds managed	183 143	184 570	163 037	222 097	314 848	330 568	350 176
Total equity and liabilities	1 273 042	1 256 752	1 267 155	1 289 425	1 316 448	1 180 381	1 235 098

Expenditure trends

ECDC generates revenues from loan funding, property management and a government subsidy. Total revenue decreased from R232.1 million in 2008/09 to R181.8 million in 2011/12, at an average annual rate of -5.9 per cent. This decrease was primarily due to declining returns from assets (properties and loans). It is anticipated that over the medium term, revenues will increase from R181.8 million in 2011/12 to R271.8 million in 2014/15 at an average annual rate of 14.3 per cent due to a planned sale of the properties portfolio and increasing the revenue from loan financing in terms of interest, fees on transactions and better collections.

Between 2008/09 and 2011/12, expenditure increased at an average annual rate of 4.0 per cent, from R203.5 million to R237.7 million. The growth in expenditure is largely related to the management of the properties portfolio (which is a non-performing asset in the ECDC portfolio). These costs relate to rates and taxes, security and maintenance which have increased without commensurate market related increases in rentals. Compensation of employees grew from R70 million in 2008/09 to R85.2 million in 2011/12 due to an increase in the staff establishment and annualised inflation linked cost of living adjustments. The other major expenditure is the impairment provision for doubtful debts. This provision has grown due to the economic downturn between 2008 and 2010. Likewise, the developmental nature of ECDC and risk profile of its clientele has increased the provision. Subsequently, ECDC has instituted further credit risk and due diligence functions to improve lending procedures, and over the medium term, impairments are expected to decrease.

Expenditure from 2011/12 to 2014/15 is expected to increase by an average annual rate of 0.4 per cent from R237.7 million to R240.3 million due to the sale of properties and the reduction of related costs. In 2008/09 there was a dividend from one of ECDC's subsidiaries which boosted revenues. However, from 2009/10 ECDC has been experiencing losses due

to its under-performing property portfolio. These losses will continue until 2012/13 when ECDC begins to dispose of this asset base thereby reducing its costs and likewise losses.

Personnel information

Table 7.4: ECDC personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	6	6	2	5	5	5	4	6	6	6
Senior management	32	32	9	20	19	21	23	27	27	27
Middle management	80	80	10	67	69	68	70	68	68	68
Semi-skilled	62	62	2	58	56	56	60	56	56	56
Very low skilled	6	6	0	9	8	7	6	7	7	7
Total	186	186	23	159	157	157	163	164	164	164
Compensation (R'000)				70 017	84 013	77 391	85 180	91 659	87 076	82 722
Unit cost (R'000)				440	535	493	523	559	531	504

¹ As at 30 September 2011

ECDC have a post establishment of 186 posts, of which all are funded, but 23 vacancies exist as at 30 September 2011. Between 2008/09 and 2011/12 personnel numbers have remained fairly consistent. Over the medium term, while the total number of employees will remain consistent, the entity will be restructuring the levels in line with their organisational realignment. This will result in an increase in the number of executive and senior management posts filled from 27 in 2011/12 to 33 in 2012/13. Being a specialist lending institution necessitates the attraction and retention of key professionals.

Annexure: Detailed financial information

Entity	Eastern Cape Development Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	164 468	122 125	114 396	95 965	112 803	166 708	170 394
Sale of goods and services other than capital assets	7 108	6 370	4 670	3 840	7 056	7 408	7 779
Of which:							
Admin fees	7 108	6 370	4 670	3 840	7 056	7 408	7 779
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	144 839	104 708	101 733	87 537	99 747	153 000	156 000
Other non-tax revenue	12 521	11 047	7 993	4 588	6 000	6 300	6 615
Transfers received	68 552	78 399	84 709	85 862	91 960	96 558	101 386
Sale of capital assets	(931)	(1 671)	(264)				
Total revenue	232 089	198 853	198 841	181 827	204 763	263 266	271 780
Expenses							
Current expense	203 458	261 124	244 763	237 729	276 422	252 895	240 250
Compensation of employees	70 017	84 013	77 391	85 180	91 659	87 076	82 722
Use of goods and services	129 751	173 935	164 217	144 954	179 236	160 076	151 530
Depreciation	1 679	1 568	1 560	1 972	2 026	1 924	1 828
Unauthorised expenditure	-	-	-				
Interest, dividends and rent on land	2 011	1 608	1 595	5 623	3 501	3 819	4 170
Interest	2 011	1 608	1 595	2 994	215	204	194
Dividends	-	-	-				
Rent on land				2 629	3 286	3 615	3 976
Transfers and subsidies							
Total expenses	203 458	261 124	244 763	237 729	276 422	252 895	240 250
Surplus / (Deficit)	28 631	(62 271)	(45 922)	(55 902)	(71 659)	10 371	31 530
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(54 177)	(24 919)	(23 788)	13 569	88 156	113 448	119 283
Adjustments for:							
Depreciation	1 086	1 568	1 560	1 972	2 026	1 924	1 828
Interest	(25 836)	(32 226)	(24 751)	(24 223)	27 082	75 000	82 500
Net (profit) / loss on disposal of fixed assets	931	1 671	264				
Other	(30 358)	4 068	(861)	35 820	59 048	36 524	34 955
Operating surplus / (deficit) before changes in working capital	(25 546)	(87 190)	(69 710)	(42 333)	16 497	123 819	150 813
Changes in working capital	20 661	69 018	50 808	22 164	(46 559)	(211 956)	(12 401)
(Decrease) / increase in accounts payable	6 044	(3 313)	(2 010)	(10 409)	7 036	49 389	10 253
Decrease / (increase) in accounts receivable	(31 071)	(6 749)	(23 237)	(5 143)	(54 385)	(261 780)	(23 110)
(Decrease) / increase in provisions	45 688	79 080	76 055	37 716	790	435	456
Cash flow from operating activities	(4 885)	(18 172)	(18 902)	(20 169)	(30 062)	(88 137)	138 412
Transfers from government	92 648	126 734	127 846	123 690	108 116	113 522	119 198
Of which:							
Capital	27 813	48 715	36 150	37 827	16 155	16 963	17 811
Current	64 835	78 019	91 696	85 863	91 961	96 559	101 387
Cash flow from investing activities	(116 550)	(3 311)	33 992	67 896	7 521	13 795	18 870
Acquisition of Assets	10 505	9 067	4 022	3 205	(21 411)	-	(15 000)
Land							
Dwellings							
Non- Residential Buildings	(75)				(21 000)		(15 000)
Investment Property	12 032	10 421	4 759	3 205	-	-	-
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(759)	(1 054)	(210)		(411)	-	-
Furniture and Office equipment	(183)	(123)	(160)		-	-	-
Other Machinery and equipment	(482)	(161)	(4)		-	-	-
Specialised military assets							
Transport Assets			(363)				
Computer Software	(28)	(16)	-		-		
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Other flows from Investing Activities	(127 055)	(12 378)	29 970	64 691	28 932	13 795	33 870
Loans to group companies & other financial assets	(11 312)	484	13 341	4 928	4 760	5 236	5 760
Loans to customers	(115 743)	(12 862)	16 629	59 763	24 172	8 559	28 110
Cash flow from financing activities	71 825	48 491	13 048	(1 317)	(13 875)	239 342	(129 911)
Deferred Income							
Borrowing Activities	(1 521)	(1 651)	(1 569)	(2 994)	(2 772)		
Other	73 346	50 142	14 617	1 677	(11 103)	239 342	(129 911)
Net increase / (decrease) in cash and cash equivalents	(49 610)	27 008	28 138	46 410	(36 416)	165 000	27 371

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Eastern Cape Development Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	531 014	566 418	598 871	601 479	607 864	45 017	49 253
Land	3 265	3 265	3 265	3 265	3 265	3 265	3 265
Dwellings							
Non- Residential Buildings	13 368	16 985	16 594	15 710	34 329	38 553	42 629
Investment Property	511 960	543 581	577 018	580 223	567 223		
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	917	1 301	868	993	1 404	1 474	1 548
Furniture and Office equipment	741	650	578	661	843	885	929
Other Machinery and equipment	593	553	376	430	549	576	605
Specialised military assets							
Transport Assets	10	-	157	180	229	240	252
Computer Software	160	83	15	17	22	23	24
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Investments	214 257	171 558	159 719	168 290	170 959	170 959	170 959
Floating	214 257	171 558	159 719	168 290	170 959	170 959	170 959
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	254 500	281 508	309 646	356 056	319 640	484 640	512 011
Bank	15 932	2 889	15 161	16 677	18 345	20 180	22 198
Cash on Hand	238 568	278 619	294 485	339 379	301 295	464 460	489 813
Other							
Receivables and Prepayments	273 271	237 268	198 919	163 600	217 985	479 765	502 875
Trade Receivables	231 506	205 146	162 530	146 021	200 406	462 186	485 296
Other Receivables	41 765	32 131	36 389	17 579	17 579	17 579	17 579
Prepaid Expenses		(9)					
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	1 273 042	1 256 752	1 267 155	1 289 425	1 316 448	1 180 381	1 235 098
Capital and Reserves	968 375	948 427	981 057	962 981	897 478	742 849	774 379
Share Capital and Premium	298 683	347 398	383 548	421 374	427 530	427 530	427 530
Accumulated Reserves	(81 354)	(52 723)	(114 994)	(160 916)	(216 818)	(288 477)	(278 106)
Surplus / (Deficit)	28 631	(62 271)	(45 922)	(55 902)	(71 659)	10 371	31 530
Other	722 415	716 023	758 425	758 425	758 425	593 425	593 425
Borrowings	17 563	15 912	14 343	2 772	-	-	-
Floating	-	-	-	-	-	-	-
Current	1 483	1 483	11 496	2 772	-	-	-
1<5 Years	16 080	14 429	2 847				
5<10 Years							
>10 Years							
Post Retirement Benefits	16 004	20 452	23 308	23 308	23 308	23 308	23 308
Present value of Funded obligations	18 073	20 389	24 175	24 175	24 175	24 175	24 175
Unrecognised transitional liabilities	(2 069)	63	(867)	(867)	(867)	(867)	(867)
Other							
Trade and Other Payables	82 840	82 465	77 881	70 363	72 119	74 527	77 650
Trade Payables	771	1 470	1 259	935	1 029	1 080	1 134
Accrued Interest							
Other	51 561	50 867	50 211	43 029	47 332	52 064	57 271
Deferred Income	30 508	30 128	26 411	26 399	23 759	21 383	19 245
Provisions	5 117	4 926	7 529	7 904	8 694	9 129	9 586
Leave pay provision	4 039	4 800	5 994	6 337	6 971	7 319	7 685
Other provisions	1 078	126	1 535	1 567	1 724	1 810	1 900
Funds Managed	183 143	184 570	163 037	222 097	314 848	330 568	350 176
Poverty Alleviation Fund							
Regional Development Fund							
Third Party Funds	183 143	184 570	163 037	222 097	314 848	330 568	350 176
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity and liabilities	1 273 042	1 256 752	1 267 155	1 289 425	1 316 448	1 180 381	1 235 098

