



Province of the
EASTERN CAPE
PROVINCIAL PLANNING
AND TREASURY

Estimates for Public Entities Revenue and Expenditure

2013/14

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**Tabled in the Provincial Legislature
On 07 March 2013**

Foreword

Public Entities have a crucial role to play in advancing the economic growth of the Eastern Cape Province as they are responsible for the development of key infrastructure and manufacturing capacity in the province. In 2012/13, the provincial government committed itself to improving the governance and strategic placement of entities in the provincial economic arena. Subsequently, Provincial Planning and Treasury undertook to strengthen its' oversight role over Public Entities which resulted in the collection of surplus funds owed to the provincial revenue fund in 2012. In addition, engagements with entities were held to ensure the alignment of their mandate to key strategic priorities in the province.

The most notable achievements in the 2012/13 financial year include the following:

- The Eastern Cape Gambling and Betting Board (ECGBB) managed to root out illegal activities which are by their nature clandestine. The entity focused its efforts to confiscate illegal gambling machines and devices.
- The Eastern Cape Development Corporation (ECDC) utilized its accumulated reserves to finance small business entrepreneurs, 12 per cent of which went to youth owned businesses and 20 per cent went to businesses owned by women.
- The Eastern Cape Provincial Arts and Culture Counsel (ECPACC) awarded bursaries to 120 students in the arts and culture faculties and funded 200 projects which represent 1 900 artists or performers in the province.

Going forward into 2013/14, the focus is to strengthen the delivery of infrastructure programmes by public entities. In addition, Provincial Planning and Treasury's focus will be on strengthening compliance, funding key infrastructure investment projects, reviewing entities' mandates to ensure alignment to the provincial planning commission's growth and development strategy for the province. Moreover, our aim is to enhance support to public entities in their overarching role of unlocking the economic potential of the province to create jobs and alleviate poverty in the following manner:

- ECGBB will strengthen law enforcement and gaming controls within the province and ensure the education and protection of consumers and the public using various mechanisms. Additionally, the entity will ensure an increase in revenue collection through the awarding of licenses to qualifying applicants.
- ECPTA will continue to promote the Eastern Cape Province as a desirable tourist destination in order to increase the number of visitors to the province. In addition, the entity seeks to create 2 296 jobs in the conservation and tourism sector.
- The ECDC will continue to empower emerging and existing business enterprises as well as attract local, international and government investors. In addition, a commitment has been made to assist distressed SMMEs as they play a vital role in creating a platform for enterprise development.

Province of the Eastern Cape: Foreword

- ECLB will embark on targeted social responsibility initiatives relating to anti-alcohol abuse and drunken driving through road shows and school based campaigns in an effort to address socio economic impact studies on alcohol abuse in the province.

This year is the end of term for the current government and given both the global and domestic economic hardships, the provincial government is committed to ensuring that it lives behind a legacy of economic reforms that boosts economic growth, development and investment whilst promoting social responsibility programmes that enhance community upliftment projects. Our desire is still to enhance the positive benefits accruing from key government programmes that were implemented and those to be implemented in the new year in order to better the lives of our people.

HONOURABLE PHUMULO MASUALLE
MEC FOR PROVINCIAL PLANNING AND FINANCE

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Overview

The Eastern Cape has a total of eleven public entities listed (including 2 indirect listings) in Schedule 3 of the Public Finance Management Act (of 1999 as amended) (PFMA). Eight (8) of these are listed as provincial Public Entities in Schedule 3C¹, namely:

- Eastern Cape Socio Economic Consultative Council (ECSECC);
- Eastern Cape Rural Development Agency (ECRDA);
- 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); and
- Eastern Cape Provincial Arts & Culture Council (ECPACC).

The remaining 8 public entities are listed as government business enterprises in Schedule 3D², namely:

- Eastern Cape Development Corporation (ECDC);
- East London Industrial Development Zone (ELIDZ);
- Coega Development Corporation (CDC); and
- Mayibuye Transport Corporation (MTC).

Summary of Transfers to provincial public entities

Table A below, indicates the Transfers to provincial public entities. Public entities have received over R3.4 billion in funding over the past four (4) years with an estimated R2.9 billion planned over the MTEF, representing 1.6 per cent of the total provincial payments. Public entities directly employ over 1 500 people, generate approximately R450 million in own revenue and control assets totaling nearly R7.5 billion.

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 a government business enterprise that is financed fully or substantially from sources other than Revenue Fund.

Table A: Summary of transfers to provincial public entities

Entity	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16	% growth	
R'000	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			2012/13 to 2013/14	Avg 2013 to 2016
Coega Development Corporation	140 000	-	-	18 000	18 000	18 000	82 750	-	-	359.7	-100.0
EC Arts Council	15 231	12 225	13 936	13 948	15 561	15 561	11 823	12 323	12 323	-24.0	2.1
EC Arts Council (specific projects)	3 000	-	-	-	-	-	-	-	-	-	-
EC Gambling & Betting Board	22 017	23 338	31 187	28 687	35 687	35 687	42 687	43 095	46 985	19.6	5.0
EC Rural Finance Corporation	172 500	137 300	62 072	-	-	-	-	-	-	-	-
EC Rural Development Agency	-	-	-	166 000	166 000	166 000	173 137	184 306	193 867	4.3	5.8
EC Liquor Board	24 621	26 098	32 325	32 137	35 131	35 131	41 131	43 018	47 294	17.1	7.3
EC Parks	102 500	148 469	-	-	-	-	-	-	-	-	-
EC Tourism Board	83 050	12 733	-	-	-	-	-	-	-	-	-
EC Parks & Tourism Agency	-	-	143 857	184 426	190 426	190 426	191 543	208 528	190 793	0.6	0.2
EC Appropriate Technology Unit	14 969	15 496	16 230	17 171	14 757	14 757	18 059	19 143	20 024	22.4	5.3
ECDC	188 199	210 973	255 169	183 259	144 659	144 659	188 404	160 461	188 578	30.2	1.3
ECDC (specific projects)	-	-	6 427	-	-	-	-	-	-	-	-
ECSECC	34 986	36 305	34 207	38 998	41 966	41 966	38 709	40 608	42 480	-7.8	4.8
ECYC	12 903	-	-	-	-	-	-	-	-	-	-
ELIDZ	130 601	135 257	141 614	132 539	46 051	46 051	112 407	113 792	112 031	144.1	-0.2
Mayibuye Transport Corporation	51 500	51 669	61 429	68 773	68 773	68 773	102 088	93 741	98 053	48.4	-1.8
Total payments and estimates	996 077	809 863	798 453	883 938	777 011	777 011	1 002 738	919 015	952 428	29.6	-2.4
Total provincial payments & estimates	45 650 729	48 333 610	53 734 252	56 204 479	57 396 267	57 572 650	59 257 836	60 538 389	63 892 847		
Percentage share	2.2	1.7	1.5	1.6	1.4	1.3	1.7	1.5	1.5		

Total transfers to public entities increased from R766 million in 2012/13 to R1.003 billion in 2013/14 representing an increase of 8.9 per cent. The biggest share of total transfers to public entities over the MTEF (R958 million) goes to those that are focused on supporting economic development and job creation, namely: ECDC, ELIDZ and CDC. The second biggest portion of R591 million is allocated to ECPTA for conservation and tourism. Over the MTEF, it is projected that these entities will facilitate the creation of 42 871 jobs in the province.

Revenue

Table B below shows Own Revenue trends from the 2009/10 to 2015/16 financial years. Total revenue decreased from R2 billion in 2009/10 to R1.6 billion in 2012/13 at an average annual rate of 21 per cent. This was mainly due to a decrease in government transfers from the Department of Trade and Industry (the dti) to the CDC and a further decrease during the 2012/13 provincial adjustment estimates. Over the MTEF, government transfers continue to decrease at an average annual rate of 8.9 per cent due to an overall reduction in the provincial budget as a result of the 2011 Census Results and baseline reductions of 1 per cent in 2013/14, 2 per cent in 2014/15 and 3 per cent in 2015/16 as per the 2013 National Treasury guidelines.

ECDC, ELIDZ and CDC account for 61.2 per cent (R1.6 billion) of own-generated revenue over the MTEF. This revenue is earned through loans, letting on properties and the rendering of zone services. CDC also earns further revenue from administrative fees on government infrastructure projects for which it is an implementing agent. Total own generated revenue increases at an average annual rate of 22 per cent over the MTEF. ECDC, ELIDZ, CDC and MTC, which should be self-sustaining, have been receiving a majority of their funding from government. Over the MTEF, the Provincial Planning and Treasury will be undertaking an exercise to improve the revenue generation capacity 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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	%	% growth	
R thousand	Audited			Estimated outcome	Medium-term estimate			share 2013/14	2012/12 to 2013/14	Avg 2013 to 2016
Revenue										
Tax revenue	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	383 604	484 752	494 386	450 554	527 208	571 404	797 430			
Sale of goods and services other than capital assets	75 228	77 650	172 470	194 894	217 760	239 573	332 146	12.0	10.02	24.3
Of which:										
Admin fees	66 696	77 220	171 636	192 579	214 063	235 383	327 911	11.8	9.96	24.6
Sales by market establishments	-	-	-	-	-	-	-	-	-	-
Other sales	8 532	430	834	2 315	3 697	4 191	4 235	0.2	13.35	7.2
Fair value adjustment	32 036	-	-	-	-	-	-	-	-	-
Fines penalties and forfeits	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	190 291	221 155	240 884	215 584	255 313	275 383	406 465	14.1	7.86	27.7
Other non-tax revenue	86 049	185 947	81 032	40 076	54 136	56 448	58 818	3.0	4.27	4.2
Transfers received	1 629 948	1 209 958	941 224	1 156 553	1 286 337	910 271	943 278	70.9	-29.24	-12.8
Sale of capital assets	(1 731)	(188)	(5 865)	(369)	-	-	-	-	-	-
Total revenue	2 011 821	1 694 523	1 429 745	1 606 738	1 813 546	1 481 675	1 740 708	100.0	-18.30	-0.4
Eastern Cape Socio Economic Consultative Council(ECSECC)	35 272	36 485	41 452	42 153	38 884	40 785	42 658	2.1	4.89	4.7
Eastern Cape Rural Development Agency (ECRDA)	59 439	181 204	51 026	170 368	183 791	195 316	205 244	10.1	6.27	5.7
Eastern Cape Appropriate Technology Unit(ECATU)	16 108	16 382	17 563	15 464	18 769	19 857	20 743	1.0	5.80	5.1
Eastern Cape Parks and Tourism Board(ECPTA)	204 153	169 461	179 590	206 806	210 372	231 010	214 584	11.6	9.81	1.3
Eastern Cape Gambling and Betting Board(ECGGB)	28 670	31 432	37 742	44 032	49 111	49 079	53 345	2.7	-0.07	4.3
Eastern Cape Liquor Board(ECLB)	24 926	26 537	32 523	35 331	41 331	43 218	47 494	2.3	4.57	7.2
Eastern Cape Development Corporation (ECDC)	201 203	198 841	198 357	241 664	314 156	294 723	334 127	17.3	-6.19	3.6
East London Industrial Development Zone (ELIDZ)	157 524	175 794	183 874	97 765	169 497	176 143	182 042	9.3	3.92	3.6
Coega Development Corporation(CDC)	1 203 370	776 867	586 251	638 691	657 301	289 244	492 225	36.2	-56.00	7.1
Mayibuye Transport Corporation (MTC)	65 570	68 680	87 109	98 184	117 728	129 125	135 087	6.5	9.68	7.1
Eastern Cape Provincial Arts and Culture Council (ECPACC)	15 586	12 840	14 257	16 280	12 606	13 175	13 158	0.7	4.52	2.2
Total Revenue and estimates	2 011 821	1 694 523	1 429 745	1 606 738	1 813 546	1 481 675	1 740 708	100.0	-18.30	-0.4

Expenditure

Table C below shows payments and estimates from 2009/10 to 2015/16 financial years. Total expenditure increased from R1.5 billion in 2009/10 to R1.6 billion in 2012/13 at an average annual rate of 3.2 per cent. Over the MTEF, total expenditure increases at an average annual rate of 8.4 per cent.

Goods and Services include all operational expenditure incurred in the carrying out of mandated activities and expenditure in this category accounts for the largest share of total expenditure. Between 2009/10 and 2012/13, Goods and Services decreased at an average annual rate of 11.9 per cent. Over the MTEF, Goods and Services grows below inflation by 2.3 per cent in line with the decrease in government transfers.

Compensation of Employees accounts for the second largest share of total expenditure. Between 2009/10 and 2012/13, personnel costs grew at an average annual rate of 13.3 per cent to accommodate inflationary increases in the cost of living together with the filling of vacant posts. Over the MTEF, personnel costs grow at an average annual rate of 5.8 per cent.

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

Province of the Eastern Cape: Overview

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	%	% growth	
	Audited			Estimated outcome	Medium-term estimate			share	2012/13 to 2013/14	Avg 2013 to 2016
R thousand								2013/14		
Expenses										
Current expense	1 538 566	1 158 974	1 544 928	1 534 258	1 676 460	1 627 124	1 639 234			
Compensation of employees	420 634	418 281	525 385	603 334	651 923	692 299	715 003	37.3	8.1	4.7
Use of goods and services	820 734	485 709	744 206	788 822	844 241	769 940	774 981	48.3	7.0	-4.1
Depreciation	61 551	58 167	61 774	75 714	86 895	81 832	84 495	5.0	14.8	-1.3
Unauthorised expenditure	-	-	-	-	-	-	-	-	-	-
Fair value adjustment	190 446	126 462	141 251	12 067	34 300	18 919	730	2.0	184.2	-70.5
Interest, dividends and rent on land	45 201	70 355	72 312	54 322	59 101	64 134	64 025	3.4	8.8	4.2
Interest	1 865	2 594	2 209	1 709	1 326	760	170	0.1	-22.4	-60.2
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on land	43 336	67 761	70 104	52 613	57 775	63 374	63 855	3.3	9.8	5.2
Transfers and subsidies	-	-	-	62 200	72 917	78 766	83 175	4.2	17.2	6.8
Total expenses	1 538 566	1 158 974	1 544 928	1 596 458	1 749 377	1 705 890	1 722 409	100.0	9.6	-0.8
Eastern Cape Socio Economic Consultative Council(ECSECC)	40 029	37 253	40 011	42 153	38 884	40 786	42 658	2.2	-7.8	4.7
Eastern Cape Rural Development Agency (ECRDA)	53 397	53 572	146 933	170 368	183 791	195 316	205 244	10.5	7.9	5.7
Eastern Cape Appropriate Technology Unit (ECATU)	15 032	16 788	15 712	15 464	18 769	19 857	20 743	1.1	21.4	5.1
Eastern Cape Parks and Tourism Agency (ECPTA)	212 406	177 646	166 579	206 806	210 372	231 010	214 584	12.0	1.7	1.3
Eastern Cape Gambling and Betting Board (ECGGB)	37 292	35 762	42 308	44 032	49 111	49 079	53 345	2.8	11.5	4.3
Eastern Cape Liquor Board (ECLB)	26 313	29 257	32 455	35 331	41 331	43 218	47 494	2.4	17.0	7.2
Eastern Cape Development Corporation (ECDC)	260 758	244 893	292 957	284 424	343 707	319 316	319 466	19.6	20.8	-3.5
East London Industrial Development Zone (ELIDZ)	348 082	260 504	283 515	182 069	208 726	196 466	207 594	11.9	14.6	-0.1
Coega Development Corporation (CDC)	459 446	222 396	421 618	501 347	524 353	468 543	463 035	30.0	4.6	-5.9
Mayibuye Transport Corporation (MTC)	70 579	68 516	87 550	98 184	117 728	129 125	135 087	6.7	19.9	7.1
Eastern Cape Provincial Arts and Culture Council (ECPACC)	15 231	12 387	15 291	16 281	12 606	13 175	13 159	0.7	-22.6	2.2
Total expenses	1 538 566	1 158 974	1 544 928	1 596 458	1 749 377	1 705 890	1 722 409	100.0	9.6	-0.8

In the 2012/13 financial year, public entities were in a net surplus position of R10.2 million. A net surplus of R18.3 million is expected by 2015/16, refer to table D below.