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	70 017	84 013	77 391	85 180	91 659	87 076	82 722
Personnel numbers (head count)	159	157	157	163	164	164	164
Unit cost	440	535	493	523	559	531	504
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
Total for entity							
Personnel cost (R thousand)	70 017	84 013	77 391	85 180	91 659	87 076	82 722
Personnel numbers (head count)	159	157	157	163	164	164	164
Unit cost	440	535	493	523	559	531	504
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level							
Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	11	14	12	14	14	14	14
Executive Management	5	5	5	4	6	6	6
Senior Management	20	19	21	23	27	27	27
Skilled supervision	67	69	68	70	68	68	68
Semi-skilled	58	56	56	60	56	56	56
Very low skilled	9	8	7	6	7	7	7
Total	170	171	169	177	178	178	178

East London Industrial Development Zone (Pty) Ltd

Strategic overview: 2008/09 – 2014/15

The East London Industrial Development Zone (East London IDZ) is an implementation project under the South African Industrial Development Zone (IDZ) programme. The programme was developed and is being administered by the Department of Trade and Industry (the dti) in terms of legislation enacted under the Manufacturing Development Act (MDA). As such, the East London IDZ forms part of government initiatives to assemble and build the industrial competitiveness of South African industries, and especially export-oriented industries. The East London IDZ is active in six of the 10 National Growth Path (NGP) sectors with its strategic involvement and intensive investment promotion targeted at new sectors such as renewable energy and minerals beneficiation which will in turn contribute to economic growth.

Since its inception, the East London IDZ has secured 26 investors for the zone with a total investment value of R1.3 bn. In particular, the renewable energy sector is also expected to recover and show strong growth in 2012 and 2013. The East London IDZ is heavily involved in attracting investors in both the automotive and renewable energy sectors between the 2008/09 and 2011/12 years.

Key to the East London IDZ's contribution to labour-absorbing growth, is the attraction of investors in labour-intensive industries. This has led the East London IDZ developing the agroprocessing park concept that will host several agroprocessing companies. This will assist the East London IDZ in growing the number of employment opportunities within the region.

The East London IDZ will continue to target to spend more than 30 per cent of its annual expenditure on companies that are classified as Small Medium and Micro Enterprises (SMMEs) by the end of the MTEF period. The IDZ will continue to roll out the SMME development strategy over the coming years.

Over the MTEF period, the East London IDZ will continue to target alternative/renewable (green) energy generating and manufacturing companies to set up operations within the zone. These companies will, in turn, if successful, provide the East London IDZ with additional green energy supply that will improve energy security within the zone. In addition to providing green energy that is carbon free, this will allow investors to claim carbon credits on goods manufactured in the zone, utilising green energy in the production process. To this end, the East London IDZ is at the advanced stages of settling in two investors that will establish solar farms, as part of the South African Renewable Energy Feed-in-Tariff (REFIT) scheme.

The formulation of a revised high-level policy statement on Industrial Development Zones (as one form of a future assortment of specialised economic zones, or SEZs) points towards a broadening of the IDZ mandate to respond to government's economic development goals. Having generated impressive results in terms of economic empowerment objectives as a small, start-up operation, the challenge for the IDZ will be to extend its developmental

support activity into new arenas, such as enterprise development support, in order to maintain its impact and momentum as the IDZ matures and diversifies its activities.

Savings and cost effectiveness measures

The East London IDZ will continue to implement management tools aimed at ensuring that expenditure is prudent and that it remains financially viable in pursuit of its mandate. The IDZ's development approach for zone operation is conducted in a phased-in approach whereby the superstructure is developed per demand when an investor has been secured so that government funding is deployed when there is surety of a desired return on investment from an investor who will create jobs and income from rental. Furthermore, the sector development approach employed by the East London IDZ ensures that facilities are pulled together to benefit all manufacturers of a particular sector, thereby minimising operational costs.

Selected performance indicators

Table 8.1: East London IDZ annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of investors (FDI and Domestic) approved by the ELIDZ Board per annum	Strategic, Targeted Investments per annum	8	5	8	4	4	4	5
Projected value of the investments approved by the ELIDZ Board per annum	Generate positive economic value and returns per annum from the approved investments into the IDZ	R851m	R320m	R3,4b	R300 m	R400 m	R600 m	R700 m
Number of construction-related job opportunities created per annum	Generate positive economic value and returns per annum from the approved investments into the IDZ	1328 jobs	2877 jobs	241 jobs	1100 jobs	1200 jobs	960 jobs	820 jobs
Periodic reported Actual IDZ Enterprises employment levels per annum (for Manufacturing Enterprises) per Annum	Generate positive economic value and returns per annum from the approved investments into the IDZ	631	720	1371	1421	1471	1521	1571
Value of income collection from own operations and investment income per annum	Grow annual income from own operations to R 63.8m for all Zone Services by end of financial period 2014/15	R21m	R30.3m	R53.2m	R43.2m	R63m	R66m	R66m

Details of programmes/activities/objectives

The East London IDZ delivers on its mandate and vision by organising its operations into programme components which pursue the organisation's high level goals and objectives through the following:

Zone development: Develops and activates a comprehensive value proposition (infrastructure and investor servicing) that is effective in attracting steady investments into the IDZ for the establishment and growth of strategically targeted industries and industrial clusters.

Zone operations: Commissions a fully-functional, world class specialised industrial estate, characterised by customised solutions that deliver engineered efficiencies and value to tenant industries to optimise their global competitiveness. This function supports the achievement of the zone development objectives.

Financial management: Manages the financial affairs of the East London IDZ optimally to enable it to procure all resourcing needed to execute the entity's strategic and business plans, to mature the organisation towards financial self-sufficiency.

Corporate affairs: Develops East London IDZ organisational capabilities to international best practice standards in support of its organisational performance and the delivery of its value proposition to investors.

Expenditure estimates

Table 8.1: East London IDZ statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	16 597	26 618	38 247	37 124	36 001	23 401	36 631
Sale of goods and services							
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fair value adjustment							
Fines, penalties & forfeits							
Interest, dividends & rentals	16 597	26 618	38 247	37 124	36 001	23 401	36 631
Other non-tax revenue							
Transfers received	71 495	128 114	129 955	141 614	132 539	155 456	164 830
Sale of capital assets	1 203	21	317	-	-	-	-
Total revenue	89 295	154 753	168 519	178 738	168 540	178 857	201 461
Expenditure							
Current expenditure	84 990	99 893	252 214	160 161	153 877	159 766	181 219
Compensation of employees	26 574	32 179	36 895	48 895	57 333	58 873	60 231
Goods and services	49 844	59 280	76 652	68 222	92 656	96 515	116 283
Depreciation	12 055	13 380	19 005	3 320	3 888	4 378	4 705
Unauthorised expenditure							
Fair value adjustment	(3 483)	(4 946)	119 662	39 724	-	-	-
Interest, dividends & rentals							
Interest							
Dividends							
Rentals							
Transfers and subsidies							
Total expenses	84 990	99 893	252 214	160 161	153 877	159 766	181 219
Tax (expense) / credit	28	2	12	(17 391)	(15 848)	(19 091)	(20 242)
Surplus / (Deficit)	4 333	54 862	(83 683)	1 186	(1 185)	-	-

Table 8.2: East London IDZ statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	905 671	1 158 414	1 173 954	1 223 197	1 372 819	1 493 499	1 442 700
<i>Of which:</i>							
<i>Acquisition / development of assets</i>	166 114	262 913	152 032	176 193	250 707	203 765	73 146
Inventory							
Receivables and prepayments	20 485	10 669	12 207	10 761	11 394	11 614	11 183
Cash and cash equivalents	189 154	334 065	383 496	301 002	181 752	93 852	67 902
Other assets	1 884	3 800	2 458	-	-		
Total assets	1 117 194	1 506 948	1 572 116	1 534 960	1 565 965	1 598 966	1 521 786
Share capital	1	1	1	1	1	1	1
Reserves	-	-	-	-	-	-	-
Accumulated surplus / deficit	69 139	124 001	40 318	41 504	40 319	40 320	40 320
Trade and other payables	547 904	349 749	412 416	325 100	199 000	115 000	85 500
Deferred Income	496 833	1 025 596	1 110 732	1 159 719	1 317 837	1 434 662	1 386 802
Provisions	3 317	7 601	8 466	8 636	8 808	8 984	9 165
Liabilities not classified elsewhere							
Total equity and liabilities	1 117 194	1 506 948	1 572 116	1 534 960	1 565 965	1 598 966	1 521 786

Expenditure trends

Total expenditure (excluding fair value adjustments on investment property) increased from R88.4 million in 2008/09 to R123 million in 2011/12 at an average annual rate of 21.5 per cent. This trend continues over the MTEF period, with total expenditure increasing at an average annual rate of 4.5 per cent, as a result of expected projects in the automotive and renewable energy sectors and the multi-OEM (Original Equipment Manufacturer) project that will require new infrastructure development.

From R26.5 million in 2008/09, compensation of employees increased to R48.8 million in 2011/12, at an average annual rate of 16.5 per cent. This increase is due to the filling of vacant posts, the hiring of interns and additional posts filled as a result of a review of the organisational structure of the entity. Over the medium-term, compensation of employees increases to R60.2 million in 2014/15, at an average annual rate of 7.2 per cent. This increase over the MTEF includes the filling all vacant key posts in terms of the approved establishment.

Personnel information

Table 1.3: East London IDZ personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	7	7	2	5	5	5	5	7	7	7
Senior management	9	9	-	7	7	9	9	9	9	9
Middle management	29	21	5	7	10	10	16	26	28	29
Semi-skilled	38	34	8	30	35	42	38	42	46	50
Very low skilled	-	-	-	-	-	-	-	-	-	-
Total	83	71	15	49	57	66	68	84	90	95
(of which interns)				-	2	8	12	12	12	12
Compensation (R'000)				26 574	32 179	36 895	48 895	57 333	58 873	60 231
Unit cost (R'000)				542	564	559	719	682	654	634

The entity has a post establishment of 83 posts, of which 15 are vacant.

A review of the organisational structure of the East London IDZ was conducted during the 2011/12 financial year to generate appropriate recommendations for a structural realignment of existing business functions (and their supporting resources) that would best serve the IDZ in facing both its current challenges and emerging operational requirements. The organisational review findings were considered by the East London IDZ Board on 25 May 2011 and approval was secured to proceed to implement the key recommendations of the review. These will result in the reconfiguration of the core programmes of the organisation into reformulated and renamed core business units, and the filling of all vacant posts during the MTEF period.

Annexure: Detailed financial information

Entity	East London Industrial Development Zone (Pty) Ltd						
Summary of revenue and expenses	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	16 597	26 618	38 247	37 124	36 001	23 401	36 631
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	16 597	26 618	38 247	37 124	36 001	23 401	36 631
Other non-tax revenue							
Transfers received	71 495	128 114	129 955	141 614	132 539	155 456	164 830
Sale of capital assets	1 203	21	317	-			
Total revenue	89 295	154 753	168 519	178 738	168 540	178 857	201 461
Expenses							
Current expense	88 473	104 839	132 552	120 437	153 877	159 766	181 219
Compensation of employees	26 574	32 179	36 895	48 895	57 333	58 873	60 231
Use of goods and services	49 844	59 280	76 652	68 222	92 656	96 515	116 283
Depreciation	12 055	13 380	19 005	3 320	3 888	4 378	4 705
Unauthorised expenditure							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Fair value adjustment	(3 483)	(4 946)	119 662	39 724			
Taxation	(28)	(2)	(12)	17 391	15 848	19 091	20 242
Transfers and subsidies							
Total expenses	84 962	99 891	252 202	177 552	169 725	178 857	201 461
Surplus / (Deficit)	4 333	54 862	(83 683)	1 186	(1 185)	0	(0)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	7 327	8 252	137 834	60 435	19 736	23 469	24 948
Adjustments for:							
Depreciation	12 055	13 380	19 005	3 320	3 888	4 378	4 705
Interest	(22)	(97)	(175)				
Profit on Foreign Exchange	(1)						
Impairment reversal	10	(62)	(329)				
Taxation Reversal	(28)	(2)	(12)	17 391	15 848	19 091	20 242
Net (profit) / loss on disposal of fixed assets	(1 203)	(21)	(317)				
Other	(3 484)	(4 946)	119 662	39 724	-	-	-
Operating surplus / (deficit) before changes in working capital	11 660	63 114	54 151	61 621	18 551	23 469	24 947
Changes in working capital	219 229	344 709	147 129	71 802	112 905	92 396	22 250
(Decrease) / increase in accounts payable	34 908	7 943	(33 965)	(7 119)	(7 000)	4 000	(3 500)
Decrease / (increase) in accounts receivable	(6 855)	8 611	(1 538)	(1 446)	633	220	(431)
(Decrease) / increase in provisions	1 205	5 605	864	170	172	176	181
Deferred Income	189 971	322 550	181 768	80 197	119 100	88 000	26 000
Cash flow from operating activities	230 889	407 823	201 280	133 423	131 456	115 865	47 197
Transfers from government			457 257	312 896	282 539	255 456	164 830
Of which:							
Capital	154 029	249 373	322 000	171 282	150 000	100 000	-
Current	119 910	127 601	135 257	141 614	132 539	155 456	164 830
Cash flow from investing activities	(166 114)	(262 913)	(152 032)	(176 193)	(250 707)	(203 765)	(73 146)
Acquisition of Assets	(166 114)	(262 913)	(152 032)	(176 193)	(250 707)	(203 765)	(73 146)
Land	(4 820)						
Dwellings							
Non- Residential Buildings							
Investment Property	-	(77 049)	(88 592)	(165 600)	(223 417)	(189 750)	(53 456)
Other Structures (Infrastructure Assets)	-	(2 842)	(13 441)	(12 000)	(25 000)	(12 500)	(18 500)
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	(159 147)	(179 455)	(40 343)				
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	(62)	(71)	(3 407)	(10)	(100)	(65)	(40)
Other Machinery and equipment	-	(45)			(1 290)		
Specialised military assets							
Transport Assets	(774)	(31)					(450)
Computer Software	(991)	(1 621)	(8 198)	(500)	(900)	(1 450)	(700)
Interest Income	22	97	175				
Tax Received / (Paid)	(1 638)		1 342				
Proceeds from sale of property, plant & equipment	1 295	21	432				
Decrease (Increase) in Loans		(1 917)		1 917			
Sale of Financial Assets	1						
Other flows from Investing Activities	-	-	-	-	-	-	-
Other 1							
Other 2							
Cash flow from financing activities	-	-	183	-	-	-	-
Vat received for S21 Company			183				
Other							
Net increase / (decrease) in cash and cash equivalents	64 775	144 910	49 431	(42 770)	(119 251)	(87 901)	(25 949)

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	East London Industrial Development Zone (Pty) Ltd						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	905 671	1 158 414	1 173 954	1 223 197	1 372 819	1 493 499	1 442 700
Land	17 649	487	407				
Dwellings							
Non- Residential Buildings							
Investment Property	373 481	821 645	817 929	858 389	989 837	1 105 703	1 044 648
Other Structures (Infrastructure Assets)	271 467	280 315	330 970	339 650	355 534	358 833	367 899
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	237 755	51 341	12 041	12 041	12 041	12 041	12 041
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	687	613	3 735	3 745	3 845	3 910	3 950
Other Machinery and equipment	244	282	198	198	1 488	1 488	1 488
Specialised military assets							
Transport Assets	949	767	948	948	948	948	1 398
Computer Software	3 376	2 899	7 649	8 149	9 049	10 499	11 199
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles	63	65	77	77	77	77	77
Other Financial Assets	1 884	3 800	2 458				
Other Financial Assets	-	1 917	1 917				
Current Tax Receivable	1 884	1 883	541				
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	189 154	334 065	383 496	301 002	181 752	93 852	67 902
Bank	745	127 225	1 581	900	750	850	900
Cash on Hand	-	2	2	2	2	2	2
Other	188 409	206 838	381 913	300 100	181 000	93 000	67 000
Receivables and Prepayments	20 485	10 669	12 207	10 761	11 394	11 614	11 183
Trade Receivables	4 026	2 707	4 083	3 267	3 900	4 120	3 689
Other Receivables	16 033	7 740	7 494	7 494	7 494	7 494	7 494
Prepaid Expenses	426	222	630	-			
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	1 117 194	1 506 948	1 572 116	1 534 960	1 565 965	1 598 966	1 521 786
Capital and Reserves	69 140	124 002	40 502	41 504	40 320	40 320	40 320
Share Capital and Premium	1	1	1	1	1	1	1
Accumulated Reserves	8 123	69 139	124 001	40 318	41 503	40 319	40 319
Surplus / (Deficit)	61 016	54 862	(83 683)	1 186	(1 185)	0	(0)
Other			183				
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	547 904	349 749	412 416	325 100	199 000	115 000	85 500
Trade Payables	58 027	66 084	32 119	25 000	18 000	22 000	18 500
Deferred Income Short Term	489 877	283 665	380 297	300 100	181 000	93 000	67 000
Other							
Deferred Income	496 833	1 025 596	1 110 732	1 159 719	1 317 837	1 434 662	1 386 802
Provisions	3 317	7 601	8 466	8 636	8 808	8 984	9 165
Leave pay provision / Retention	3 317	7 601	8 466	8 636	8 808	8 984	9 165
Other 1							
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund							
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity and liabilities	1 117 194	1 506 948	1 572 116	1 534 960	1 565 965	1 598 966	1 521 786

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	26 574	32 124	36 288	48 175	56 613	58 153	59 511
Personnel numbers (head count)	49	55	58	56	72	78	83
Unit cost	542	584	626	860	786	746	717
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-				
Personnel numbers (head count)	-	-	-				
Unit cost							
C. Interns							
Personnel cost (R thousand)	-	55	607	720	720	720	720
Personnel numbers (head count)	-	2	8	12	12	12	12
Unit cost		28	76	60	60	60	60
Total for entity							
Personnel cost (R thousand)	26 574	32 179	36 895	48 895	57 333	58 873	60 231
Personnel numbers (head count)	49	57	66	68	84	90	95
Unit cost	542	565	559	719	683	654	634
D. Learnerships							
Personnel cost (R thousand)	-	-	-				
Personnel numbers (head count)	-	-	-				
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.

3. A temporary employee is someone who is employed for a fixed time period for a specific task only.

4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.

5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.

6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.

7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.

8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	8	6	8	8	8	8	8
Executive Management	5	5	5	5	7	7	7
Senior Management	7	7	9	9	9	9	9
Middle Management	7	10	10	16	26	28	29
Professionals	17	18	16	16	16	16	16
Semi-skilled	13	17	26	22	26	30	34
Very low skilled	-	-	-	-	-	-	-
Total	57	63	74	76	92	98	103

Coega Development Corporation

Strategic overview: 2008/09 – 2014/15

The Coega Development Corporation (CDC) was incorporated in 1999 to develop and operate the Coega Industrial Development Zone (IDZ). The CDC is responsible for the entire landside infrastructure development within the Coega IDZ, while a modern deep-water port facility has been developed by Transnet Limited. Commonly known as the Coega project, these two complementary developments aim to contribute to economic development by attracting local and international investment, primarily in manufacturing industries with an export orientation, to the Coega IDZ based on competitive advantages. This is to achieve the national goal of a better life for all through increasing economic growth opportunities and employment.