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Total revenue	1 976 835	1 694 523	1 429 744	1 598 744	1 813 546	1 481 675	1 740 775
Total Expenditure	1 538 566	1 158 974	1 544 928	1 588 464	1 749 377	1 705 890	1 722 476
Suplus/(deficit)	438 269	535 549	-115 184	102 80	64 169	-224 215	182 99
Eastern Cape Socio Economic Consultative Council	(39 743)	(768)	1 441	-	-	-	-
ECRDA	6 042	127 632	(95 906)	-	-	-	65 365
Eastern Cape Appropriate Technology Unit (ECATU)	1 076	(406)	1 851	-	-	-	-
Eastern Cape Parks and Tourism Board(ECPTA)	(8 253)	(8 185)	13 011	-	-	-	-
Eastern Cape Gambling and Betting Board(ECGGB)	(8 622)	(4 330)	(4 566)	-	-	-	-
Eastern Cape Liquor Board(ECLB)	(1 387)	(2 720)	68	-	-	-	-
Eastern Cape Development Corporation (ECDC)	(59 555)	(46 052)	(94 600)	(42 760)	(29 550)	(24 593)	14 660
East London Industrial Development Zone (ELIDZ)	(190 558)	(84 710)	(99 641)	(84 304)	(39 229)	(20 322)	(25 552)
Coega Development Corporation(CDC)	743 924	554 471	164 633	137 344	132 948	(179 299)	29 190
MAYIBUYE TRANSPORT	(5 009)	164	(441)	-	-	-	-
Eastern Cape Provincial Arts and Culture Council (ECPACC)	355	453	(1 034)	-	-	-	-
Suplus/(deficit)	438 269	535 549	(115 184)	10 281	64 169	(224 214)	83 663

Financial position

Table E below illustrates the summary of the financial position of provincial public entities. Total assets increased from R6.6 billion in 2009/10 to R7.5 billion in 2012/13 at an average annual rate of 4.4 per cent. The asset base is largely represented by infrastructure assets developed by ELIDZ and CDC. Over the MTEF, physical assets increase to R6.7 billion as further properties are developed in these industrial development zones to cater for new investors.

Cash and cash equivalents represent 11.9 per cent of total assets and decrease from R1.1 billion in 2009/10 to R892 million in 2012/13 at an average annual rate of 15.6 per cent. Cash and cash equivalents are projected to increase to R988 million in 2013/14 and are projected to increase to R1.1 billion by 2015/16.

Table E: Summary of financial position

Financial Position	Audited outcome			Revised estimate	Medium term estimates			% share 2013/14	% growth	
	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15		2012/13 to 2013/14	Avg 2013 to 2016
R'000										
Carrying value of assets	4 940 670	5 451 351	5 615 703	6 168 697	6 567 942	6 583 228	6 701 520	82.3	6.5	1.0
<i>Of which:</i>										
Opening balance	3 350 555	4 860 126	4 423 340	4 792 635	4 474 251	5 795 475	5 038 357	56.1	-6.6	8.2
Acquisition of assets	1 502 118	501 717	1 098 538	1 280 624	2 001 702	698 781	1 579 088	25.1	56.3	30.4
Investments	177 499	166 153	113 495	95 943	86 348	77 714	69 942	1.1	-10.0	-10.0
Inventory	1 626	1 866	1 496	1 469	1 503	1 506	1 491	0.02	2.3	-0.4
Receivables and prepayments	427 318	470 020	366 685	345 197	335 540	321 588	308 449	4.2	-2.8	-4.1
Cash and cash equivalents	1 056 445	1 094 551	1 267 227	892 111	988 278	1 017 390	1 147 704	12.4	10.8	7.9
Other assets	3 800	1 750	49 477	1 530	765	383	191	0.01	-50.0	-50.0
Total assets	6 607 359	7 185 692	7 414 082	7 504 947	7 980 376	8 001 809	8 229 298	100.0	6.3	1.6
Share capital	1 716 082	1 752 232	1 790 059	1 790 059	1 790 059	1 790 059	1 790 059	22.4	-	-
Accumulated surplus / deficit	1 193 177	1 912 448	1 901 313	1 901 715	1 963 777	1 741 523	1 774 385	24.6	3.3	-4.7
Other Reserves	789 570	966 017	955 455	1 009 612	1 020 401	981 076	889 850	12.8	1.1	-6.6
Trade and other payables	1 486 938	811 280	768 631	379 711	591 224	363 579	297 118	7.4	55.7	-28.4
Provisions	57 213	58 049	61 026	114 150	172 008	66 495	68 755	2.2	50.7	-29.0
Liabilities not classified elsewhere	539 638	329 899	348 445	395 709	467 227	725 004	830 134	5.9	18.1	34.8
Deferred Income	824 741	1 355 767	1 589 152	1 913 990	1 975 679	2 334 073	2 578 996	24.8	3.2	14.3
Total equity and liabilities	6 607 359	7 185 692	7 414 081	7 504 947	7 980 375	8 001 808	8 229 298	100.0	6.3	1.6

Personnel information

Table F: Summary of actual and projected personnel numbers

Level / classification	Post status as at 30 September 2012			Number of posts filled on funded establishment						
	Number of posts on approved	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimates		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Executive management	32	32	1	28	31	33	35	38	37	37
Senior management(Inc. specialists)	142	136	14	60	62	102	112	114	112	111
Middle management	310	297	15	237	233	274	297	314	310	311
Professionals	289	277	39	207	203	220	211	232	229	229
Semi-skilled	620	599	33	571	557	534	644	655	656	653
Very low skilled	282	283	9	370	367	381	292	299	307	308
Total	1 675	1 624	111	1 473	1 453	1 544	1 591	1 652	1 651	1 649
Compensation (R'000)				414 573	409 078	539 997	472 711	641 069	680 972	703 401
Unit cost (R'000)				281	282	350	297	388	412	427

Province of the Eastern Cape: Overview

Table F above illustrates the summary of the post establishments and filled posts in the provincial public entities. Overall, public entities have a total post establishment of 1 675, of which 1 591 were filled as at 30 September 2012. Approximately 9.2 per cent of the filled posts are at an executive and senior management level.

Between 2009/10 and 2012/13, the number of filled posts grew from 1 473 to 1 591, at an annual average rate of 2.6 per cent as vacant posts were filled mainly in senior, middle management and semi-skilled levels. Over the MTEF, the number of personnel is projected to increase to 1 649 as part of the drive in ensuring all funded posts are filled.

Eastern Cape Socio Economic Consultative Council

Strategic Overview: 2009/10 – 2015/16

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

- Advise and assist the provincial government to achieve an integrated development strategy for the province and its constituent regions in order to address the economic development of the province in terms of the Reconstruction Development Programme (RDP), and in particular, the needs of the deprived communities and underdeveloped areas;
- Facilitate and co-ordinate the implementation of development programmes between all key stakeholders in the province;
- 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; and
- 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 on the development landscape of the province, and has critical relationships and networks with key role-players across the province and civil society sectors. ECSECC will build on these strengths and its institutional location in the Office of the Premier (OTP) to continue driving key initiatives that reposition the Eastern Cape in the national development agenda. Key here will be supporting the provincial government on its on-going interactions with national institutions/ forums, national departments and state-owned entities.

In the past 2 financial years (2011/12 and 2012/13), ECSECC had the following notable achievements amongst others:

- A stable corporate governance (stable and effective board and sub-committees that exercised oversight and leadership) and meeting statutory reporting requirements.
- Significantly improved financial control environment (unqualified audit opinion).
- Supported industries in distress, the automotive sector and also packaged economic development strategies and action plans including the provincial jobs strategy in collaboration with Department of Economic Affairs, Environment and Tourism (DEDEAT).

- Provided support to some local municipalities and a few provincial government offices, particularly in the packaging of infrastructure development programmes.
- Provided support to civil society through organising leadership development programmes and also organised 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 fore-grounding of skills development into the agenda of the province.
- Developed a provincial strategic plan on HIV/Aids as well and also sustained a functional and active HIV/Aids Council.

Over the MTEF, in line with its strategic plan, ECSECC will operate on 7 programmatic fronts:

1. **Operations, Finance and Corporate Services** – The strategic goal of the programme is the development and implementation of effective and efficient management and governance systems and procedures.
2. **Economic and Rural Development** – The strategic goal of this programme is the development of strategies and the facilitation of initiatives that protect jobs, create decent work, and accelerate structural transformation of the provincial economy. Key initiatives revolve around support to implement the Jobs Strategy, on-going support to the auto sector, and support the facilitation of the Wild Coast Development Corridor initiative.
3. **Development Planning and Infrastructure** - The strategic goal of this programme is to build the strategic and technical capacity of the state at provincial and local level to accelerate delivery of quality infrastructure and services. ECSECC will continue to support critical transport and logistics projects as well as support key municipalities with development planning and facilitation.
4. **Social Mobilization** - The strategic goal of this programme is to support communities of development practice to engage effectively in policy formulation, implementation and development practice. The focus will be on hosting policy dialogues, facilitating leadership support to organized labour and civil society, and providing strategic planning support to stakeholders.
5. **Information and Knowledge Management** - The strategic goal of this programme is to be the socio-economic Information Hub for the Eastern Cape Province. The focus will be on building ECSECC's socio-economic database and GIS capability, as well as publishing and disseminating fresh development information and analysis for development practitioners in the province.
6. **Human Resource Development** - The strategic goal of this programme is to enhance human capital formation in the province. The focus will be on continued support to the FET sector, skills demand planning, and supporting initiatives that build the artisanship and engineering capabilities in the province.

7. **HIV and Aids** - The strategic goal of this programme is to manage the HIV/AIDS response in the province. ECSECC will drive key projects such as the HIV Counselling and Testing (HCT) Campaign and the development of the Provincial Strategic Plan on HIV/AIDS and TB and continue to provide secretariat support to the Eastern Cape Aids Council.

Savings and cost effectiveness measures

The financial model adopted in 2012/13 resulted in reduction of publication costs and professional fees. ECSECC adopted a model of executing most work internally therefore resulted in a decrease in professional fees from R2.75 million in 2011/12 to R1.459 million in 2012/13.

Selected performance indicators

Table 1.1: ECSECC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
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	-	2	2	2	1	2	3
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	12	7	6	7	7
Number of municipalities assisted	Improve Planning & Local Economic Development capacity of targeted District, Metropolitan & Local Municipalities	4	4	7	4	5	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	5	4	3	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.	-	-	3	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	-	-	4	2	2	2	2
Number of HIV/AIDS advocacy and mobilisation campaigns	Universal access to early HIV diagnosis	3	3	3	3	3	3	3

Details of programmes / activities / objectives

The implementation of the rural development strategy is facilitated through the identification of 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 who live in these areas. This is done through working together with the local and district municipalities. The Wild Coast Development initiative is an example in this regard.

ECSECC's provision of innovative solutions and facilitation of initiatives to protect jobs and halt de-industrialization seeks to advance the industrial and job creation policy objectives of the province. The intention is the protection and the 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 intervention in companies that are facing challenges.

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

The enhancement of institutional and organizational capacity of communities of development practice is intended to empower them 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 is intended to promote cross pollination of ideas on key policy issues as an empowerment and galvanizing 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 through the publication of various information using different publication 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 collaboration with education stakeholders in the province, particularly the Department of Education.

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 coordinating structure for all HIV/Aids interventions in the province. Partnerships with all role players are vital in ensuring that efforts are combined for meaningful impact.

Expenditure estimates

Table 1.2: ECSECC statement of financial performance

R'000	Statement of Financial Performance						
	Audited outcome			Revised estimate	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	286	180	6 442	187	175	180	186
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	274	125	174	168	175	180	186
Other non-tax revenue	12	55	6 268	19			
Transfers received	31 248	34 261	34 271	41 966	38 708	40 605	42 473
Sale of capital assets							
Total revenue	31 534	34 441	40 713	42 153	38 884	40 785	42 658
Expenses							
Current expense	36 291	35 209	39 272	42 153	38 884	40 786	42 658
Compensation of employees	18 748	20 326	23 726	27 201	27 213	28 819	30 432
Use of goods and services	15 327	12 649	12 843	11 896	8 348	8 479	8 564
Depreciation	700	209	631	901	940	980	1 022
Unauthorised expenditure							
Interest, dividends and rent on land	1 516	2 025	2 072	2 155	2 383	2 508	2 639
Interest	-	22	46		48	49	50
Dividends							
Rent on land	1 516	2 003	2 026	2 155	2 335	2 459	2 589
Transfers and subsidies							
Total expenses	36 291	35 209	39 272	42 153	38 884	40 786	42 658
Surplus / (Deficit)	(4 757)	(768)	1 441	-	-	-	-

Table 1.3: ECSECC statement of financial position

Statement of Financial Position							
R'000							
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	2 386	2 004	2 028	2 411	2 809	3 220	3 642
<i>Of which:</i>							
Opening balance	886	1 494	1 361	1 986	2 366	2 764	3 173
Acquisition of assets	1 500	510	667	425	443	456	469
Investment	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Receivables and prepayments	1 783	393	285	244	251	259	267
Cash and cash equivalents	2 546	3 563	6 150	2 392	1 424	978	501
Other assets	-	-	-	-	-	-	-
Total assets	6 715	5 960	8 463	5 047	4 484	4 457	4 410
Share capital	-	-	-	-	-	-	-
Accumulated surplus / deficit	2 119	698	2 139	2 139	2 139	2 139	2 139
Reserves	-	-	-	-	-	-	-
Trade and other payables	2 873	4 123	4 613	1 300	1 013	1 100	1 000
Provisions	1 516	800	1 080	1 135	1 095	1 159	1 222
Liabilities not classified elsewhere	207	339	631	473	237	59	49
Deferred Income	-	-	-	-	-	-	-
Total equity and liabilities	6 715	5 960	8 463	5 047	4 484	4 457	4 410

Expenditure trends

ECSECC receives its revenue mainly from government Transfers from the (OTP). Transfers increased from R31.2 million in 2009/10 to R34.3 million in 2011/12, representing a growth of 9.7 per cent over the stated period. In the 2012/13 financial year, Transfers increased significantly to R41.9 million due to a function shift from Eastern Cape Development Corporation (ECDC). Furthermore, reprioritization that was done by OTP reduced transfers by R3.7 million. Hence, a 7 per cent decrease in the Transfers during 2013/14 financial year, followed by a constant inflationary increase of 5 per cent. Other revenue is very minimal and depends on the consultancy services required by other stakeholders and government spheres.