Between 2008/09 and 2010/11, the CDC has signed seven new investors to the zone, in the renewable energy, agro-processing, Business Process Outsourcing (BPO) and logistics sectors.

A key success during 2011/12 included the R2 billion biodiesel refinery investment to be relocated to Coega. This will create 200 direct jobs, 500 construction jobs and 25 000 indirect jobs. Construction will be undertaken over the MTEF period. Significant progress has also been made in advancing negotiations, which had been in progress relating to the efficient use of occupied facilities. CDC has now identified investor projects that would be financed, using the proceeds of this transaction (R125 million) and it is expected that construction on these would start during 2012/13.

Other planned investors over the medium term include R270 million in the renewable energy sector to develop and operate a solar farm in the IDZ.

CDC receives all its funding from the Department of Trade and Industry (the dti), but included in the transfers for the medium term is R18 million and R42 million in 2012/13 and 2013/14 respectively, which will be received from the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). This funding is for the Fish River Flat Water Treatment Works which was previously funded by the dti.

Savings and cost effectiveness measures

CDC has committed itself since the 2010/11 financial year to curb overheads and garner efficiencies from operations. The entity has also begun to renegotiate various contracts with service providers in order to reduce costs. The aim is to reduce operating expenditure by 10 per cent per year.

Selected performance indicators

Table 9.1: CDC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Own revenue generated from IDZ and NMBLP rentals and zone services	Maximised revenue generation towards financial sustainability	R25.8m	R50.7m	R118.2m	R172.2m	R186.5m	R200.7m	R281.7m
Number of new investors signed per year	Investment promotion towards economic development and job creation	6	4	5	2	6	7	8
Number of people trained per year in zone related industries	Skills development contributing towards job creation	5 835	7 507	8 226	9 067	13 401	14 178	15 596
Number of jobs created per year in the IDZ on infrastructure programme management projects	Infrastructure development and job creation	7 223	6 889	4 153	8 348	7 343	7 453	8 198
Number of interns engaged per year in the CDC	Skills development contributing towards job creation	179	165	195	106	287	145	

Details of programmes/activities/objectives

Business development: Responsible for the attraction of investors and tenants to the Coega IDZ and Nelson Mandela Bay Logistics Park (NMBLP). The unit's primary objective is to increase manufacturing capacity in the Eastern Cape and South Africa and to enable a platform for businesses to export high value-added products while creating sustainable employment opportunities.

Infrastructure development: Delivers development requirements for infrastructure development, spatial development and small, micro and medium-sized enterprises (SMME) development.

Operations: Ensures the continued efficient and effective running of the Coega IDZ and NMBLP. This includes delivering of investor, commercial, customs, and facilities services to both internal and external customers. These customers include tenants, potential investors, service providers and CDC personnel.

CDC services: Focuses on developing modern sustainable infrastructure in partnership with the Eastern Cape public and private sector for the people living and working outside the confines of the Coega IDZ. CDC infrastructure development skills acquired during the development phase of the Coega IDZ. are now being used for meaningful community development in the region. This unit currently provides services to the provincial departments of Education, Health and Roads and Public Works, amongst other clients.

Human capital solutions: Provides training solutions to ensure the supply of skilled human resources to meet the needs of current and future investors in the Coega IDZ and NMBLP and the general employment demand in the Eastern Cape. This includes both skills

development and placement of skilled staff with investors as well as in the public and private sectors.

Strategic solutions: Provides management solutions and services to investors as well as to public and private sector clients. The unit is able to draw on a range of expertise and skills within CDC to deliver high level strategic input whilst acting as an additional profit centre.

Expenditure estimates

Table 9.2: CDC statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	66 807	155 146	140 948	332 948	289 741	308 536	320 935
Sale of goods and services							
Of which:							
Admin fees	30 179	26 929	35 893	84 060	152 164	163 616	175 812
Sales by market establishments							
Other sales				125 000			
Fair value adjustment		32 036		23 910	44 307	45 480	39 248
Fines, penalties & forfeits							
Interest, dividends & rentals	28 932	49 740	84 181	99 978	93 270	99 440	105 875
Other non-tax revenue	7 696	46 441	20 874				
Transfers received	506 640	1 048 224	635 919	336 595	466 542	270 346	-
Sale of capital assets							
Total revenue	573 447	1 203 370	776 867	669 543	756 283	578 882	320 935
Expenditure							
Current expenditure	992 310	436 466	407 005	339 805	334 045	353 281	369 859
Compensation of employees	94 240	99 617	107 261	105 462	107 227	113 660	120 480
Goods and services	188 876	274 785	203 984	168 147	173 065	177 022	180 171
Depreciation	25 168	21 659	24 603	25 742	30 495	37 546	43 708
Unauthorised expenditure							
Fair value adjustment	683 187		6 800				
Interest, dividends & rentals							
Interest	209	-	46				
Dividends							
Rentals		40 405	64 311	40 454	23 258	25 053	25 500
Transfers and subsidies							
Total expenses	992 310	436 466	407 005	339 805	334 045	353 281	369 935
Tax expense / (credit)	(176 040)	22 980	(184 609)	-	-	-	-
Surplus / (Deficit)	(242 823)	743 924	554 471	329 738	422 237	225 600	(48 924)

Table 9.3: CDC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Carrying value of assets	2 720 855	3 287 818	3 501 979	3 699 794	4 356 451	5 363 770	6 243 993
Of which:							
Acquisition/ construction of assets	501 988	558 657	245 390	597 738	1 107 664	1 136 991	981 189
Inventory							
Receivables and prepayments	52 707	68 349	54 588	76 722	106 688	130 917	147 239
Cash and cash equivalents	46 629	176 678	108 508	477 118	416 976	18 105	(900 849)
Other assets							
Total assets	2 820 191	3 532 845	3 665 075	4 253 634	4 880 115	5 512 792	5 490 384
Share capital and share premium	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558
Reserves	-	-	-	-	-	-	-
Accumulated surplus / deficit	800 823	1 544 747	2 099 218	2 428 956	2 851 193	3 076 793	3 027 869
Trade and other payables	265 270	364 078	135 902	37 624	73 215	77 432	81 065
Provisions	5 650	23 721	24 154	26 416	28 893	31 603	34 571
Liabilities not classified elsewhere	483 890	335 741	141 243	496 081	662 256	1 062 406	1 082 321
Total equity and liabilities	2 820 191	3 532 845	3 665 075	4 253 634	4 880 115	5 512 792	5 490 384

Expenditure trends

CDC mainly generates its revenue through government grants, rendering of IDZ services and professional fees earned on provincial government projects where CDC is the implementing agent. Total revenue increased from R573.4 million in 2008/09 to R669.5 million in 2011/12, at an average annual rate of 3.9 per cent. Over the MTEF period, revenue is expected to decline to R320.9 million, at an average annual rate of -21.7 per cent due to funding from the DTI not being budgeted from 2014/15.

Between 2008/09 and 2011/12, expenditure decreased from R992.3 million to R339.8 million, at an average annual rate of -23.5 per cent. This reduction in expenditure was mainly due to the overall reduction in government grants. The comparably high expenditure in 2008/09 includes a downward fair value adjustment in property, plant and equipment of R683.2 million. Excluding this amount, the net expenditure grows at an average annual rate of 2.4 per cent.

Over the medium term, expenditure is expected to increase to R369.9 million in 2014/15 at an average annual rate of 2.9 per cent. Goods and services are a key cost driver of expenditure and, due to the cost containment measures being implemented, this expenditure only increases at an average annual rate of 2.3 per cent over the MTEF period. Due to the reduced government grants, the entity is projecting a net deficit in 2014/15.

As a result of current construction projects coming on board and new construction in line with additional investors over the MTEF period, the value of property, plant and equipment increases significantly from R3.7 billion in 2011/12 to R6.2 billion in 2014/15, an average annual increase of 19.1 per cent.

Personnel information

Table 9.4: CDC personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual		Mid-year ¹		Medium-term estimates		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	8	8	2	7	8	6	6	8	8	8
Senior management	20	20	2	15	15	16	18	20	20	20
Middle management	98	98	15	81	83	74	83	97	97	97
Semi-skilled	119	119	8	56	69	87	111	114	114	114
Very low skilled	6	6	-	6	6	6	6	6	6	6
Total	251	251	27	165	181	189	224	245	245	245
Compensation (R'000)				94 240	99 617	107 261	105 462	107 227	113 660	120 480
Unit cost (R'000)				571	550	568	471	438	464	492

1. As at 30 September 2011

The entity has an establishment of 251 posts, of which 216 relate to 'normal' CDC operations, while 35 are fixed term contracts to support provincial government funded infrastructure projects. The remuneration of these additional staff is funded through individual projects. The number of posts filled increased from 165 in 2008/09 to 224 in 2011/12 and is expected to grow to 245 over the medium term. This is a result of four key permanent vacancies in senior and executive management, while six are temporary positions linked to planned regional skills development initiatives, and seven are further temporary positions for self-funding provincial government support projects.