Compensation of Employees constitutes an average of 66 per cent of the Transfers and this is due to the fact that ECSECC is a consultative agency of the province and their main cost driver is Compensation of Employees. Compensation of employees increased from R18.7 million in 2009/10 to R23.7 million in the 2011/12 financial year, representing a 26.5 per cent growth. Furthermore, in the 2012/13 financial year, Compensation of Employees increased by 15 per cent from 2011/12 due to the filling of vacant posts relating to middle management service and annual increases on salaries, including bonuses. Over the MTEF, Compensation of Employees is projected to increase by an inflationary factor of 4 per cent.

Goods and Services are mainly made up of administration and operational costs from subsistence and travel. ECSECC has decreased its budget for Goods and Services from R15.3 million in 2009/10 to a projected R11.9 million in 2012/13, representing a 22 per cent decrease. Furthermore, Goods and Services are projected to decrease further to R8.6 million by 2015/16. This is due to reprioritization done to ensure that the budget is allocated to core-services.

Personnel information

Table 1.4: ECSECC personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Executive management	1	1	0	1	1	1	1	1	1	1
Senior management(Incl. specialists)	25	23	2	7	8	8	8	8	8	8
Middle management	6	6	0	2	3	4	5	5	5	5
Professionals	0	0	0	23	21	21	24	22	22	22
Semi-skilled	13	13	0	5	7	7	7	6	6	6
Very low skilled	4	4	0	2	2	2	2	2	2	2
Total	49	47	2	40	42	43	47	44	44	44
Compensation (R'000)				17,665	19,991	23,411	13,593	26,928	28,516	30,432
Unit cost (R'000)				442	476	544	289	612	648	692

1. As at 30 September 2012

ECSECC has 49 posts on the establishment, of which 47 are funded. As at 30 September 2012, 48 posts were filled with the inclusion of contract and intern officers. It is anticipated that the entity will maintain a 47 posts functional capacity and the use of interns and contract officers during the 2013/14 and 2014/15 financial years. The number of personnel indicated above is the projected number based on the budget allocated over the MTEF period.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	286	180	6 442	187	175	180	186
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	274	125	174	168	175	180	186
Other non-tax revenue	12	55	6 268	19			
Transfers received	31 248	34 261	34 271	41 966	38 708	40 605	42 473
Sale of capital assets							
Total revenue	31 534	34 441	40 713	42 153	38 884	40 785	42 658
Expenses							
Current expense	36 291	35 209	39 272	42 153	38 884	40 786	42 658
Compensation of employees	18 748	20 326	23 726	27 201	27 213	28 819	30 432
Use of goods and services	15 327	12 649	12 843	11 896	8 348	8 479	8 564
Depreciation	700	209	631	901	940	980	1 022
Unauthorised expenditure							
Interest, dividends and rent on land	1 516	2 025	2 072	2 155	2 383	2 508	2 639
Interest	-	22	46		48	49	50
Dividends							
Rent on land	1 516	2 003	2 026	2 155	2 335	2 459	2 589
Transfers and subsidies							
Total expenses	36 291	35 209	39 272	42 153	38 884	40 786	42 658
Surplus / (Deficit)	(4 757)	(768)	1 441	-	(0)	(0)	0

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 180	2 878	926	42	44	45	47
Adjustments for:							
Depreciation	700	209	631	901	940	980	1 022
Interest		22	46	-	48	49	50
Net (profit) / loss on disposal of fixed assets	74	106	12	-			
Other	406	2 541	237	(859)	(944)	(984)	(1 025)
Operating surplus / (deficit) before changes in working cap	(3 577)	2 110	2 367	42	44	45	48
Changes in working capital	481	(482)	731	(3 218)	(332)	142	(45)
(Decrease) / increase in accounts payable	191	(604)	559	(3 313)	(287)	87	(100)
Decrease / (increase) in accounts receivable	290	107	(108)	41	(7)	(8)	(8)
(Decrease) / increase in provisions		15	280	54	(38)	63	63
Cash flow from operating activities	(3 096)	1 628	3 098	(3 176)	(289)	187	3
Transfers from government	31 248	34 261	34 271	38 708	40 605	42 473	-
Of which:							
Capital	-	-	-	-	-	-	-
Current	31 248	34 261	34 271	38 708	40 605	42 473	-
Cash flow from investing activities	(1 226)	(510)	(667)	(425)	(443)	(456)	(469)
Acquisition of Assets	(1 500)	(510)	(667)	(425)	(443)	(456)	(469)
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	(1 506)	(461)	(591)	(275)	(287)	(295)	(304)
Furniture and Office equipment		(49)		(50)	(52)	(54)	(55)
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software			(76)	(100)	(104)	(107)	(110)
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	274	-	-	-	-	-	-
Other 1	274						
Other 2							
Cash flow from financing activities	-	(101)	157	(158)	(237)	(177)	(10)
Deferred Income							
Borrowing Activities		(101)	157	(158)	(237)	(177)	(10)
Other							
Net increase / (decrease) in cash and cash equivalents	(4 322)	1 017	2 588	(3 759)	(969)	(447)	(476)

Province of the Eastern Cape: Eastern Cape Socio Economic Consultative Council

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	2 386	2 004	2 028	2 411	2 809	3 220	3 642
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	573	523	467	715	973	1 238	1 512
Furniture and Office equipment	1 764	1 424	1 456	1 501	1 548	1 596	1 646
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software	49	57	105	195	289	385	485
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	2 546	3 563	6 150	2 392	1 424	978	501
Bank	2 546	3 563	6 150	2 392	1 424	978	501
Cash on Hand							
Other							
Receivables and Prepayments	1 783	393	285	244	251	259	267
Trade Receivables	1 588	140					
Other Receivables	60	-	48	-			
Prepaid Expenses	135	253	237	244	251	259	267
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	6 715	5 960	8 463	5 046	4 485	4 457	4 410
Capital and Reserves	2 119	698	2 139	2 139	2 139	2 139	2 139
Share Capital and Premium							
Accumulated Reserves	6 876	1 466	698	2 139	2 139	2 139	2 139
Surplus / (Deficit)	(4 757)	(768)	1 441	-	(0)	(0)	0
Other							
Borrowings	207	339	631	473	237	59	49
Floating							
Current	207	339	108	81	41	10	49
1<5 Years			523	392	196	49	
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	2 873	4 123	4 613	1 300	1 013	1 100	1 000
Trade Payables	949	4 123	4 613	1 300	1 013	1 100	1 000
Accrued Interest							
Other	1 924						

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Deferred Income							
Provisions	1 518	800	1 080	1 134	1 096	1 159	1 222
Leave pay provision	769	800	940	987	1 049	1 111	1 173
Other 1	749	-	140	147	47	48	49
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 3							
Other 4							

Details of personnel numbers, compensation of employees and unit cost

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	17 665	19 991	23 411	27 186	26 928	28 516	30 432
Personnel numbers (head count)	40	42	43	47	44	44	44
Unit cost	442	476	544	578	612	648	692
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	963	155	122	-	-	-	-
Personnel numbers (head count)	3	2	2	-	-	-	-
Unit cost	321	78	61				
C. Interns							
Personnel cost (R thousand)	120	180	193	15	285	302	-
Personnel numbers (head count)	2	3	3	1	3	3	-
Unit cost	60	60	64	15	95	101	
Total for entity							
Personnel cost (R thousand)	18 748	20 326	23 726	27 201	27 213	28 819	30 432
Personnel numbers (head count)	45	47	48	48	47	47	44
Unit cost	417	432	494	567	579	613	692
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	14	14	14	14	14	14	14
Executive Management	1	1	1	1	1	1	1
Senior Management	7	8	8	8	8	8	8
Middle Management	2	3	4	5	5	5	5
Professionals	23	21	21	24	22	22	22
Semi-skilled	5	7	7	7	6	6	6
Very low skilled	2	2	2	2	2	2	2
Total	54	56	57	61	58	58	58

Eastern Cape Rural Development Agency

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Rural Development Agency (ECRDA) resulted from an integration of the Eastern Cape Rural Finance Corporation (ECRFC) and the Accelerated and Shared Growth Initiative for South Africa in the Eastern Cape (AsgiSA-EC). The overarching reason for the integration of these 2 entities was to create a holistic approach to rural development in the province.

ECRDA's mandate is to focus on consolidating, promoting and ensuring the implementation of a comprehensive integrated Rural Development Strategy in the Eastern Cape Province.

ECRDA will continue to accommodate initiatives that were commenced during the operations of the ECRFC and AsgiSA-EC, particularly with respect to: Agriculture and Agro-Processing, Forestry Development, Renewable and Alternative Energy and the provision of rural finance.

The ECRDA has 2 subsidiaries which drive High Impact Priority Programmes (HIPPs), namely: Agrarian Research & Development Agency (ARDA) and Kangela Citrus. In the 2012/13 financial year, the Department of Rural Development and Agrarian Reform (DRDAR) funded the Magwa and Majola Tea Estates via the ECRDA.

Key achievements over the past 2 years (2011/12 – 2012/13) include:

- ECRDA successfully navigated through the technical challenges associated with mergers/ integrations as well as funding operations from its reserves. This has placed strain on ECRDA, its people and its reserves resulting in a brief period of consolidation and refocusing.
- In the 2012/13 financial year, the MEC for DRDAR appointed the new Board of Directors for ECRDA, effective from November 2012.
- Furthermore, the entity has performed a human resource functionality assessment which was finalized in November 2012 and is with the Board of Directors for consideration before it is implemented.

During the beginning of the 2012/13 financial year, the entity managed to secure R16 million for irrigation schemes within the province. For the 2013/14 financial year, ECRDA, in conjunction with the Eastern Cape Development Cooperation (ECDC), have successfully submitted 2 applications to the Development Bank of Southern Africa (DBSA) Jobs Fund attracting investment of R200 million over the MTEF period. The jobs fund is mainly targeting agro-processing and forestry development in the province. , and it is therefore, expected that the ECRDA will improve the agricultural production output during the MTEF.

Over the MTEF period, ECRDA will focus on the following key priority areas:

- Increase sustainable public and private investment in rural areas;
- Improve rural household income by generating decent work opportunities;
- Contribute towards food security; and
- Stimulate sustainable economic opportunities and economic activity in rural communities.

Savings and cost effectiveness measures

It is anticipated that the establishment of the ECRDA will result in cost savings towards the latter part of the 2012/13 to 2014/15 financial years as only the operations of a single consolidated agency requires funding, thus avoiding duplication of activities in the long-term. Most importantly, the effectiveness of having a single portal to rural development in the province outweighs the short-term cost implications of organizational restructuring.

Selected performance indicators

Table 2.1: ECRDA annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Hectares under production (Crops)	Facilitation and implementation of agricultural programmes.	10 257	9674	-	-	5 100	5 600	6 050
Hectares under development (Forestry)	Identification of land suitable for forestry development (ha)	-	30 000	-	15 000	20 000	20 000	20 000
Loans issued for Agricultural Purposes	Stimulating economic activity in the agricultural and rural development spheres.	-	-	-	R3m	R6m	R6m	R7m
Small Scale Loans Issued for rural development Purposes.	Stimulating economic activity and providing access to financing for individuals and small groups	-	-	-	R1m	R18m	R19m	R20m
Number of Functional Partnerships	Establishment and maintaining functional relationships with strategic partners in the identified sectors.	-	-	-	7	15	15	15

Details of programmes / activities / objectives

ECRDA implements its mandate through the following programmes:

- **Programme Implementation:** Focuses on Agricultural and Agro-processing, Infrastructure and Mechanization Support, Forestry Development and Alternative Energy.
- **Stakeholder Management:** Focuses on stakeholder relations, building and empowering community enterprises, building and maintaining networks within the sector.
- **Rural Finance and Investment:** Focuses on the provision of loan finance to small scale and emerging farmers and rural enterprises.

- **Research, Viable and Sustainable Clusters and Nodes:** Focuses on research and spatially mapping comparative advantages of the nodes and clusters and to align these with municipal level Integrated Development Plans (IDPs), Local Area Based Plans and Spatial Development Frameworks (SDFs). Local area research is coupled with market-and value-chain research to identify markets with limited barriers to entry.

Expenditure estimates

Table 2.2: ECRDA statement of financial performance

R'000 Statement of Financial Performance							
	Audited outcome			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue			-	-	-	-	-
Non-tax revenue	29 439	143 632	13 443	4 368	10 654	11 010	11 377
Sale of goods and services other than capital assets	6 742	1 867	-	-	-	-	-
Of which:							
Admin fees	6 742	1 867	-				
Sales by market establishments			-				
Other sales			-				
Fines penalties and forfeits			-				
Interest, dividends and rent on land	13 319	11 137	6 879	1 747	3 584	3 728	3 877
Other non-tax revenue	9 378	130 628	6 564	2 621	7 070	7 282	7 500
Transfers received/Government Grants	30 000	37 600	37 584	166 000	173 137	184 306	193 934
Sale of capital assets	-	(28)					
Total revenue	59 439	181 232	51 026	170 368	183 791	195 316	205 311
Expenses							
Current expense	53 397	53 572	146 933	120 368	123 074	129 350	135 516
Compensation of employees		26 006	28 000	50 908	54 217	57 741	61 494
Use of goods and services		25 647	116 093	61 852	60 946	63 373	65 439
Depreciation		780	1 412	4 367	4 411	4 455	4 499
Unauthorised expenditure		-	-				
Interest, dividends and rent on land		1 139	1 428	3 242	3 501	3 781	4 083
Interest	135	97	73	95	103	111	120
Dividends	-	-	-	-	-	-	-
Rent on land	1 048	1 042	1 356	3 147	3 398	3 670	3 964
Transfers and subsidies				50 000	60 717	65 966	69 795
Total expenses	53 397	53 572	146 933	170 368	183 791	195 315	205 311
Surplus / (Deficit)	6 042	127 660	(95 906)	-	-	-	-

Table 2.3: ECRDA statement of financial position

R'000	Statement of Financial Position						
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	7 111	9 932	17 715	22 908	18 452	21 461	21 073
<i>Of which:</i>							
<i>Opening balance</i>	6 966	6 300	15 265	20 402	16 202	16 623	18 201
<i>Acquisition of assets</i>	145	3 632	2 450	2 506	2 250	4 838	2 872
Investment	5 941	6 434	6 892	-	-	-	-
Inventory	-	-	227	234	246	251	265
Receivables and prepayments	89 231	190 379	69 608	72 973	74 494	76 049	77 639
Cash and cash equivalents	163 478	167 886	192 608	112 150	153 636	154 917	159 957
Other assets	-	-	-	-	-	-	-
Total assets	265 761	374 631	287 050	208 265	246 828	252 678	258 934
Share capital	41 989	41 989	41 989	41 989	41 989	41 989	41 989
Accumulated surplus / deficit	-	-	-	2 100	-	-	-
Reserves	22 205	163 793	116 503	118 603	118 603	118 603	118 603
Trade and other payables	136 055	117 706	12 083	11 479	12 397	13 389	14 460
Provisions	2 940	2 527	3 513	4 510	5 278	5 690	6 135
Liabilities not classified elsewhere	62 572	48 616	75 773	29 584	68 561	73 007	77 747
Deferred Income	-	-	37 189	-	-	-	-
Total equity and liabilities	265 761	374 631	287 050	208 265	246 828	252 678	258 934

Expenditure trends

Own Revenue decreased significantly by 54 per cent between 2009/10 and 2011/12 financial years. This was due to poor collection of debtors in the 2011/12 financial year. Furthermore, in the 2012/13 financial year, own revenue has been projected to decrease by 68 per cent due to poor collection of debtors. However, in 2013/14 own revenue is projected to increase by 144 per cent from R4.4 million in 2012/13 to R10.7 million due to fees to be charged for implementation projects (agricultural projects and infrastructure resuscitation) on behalf of the national departments.

Transfers are made up of government grants and they increased by 25 per cent from 2009/10 to 2011/12 due to administered funds held on behalf of the Department of Agriculture and Agrarian Reforms (DRDAR) in 2011/12 for farm-rescue plan. Furthermore, Transfers are projected to increase by 4 per cent in 2013/14 financial year, and grow by a constant inflationary increase of 5 per cent over the MTEF. Thus, Transfers will increase from R166 million in 2012/13 to R173.1 million in 2013/14 and will grow by an annual average of 5 per cent to R193.9 million in 2015/16.

The increase in the transfers in 2013/14 allocation is due to the following:

- Litsima/ Ilima Conditional Grant amounting to R38 million;
- Ncora Macademia Project amounting to R8.5 million and
- Magwa Tea Estate amounting R2.6 million.

ECRDA has projected a transfer of R194.7 million over the MTEF to the following subsidiary companies and High Impact Priority Projects (HIPP) indicated in the table 2.3.1 below:

Table 2.3.1: Transfers to subsidiary Companies and High Impact Priority programs

Details (R'000)	2012/13	2013/14	2014/15	2015/16
Transfers to Subsidiary companies				
1 Agrarian Research and Development Agency (ARDA)	5 000	5 265	5 534	5 805
2 Kangela Citrus	6 000	6 318	6 640	6 966
Transfers to HIPP				
3 Ilima Letsema Cropping Conditional Grant	-	38 000	39 890	41 308
4 Magwa Tea Estate	34 000	2 634	2 765	2 862
5 Ncora Macademia Project	-	8 500	11 137	12 855
6 Majola Tea Estate	5 000	-	-	-
TOTAL	50 000	60 134	65 375	69 199

Agrarian Research and Development Agency (ARDA) has been allocated a budget of R16 million between the 2013/14 and 2015/16 financial years. Over the MTEF, R20 million has been allocated for Kangela Citrus and R32 million for the Ncora Macademia Project. No funds are provided for Majola Tea Estates over the MTEF.

Compensation of Employees increased by 17 per cent between the 2009/10 and 2011/12 financial years. This was due to an annual average increase in salaries of 8 per cent over the 2 year period and filling of vacant posts. Compensation of Employees increased from R28 million in 2011/12 to R50.9 million in 2012/13 financial year due to the integration of the staff complements of the Eastern Cape Rural Finance Corporation (ECRFC) and AsgiSA-EC.

Over the MTEF, Compensation of Employees is projected to grow by an annual average inflationary increase of 6 per cent, assuming that the functionality assessment which is currently underway at the ECRDA will not result in a significant increase or decrease in the staff complement of the organization. Therefore, the Compensation of Employees will grow from R50.9 million in 2012/13 to R61.5 million in 2015/16.

Personnel information

Table 2.4 ECRDA personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/2012		2012/13	2013/14	2014/15
Executive management	3	3	-	3	3	3	3	3	3	3
Senior management	7	7	-	3	3	7	7	7	7	7
Middle management	14	14	-	13	13	14	14	14	14	14
Professional	11	11	-	0	0	11	11	12	12	12
Semi-skilled	102	102	-	78	76	102	102	107	107	107
Very low skilled	18	18	-	15	15	18	18	18	18	18
Total	155	155	-	112	110	155	155	161	161	161
Compensation (R'000)				23,801	26,006	49,846	25,454	54,217	57,741	61,494
Unit cost (R'000)				213	236	322	164	337	359	382

1. As at 30 September 2012

ECRDA is currently in the process of assessing the Human Resources needs in terms of its Rural Development Strategy which will inform the optimal organogram and skills required by the entity in order to fully deliver on its mandate. This process may result in changes in the numbers and mix of personnel over the MTEF period. Until this process has been completed, the moratorium on new appointments (other than critical posts), which has been effective since the 2010/11 financial year, remains in place.

Personnel information from 2011/12 onwards includes the previous AsgiSA-EC employees as the integration with ECRFC took place on 1 March 2012. ECRDA is projecting to increase its staff complement by 6 critical posts in 2013/14 financial year and then maintain its staff complement over the MTEF.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue			-	-	-	-	-
Non-tax revenue	29 439	143 632	13 443	4 368	10 654	11 010	11 377
Sale of goods and services other than capital assets	6 742	1 867	-	-	-	-	-
Of which:							
Admin fees	6 742	1 867	-				
Sales by market establishments			-				
Other sales			-				
Fines penalties and forfeits			-				
Interest, dividends and rent on land	13 319	11 137	6 879	1 747	3 584	3 728	3 877
Other non-tax revenue	9 378	130 628	6 564	2 621	7 070	7 282	7 500
Transfers received/Government Grants	30 000	37 600	37 584	155 000	173 137	184 306	193 934
Sale of capital assets	-	(28)					
Total revenue	59 439	181 232	51 026	159 368	183 791	195 316	205 311
Expenses							
Current expense	53 397	53 572	146 933	109 368	123 074	129 350	135 516
Compensation of employees	23 801	26 006	28 000	50 908	54 217	57 741	61 494
Use of goods and services	27 654	25 647	116 093	50 852	60 946	63 373	65 439
Depreciation	759	780	1 412	4 367	4 411	4 455	4 499
Unauthorised expenditure	-	-	-				
Interest, dividends and rent on land	1 183	1 139	1 428	3 242	3 501	3 781	4 083
Interest	135	97	73	95	103	111	120
Dividends	-	-	-	-	-	-	-
Rent on land	1 048	1 042	1 356	3 147	3 398	3 670	3 964
Transfers and subsidies				50 000	60 717	65 966	69 795
Total expenses	53 397	53 572	146 933	159 368	183 791	195 315	205 311
Surplus / (Deficit)	6 042	127 660	(95 906)	-	(0)	0	(0)

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	13 299	(85 167)	97 506	19 517	20 119	21 420	22 822
Adjustments for:							
Depreciation	802	780	1 412	4 367	4 411	4 455	4 499
Interest	135	97	73	95	103	111	120
Net (profit) / loss on disposal of fixed assets	-	28	8	2	1	1	1
Other	12 362	(86 072)	96 014	15 053	15 605	16 854	18 202
Operating surplus / (deficit) before changes in working capital	19 341	42 493	1 600	19 517	20 119	21 420	22 821
Changes in working capital	(95 870)	(33 745)	(25 308)	(19 111)	(83 155)	(96 637)	(105 078)
(Decrease) / increase in accounts payable	(54 801)	(18 585)	(27 630)	(10 450)	(68 145)	(72 574)	(77 292)
Decrease / (increase) in accounts receivable	(41 088)	(15 160)	2 475	(8 668)	(15 022)	(24 067)	(27 800)
(Decrease) / increase in inventory	19	-	(154)	7	12	5	14
Cash flow from operating activities	(76 529)	8 748	(23 708)	406	(63 036)	(75 216)	(82 257)
Transfers from government	30 000	37 600	37 215	155 000	173 137	184 306	193 934
Of which:							
Capital	-	-	-				
Current	30 000	37 600	37 215	155 000	173 137	184 306	193 934
Cash flow from investing activities	(248)	(3 738)	48 502	(2 506)	(2 250)	(4 838)	(2 872)
Acquisition of Assets	(145)	(3 632)	(2 450)	(2 506)	(2 250)	(4 838)	(2 872)
Land	-	-					
Dwellings	-	-					
Non- Residential Buildings	-	-					
Investment Property	-	-				(4 488)	(1 152)
Other Structures (Infrastructure Assets)	-	-					
Mineral and Similar Non - Regenerative Resources	-	-					
Capital Work in Progress	-	-					
Heritage Assets	-	-					
Biological Assets	-	-					
Computer equipment	(118)	(145)	(762)	(300)	(750)		
Furniture and Office equipment	(27)	(397)		(50)	(350)		(950)
Other Machinery and equipment	-	-	(35)	(20)			
Specialised military assets	-	-					
Transport Assets	-	(3 090)	(111)		(850)		(400)
Computer Software	-	-	(1 419)	(2 098)	(200)	(250)	(270)
Mastheads and Publishing titles	-	-					
Patents, Licences, Copyrights, Brand names and Trade	-	-					
Recipes, Formulae, Prototypes, Designs and Models	-	-					
Service and Operating Rights	-	-					
Other Intangibles (contingency policy)	-	-	(123)	(38)	(100)	(100)	(100)
Other flows from Investing Activities	(103)	(106)	50 952	-	-	-	-
Other 1/Business Combinations	(103)	(106)	51 233	-	-	-	-
Other 2/Other assets	-	-	(281)	-	-	-	-
Cash flow from financing activities	(243)	(602)	(72)	(95 502)	(60 717)	(65 966)	(69 795)
Deferred Income							
Borrowing Activities	(243)	(602)	(72)	(95)			
Other				(95 407)	(60 717)	(65 966)	(69 795)
Net increase / (decrease) in cash and cash equivalents	(77 020)	4 408	24 722	(97 602)	(126 003)	(146 020)	(154 924)

Province of the Eastern Cape: Eastern Cape Rural Development Agency

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	7 111	9 932	17 175	22 908	18 546	23 755	24 946
Land	559	559	559	559	559	559	559
Dwellings	-	-	-	-	-	-	-
Non- Residential Buildings	2 861	2 795	2 731	2 666	2 601	7 089	8 241
Investment Property	2 028	1 990	1 952	1 914	1 970	2 009	2 050
Other Structures (Infrastructure Assets) - Leasehold impr	13	7	189	-	-	-	-
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	-	-	322	-	-	-	-
Computer equipment	518	396	1 488	2 785	2 385	2 380	2 780
Furniture and Office equipment	1 132	1 147	1 672	2 922	3 052	2 802	3 002
Other Machinery and equipment	-	-	2 444	2 344	2 134	2 234	2 278
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	-	3 038	4 210	5 410	4 060	4 860	4 178
Computer Software	-	-	1 610	4 310	1 787	1 822	1 859
Mastheads and Publishing titles	-	-	-	-	-	-	-
Patents, Licences, Copyrights, Brand names and Trade	-	-	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs and Models	-	-	-	-	-	-	-
Service and Operating Rights	-	-	-	-	-	-	-
Other Intangibles	-	-	-	-	-	-	-
Investments	5 941	6 434	6 892	-	-	-	-
Floating/Contingency	-	-	6 892	-	-	-	-
Current	5 941	6 434	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Cash and Cash Equivalents	163 478	167 886	192 608	112 150	153 636	154 917	159 957
Bank	163 473	167 881	192 604	112 145	153 630	154 911	159 950
Cash on Hand	5	5	4	5	6	6	7
Other	-	-	-	-	-	-	-
Receivables and Prepayments	89 231	190 379	70 147	72 973	74 494	76 049	77 639
Trade Receivables	35 319	28 015	1 974	2 073	2 177	2 286	2 400
Other Receivables	52 262	64 773	68 172	70 899	72 317	73 764	75 239
Prepaid Expenses	-	-	-	-	-	-	-
Accrued Income	1 650	97 591	-	-	-	-	-
Inventory	-	-	227	234	246	251	265
Trade	-	-	-	-	-	-	-
Other	-	-	227	234	246	251	265
Total Assets	265 761	374 631	287 050	208 265	246 923	254 972	262 807
Capital and Reserves	64 194	205 782	158 492	162 692	123 727	123 727	123 727
Share Capital and Premium	-	-	-	-	-	-	-
Accumulated Reserves	22 205	163 793	116 503	118 603	81 738	81 738	81 738
Surplus / (Deficit)	-	-	-	2 100	-	-	-
Other	41 989	41 989	41 989	41 989	41 989	41 989	41 989
Borrowings	-	-	367	397	416	433	455
Floating - Finance lease	-	-	367	397	416	433	455
Current	-	-	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations	-	-	-	-	-	-	-
Unrecognised transitional liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	136 055	117 706	12 083	11 479	12 397	13 389	14 460
Trade Payables	4 510	3 856	12 083	11 479	12 397	13 389	14 460
Accrued Interest	-	-					
Other - Deferred grant	131 545	113 850					
Deferred Income			37 189				
Provisions	2 940	2 527	3 512	4 510	5 278	5 689	6 135
Leave pay provision	2 262	1 806	2 799	3 023	3 826	4 132	4 462
Other 1 - Insurance contracts	585	639	71	64	58	52	47
Other 2	93	82	642	1 423	1 394	1 505	1 626
Other 3	-	-					
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	62 572	48 616	75 406	29 187	105 105	111 734	118 030
Poverty Alleviation Fund							
Regional Development Fund						-	-
Third Party Funds	62 572	48 616	75 406	29 187	105 105	111 734	118 030
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand) - Including ASGISA-EC	23 801	26 006	49 846	50 908	54 217	57 741	61 494
Personnel numbers (head count)	112	110	155	155	161	161	161
Unit cost	213	236	322	328	337	359	382
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)	23 801	26 006	49 846	50 908	54 217	57 741	61 494
Personnel numbers (head count)	112	110	155	155	161	161	161
Unit cost	213	236	322	328	337	359	382
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; invoice the client. the contractor is required to provide a result, act independently and

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.