Annexure: Detailed financial information

Entity	Coega Development Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	66 807	155 146	140 948	332 948	289 741	308 536	320 935
Sale of goods and services other than capital assets	30 179	26 929	35 893	209 060	152 164	163 616	175 812
Of which:							
Admin fees	30 179	26 929	35 893	84 060	152 164	163 616	175 812
Sales by market establishments							
Other sales				125 000			
Fair value adjustment		32 036		23 910	44 307	45 480	39 248
Fines penalties and forfeits							
Interest, dividends and rent on land	28 932	49 740	84 181	99 978	93 270	99 440	105 875
Other non-tax revenue	7 696	46 441	20 874				
Transfers received	506 640	1 048 224	635 919	336 595	466 542	270 346	
Sale of capital assets							
Total revenue	573 447	1 203 370	776 867	669 543	756 283	578 882	320 935
Expenses							
Current expense	992 310	436 466	407 005	339 805	334 045	353 281	369 859
Compensation of employees	94 240	99 617	107 261	105 462	107 227	113 660	120 480
Use of goods and services	188 876	274 785	203 984	168 147	173 065	177 022	180 171
Depreciation	25 168	21 659	24 603	25 742.00	30 495	37 546	43 708
Unauthorised expenditure							
Fair value adjustment	683 817		6 800				
Interest, dividends and rent on land	209	40 405	64 357	40 454	23 258	25 053	25 500
Interest	209	-	46				
Dividends							
Rent on land		40 405	64 311	40 454	23 258	25 053	25 500
Transfers and subsidies							
Total expenses	992 310	436 466	407 005	339 805	334 045	353 281	369 859
Income tax (credit) / expense	(176 040)	22 980	(184 609)				
Surplus / (Deficit)	(242 823)	743 924	554 471	329 738	422 237	225 600	(48 924)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	20 669	(1 051 622)	(789 558)	430 192	144 346	258 808	121 814
Adjustments for:							
Depreciation	25 168	21 659	24 603	25 742	30 495	37 546	43 708
Interest	(8 437)	(6 071)	(3 090)	(3 590)	(3 348)	(3 570)	(3 801)
Net (profit) / loss on disposal of fixed assets	14	2 070	-	-	-	-	-
Other	3 924	(1 069 280)	(811 071)	408 040	117 199	224 832	81 907
Operating surplus / (deficit) before changes in working capital	(222 154)	(307 698)	(235 087)	759 930	566 583	484 409	72 890
Changes in working capital	48 371	119 308	(214 008)	(130 177)	14 379	(16 677)	(10 655)
(Decrease) / increase in accounts payable	68 176	116 879	(200 680)	(113 897)	36 593	4 607	3 947
Decrease / (increase) in accounts receivable	(25 455)	(15 642)	(13 761)	(18 542)	(24 690)	(23 995)	(17 569)
(Decrease) / increase in provisions	5 650	18 071	433	2 262	2 476	2 711	2 967
Cash flow from operating activities	466 965	688 706	177 221	966 348	1 047 522	738 119	62 235
Transfers from government	640 748	877 096	626 316	336 595	466 560	270 388	-
Of which:							
Capital							
Current	640 748	877 096	626 316	336 595	466 560	270 388	-
Cash flow from investing activities	(501 988)	(558 657)	(245 390)	(597 738)	(1 107 664)	(1 136 991)	(981 189)
Acquisition of Assets	(501 988)	(558 657)	(245 390)	(597 738)	(1 107 664)	(1 136 991)	(981 189)
Land	(19 831)	(20 148)	(1 115)	(17 500)	-	-	-
Dwellings							
Non- Residential Buildings							
Investment Property	(161 953)	(497 050)	(205 004)	(163 998)	(948 488)	(937 300)	(742 000)
Other Structures (Infrastructure Assets)					8		
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	(317 886)	(40 145)	(21 018)	(17 898)	(57 244)	(111 000)	(157 000)
Heritage Assets							
Biological Assets							
Computer equipment	(1 652)	(589)	(16 859)	(11 457)	(34 500)	(38 000)	(29 000)
Furniture and Office equipment	(666)	(305)	(714)	(428)	(2 500)	(1 500)	(1 500)
Other Machinery and equipment							
Specialised military assets							
Transport Assets	-	(420)	(680)	(500)	(550)	(605)	(666)
Computer Software							
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles - Other Assets				(385 957)	(64 390)	(48 586)	(51 023)
Other flows from Investing Activities	-	-	-	-	-	-	-
Other 1							
Other 2							
Cash flow from financing activities	-	-	-	-	-	-	-
Deferred Income							
Borrowing Activities							
Other							
Net increase / (decrease) in cash and cash equivalents	(35 023)	130 049	(68 169)	368 610	(60 142)	(398 872)	(918 953)

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Coega Development Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Balance Sheet Data							
Carrying Value of Assets	2 720 855	3 287 818	3 501 979	3 699 794	4 356 451	5 363 770	6 243 993
Land	191 082	204 234	197 565	191 638	185 889	180 312	174 903
Dwellings							
Non- Residential Buildings							
Investment Property	2 128 558	3 017 604	3 222 608	3 066 810	3 967 874	4 858 309	5 563 209
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	359 961	40 145	54 536	36 638	93 882	204 882	361 882
Heritage Assets							
Biological Assets							
Computer equipment	36 603	23 374	24 489	16 813	39 928	65 388	84 818
Furniture and Office equipment	4 542	2 048	1 779	1 437	3 437	4 637	5 837
Other Machinery and equipment							
Specialised military assets							
Transport Assets	109	413	1 002	502	1 052	1 657	2 323
Computer Software							
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles - Other Assets				385 957	64 390	48 586	51 023
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	46 629	176 678	108 508	477 118	416 976	18 105	(900 849)
Bank	21 405	41 750	60 864	424 709	359 327	18 105	(900 849)
Cash on Hand							
Other	25 224	134 928	47 644	52 408	57 649	-	-
Receivables and Prepayments	52 707	68 349	54 588	76 722	106 688	130 917	147 239
Trade Receivables	51 922	57 015	33 988	49 942	57 948	61 707	64 187
Other Receivables	785	11 334	20 600	26 780	48 739.60	69 210	83 052
Prepaid Expenses							
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	2 820 191	3 532 845	3 665 075	4 253 634	4 880 115	5 512 792	5 490 384
Capital and Reserves	2 065 381	2 809 305	3 363 776	3 693 514	4 115 751	4 341 351	4 292 427
Share Capital and Premium	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558
Accumulated Reserves	1 043 646	800 823	1 544 747	2 099 218	2 428 956	2 851 193	3 076 793
Surplus / (Deficit)	(242 823)	743 924	554 471	329 738	422 237	225 600	(48 924)
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	265 270	364 078	135 902	37 624	73 215	77 432	81 065
Trade Payables	242 643	348 311	118 418	37 624	73 215	77 432	81 065
Accrued Interest							
Other	22 627	15 767	17 484				
Deferred Income	295 473	124 345	114 472	114 472	114 490	114 532	114 532
Deferred tax	188 417	211 396	26 771	381 609	547 766	947 874	967 789
Provisions	5 650	23 721	24 154	26 416	28 893	31 603	34 571
Leave pay provision	5 650	7 038	7 654	8 266	8 928	9 642	10 413
Provisions for bonus	-	16 683	16 500	18 150	19 965	21 962	24 158
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Poverty Alleviation Fund	-						
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	5 000	45 675	-	-	-	-
CDC had claims by third parties arising from contractual disputes which are still unresolved.		5 000	45 675				
Other 3							
Other 4							
Total equity and liabilities	2 820 191	3 532 845	3 665 075	4 253 635	4 880 115	5 512 792	5 490 384

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	94 240	99 617	107 261	105 462	107 227	113 660	120 480
Personnel numbers (head count)	165	181	189	224	245	245	245
Unit cost	571	550	568	471	438	464	492
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	218	228	2 660	1 601	2 164	2 294	2 431
Personnel numbers (head count)	3	3	21	19	22	22	22
Unit cost	73	76	127	84	98	104	111
C. Interns							
Personnel cost (R thousand)	3 811	4 616	5 548	5 265	6 600	6 996	7 416
Personnel numbers (head count)	70	84	95	101	110	110	110
Unit cost	54	55	58	52	60	64	67
Total for entity							
Personnel cost (R thousand)	98 269	104 461	115 469	112 328	115 991	122 950	130 327
Personnel numbers (head count)	238	268	305	344	377	377	377
Unit cost	413	390	379	327	308	326	346
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.

3. A temporary employee is someone who is employed for a fixed time period for a specific task only.

4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.

5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.

6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.

7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.

8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	7	7	7	7	7	7	7
Executive Management	7	8	6	6	8	8	8
Senior Management	15	15	16	18	20	20	20
Middle Management	81	83	74	83	97	97	97
Professionals							
Semi-skilled	56	69	87	111	114	114	114
Very low skilled	6	6	6	6	6	6	6
Total	172	188	196	231	252	252	252

Mayibuye Transport Corporation

Strategic overview: 2008/09 – 2014/15

Mayibuye Transport Corporation (MTC) was established in accordance with the Ciskei Corporations Act (act 16 of 1981) and Government Decree 89 of 1990. The MTC is a 3D public entity reporting to the Department of Transport, with the objective of providing an affordable bus transport service to the predominantly rural communities of the former border and Ciskei areas of the Eastern Cape Province. In terms of the National Land Transport Act (No.5 of 2009), parastatal public transport service providers need to be restructured to become independent, financially ring-fenced entities that can compete for public transport contracts in an open tender system. At present, MTC is funded through a subsidy from the Department of Transport to cover the operating expenses of the corporation. In order for the corporation to become self-sustaining, it will require additional funding to revitalise the bus fleet to ensure a more efficient fleet, thereby reducing maintenance costs and creating greater opportunities to enhance own revenue.

Between 2008/09 and 2011/12 the MTC has transported a relatively consistent number of passengers, averaging approximately 1.9 million per year. The corporation has managed to acquire 11 buses in total by way of operating lease arrangements. With an increase in the number of buses and associated efficiency gains, it is expected that the number of passengers transported will increase to 3.2 million in 2014/15. These new buses will also improve the passenger safety and reduce maintenance costs.

The corporation implemented a new revenue recording system in 2011/12 which is strengthening the internal controls in collecting and recording revenue.

Over the MTEF period the entity will focus on garnering continued efficiencies in the transport of passengers and improving revenue generated through passenger fares and private bus hire.

Savings and cost effectiveness measures

In an effort to reduce the accumulated deficit of the corporation, the entity has continued to strive since 2010/11 to decrease operating costs through reduced non-core expenditure (travelling, venues, consultants) and replacement of older buses that are expensive to maintain. Through these and other measures, the entity plans to achieve operating surpluses over the MTEF period of R12.9 million. These surpluses will be reinvested into the bus fleet.