Province of the Eastern Cape: Eastern Cape Rural Development Agency

Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	11	11	11	11	11	11	11
Executive Management	3	3	3	3	3	3	3
Senior Management	3	3	7	7	7	7	7
Middle Management	13	13	14	14	14	14	14
Professionals			11	11	12	12	12
Semi-skilled	78	76	102	102	107	107	107
Very low skilled	15	15	18	18	18	18	18
Total	123	121	166	166	172	172	172

Eastern Cape Appropriate Technology Unit

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Appropriate Technology Unit (ECATU) is a schedule 3C public entity 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; and
- Promoting innovative methodologies for service delivery.

During the 2011/2012 financial year, ECATU was transferred from the Office of the Premier to report to the Department of Rural Development and Agrarian Reform.

Key achievements over the past 2 years (2011/12 – 2012/13) include:

- A solar lighting project was successfully implemented in three households in Umzimvubu Local Municipality as an alternative energy solution for areas with no access to electricity;
- 30 households from Mngcibe and Highbury villages were trained on organic gardening to improve their food and nutritional value;
- The transfer of brick-making skills was done for communities in Highbury and Chris Hani villages;
- 4 pre-schools were constructed in collaboration with Nyandeni Local Municipality, namely: Inceba, Zizamele, Bubeleni, and Thulasizwe;
- The Construction of 3 sets of VIP sanitation systems for Mkhathathu JSS School in Ngquza Hill was completed; and
- Community members of Mthombe and Lukhuni villages were trained on the production and erection of fencing for Bubeleni and Thulasizwe Pre-schools.

Over the MTEF, ECATU will be focusing on:

- Contributing to the development of an agrarian economy and facilitating food security;
- Facilitate access to basic building infrastructure, water and sanitation; and
- Facilitate access to alternative sources of alternative energy.

Savings and cost effectiveness measures

Over the MTEF, ECATU aims to save on Goods and Services by using alternative ways of operating, using internal journal publications to reduce the number of externally printed publications and making use of the organisation's website as a key driver of awareness. These initiatives should result in an average saving of R352 000 in Goods and Services over the MTEF.

Selected performance indicators

Table 3.1: ECATU annual performance

Indicators	2009/10	2010/11						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of socio-economic research and assessments conducted	To undertake research and development on existing and proposed technologies in the public and private sectors	1	3	4	4	4	4	4
Number of households participating in organic gardening	To facilitate provision of appropriate technologies for up/down stream beneficiation	-	-	10	30	30	30	30
Number of alternative energy technologies introduced to rural communities (renewable energy)	Facilitate access to sources of alternative energy	-	-	2	1	1	1	1
Number of beneficiaries trained in appropriate technologies	Contribute to the development of innovative and appropriate technologies for rural development and food security	-	-	25	120	120	120	120
Number of improved ventilated double pit sanitation projects	Facilitate access to building infrastructure, water and sanitation	1	1	1	6	12	12	12
Number of technologies successfully adopted by communities	Technology transfer and mainstreaming	5	2	6	3	3	3	3
Number of knowledge management initiatives implemented	To maintain accurate development information to inform rural development	-	-	-	2	4	4	4

Details of programmes / activities / objectives

The set performance indicators have been achieved fairly well from 2009/10 to date with a slight increase from 2011/12 to 2012/13. There has been significant increase in the number of beneficiaries trained in appropriate technologies from zero in 2009/10, 25 in 2011/12 and 120 in 2012/13.

The objectives of ECATU include the following priority areas:

To contribute to the development of an agrarian economy and facilitating food security, this will be achieved by:

- Demonstrating principles of organic farming as well as alternative approaches and technologies to organic farming;
- Providing training to rural communities and cooperatives on organic farming and its associated technologies; and
- Promoting value addition through household agro-processing.

To facilitate access to basic building infrastructure, water and sanitation by:

- Promoting alternative and sustainable approaches to delivering community based infrastructure using locally available technologies;
- Ensuring the maximum participation of communities project management process;
- promoting the sourcing and utilization of local raw materials and on site production of construction materials; and
- Promoting cost effective technologies that promote natural resource management.

The priority area of water and sanitation will be focusing on:

- Strengthening capacity in rural on-site water, sanitation and health through the provision of sanitation facilities and water bio filter purification systems;
- Training of learners and rural community members who will participate in the projects on health and hygiene, construction, use and maintenance of the facilities; and
- Establish cooperatives involved in the project and other similar projects.

To facilitate access to alternative sources of alternative energy by:

- Undertaking research on alternative cost effective and sustainable energy solutions;
- Piloting solar and biogas technologies to promote their adoption among rural communities; and
- Providing training to end users of the technologies.

Expenditure estimates

Table 3.2: ECATU statement of financial performance

R'000 Statement of Financial Performance							
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	1,146	1,176	1,333	707	710	714	719
Sale of goods and services other than capital assets	3	5	17	25	26	27	28
Of which:							
Admin fees	-	-	16	23	23	23	23
Sales by market establishments	-	-	-	-	-	-	-
Other sales	3	5	1	2	3	4	5
Fair value adjustment	-	-	-	-	-	-	-
Fines penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	25	61	82	83	84	85	86
Other non-tax revenue	1,118	1,110	1,234	599	600	602	605
Transfers received	14,969	15,496	16,230	14,757	18,059	19,143	20,024
Sale of capital assets	-7	-290	-	-	-	-	-
Total revenue	16,108	16,382	17,563	15,464	18,769	19,857	20,743
Expenses							
Current expense	15,032	16,788	15,712	15,464	18,769	19,857	20,743
Compensation of employees	9,004	8,935	8,567	9,167	9,653	10,126	10,592
Use of goods and services	5,561	7,545	6,825	5,975	8,834	9,441	9,859
Depreciation	467	308	320	322	282	290	292
Unauthorised expenditure	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	15,032	16,788	15,712	15,464	18,769	19,857	20,743
Surplus / (Deficit)	1,076	-406	1,851	-	-	-	-

Table 3.3: ECATU statement of financial position

R'000 Statement of Financial Position							
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	4,203	5,205	4,926	4,629	4,401	4,173	3,959
Of which:							
Opening balance	4,161	5,151	4,867	4,479	4,241	4,023	3,814
Acquisition of assets	42	54	59	150	160	150	145
Investments	-	-	-	-	-	-	-
Inventory	155	142	138	132	127	122	117
Receivables and prepayments	799	120	20	20	-	-	-
Cash and cash equivalents	36	2,434	3,422	3,897	3,949	4,401	4,476
Other assets	-	-	-	-	-	-	-
Total assets	5,193	7,901	8,506	8,678	8,477	8,696	8,552
Share capital	5,375	5,375	5,375	5,375	5,375	5,375	5,375
Accumulated surplus / deficit	(2,640)	(3,011)	(1,160)	(1,160)	(1,160)	(1,160)	(1,160)
Reserves	1,046	3,068	3,068	2,144	2,452	2,583	2,352
Trade and other payables	1,209	1,334	907	2,030	1,505	1,579	1,651
Provisions	203	298	270	289	305	319	334
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Deferred Income	-	837	46	-	-	-	-
Total equity and liabilities	5,193	7,901	8,506	8,678	8,477	8,696	8,552

Expenditure trends

ECATU receives almost all its revenue from the Department of Rural Development and Agrarian Reform (DRDAR). Other revenue is earned from the sale of bricks, garden products

and professional fees for administering some projects on behalf of other provincial government institutions. Total revenue has decreased from R16.1 million in 2009/10 to R15.5 million in 2012/13, at an average annual rate of 4 per cent with "Own Revenue" decreasing from R1.1 million per annum in 2009/10 to R700 thousand in 2012/13 due to loss of professional fees. Over the MTEF, total revenue is projected to grow to R20 million, at an average annual rate of 5.1 per cent.

Compensation of Employees constitutes 55 per cent of total transfers. The allocation for Compensation of Employees has decreased from 60 per cent of transfers in 2009/10 to an estimated 53 per cent in 2015/16 financial year. This is due to a reprioritization of ECATU budget to focus more on achievement of policy priorities. Furthermore, Compensation of Employees has been growing at an average annual rate of 1 per cent between 2009/10 and for the 2013/14 and over the MTEF, it improved by growing at an average annual rate of 5 per cent, which is in line with the national inflationary rates.

Goods and Services has increased from 37 per cent of total revenue (R16.1 million) in 2009/10 to an estimated 49 per cent (R20 million) in 2015/16. The budget for Goods and Services will grow at an average annual rate of 10 per cent from 2009/10 to 2015/16 financial year, so as to fund the policy priorities of the entity, such as new technology developments through research, and the enhancement of rural development by ensuring food security through garden services.

The spending focus over the MTEF will be on funding new technology developments for rural development such as brickyard, organic garden and research.

Personnel information

Table 3.4: ECATU personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Executive management	3	3	1	2	2	2	2	2	2	2
Senior management	1	1	0	1	1	1	1	1	1	1
Middle management	6	5	1	8	8	8	8	8	8	8
Professional	35	32	3	1	1	1	1	1	1	1
Semi-skilled				11	15	11	10	10	10	10
Very low skilled	11	10	1	11	11	11	11	11	11	11
Total	56	50	6	34	38	34	33	33	33	33
Compensation (R'000)				8 925	8 882	8 514	4 505	9 586	10 161	10 739
Unit cost (R'000)				263	234	250	137	290	308	325

1. As at 30 September 2012

ECATU has an establishment of 56 posts, of which 50 are funded. As at 30 September 2012, only 44 posts were filled and it was anticipated that a total of 47 posts will be filled by the end of the 2012/13 financial year. The decrease in personnel numbers has not significantly changed from 2009/10 to 2015/16 and it is anticipated that this trend will continue to improve the functional efficiency of the entity. The increase in the personnel costs over the MTEF period is largely inflationary to allow for the retention and attraction of well skilled individuals to maintain and enhance the capacity of ECATU.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	1 146	1 176	1 333	707	710	714	719
Sale of goods and services other than capital assets	3	5	17	25	26	27	28
Of which:							
Admin fees	-	-	16	23	23	23	23
Sales by market establishments	-	-	-	-	-	-	-
Other sales	3	5	1	2	3	4	5
Fines penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	25	61	82	83	84	85	86
Other non-tax revenue	1 118	1 110	1 234	599	600	602	605
Transfers received	14 969	15 496	16 230	14 757	18 059	19 143	20 024
Sale of capital assets	(7)	(290)	-	-	-	-	-
Total revenue	16 108	16 382	17 563	15 464	18 769	19 857	20 743
Expenses							
Current expense	15 032	16 788	15 712	15 464	18 769	19 857	20 743
Compensation of employees	9 004	8 935	8 567	9 167	9 653	10 126	10 592
Use of goods and services	5 561	7 545	6 825	5 975	8 834	9 441	9 859
Depreciation	467	308	320	322	282	290	292
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	15 032	16 788	15 712	15 464	18 769	19 857	20 743
Surplus / (Deficit)	1 076	(406)	1 851	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	475	2 059	73	336	282	290	292
Adjustments for:							
Depreciation	467	308	320	322	282	290	292
Interest	-	-	-	-	-	-	-
Net (profit) / loss on disposal of fixed assets	7	290	-	14	-	-	-
Other	1	1 461	(247)	-	-	-	-
Operating surplus / (deficit) before changes in working capital	1 551	1 653	1 924	336	282	290	292
Changes in working capital	(227)	(464)	(87)	243	529	(88)	(87)
(Decrease) / increase in accounts payable	(252)	252	(205)	217	525	(74)	(72)
Decrease / (increase) in accounts receivable	17	(729)	100	8	20	-	-
(Decrease) / increase in provisions	8	13	18	18	(16)	(14)	(15)
Cash flow from operating activities	1 324	1 189	1 837	579	811	202	205
Transfers from government	14 969	15 496	16 230	17 171	18 059	19 143	20 024
Of which:							
Capital	42	54	100	150	160	150	145
Current	14 927	15 442	16 130	17 021	17 899	18 993	19 879
Cash flow from investing activities	(42)	(54)	(59)	(150)	(160)	(150)	(145)
Acquisition of Assets	(42)	(54)	(59)	(150)	(160)	(150)	(145)
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	(42)	(54)	(59)	(130)	(120)	(115)	(110)
Furniture and Office equipment	-	-	-	-	-	-	-
Other Machinery and equipment	-	-	-	(20)	(40)	(35)	(35)
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	-	-	-	-	-	-	-
Other flows from Investing Activities	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-
Cash flow from financing activities	(1 327)	837	(791)	46	-	-	-
Deferred Income	-	-	-	-	-	-	-
Borrowing Activities	(1 327)	837	(791)	46	-	-	-
Other	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(45)	1 972	987	475	651	52	60

Province of the Eastern Cape: Eastern Cape Appropriate Technology Unit

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	4 203	5 205	4 926	4 629	4 401	4 173	3 959
Land	200	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-	-
Non- Residential Buildings	3 288	4 656	4 510	4 363	4 216	4 069	3 923
Investment Property	-	-	-	-	-	-	-
Other Structures (Infrastructure Assets)	-	-	-	-	-	-	-
Mineral and Similar Non - Regenerative Resources	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-
Computer equipment	74	75	72	55	38	21	4
Furniture and Office equipment	153	126	132	107	82	57	32
Other Machinery and equipment	235	185	143	104	65	26	-
Specialised military assets	-	-	-	-	-	-	-
Transport Assets	253	163	69	-	-	-	-
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	36	2 434	3 422	3 897	3 949	4 401	4 476
Bank	34	2 430	3 422	3 897	3 949	4 401	4 476
Cash on Hand	2	4	-	-	-	-	-
Other	-	-	-	-	-	-	-
Receivables and Prepayments	799	120	20	20	-	-	-
Trade Receivables	106	120	20	20	-	-	-
Other Receivables	693	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accrued Income	-	-	-	-	-	-	-
Inventory	155	142	138	132	127	122	117
Trade	-	-	-	-	-	-	-
Other	155	142	138	132	127	122	117
Total Assets	5 193	7 901	8 506	8 678	8 477	8 696	8 552
Capital and Reserves	3 781	5 432	7 283	6 359	6 667	6 798	6 567
Share Capital and Premium	5 375	5 375	5 375	5 375	5 375	5 375	5 375
Accumulated Reserves	(3 716)	(2 605)	(3 011)	(1 160)	(1 160)	(1 160)	(1 160)
Surplus / (Deficit)	1 076	(406)	1 851	-	-	-	-
Other	1 046	3 068	3 068	2 144	2 452	2 583	2 352
Borrowings	-	-	-	-	-	-	-
Floating	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
1<5 Years	-	-	-	-	-	-	-
5<10 Years	-	-	-	-	-	-	-
>10 Years	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations	-	-	-	-	-	-	-
Unrecognised transitional liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	1 209	1 334	907	2 030	1 505	1 579	1 651
Trade Payables	1 209	1 334	907	2 030	1 505	1 579	1 651
Accrued Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Deferred Income	-	837	46	-	-	-	-
Provisions	203	298	270	289	305	319	334
Leave pay provision	203	298	147	157	166	174	182
Other 1	-	-	123	132	139	145	152
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-
Funds Managed (e.g. Poverty Alleviation Fund)	1 027	1 872	3 128	599	-	-	-
Poverty Alleviation Fund	-	-	-	-	-	-	-
Regional Development Fund	-	-	-	-	-	-	-
Third Party Funds	1 027	1 872	3 128	599	-	-	-
Other 4	-	-	-	-	-	-	-
Contingent Liabilities	-	-	660	660	-	-	-
Other 1	-	-	660	660	-	-	-
Other 2	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-

Details of personnel numbers, compensation of employees and unit cost

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	8 925	8 882	8 514	9 009	9 586	10 161	10 739
Personnel numbers (head count)	34	38	34	33	33	33	33
Unit cost	263	234	250	273	290	308	325
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	79	53	53	158	158	158	158
Personnel numbers (head count)	3	2	6	6	6	6	6
Unit cost	26	27	9	26	26	26	26
Total for entity							
Personnel cost (R thousand)	9 004	8 935	8 567	9 167	9 744	10 319	10 897
Personnel numbers (head count)	37	40	40	39	39	39	39
Unit cost	243	223	214	235	250	265	279
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	8	8	8	8	8	8	8
Executive Management	2	2	2	2	2	2	2
Senior Management	1	1	1	1	1	1	1
Middle Management	8	8	8	8	8	8	8
Professionals	1	1	1	1	1	1	1
Semi-skilled	11	15	11	10	10	10	10
Very low skilled	11	11	11	11	11	11	11
Total	42	46	42	41	41	41	41

Eastern Cape Parks and Tourism Agency

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Parks and Tourism Agency (ECPTA) was established in July 2010 because of a merger of the Eastern Cape Parks and the Eastern Cape Tourism Boards in terms of the Eastern Cape Parks and Tourism Agency Act of 2010. The objective of ECPTA is to manage biodiversity in protected areas as-well as tourism in the province.

In the past 2 years, ECPTA has achieved the following:

- Improved stakeholder engagement resulting from the more focused project-orientated approach, for example: a dramatic increase in media coverage, and the confirmation of a 3 year grant of R95 million for the improvement of reserve tourism infrastructure from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).
- ECPTA, in the last financial year drafted regulations that aim to establish minimum greening and environmental standards for the tourism industry in order to drastically increase the competitive advantage of the province as a tourism destination.

Over the MTEF, the following priorities have been identified:

- Enhance the Management Effectiveness of protected areas where all reserves achieve an average Management Effectiveness Tracking Tool (METT) score of 55;
- Grow revenue from biodiversity and Goods and Services from R10 million in 2010/11 to R78 million by the end of 2014/15;
- Enhance provincial tourism transformation by increasing the percentage of registered tourism products that are BBBEE compliant; and increase the change in the demographic profile of visitors and hunters to 60 per cent and 40 per cent respectively by 2014/15;
- Promote the province of the Eastern Cape as a preferred tourism destination in order to increase the number of visitors to the province to 13 000 by hosting events partnership initiatives by 2014/15;
- Utilize partnerships with key stakeholders to successfully achieve specific biodiversity and tourism outcomes by leveraging additional project funding to the value of R184 million by 2014/15 financial year; and
- Create 2 296 jobs by 2014/15 in the conservation and tourism sector.

Savings and cost effectiveness measures

It is anticipated that the cost savings achieved through the establishment of ECPTA will continue throughout the MTEF. The re-focusing and re-grouping around the concept of destination development and leveraging off the dual mandate of ECPTA will enable further cost savings and an increase in the generation of own revenue. ECPTA has identified own revenue opportunities to change the ratio of own revenue to grant allocation. Financial management will be monitored closely to ensure that appropriate systems and controls create internal efficiencies.

Selected performance indicators

Table 4.1: ECPTA annual performance

Indicators	2009/10	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
METT score	Improve management effectiveness of protected areas	-	34	51	55	67	67	67
Return on investment	Grow revenue from biodiversity goods and services	-	-	-	-	01:01.5	01:01.8	1;2
Event partnerships	Marketing and promotion of provincial tourism	-	-	-	-	7	7	7
Tour industry transformation	Enhance Provincial Tourism transformation	-	-	-	-	51	60	70
Reserve Occupancy	Marketing and promotion of provincial tourism	-	10%	30%	30%	12%	15%	18%
Jobs opportunities	Increase jobs created through ECPTA projects	-	-	-	423	913	940	950

Details of programmes / activities / objectives

Biodiversity Conservation - The purpose of this programme is to ensure efficient and effective management of a system of protected areas in the province with an emphasis on the conservation of biodiversity and the sustainable use of natural resources within provincial protected areas. This will be achieved by linking biodiversity, conservation and local socio-economic development through stakeholder engagements and partnerships.

Destination Tourism - This programme comprises the function of marketing, business development and promotion of the province as a tourism destination. Marketing is the key aspect to increasing the number of visitors to the province. This will be done through creating awareness of tourism opportunities, promoting the province and provincial parks and providing credible visitor information over the MTEF period.

Expenditure estimates

Table 4.2: ECPTA statement of financial performance

R'000		Statement of Financial Performance						
				Audited	Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	
Revenue								
Tax revenue								
	18 603	8 249	35 745	16 380	18 829	22 482	23 791	
Sale of goods and services other than capital assets	8 360	-	694	1 799	3 129	3 565	3 546	
Of which:								
Admin fees								
Sales by market establishments								
Other sales	8 360		694	1 799	3 129	3 565	3 546	
Fines penalties and forfeits								
Interest, dividends and rent on land	1 774	856	1 864	1 975	2 092	2 218	2 351	
Other non-tax revenue	8 469	7 393	33 187	12 606	13 609	16 700	17 894	
Transfers received	165 500	115 517	143 857	190 426	191 543	208 528	190 793	
Sale of capital assets		10	(12)					
Total revenue	184 103	123 776	179 590	206 806	210 372	231 010	214 584	
Expenses								
Current expense				192 356	131 961	166 579	206 806	210 372 231 010 214 584
Compensation of employees	90 496	71 692	100 698	107 000	110 222	120 225	127 439	
Use of goods and services	92 762	59 575	64 802	97 675	97 950	108 285	84 445	
Depreciation	9 071	655	987	2 131	2 200	2 500	2 700	
Unauthorised expenditure								
Interest, dividends and rent on land	27	39	92	-	-	-	-	
Interest	27	39	92		-	-	-	
Dividends								
Rent on land								
Transfers and subsidies								
Total expenses	192 356	131 961	166 579	206 806	210 372	231 010	214 584	
Surplus / (Deficit)	(8 253)	(8 185)	13 011	-	-	-	-	

Table 4.3: ECPTA statement of financial position

R'000 Statement of Financial Position							
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	87 998	94 627	99 723	98 465	95 981	93 135	90 424
Of which:	76 447	89 508	93 825	95 438	91 988	88 972	84 075
Opening balance	11 551	5 119	5 898	3 027	3 993	4 163	6 349
Acquisition of assets	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Inventory	56	49	29	32	59	62	38
Receivables and prepayments	5 577	1 342	2 999	3 370	4 140	4 388	3 786
Cash and cash equivalents	76 441	56 443	43 150	39 333	53 886	61 342	60 435
Other assets	-	-	-	-	-	-	-
Total assets	170 072	152 461	145 901	141 200	154 066	158 927	154 683
Share capital	-	-	-	-	-	-	-
Accumulated surplus / deficit	(8 253)	(8 185)	13 011	-	-	-	-
Reserves	35 735	28 927	20 743	33 754	33 754	33 754	33 754
Trade and other payables	18 954	19 023	14 458	15 880	26 844	28 455	17 842
Provisions	4 724	5 655	5 876	6 602	6 602	6 998	7 417
Liabilities not classified elsewhere	47 886	60 232	51 675	53 249	53 249	54 085	54 972
Deferred Income	71 026	46 809	40 138	31 715	33 617	35 635	40 698
Total equity and liabilities	170 072	152 461	145 901	141 200	154 066	158 927	154 683

Expenditure trends

Own Revenue grew by 92 per cent between 2009/10 and 2011/12 financial years. This was due to an increase in the income grants administered on behalf of other government institutions, including the National Department of Environmental Affairs. However, in the 2012/13 financial year, Own Revenue is projected to decrease by 54 per cent due to a decrease in the revenue from the parks and reserves as well as administered funds. Furthermore, Own Revenue is projected to increase by an annual average of 13 per cent over the MTEF, as the entity expects to generate more revenue from the parks and reserves as a result of the upgrade to infrastructure.

ECPTA receives the government grants in the form of Transfers. Transfers decreased by 13 per cent over the period of two years from 2009/10 to 2011/12 financial year. This was due to the additional allocation that was provided for the 2010 FIFA World Cup in the 2009/10 financial year which was no longer there in the 2011/12 financial year. In 2012/13 financial year, Transfers are projected to grow by 32 per cent from R143.8 million in 2011/12 to R190.4 million in 2012/13 financial year due to the following:

- Increase in the 2011/12 indicative baselines; and
- Additional allocation amounting to R16 million for the destination marketing and tourism month through the 2012/13 adjustment estimates.

Furthermore, Transfers are projected to increase from R190.4 million in 2012/13 to R190.8 million in 2015/16 financial year, growing by an average of 0.2 per cent over the MTEF. This is due to the infrastructure grant not provided for the 2015/16 financial year.

Compensation of Employees constitutes an average of 60 per cent of the Transfers. Compensation of Employees grew by 11 per cent between the period of 2009/10 and 2011/12 financial years due to the restructuring during 2009/10 and 2011/12 financial years after the integration of Eastern Cape Parks Board and Eastern Cape Tourism Board. The

merger led to the entity having to replace some of its very low skilled employees with senior managers. In the 2012/13 financial year, the Compensation of Employees is projected to increase by 6 per cent which mainly relates to annual salary increases, and is expected to maintain an annual growth rate of 6 per cent over the MTEF.

Goods and Services decreased by 35 per cent between 2009/10 and 2011/12 financial years. This is in relation to the decrease in Transfers received. In the 2012/13 financial year, Goods and Services are projected to increase by 51 per cent from R65.8 million in 2011/12 to R99.8 million in 2012/13 financial year. This is due to additional funding provided for infrastructural development in the parks and reserves; and R16 million for the destination marketing and tourism month. However, over the MTEF Goods and Services are projected to decrease by an annual average of 3 per cent from R100 million in 2013/14 financial year to R87 million in 2015/16 due to a decrease in Transfers. In addition, the entity has prioritized its budget as indicated in table 5.3.1 below:

Table 5.3.1 Conditional allocations to ECPTA over the MTEF

R'000		Indicative Allocations		
No.	Details	2013/14	2014/15	2015/16
1	Infrastructure Development	30 000	26 000	-
2	Destination Marketing (Africa Open)	10 000	10 000	10 000
3	Marketing	4 000	4 100	4 200
4	Events	11 000	11 530	12 050
5	National Tourism Career Expo	3 000	3 000	3 000
6	International and Domestic Trade shows	2 000	2 000	2 000
7	Project Management Office	1 000	1 048	1 095
Total allocation		61 000	57 630	32 250

The projects listed above indicate the mandate to the entity has to deliver on over the MTEF.

Personnel information

Table 4.4: ECPTA personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Executive management	6	6	0	3	3	6	6	6	6	6
Senior management	42	40	2	6	5	35	38	40	40	40
Middle management	36	31	3	45	37	20	28	31	28	29
Professionals	64	60	10	78	77	72	50	60	59	60
Semi-skilled	234	226	7	266	254	237	219	226	229	226
Very low skilled	150	152	8	198	185	143	144	152	159	160
Total	532	515	30	596	561	513	485	515	521	521
Compensation (R'000)		86,487		90,496	71,692	100,698	53,500	110,222	120,225	127,439
Unit cost (R'000)		168		152	128	196	110	214	231	245

1. As at 30 September 2012

The organisational establishment of ECPTA is currently 532 posts, of which 515 are funded. As at 30 September 2012, only 485 posts were filled; 523 posts and 8 internship posts will

be filled by end of the 2012/13. The entity projects to maintain a minimum staff compliment of 521 over the MTEF.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue	18 603	8 249	35 745	16 380	18 829	22 482	23 791
Sale of goods and services other than capital assets	8 360	-	694	1 799	3 129	3 565	3 546
Of which:							
Admin fees							
Sales by market establishments							
Other sales	8 360		694	1 799	3 129	3 565	3 546
Fines penalties and forfeits							
Interest, dividends and rent on land	1 774	856	1 864	1 975	2 092	2 218	2 351
Other non-tax revenue	8 469	7 393	33 187	12 606	13 609	16 700	17 894
Transfers received	165 500	115 517	143 857	190 426	191 543	208 528	190 793
Sale of capital assets		10	(12)				
Total revenue	184 103	123 776	179 590	206 806	210 372	231 010	214 584
Expenses							
Current expense	192 356	131 961	166 579	206 806	210 372	231 010	214 584
Compensation of employees	90 496	71 692	100 698	107 000	110 222	120 225	127 439
Use of goods and services	92 762	59 575	64 802	97 675	97 950	108 285	84 445
Depreciation	9 071	655	987	2 131	2 200	2 500	2 700
Unauthorised expenditure							
Interest, dividends and rent on land	27	39	92	-	-	-	-
Interest	27	39	92		-		
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	192 356	131 961	166 579	206 806	210 372	231 010	214 584
Surplus / (Deficit)	(8 253)	(8 185)	13 011	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	17 073	(2 605)	(11 461)	2 131	308	494	2 700
Adjustments for:							
Depreciation	9 071	655	987	2 131	2 200	2 500	2 700
Interest		39	92	-	(1 892)	(2 006)	-
Net (profit) / loss on disposal of fixed assets	9 811	10	12			-	-
Other	(1 809)	(3 309)	(12 552)			-	-
Operating surplus / (deficit) before changes in wor	8 820	(10 790)	1 550	2 131	308	494	2 700
Changes in working capital	1 469	2 144	(12 620)	3 093	3 437	3 641	(14 089)
(Decrease) / increase in accounts payable	1 054	(700)	(10 803)	3 464	3 671	3 889	(11 798)
Decrease / (increase) in accounts receivable	415	2 840	(1 837)	(371)	(234)	(248)	(2 317)
(Decrease) / increase in provisions	-	4	20				26
Cash flow from operating activities	10 289	(8 646)	142	5 224	3 745	4 135	(11 389)
Transfers from government	144 632	115 517	143 857	190 426	191 543	208 528	190 793
Of which:							
Capital							
Current	144 632	115 517	143 857	190 426	191 543	208 528	190 793
Cash flow from investing activities	(11 551)	(5 119)	(5 898)	(3 027)	(3 993)	(4 163)	(6 349)
Acquisition of Assets	(11 551)	(5 119)	(4 627)	(3 027)	(3 993)	(4 163)	(6 983)
Land	(2 725)						
Dwellings		(539)	(1 024)		(856)	(907)	(1 294)
Non- Residential Buildings							
Investment Property	(614)						
Other Structures (Infrastructure Assets)	(1 002)			-			
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets			(2 074)				(2 618)
Computer equipment	(1 411)			(1 363)	(1 375)	(1 387)	(1 400)
Furniture and Office equipment	(824)	(492)	(259)	(641)	(680)	(720)	(231)
Other Machinery and equipment	(1 443)	(860)	(129)	(230)	(244)	(259)	-
Specialised military assets							
Transport Assets		(2 125)	(362)	(384)	(407)	(431)	(457)
Computer Software	(3 384)	(1 103)	(779)	(409)	(431)	(459)	(983)
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles	(148)						
Other flows from Investing Activities	-	-	(1 271)	-	-	-	634
Other 1			(1 271)				634
Other 2							
Cash flow from financing activities	(10 214)	(6 233)	(7 538)	(6 014)	14 801	7 484	16 831
Deferred Income	(8 869)	5 346	(6 540)	(12 240)	16 455	9 474	4 156
Borrowing Activities	(1 345)	(19 998)		-			
Other		8 419	(998)	6 226	(1 654)	(1 990)	12 675
Net increase / (decrease) in cash and cash equiva	(11 476)	(19 998)	(13 294)	(3 817)	14 553	7 456	(907)