Selected performance indicators

Table 10.1: MTC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue cents per kilometre	Maximise own revenue	799	830	846	872	896	919	943
Revenue generated through private hire	Maximise own revenue	R1.5m	R1.8m	R2.3m	R2.7m	R3.1m	R3.5m	R3.9m
Number of passengers transported (million)	Efficient passenger service	2.1 m	1.8 m	1.8 m	2.0 m	3.0 m	3.0 m	3.2 m
Number of buses in operation and available for use	Efficient passenger service	62	65	63	69	67	68	69

Details of programmes/activities/objectives

The mandate of Mayibuye Transport Corporation is undertaken through the following programmes:

Office of the CEO: Provides strategic leadership and direction for the organisation and gives support to the Board.

Human resources: Renders and coordinates strategic human resource services in the following areas: human resource development, employee relations, employee wellness, employment equity and protection and inspectorate services.

Finance: Ensures the provision of systematic financial management systems designed to coordinate the organisation's budget and resource requirements.

Engineering: To provide safe, reliable buses to the operations division.

Operations: Provides passenger transport services.

Marketing and communications: Develops and sustains a strong brand for the organisation and inculcates a customer service ethic within programmes.

Expenditure estimates

Table 10.2: MTC statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	30 925	22 570	26 871	24 261	25 547	26 952	28 300
Sale of goods and services							
Of which:							
Admin fees							
Sales by market establishments							
Other sales	19 426	18 513	18 633	20 447	21 531	22 715	23 851
Fines, penalties & forfeits							
Interest, dividends & rentals	392	248	65	68	72	76	79
Other non-tax revenue	11 107	3 809	8 173	3 746	3 945	4 161	4 370
Transfers received	32 195	43 000	41 809	51 429	63 773	80 000	85 000
Sale of capital assets							
Total revenue	63 120	65 570	68 680	75 690	89 320	106 952	113 300
Expenditure							
Current expenditure	61 355	70 579	68 516	82 914	87 308	102 110	107 216
Compensation of employees	26 147	31 021	35 165	35 785	37 682	49 754	52 242
Goods and services	27 586	28 066	25 349	38 679	40 729	42 969	45 118
Depreciation	7 602	11 492	7 207	8 450	8 898	9 387	9 857
Unauthorised expenditure							
Interest, dividends & rentals							
Interest	20		795				
Dividends							
Rentals							
Transfers and subsidies							
Total expenses	61 355	70 579	68 516	82 914	87 308	102 110	107 216
Surplus / (Deficit)	1 765	(5 009)	164	(7 224)	2 011	4 842	6 084

Table 10.2: MTC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	34 723	33 284	44 850	47 003	49 494	52 216	54 827
<i>Of which:</i>							
<i>Acquisition of assets</i>	11 893	11 117	12 141	10 000	10 000	8 588	8 741
Inventory	1 096	1 133	1 471	1 542	1 623	1 713	1 798
Receivables and prepayments	677	490	415	435	458	483	507
Cash and cash equivalents	844	2 480	1 770	(2 219)	3 197	13 043	24 157
Other assets							
Total assets	37 340	37 387	48 506	46 760	54 772	67 455	81 289
Share capital	56 761	56 761	56 761	56 761	56 761	56 761	56 761
Reserves	31 018	34 662	36 822	41 616	46 828	53 806	60 730
Accumulated surplus / deficit	(54 451)	(59 460)	(59 296)	(66 520)	(64 509)	(59 667)	(53 583)
Trade and other payables	1 807	2 392	3 765	3 948	4 155	4 383	4 603
Provisions	2 205	3 032	3 338	3 498	3 684	3 886	4 081
Liabilities not classified elsewhere	-	-		7 115	7 458	7 852	8 284
Total equity and liabilities	37 340	37 387	48 506	46 760	54 772	67 455	81 289

Expenditure trends

Most of the revenue received by the entity is from a government grant, with own revenue generated from passenger ticket sales and private hire. Own-generated revenue increased from R19.4m in 2008/09 to R20.4m in 2011/12 and is projected to increase to R23.9 million over the MTEF period. The government grant increased from R32.2 million in 2008/09 to R51.3 million in 2011/12 at an average annual rate of 12.4 per cent. Over the medium term, the grant increases to R85 million in 2014/15 at an average annual rate of 18.2 per cent. The large increases in the grant are as a result of the long-term recapitalisation of the bus fleet.

Total expenditure increased from R61.4 million in 2008/09 to R82.9 million in 2011/12 at an average annual rate of 7.2 per cent. The increase in expenditure is emanating from the ageing fleet, together with the corporation being exposed to market fluctuations in variable expenditure. Over the MTEF period, total expenditure increases at an average annual rate of 8.9 per cent to R107.2 million in 2014/15.

Between 2008/09 and 2011/12, compensation of employees, which takes the largest share of total expenditure, increased at an average annual rate of 8.2 per cent from R26.1 million to R35.8 million as a result of the filling of vacant posts. Over the medium term, vacant posts in critical operational positions (eg bus drivers) will be filled, leading to an average annual increase in personnel costs of 13.4 per cent.

Personnel information

Table 10.4 MTC personnel information

Level / classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	1	1	-	1	1	1	1	1	1	1
Senior management	8	7	1	3	4	5	7	7	7	7
Middle management	17	11	6	7	7	9	11	11	11	11
Semi-skilled	10	10	-	29	22	35	35	41	41	41
Very low skilled	195	192	3	192	192	192	192	192	195	195
Total	231	221	10	232	226	242	246	252	258	264
Compensation (R'000)				26 147	31 021	35 165	35 785	37 682	49 754	52 242
Unit cost (R'000)				113	137	145	145	150	193	198

1 As at 30 September 2011

The MTC has a staff establishment of 231, of which 221 are filled, with 10 vacant posts. The number of filled posts has increased from 232 in 2008/09 to 246 in 2011/12 as the entity sought to fill critical vacant posts at senior and management level. Over the MTEF period, the number of posts increases to 264 in 2014/15 as additional bus drivers (which are classified as “semi-skilled”) are recruited. The posts additional to the establishment are part-time or temporary contract employees.

Annexure: Detailed financial information

Entity	Mayibuye Transport Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	30 925	22 570	26 871	24 261	25 547	26 952	28 300
Sale of goods and services other than capital assets	19 426	18 513	18 633	20 447	21 531	22 715	23 851
Of which:							
Admin fees							
Sales by market establishments							
Other sales	19 426	18 513	18 633	20 447	21 531	22 715	23 851
Fines penalties and forfeits							
Interest, dividends and rent on land	392	248	65	68	72	76	79
Other non-tax revenue	11 107	3 809	8 173	3 746	3 945	4 161	4 370
Transfers received	32 195	43 000	41 809	51 429	63 773	80 000	85 000
Sale of capital assets							
Total revenue	63 120	65 570	68 680	75 690	89 320	106 952	113 300
Expenses							
Current expense	61 355	70 579	68 516	82 914	87 308	102 110	107 216
Compensation of employees	26 147	31 021	35 165	35 785	37 682	49 754	52 242
Use of goods and services	27 586	28 066	25 349	38 679	40 729	42 969	45 118
Depreciation	7 602	11 492	7 207	8 450	8 898	9 387	9 857
Unauthorised expenditure							
Interest, dividends and rent on land	20	-	795	-	-	-	-
Interest	20		795	-	-	-	-
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	61 355	70 579	68 516	82 914	87 308	102 110	107 216
Surplus / (Deficit)	1 765	(5 009)	164	(7 224)	2 011	4 842	6 084
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(3 397)	8 507	802	9 739	10 255	10 819	11 360
Adjustments for:							
Depreciation	7 602	11 457	7 207	8 450	8 898	9 387	9 857
Interest	(392)	(248)	500	524	552	582	611
Net (profit) / loss on disposal of fixed assets	12	5	730	765	806	850	892
Other	(10 619)	(2 707)	(7 635)	-	-	-	-
Operating surplus / (deficit) before changes in working capi	(1 632)	3 498	966	2 515	12 267	15 661	17 444
Changes in working capital	(333)	746	1 414	1 482	1 560	1 646	1 729
(Decrease) / increase in accounts payable	(1 113)	598	1 675	1 755	1 848	1 950	2 048
Decrease / (increase) in accounts receivable	(171)	185	76	80	84	88	93
(Decrease) / increase in provisions	951	(37)	(337)	(353)	(372)	(392)	(412)
Cash flow from operating activities	(1 965)	4 244	2 380	3 997	13 827	17 307	19 172
Transfers from government	37 195	51 522	51 669	61 429	68 773	88 588	93 741
Of which:							
Capital	5 000	8 500	5 460	15 000	5 000	8 588	8 741
Current	32 195	43 022	46 209	46 429	63 773	80 000	85 000
Cash flow from investing activities	(11 847)	(11 108)	(19 764)	(17 989)	(18 412)	(17 463)	(18 060)
Acquisition of Assets	(11 893)	(11 117)	(12 141)	(10 000)	(10 000)	(8 588)	(8 741)
Land							
Dwellings							
Non- Residential Buildings	(285)	(708)	(175)	(1 300)	(1 300)	(1 300)	(1 300)
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	(10 926)	(483)	(533)	(840)	(840)	(840)	(840)
Other Machinery and equipment	(487)	(228)	(3 309)	(790)	(790)	(790)	(790)
Specialised military assets							
Transport Assets	(195)	(9 698)	(8 124)	(7 070)	(7 070)	(5 658)	(5 811)
Computer Software							
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Other flows from Investing Activities	46	9	(7 623)	(7 989)	(8 412)	(8 875)	(9 319)
Other 1	46	9	(7 623)	(7 989)	(8 412)	(8 875)	(9 319)
Other 2							
Cash flow from financing activities	5 000	8 500	16 674	10 000	10 000	10 000	10 000
Deferred Income	5 000	8 500	9 860	10 000	10 000	10 000	10 000
Borrowing Activities							
Other			6 814	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(8 812)	1 636	(710)	(3 992)	5 415	9 844	11 113