Province of the Eastern Cape: Eastern Cape Liquor Board

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	87 998	94 627	99 723	98 465	95 981	93 135	90 424
Land	23 912	23 151	23 151	23 151	23 151	23 151	23 151
Dwellings	-	15 745	16 733	16 733	16 733	16 733	16 733
Non- Residential Buildings	12 815			-			
Investment Property	5 601	6 993	6 851	6 851	6 851	6 851	6 851
Other Structures (Infrastructure Assets)	10 612	10 899	12 830	12 687	12 544	12 401	12 258
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	8 408	8 408	10 181	8 471	7 048	5 864	4 878
Heritage Assets							
Biological Assets	11 867	12 013	12 210	12 210	12 210	12 210	12 210
Computer equipment	2 221			-			
Furniture and Office equipment	2 923	6 175	4 000	5 646	6 894	7 765	7 811
Other Machinery and equipment	3 111	4 425	4 519	4 684	4 814	4 907	4 741
Specialised military assets							
Transport Assets	4 814	3 278	5 501	4 708	2 956	1 142	-
Computer Software	1 472	3 540	3 747	3 324	2 780	2 111	1 791
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles	242	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	76 441	56 443	43 150	39 333	53 886	61 342	60 435
Bank	64 171	56 443	30 712	39 333	53 886	61 342	60 435
Cash on Hand	8		67			-	-
Other	12 262		12 371			-	-
Receivables and Prepayments	5 577	1 342	2 999	3 370	4 140	4 388	3 786
Trade Receivables	4 544	11	104	117	210	222	131
Other Receivables	691	1 331	2 895	3 253	3 930	4 166	3 655
Prepaid Expenses	342						
Accrued Income							
Inventory	56	49	29	32	59	62	38
Trade	56	49	29	32	59	62	38
Other							
Total Assets	170 072	152 461	145 901	141 200	154 066	158 927	154 684
Capital and Reserves	64 952	60 046	73 058	73 058	73 058	73 058	73 058
Share Capital and Premium						-	-
Accumulated Reserves	35 735	28 927	20 743	33 754	33 754	33 754	33 754
Surplus / (Deficit)	(8 253)	(8 185)	13 011	-	-	-	-
Other	37 470	39 304	39 304	39 304	39 304	39 304	39 304
Borrowings	7	-	-	-	-	-	-
Floating							
Current							
1<5 Years	7	-	-	-	-	-	-
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Other	-	-	2 849	2 836	3 066	3 251	3 186
Deferred Income	71 026	46 809	40 138	31 715	33 617	35 635	40 698
Provisions	4 724	5 655	5 876	6 602	6 602	6 998	7 418
Leave pay provision	4 724	5 655	5 876	6 602	6 602	6 998	7 418
Other 1							
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	10 409	20 928	12 371	13 945	13 945	14 781	15 668
Poverty Alleviation Fund	10 409	14 388	12 166	13 670	13 670	14 490	15 359
Regional Development Fund	-		205	275	275	291	309
Third Party Funds							
Other 4		6 540					
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							

Details of personnel numbers, compensation of employees and unit cost

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	90 496	71 692	100 698	107 000	110 222	120 225	127 439
Personnel numbers (head count)	596	561	513	515	515	521	521
Unit cost	152	128	196	208	214	231	245
B. Part-time and temporary contract employees							
Personnel cost (R thousand)		-	-	-	-	-	-
Personnel numbers (head count)		-	-	-	-	-	-
Unit cost							
C. Interns							
Personnel cost (R thousand)		-	-	72	144	-	-
Personnel numbers (head count)		-	-	8	8	-	-
Unit cost				9	18		
Total for entity							
Personnel cost (R thousand)	90 496	71 692	100 698	107 072	110 366	120 225	127 439
Personnel numbers (head count)	596	561	513	523	523	521	521
Unit cost	152	128	196	205	211	231	245
D. Learnerships							
Personnel cost (R thousand)		-	-	-	-	-	-
Personnel numbers (head count)		-	-	-	-	-	-
Unit cost							

Province of the Eastern Cape: Eastern Cape Liquor Board

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	90 496	71 692	100 698	107 000	110 222	120 225	127 439
Personnel numbers (head count)	596	561	513	515	515	521	521
Unit cost	152	128	196	208	214	231	245
B. Part-time and temporary contract employees							
Personnel cost (R thousand)		-	-	-	-	-	-
Personnel numbers (head count)		-	-	-	-	-	-
Unit cost							
C. Interns							
Personnel cost (R thousand)		-	-	72	144	-	-
Personnel numbers (head count)		-	-	8	8	-	-
Unit cost				9	18		
Total for entity							
Personnel cost (R thousand)	90 496	71 692	100 698	107 072	110 366	120 225	127 439
Personnel numbers (head count)	596	561	513	523	523	521	521
Unit cost	152	128	196	205	211	231	245
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	9	9	9	9	9	9	9
Executive Management	3	3	6	6	6	6	6
Senior Management	6	5	35	38	40	40	40
Middle Management	45	37	20	28	31	28	29
Professionals	78	77	72	58	60	59	60
Semi-skilled	266	254	237	249	226	229	226
Very low skilled	198	185	143	144	152	159	160
Total	605	570	522	532	524	530	530

Eastern Cape Gambling and Betting Board

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Gambling and Betting Board (ECGBB) was established in terms of the Gambling and Betting Act (EC) of 1997 Regulations and Rules as amended. ECGBB is mandated 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 Act.

ECGBB has successfully achieved the following over the 2011/12 – 2012/13 period:

- Gambling and betting taxes, fees and interest collected during the 2010/11- 2011/12 financial years amounted to R254.6 million. Included in this amount is R20 million exclusivity fees.
- The total Gross Gaming Revenues (GGR) generated during the 2010/11 – 2011/12 financial year was R1.2 billion.
- The gaming industry (Casinos, Horseracing and Limited Payout Machines) has created 4 488 permanent jobs in the 2010/11 financial year.
- Six Trusts have been established through the Terms and Conditions of Licence of Licensees.
- A joint effort of the ECGBB and the South African Police Services (SAPS) has managed to root out illegal activities which are by their nature clandestine. During the 2011/12 financial year, ECGBB confiscated and destroyed over 55 illegal gambling machines and illegal gambling devices worth over R200 000.

Over the MTEF, ECGBB's focus will be on the following priority areas:

- Facilitating the awarding of licenses to qualified applicants and ensure an increase in revenue collection;
- Promote and enforce compliance amongst industry players;
- Ensure the education and protection of consumers and the public within the industry using various mechanisms;
- Strengthen law enforcement and gaming control within the province.
- Conduct a research project on socio-economic impact and awareness of gambling in the province, and
- Implement systems for effective planning, monitoring and evaluation in order to improve the provision services of the ECGBB.

Savings and cost effectiveness measures

Efforts will be made to reduce spending on local travelling, training and development and corporate social responsibility. It is estimated that goods and services will also decrease over the MTEF.

Selected performance indicators

Table 5.1: ECGBB annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of social responsibility programmes conducted	To promote and monitor corporate social investment initiatives of the gambling industry and as well as corporate social investment initiatives made by the ECGBB	2	2	6	6	4	6	6
Number of licences issued by the ECGBB	Award licenses and certificates to suitable qualified applicants	8	68	2	56	8	-	1
Amount of revenue collected	Collection of gambling and gaming taxes on behalf of the EC province	R89 million	R92 million	R102 million	R112 million	R117 million	R125 million	R126 million
Number of research work conducted by the ECGBB	To guide the generation of information in the Gambling industry	1	N/A	N/A	2	2	1	2
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	460	42	7	67	57	72	75
Number of revenue audit conducted		40	34	34	28	36	66	70
Number of people reached through Responsible Gambling Awareness and Outreach Programme	To educate the public on gambling related issues within the province	-	-	-	-	1400	1600	1800
Number of Sweeps conducted in the province	To protect the public interest and the licensed operators from unfair and illegal competition	1	1	1	5	5	5	5

Details of programmes / activities / 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 programmes:

- **Corporate Services Management and Administration:** Provides financial management, strategic, legal and communication services to the entity.
- **Gambling Regulation and Consumer Protection:** 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.
- **Research and Development:** Provides a robust research agenda developed and updated annually to reflect evolving research priorities.

Expenditure estimates

Table 5.2: ECGBB Statement of financial performance

R'000 Statement of Financial Performance							
R thousand	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	6 728	8 120	6 555	8 345	6 424	5 984	6 360
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Other sales	-						
Fair value adjustment							
Fines penalties and forfeits							
Interest, dividends and rent on land	1 275	568	450	452	-	-	-
Other non-tax revenue	5 452	7 552	6 105	7 893	6 424	5 984	6 360
Transfers received	22 017	23 338	31 187	35 687	42 687	43 095	46 985
Sale of capital assets	(74)	(27)					
Total revenue	28 670	31 432	37 742	44 032	49 111	49 079	53 345
Expenses							
Current expense	37 292	35 762	42 308	44 032	49 111	49 079	53 345
Compensation of employees	13 778	14 120	14 713	22 615	26 585	28 180	29 871
Use of goods and services	22 763	20 879	26 935	20 590	21 721	20 029	22 534
Depreciation	751	763	659	827	805	870	940
Unauthorised expenditure							
Fair value adjustment							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	37 292	35 762	42 308	44 032	49 111	49 079	53 345
Surplus / (Deficit)	(8 622)	(4 330)	(4 566)	-	-	-	-

Table 5.3: ECGBB statement of financial position

R'000 Statement of Financial Position							
	Audited outcome			Revised estimate	Medium term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying Balance	7 535	7 127	6 988	6 710	6 705	6 375	6 018
of which:							
Opening Balance	6 918	6 731	6 178	6 160	5 905	5 835	5 435
Acquisition of assets	618	396	810	550	800	540	583
Investments	-	-	-	-	-	-	-
Inventory	18	-	-	-	-	-	-
Receivables and Prepayments	8 776	8 610	10 435	10 754	10 854	10 954	11 054
Cash and Cash Equivalents	11 376	52 547	8 725	231	786	1 666	2 573
Other assets	-	-	-	-	-	-	-
Total Assets	27 706	68 285	26 147	17 696	18 346	18 996	19 646
Share Capital	-	-	-	-	-	-	-
Accumulated Surplus/(deficit)	13 177	8 828	4 262	4 262	4 262	4 262	4 262
Other reserves							
Trade and Other Payables	10 858	56 369	17 262	9 700	9 800	9 900	10 000
Provision	3 671	3 088	4 623	3 733	4 283	4 833	5 383
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Total Equity and Liabilities	27 706	68 285	26 147	17 696	18 346	18 996	19 646

Expenditure trends

ECGBB receives its revenue mainly from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) in the form of Transfers. These Transfers have grown from R22 million in 2009/10 to R31.2 million in 2011/12 financial year, representing an annual average growth rate of 20 per cent due to an increase in the 2011/12 budget allocation that grew by 34 per cent from the 2010/11 financial year. In the 2012/13 financial year, transfers increased by 20 per cent when compared with the 2011/12 financial year due to additional funding amounting to R7 million for responsible gambling campaigns. This funding has been provided throughout the MTEF period amounting to R30 million. Hence, the annual average increase over the MTEF is 10 per cent. Other revenue is earned from the recovery of fees charged on inspections. Own Revenue has increased by an annual average of 10 per cent from the 2009/10 to 2011/12 financial year. Furthermore, the ECGBB is expecting to increase own revenue by 29 per cent in the 2012/13 financial year. However, the entity is projecting to decrease its own revenue collections from the projected R7.9 million in the 2012/13 to a projected R6 million until the 2015/16 financial year.

Compensation of Employees is mainly consuming an average of 60 per cent of the transfers. Compensation of Employees grew by 3 per cent from 2009/10 and the 2011/12 financial years. In the 2012/13 financial year, Compensation of Employees grew by 54 per cent, partly due to annual increases and the filling of 9 vacant posts. Over the 2013/14 financial year, Compensation of Employees is expected to grow by of 10 per cent, from R22.6 million in the 2012/13 to R29.9 million in 2015/16 financial year.

Goods and Services increased from R22.7 million in 2009/10 to R26.9 million in the 2011/12 financial year, representing a growth rate of 18 per cent over 2 years. In the 2012/13 financial year, the budget for the Goods and Services decreased by 24 per cent, due to reprioritization of funds. Over the MTEF, the Goods and Services budget is expected to remain fairly constant with an average annual growth rate of 3 percent, due to reprioritization to focus on core-services.