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	Mayibuye Transport Corporation						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	34 723	33 284	44 850	47 003	49 494	52 216	54 827
Land							
Dwellings							
Non- Residential Buildings	3 962	4 621	4 737	4 964	5 227	5 515	5 791
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	858	1 329	1 582	1 658	1 746	1 842	1 934
Other Machinery and equipment	1 377	1 561	4 489	4 704	4 954	5 226	5 488
Specialised military assets							
Transport Assets	28 526	25 773	34 042	35 676	37 567	39 633	41 615
Computer Software							
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	844	2 480	1 770	(2 219)	3 197	13 043	24 157
Bank	844	2 480	1 770	(2 219)	3 197	13 043	24 157
Cash on Hand							
Other							
Receivables and Prepayments	677	490	415	435	458	483	507
Trade Receivables	182	49	-	-	-	-	-
Other Receivables	495	441	415	435	458	483	507
Prepaid Expenses							
Accrued Income							
Inventory	1 096	1 133	1 471	1 542	1 623	1 713	1 798
Trade	1 096	1 133	1 471	1 542	1 623	1 713	1 798
Other							
Total Assets	37 340	37 387	48 506	46 760	54 772	67 455	81 289
Capital and Reserves	33 328	31 963	34 287	31 857	39 080	50 900	63 908
Share Capital and Premium	56 761	56 761	56 761	56 761	56 761	56 761	56 761
Accumulated Reserves	(56 216)	(54 451)	(59 460)	(59 296)	(66 520)	(64 509)	(59 667)
Surplus / (Deficit)	1 765	(5 009)	164	(7 224)	2 011	4 842	6 084
Other	31 018	34 662	36 822	41 616	46 828	53 806	60 730
Borrowings	-	-	7 116	7 458	7 853	8 285	8 699
Floating							
Current			2 909	3 049	3 210	3 387	3 556
1<5 Years			4 207	4 409	4 643	4 898	5 143
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	1 807	2 392	3 765	3 948	4 155	4 383	4 603
Trade Payables	907	968	1 381	1 447	1 524	1 608	1 688
Accrued Interest							
Other	900	1 424	2 384	2 500	2 631	2 776	2 914
Deferred Income							
Provisions	2 205	3 032	3 338	3 498	3 684	3 886	4 081
Leave pay provision	2 205	2 751	3 057	3 204	3 374	3 559	3 737
Other 1		281	281	294	310	327	344
Other 2							
Other 3							
Other 4							
Funds Managed	-	-	-	-	-	-	-
Poverty Alleviation Fund	-						
Regional Development Fund							
Third Party Funds							
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity and liabilities	37 340	37 387	48 506	46 761	54 772	67 454	81 290

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	24 803	28 945	33 053	33 781	35 571	37 528	39 404
Personnel numbers (head count)	167	175	191	197	203	209	215
Unit cost	149	165	173	171	175	180	183
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	1 152	1 692	1 620	1 620	1 620	1 620	1 620
Personnel numbers (head count)	63	47	45	45	45	45	45
Unit cost	18	36	36	36	36	36	36
C. Interns							
Personnel cost (R thousand)	108	216	324	216	216	216	216
Personnel numbers (head count)	2	4	6	4	4	4	4
Unit cost	54	54	54	54	54	54	54
Total for entity							
Personnel cost (R thousand)	26 147	31 021	35 165	35 785	37 682	49 754	52 242
Personnel numbers (head count)	232	226	242	246	252	258	264
Unit cost	113	137	145	145	150	193	198
D. Learnerships							
Personnel cost (R thousand)	84	168	168	168	168	168	168
Personnel numbers (head count)	2	4	4	4	4	4	4
Unit cost	42	42	42	42	42	42	42

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.

3. A temporary employee is someone who is employed for a fixed time period for a specific task only.

4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.

5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.

6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.

7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.

8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	11	11	11	11	11	11	11
Executive Management	1	1	1	1	1	1	1
Senior Management	3	4	5	7	7	7	7
Middle Management	7	7	9	11	11	11	11
Professionals	22	14	26	25	22	25	31
Semi-skilled	7	8	9	10	19	19	19
Very low skilled	192	192	192	192	192	195	195
Total	243	237	253	257	263	269	275

Eastern Cape Provincial Arts and Culture Council

Strategic overview: 2008/09 – 2014/15

The Eastern Cape Provincial Arts and Culture Council (ECPACC) was established by means of Act No.6 of 2000 (Eastern Cape) and is listed in the Public Finance Management Act (PFMA) as a schedule 3C public entity of the Department of Sport, Recreation, Arts and Culture.

ECPACC is entrusted with the responsibility of fostering the arts and promoting the culture of the Eastern Cape, to allow for the expression of the unique identity of the province, and enable its artists to realise their potential through their expression of the arts to build an improved quality of life for themselves and their communities.

Since 2008/09 a number of crafters were assisted in marketing and subsequent selling of their craft. The three craft hubs strategically placed in Mthatha, Queenstown and Dimbaza served as service points for the display and selling points for these craft works. The sales generated at the three craft hubs boosted the income and employment potential of the mainly rural women crafters.

In an effort to increase the income generation potential of both performing artists and crafters alike, the entity also forged some partnerships with other formations. Various art forms, namely: drama, music, dance, poetry and craft gain exposure by participating in the 2010 FIFA Soccer World Cup extravaganza, thereby gaining economic benefits from the hosting of this event in South Africa.

Between 2008/09 and 2011/12, ECPACC have successfully achieved the following goals:

- During 2011/12, artists from fifty arts and culture projects from the province were awarded sewing machines and material to assist in tasks such as creation of traditional clothes and accessories.
- Between 2008/09 and 2011/12, R3.4 million was spent on various artists performing at the National Arts Festival. This platform is used to showcase Eastern Cape artists to the festivals national and international audience.
- Approximately 250 arts and culture related projects were awarded annually to artists in the Eastern Cape between 2008/09 and 2011/12 years.
- The formation of a partnership between ECPACC and the National Arts Council (NAC) that benefitted Eastern Cape artists and crafters during the period of the 2010 FIFA Soccer World Cup.
- During 2010/11, the pastel financial system was implemented at the hubs to enhance consistency and comparability of financial information produced at the hubs and the head office.
- Two documentaries were produced during the 2011/12 year. One on the North End forced removals that occurred in East London in the early sixties and the other on Ukuthwala-Marriage by Abduction.
- Bursaries were awarded to 486 students in the arts and culture faculties between 2008/09 and 2011/12.

- ECPACC funded 1 101 projects benefitting artists/performers in the Eastern Cape during the 2008/09 to 2011/12 years.
- An unqualified audit opinion was expressed by external auditors on the financial affairs of the entity during the 2010/11 year. This was a major achievement in that the entity had moved from a disclaimer in 2008/09.

ECPACC has prioritised its activities to facilitate the promotion of arts and culture in the Eastern Cape. The following critical activities are key over the MTEF period:

- Conduct exhibitions that will showcase arts and craft produced by Eastern Cape artists.
- Review the current project funding model to ensure that all districts receive appropriate funding and more projects of excellence are identified and showcased at the National Arts Festival.
- Review of ECPACC's founding legislation to strategically guide the entity to achieve its mandate.
- Perform impact assessments for projects funded by ECPACC to ensure that the development of artists is monitored and funding gaps in the arts and culture industry are identified.

Savings and cost effectiveness measures

Over the MTEF period the entity intends to implement a mark-up on the cost price of all arts and craft items sold at the hubs. The income generated from the mark-up will fund training and development, as well as craft exhibitions. An estimated cost saving will amount to R100 000 per annum.

The EC Arts & Craft Hub in Mthatha and Amathole Craft Hub in Dimbaza are currently renting premises. The entity has approached the municipalities in these areas to provide suitable premises, and to ensure that the hubs are accessible to the crafters and the general public. The municipality will be requested not to charge rent on the state-owned premises as the craft activities would support local economic development. Saving on the use of municipal premises is expected to be approximately R213 000 per annum.

The internal audit service, which is currently outsourced, is expected to be performed by a shared internal audit function at the Department of Sports, Recreation, Arts and Culture. This will result in a saving of approximately R600 000 over a three year audit cycle.

Selected performance indicators

Table 11.1: ECPACC annual performance

Indicators	Activity/Objective	Annual performance						
		Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of artists and crafters supported for the National Arts Festival	Increase in the number of arts and culture projects of excellence promoted	30	30	44	31	30	32	30
Number of district projects granted funding	Annual report on district projects granted funding	328	276	239	269	235	230	232
Number of manuscripts published	Publication of manuscripts	3	4	6	2	4	4	4
Number of students studying arts related courses at tertiary level	Annual report on bursaries awarded to students	136	102	124	111	105	105	102

Details of programmes, activities and objectives

ECPACC operates through three main programmes:

Attainment of excellence: Nurtures and develops projects of excellence in the fields of arts, craft, music, film, dance, language, publishing and other art forms. Coordinates efforts to enhance quality output of arts and crafts in the province.

Support to artists: Identifies and nurtures community arts and culture individuals and groups in the various districts of the province. The purpose is to provide financial assistance and guidance in order to grow and expose their talents and improve the quality of their products. This includes the granting of bursaries and scholarships to deserving tertiary education students to pursue studies in arts and culture related courses and programmes.

Enterprise development and partnerships: Implements an integrated arts development plan in order to maximise the economic benefits of arts and culture. This includes preparing an economic case for arts and culture in the province and ensuring linkages between arts and culture and other stakeholders. This function supports the programmes of excellence and support to artists' programmes.

Expenditure estimates

Table 11.2: ECPACC statement of financial performance

R'000	Statement of financial performance						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	1 266	355	615	661	719	783	852
Sale of goods and services	624	169	425	467	514	566	622
Of which:							
Admin fees							
Sales by market establishments							
Other sales	624	169	425	467	514	566	622
Fines, penalties and forfeits							
Interest, dividends and rentals	627	185	184	194	205	217	229
Other non-tax revenue	15	1	6	-	-	-	-
Transfers received	11 119	15 346	14 744	13 536	13 948	13 112	13 833
Sale of capital assets							
Total revenue	12 385	15 701	15 359	14 197	14 668	13 895	14 685
Expenditure							
Current expenditure	10 903	15 346	14 906	14 197	14 668	13 895	14 685
Compensation of employees	1 689	2 750	3 794	4 014	4 247	4 502	4 749
Goods and services	8 758	12 013	10 477	9 514	9 697	8 608	9 085
Depreciation	118	216	230	243	255	269	283
Unauthorised expenditure	-	-	-				
Interest, dividends and rentals	338	367	405	426	469	516	568
Interest	-	-	-				
Dividends	-	-	-				
Rentals	338	367	405	426	469	516	568
Transfers and subsidies							
Total expenses	10 903	15 346	14 906	14 197	14 668	13 895	14 685
Surplus / (Deficit)	1 482	355	453	-	-	-	-

Table 11.3: ECPACC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Carrying value of assets	987	968	866	795	697	613	540
<i>Of which:</i>							
<i>Acquisition of assets</i>	887	198	126	69	79	79	79
Inventory	240	263	204	204	204	204	204
Receivables and prepayments	178	345	258	181	145	116	93
Cash and cash equivalents	2 601	4 073	3 426	3 086	3148	3442	3 948
Other assets							
Total assets	4 006	5 649	4 754	4 266	4 194	4 375	4 785
Share capital							
Reserves							
Accumulated surplus / deficit	1 480	1 835	2 288	1 936	2 258	2 739	3 283
Trade and other payables	2 108	3 521	1 427	1 334	940	640	506
Provisions							
Liabilities not classified elsewhere							
Funds managed	418	293	1 039	996	996	996	996
Total equity and liabilities	4 006	5 649	4 754	4 266	4 194	4 375	4 785

Expenditure trends

Expenditure relating to compensation of employees has increased at an average annual rate of 24.2 per cent from R1.7 million in 2008/09 to R4.0 million in 2009/10 as nine posts were filled during that period. A general salary 5.8 per cent is projected over the MTEF period.

A significant increase of 37.2 per cent in goods and services expenditure in 2009/10 was the result of the once-off funding of a film script to the value of R3.7 million. The goods and services expenditure indicates a gradual decrease in 2013/14 of 12.5 per cent and an increase of 5.5 per cent in 2014/15. This trend is consistent to the transfer received from the controlling department.

The audit fee escalated by R408 000 in 2009/10 which is 162 per cent of the fee charged in 2008/09 year.

Between 2009/10 and 2011/12, expenditure indicated a downward trend of 21 per cent. This trend can be directly correlated to the decrease in funds received from the controlling department, which consequently dampens on the mandate of ECPACC to promote arts and culture.

Investment in capital assets for new staff and the introduction of a new hub in Queenstown in 2009/10 have resulted in an increase in the depreciation charge throughout the period under review.

Personnel information

Table 11.4: ECPACC personnel information

Level/classification	Post status as at 30 September 2011			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid year ¹	Medium-term estimates		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	1	1	-	1	1	1	1	1	1	1
Senior management	1	1	-	1	1	1	1	1	1	1
Middle management	6	6	1	3	4	5	5	5	5	5
Semi-skilled	13	13	5	4	5	8	8	8	8	8
Very low skilled	8	8	-	5	6	8	8	8	8	8
Total	29	29	6	14	17	23	23	23	23	23
Compensation (R'000)				1 689	2 750	3 794	4 014	4 247	4 502	4 749
Unit cost (R'000)				121	162	165	175	185	196	206

¹ As at 30 September 2011

The entity has an approved staff establishment of 29 posts, of which six posts are vacant due to budget constraints. However, ECPACC's cost saving measures as indicated above will enable the entity to employ two arts development officers, an HR officer and a secretary to the CEO in the 2013/14 period.

ECPACC's composition of the council has been reduced from thirteen to six members as the entity has employed two hub managers and one arts development manager since 2008/09. The council's duties were reduced significantly resulting in a decrease in the members serving on the entity's council.

A full staff complement of five employees at hubs was achieved at all the hubs in 2010/11.

Annexure: Detailed financial information

Entity	EC Provincial Arts & Culture Council						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	1 266	355	615	661	720	784	853
Sale of goods and services other than capital assets	624	169	425	468	515	567	623
Of which:							
Admin fees							
Sales by market establishments							
Other sales	624	169	425	468	515	567	623
Fines penalties and forfeits							
Interest, dividends and rent on land	627	185	184	194	205	217	229
Other non-tax revenue	15	1	6	-	-	-	-
Transfers received	11 119	15 346	14 744	13 536	13 948	13 112	13 833
Sale of capital assets							
Total revenue	12 385	15 701	15 359	14 197	14 668	13 896	14 686
Expenses							
Current expense	10 903	15 346	14 906	14 197	14 668	13 895	14 685
Compensation of employees	1 689	2 750	3 794	4 014	4 247	4 502	4 749
Use of goods and services	8 758	12 013	10 477	9 514	9 697	8 608	9 085
Depreciation	118	216	230	242	255	269	283
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	338	367	405	426	469	516	568
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	338	367	405	426	469	516	568
Transfers and subsidies							
Total expenses	10 903	15 346	14 906	14 197	14 668	13 895	14 685
Surplus / (Deficit)	1 482	355	453	0	1	1	1
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(545)	(93)	792	5	460	486	512
Adjustments for:							
Depreciation	118	216	230	242	255	269	283
Interest	(627)	(185)	(184)	(194)	205	217	229
Net (profit) / loss on disposal of fixed assets	-	-	-	-	-	-	-
Other	(36)	(124)	746	(43)	-	-	-
Operating surplus / (deficit) before changes in working capital	937	262	1 245	6	461	487	513
Changes in working capital	128	(334)	569	(170)	(430)	(329)	(157)
(Decrease) / increase in accounts payable	303	(146)	425	(93)	(394)	(300)	(134)
Decrease / (increase) in accounts receivable	(57)	(166)	86	(77)	(36)	(29)	(23)
(Decrease) / increase in provisions	(118)	(22)	58	-	-	-	-
Cash flow from operating activities	1 065	(72)	1 814	(164)	31	158	356
Transfers from government	11 119	15 346	14 744	13 536	13 948	13 112	13 833
Of which:							
Capital							
Current	11 119	15 346	14 744	13 536	13 948	13 112	13 833
Cash flow from investing activities	(260)	(13)	58	125	126	138	150
Acquisition of Assets	(887)	(198)	(126)	(69)	(79)	(79)	(79)
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(113)	(31)	(32)	(32)	(32)	(32)	(32)
Furniture and Office equipment	(397)	(103)	(37)	(37)	(37)	(37)	(37)
Other Machinery and equipment	(321)						
Specialised military assets							
Transport Assets							
Computer Software	(56)	(64)	(57)	-	(10)	(10)	(10)
Masheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Other flows from Investing Activities	627	185	184	194	205	217	229
Interest earned	627	185	184	194	205	217	229
Other 2							
Cash flow from financing activities	681	1 558	(2 519)	(300)	(94)	-	-
Deferred Income	681	1 558	(2 519)	(300)	(94)	-	-
Borrowing Activities							
Other							
Net increase / (decrease) in cash and cash equivalents	1 486	1 473	(647)	(340)	63	296	507

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Entity	EC Provincial Arts & Culture Council						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	987	968	866	795	697	613	540
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	113	93	75	92	74	59	47
Furniture and Office equipment	446	474	430	424	382	343	309
Other Machinery and equipment	376	335	295	259	228	201	177
Specialised military assets							
Transport Assets							
Computer Software	52	66	66	20	14	10	7
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	2 601	4 073	3 426	3 086	3 148	3 442	3 948
Bank	2 601	4 073	3 426	3 086	3 148	3 442	3 948
Cash on Hand							
Other							
Receivables and Prepayments	178	345	258	181	145	116	93
Trade Receivables	178	319	227	181	145	116	93
Other Receivables		26	31	-	-	-	-
Prepaid Expenses							
Accrued Income							
Inventory	240	263	204	204	204	204	204
Trade	240	263	204	204	204	204	204
Other							
Total Assets	4 006	5 649	4 754	4 266	4 194	4 375	4 785
Capital and Reserves	1 480	1 835	2 288	1 936	2 258	2 739	3 283
Share Capital and Premium	-						
Accumulated Reserves	(2)	1 480	1 835	2 288	2 288	2 288	2 288
Surplus / (Deficit)	1 482	355	453	0	(0)	(0)	0
Other	-	-	-	(352)	(30)	451	995
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	2 108	3 521	1 427	1 334	940	640	506
Trade Payables	706	609	1 034	1 034	734	434	300
Accrued Interest							
Other	1 402	2 912	393	300	206	206	206
Deferred Income							
Provisions	-	-	-	-	-	-	-
Leave pay provision							
Other 1							
Other 2							
Other 3							
Other 4							
Funds Managed	418	293	1 039	996	996	996	996
Poverty Alleviation Fund	-	65	43	-	-	-	-
Regional Development Fund							
Third Party Funds	418	228	996	996	996	996	996
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							
Total equity and liabilities	4 006	5 649	4 754	4 266	4 194	4 375	4 785

Province of the Eastern Cape
Estimates for Public Entities Revenue and Expenditure 2012/13

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Personnel cost (R thousand)	1 689	2 750	3 794	4 014	4 247	4 502	4 749
Personnel numbers (head count)	14	17	23	23	23	23	23
Unit cost	121	162	165	175	185	196	206
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
Total for entity							
Personnel cost (R thousand)	1 689	2 750	3 794	4 014	4 247	4 502	4 749
Personnel numbers (head count)	14	17	23	23	23	23	23
Unit cost	121	162	165	175	185	196	206
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							

1. A permanent employee is someone who is employed for an indefinite period. This period may be full time or part time.
3. A temporary employee is someone who is employed for a fixed time period for a specific task only.
4. A contract employee is appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provide a result, act independently and invoice the client.
5. A part time employee is someone who is employed for a set number of hours each week that are less than the full-time hours for the same position.
6. A full time contract worker is someone employed for a fixed term excluding a casual worker or an employee to whom a retirement age applies.
7. An Intern is a person employed in the public service in an internship programme, for unemployed graduates who do not have any work experience in the field for which they have studied.
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Details of personnel numbers according to salary level

Salary Level	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Board Members	13	10	6	6	6	6	6
Executive Management	1	1	1	1	1	1	1
Senior Management	1	1	1	1	1	1	1
Middle Management	3	4	5	5	5	5	5
Professionals	1	2	4	4	4	4	4
Semi-skilled	3	3	4	4	4	4	4
Very low skilled	5	6	8	8	8	8	8
Total	27	27	29	29	29	29	29

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