Personnel information

Table 5.4: ECGBB personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Executive management	3	3	-	1	3	3	3	3	3	3
Senior management	4	4	1	1	1	3	3	4	4	4
Middle management	8	8	3	5	5	6	5	8	8	8
Professional	20	20		12	9	11	21	23	23	23
Semi-skilled	6	6	8	6	6	4	4	4	4	4
Very low skilled	5	5		3	3	4	4	4	4	4
Total	46	46	12	28	27	31	40	46	46	46
Compensation (R'000)	22,615	22,615		13,778	14120	14,713	11,857	26,585	28,180	29,871
Unit cost (R'000)	491	491		492	523	475	296	578	613	649

1. As at 30 September 2012

ECGBB has an establishment of 46 posts which are fully funded. As at 30 September 2012, the entity had 34 filled posts and projecting to fill 9 posts by the end of the current financial year. Furthermore, the entity projects to maintain the staff compliment of 46 over the MTEF period, resulting in an increase in personnel costs over this period.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	6 728	8 120	6 555	8 345	6 424	5 984	6 360
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	1 275	568	450	452	280	300	350
Other non-tax revenue	5 452	7 552	6 105	7 893	6 144	5 684	6 010
Transfers received	22 017	23 338	31 187	35 687	42 687	43 095	46 985
Sale of capital assets	(74)	(27)					
Total revenue	28 670	31 432	37 742	44 032	49 111	49 079	53 345
Expenses							
Current expense	37 292	35 762	42 308	44 032	49 111	49 079	53 345
Compensation of employees	13 778	14 120	14 713	22 615	26 585	28 180	29 871
Use of goods and services	22 763	20 879	26 935	20 590	21 721	20 029	22 534
Depreciation	751	763	659	827	805	870	940
Unauthorised expenditure							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	37 292	35 762	42 308	44 032	49 111	49 079	53 345
Surplus / (Deficit)	(8 622)	(4 330)	(4 566)	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(119)	377	532	827	805	870	940
Adjustments for:							
Depreciation	751	763	663	827	805	870	940
Interest	(1 275)	(568)	(450)				
Net (profit) / loss on disposal of fixed assets	(74)	26	122				
Other	479	156	197				
Operating surplus / (deficit) before changes in wor	(8 741)	(3 953)	(4 033)	827	805	870	940
Changes in working capital	(4 561)	44 937	(39 578)	(8 771)	550	550	550
(Decrease) / increase in accounts payable	(3 225)	44 928	(37 556)	(7 562)	100	100	100
Decrease / (increase) in accounts receivable	(1 352)	10	(2 022)	(319)	(100)	(100)	(100)
Decrease / (increase) in accounts inventories	16						
(Decrease) / increase in provisions				(890)	550	550	550
Cash flow from operating activities	(13 302)	40 984	(43 612)	(7 944)	1 355	1 420	1 490
Transfers from government	22 017	23 338	31 187	35 687	42 687	43 095	46 985
Of which:							
Capital							
Current	22 017	23 338	31 187	35 687	42 687	43 095	46 985
Cash flow from investing activities	769	187	(211)	(98)	(520)	(240)	(233)
Acquisition of Assets	(618)	(396)	(810)	(550)	(800)	(540)	(583)
Land	78						
Dwellings							
Non- Residential Buildings	-						
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets	154	285	116	160	200	150	160
Computer equipment	113	112	52	60	200	60	200
Furniture and Office equipment							
Other Machinery and equipment			3	30	150	30	160
Fixtures and fittings							
Specialised military assets	272		487	300		300	
Transport Assets			152		250		63
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	1 387	584	599	452	280	300	350
Other 1	1 275	568	450	452	280	300	350
Other 2	111	16	149				
Cash flow from financing activities	-	-	-	-	-	-	-
Deferred Income							
Borrowing Activities							
Other							
Net increase / (decrease) in cash and cash equivalent	(12 533)	41 171	(43 823)	(8 494)	555	880	907

Province of the Eastern Cape: Eastern Cape Liquor Board

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	7 535	7 127	6 988	6 710	6 705	6 375	6 018
Land	5 637	5 530	5 423	5 123	5 015	4 898	4 772
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	327	375	278	338	300	246	186
Furniture and Office equipment	488	351	289	266	332	355	515
Other Machinery and equipment				-	-	-	-
Specialised military assets				-	-	30	190
Transport Assets	841	681	765	865	883	578	249
Computer Software	-	-	151	71	143	305	156
Cellphones	42	80	24	-	-	-	63
Fixtures and fittings	94	74	58	48	33	(37)	(113)
Library books	106	37	-	-	-	-	-
Service and Operating Rights							
Other Intangibles							
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	11 376	52 547	8 725	231	786	1 666	2 573
Bank	11 371	52 542	8 720	226	781	1 661	2 568
Cash on Hand	5	5	5	5	5	5	5
Other							
Receivables and Prepayments	8 776	8 610	10 435	10 754	10 854	10 954	11 054
Trade Receivables	1 545	1 401	1 764	2 254	2 254	2 254	2 254
Other Receivables	6 823	6 921	8 494	8 500	8 600	8 700	8 800
Prepaid Expenses	408	288	177				
Accrued Income							
Inventory	18	-	-	-	-	-	-
Trade							
Other	18						
Total Assets	27 706	68 285	26 147	17 696	18 346	18 996	19 646
Capital and Reserves	13 177	8 828	4 262	4 262	4 262	4 262	4 262
Share Capital and Premium							
Accumulated Reserves	21 799	13 158	8 828	4 262	4 262	4 262	4 262
Surplus / (Deficit)	(8 622)	(4 330)	(4 566)	-	-	-	-
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	10 858	56 369	17 262	9 700	9 800	9 900	10 000
Trade Payables	3 849	4 047	8 520	1 000	1 000	1 000	1 000
Accrued Interest							
Other	7 009	52 321	8 742	8 700	8 800	8 900	9 000
Deferred Income							
Provisions	3 671	3 088	4 623	3 733	4 283	4 833	5 383
Leave pay provision	889	866	686	679	1 000	1 100	1 200
Other 1	700	1 099	1 069	1 200	1 429	1 879	2 000
Other 2	2 030	739	1 555	1 600	1 600	1 600	1 600
Other 3	52	65	131	130	130	130	130
Other 4		80	24	24	24	24	24
Other 5		(156)	(143)	-	-	-	-
Other 6	-	396	1 302	100	100	100	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							

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Personnel numbers (head count)	63	60	59	58	66	64	64
Unit cost	242	278	315	372	412	457	496
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)	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Personnel numbers (head count)	63	60	59	61	66	64	64
Unit cost	242	278	315	354	412	457	496
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

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

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

Province of the Eastern Cape: Eastern Cape Liquor Board

Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	4	4	4	4	4	4	4
Executive Management	1	1	1	1	1	1	1
Senior Management	3	4	4	4	4	4	4
Middle Management	12	12	12	12	15	14	14
Professionals	4	5	7	5	9	8	8
Semi-skilled	38	35	31	32	33	33	33
Very low skilled	5	3	4	4	4	4	4
Total	67	64	63	62	70	68	68

Eastern Cape Liquor Board

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Liquor Board (ECLB) was established in terms of the Eastern Cape Liquor Act of 2003 and is mandated 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. ECLB also facilitates the development of new entrants in the liquor industry as well as mitigate against the negative socio-economic impact caused by abuse of liquor.

Key achievements over the past two years (2011/12 and 2012/13) are as follows:

- ECLB has made significant inroads in achieving its mandate, as well as extending its mandate to include the Liquor Traders Development programme;
- A broad range of partnerships have been established with relevant stakeholders like South African Breweries (SAB), Distell, Brandhouse, Eastern Cape Development Cooperation (ECDL), and Small Enterprises Development Agency (SEDA) amongst others; and
- ECLB's key objective is to reduce the widespread abuse of alcohol and related negative social and health consequences. In line with this, a research on social impact assessment was commissioned in quarter 4 of 2011/12.

Over the MTEF, ECLB will be focusing on the following areas:

- Nurturing new and existing liquor outlets to offer more diversified products and services which will result in a positive impact on the economy and employment opportunities in the Eastern Cape going forward;
- Facilitation of liquor traders' associations to promote self-monitoring, enhance purchasing power through combined purchasing and assist in the identification of illegal liquor traders, thereby broadening the base of regulation and compliance;
- Implementing a developmental agenda focusing on business skills training, access to finance, institutional capacity building, business linkages and market opportunities as well as cooperative business development guided by industry market research that is undertaken by ECLB; and
- Embark on targeted social accountability interventions relating to anti-alcohol abuse, drunken driving, road shows and school-based campaigns as informed by the socio-economic impact study on alcohol abuse in the Eastern Cape.

Savings and cost effectiveness measures

In order to curtail operational costs, ECLB closed 3 district offices and relocated staff to the busier district offices. This will result in cost savings in rental expenses over the MTEF period. These savings, together with improved efficiency and cost effectiveness through streamlining of business processes in the Licensing Division, will enable ECLB to employ additional inspectors to ensure that compliance and enforcement mandates are strengthened.

Selected performance indicators

Table 6.1: ECLB annual performance

Indicators	Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new liquor licenses processed within 120 days	Efficient Licensing	570	1131	1559	1200	1200	900	800
Number of Liquor Traders empowered annually		-	-	-	150	150	150	150
Number of pre-registration inspections conducted	Pre-registration assessment	95%	100%	100%	1056	850	800	750
Number of targeted compliance monitoring visits conducted	Compliance monitoring and enforcement	90%	90%	3857	7168	5350	5400	5500
Number of public education awareness programmes conducted annually	Public education	30	35	109	112	112	115	118

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 the registration of retail sale and micro-manufacturing in accordance with the provisions of the Liquor Act and other applicable statutory provisions.

Compliance and enforcement: Ensures full compliance with the 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 alcohol abuse.

Expenditure estimates

Table 6.2: ECLB statement of financial performance

R'000 Statement of Financial Performance							
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	305	345	268	200	200	200	200
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Of which:							
Admin fees							
Sales by market establishments							
Other sales	-						
Fair value adjustment							
Fines penalties and forfeits							
Interest, dividends and rent on land	267	155	210	200	200	200	200
Other non-tax revenue	38	190	58				
Transfers received	24 621	26 098	32 325	35 131	41 131	43 018	47 294
Sale of capital assets		94	(70)				
Total revenue	24 926	26 537	32 523	35 331	41 331	43 218	47 494
Expenses							
Current expense	26 313	29 257	32 455	35 331	41 331	43 218	47 494
Compensation of employees	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Use of goods and services	9 536	9 714	12 472	12 654	13 103	13 253	15 259
Depreciation	1 550	2 847	1 415	1 082	1 042	724	509
Unauthorised expenditure							
Fair value adjustment							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Transfers and subsidies				-	-	-	-
Total expenses	26 313	29 257	32 455	35 331	41 331	43 218	47 494
Surplus / (Deficit)	(1 387)	(2 720)	68	-	-	-	-

Table 6.3: ECLB statement of financial positions

R'000 Statement of Financial Position							
	Audited Outcomes			Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying Value of Assets of which:	6 114	4 376	3 310	5 010	6 530	5 488	4 764
of which:							
Opening balance	4 891	3 383	2 890	1 743	3 500	5 488	4 764
Acquisition of assets	1 223	993	420	3 267	3 030	-	-
Investments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Receivables and prepayments	109	126	235	170	160	150	150
Cash and Cash Equivalents	3 764	4 831	8 936	4 760	3 386	3 957	4 771
Other Assets	-	-	-	-	-	-	-
Total Assets	9 987	9 333	12 481	9 940	10 076	9 595	9 685
Share Capital	-	-	-	-	-	-	-
Accumulated surplus/(deficit)	7 289	4 569	4 637	4 637	4 637	4 637	4 637
Other reserves	-	-	-	-	-	-	-
Trade and other payables	2 698	4 764	7 844	5 303	5 439	4 958	5 048
Provisions							
liabilities not classified elsewhere							
Deferred Income	-	-	-	-	-	-	-

Expenditure trends

ECLB generates very minimal of "Own Revenue". On average, 99 per cent of the total revenue is from Transfers. Transfers have grown from R24.6 million in the 2009/10 financial year to R32.3 million in 2011/12, growing by an annual average of 15 per cent. This was due to a 24 per cent increase in the 2011/12 allocation. The projected allocation for the 2012/13 financial year was increased by 0.5 per cent to R32.1 million but adjusted by R6 million additional funding for IT Infrastructure Developments and the devoting of the 2011/12 surplus funds amounting to R3 million. Over the 2012/13 MTEF, the allocations are projected to increase by 7 per cent, which is earmarked for the filling of 6 vacant permanent posts. Thus, the allocated Transfers increased from R35.1 million to R47.3 million over the MTEF.

Compensation of Employees grew from R15.2 million in 2009/10 to a projected R21.6 million in the 2012/13 financial year, with an annual average growth of 12 per cent related to annual salary increases. Compensation of Employees increased by 26 per cent in 2013/14 financial year, so as to fill 6 vacant permanent positions relating to the inspectors of licenses. Hence, Compensation of Employees will grow from R21 million in 2012/13 to R29.2 million in the 2015/16 financial year (an annual average increase of 9.4 per cent).

Goods and Services increased from R9.5 million in 2009/10 to R12.5 million in the 2011/12 financial year. This represented an annual average increase of 15 per cent which relates to the increase in government grants in that period. The projected allocation for the 2012/13 financial year is R12 million, a decrease of 4 per cent from the 2011/12 financial year. This decrease relates to the adjustment of R6 million that was provided for the IT Infrastructure Development and the devoting of the 2011/12 surplus funds. However, over the MTEF Goods and Services increases from R13.1 million in 2013/14 to R15.3 million in 2015/16.

Personnel information

Table 6.4: ECLB personal information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Executive management	1	1		1	1	1	1	1	1	1
Senior management	4	4		3	4	4	4	4	4	4
Middle management	13	13		12	12	12	12	15	14	14
Professionals	44	39	5	4	5	7	5	9	8	8
Semi Skills				38	35	31	32	33	33	33
Very low skilled	4	4		5	3	4	4	4	4	4
Total	66	61	5	63	60	59	58	66	64	64
Compensation (R'000)		9,540		15,227	16,696	18,568	10,798	27,186	29,241	31,726
Unit cost (R'000)		144		242	278	315	186	412	457	496

1. As at 30 September 2012

ECLB has an establishment of 66 posts, of which 61 are funded. As at 30 September 2012, only 59 posts were filled and it is anticipated that the vacant posts will be filled during the current financial year. Over the MTEF, the entity has been allocated additional funding of R20 million for the filling of all vacant posts. These posts mainly consist of License

Inspectors. Furthermore, the entity plans to add 2 more posts to the establishment so as to enhance their licensing operations.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	305	345	268	200	200	200	200
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	267	155	210	200	200	200	200
Other non-tax revenue	38	190	58				
Transfers received	24 621	26 098	32 325	38 137	41 131	43 018	47 294
Sale of capital assets		94	(70)				
Total revenue	24 926	26 537	32 523	38 337	41 331	43 218	47 494
Expenses							
Current expense	26 313	29 257	32 455	38 337	41 331	43 218	47 494
Compensation of employees	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Use of goods and services	9 536	9 714	12 472	15 660	13 103	13 253	15 259
Depreciation	1 550	2 847	1 415	1 082	1 042	724	509
Unauthorised expenditure							
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest							
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	26 313	29 257	32 455	38 337	41 331	43 218	47 494
Surplus / (Deficit)	(1 387)	(2 720)	68	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 550	2 732	1 485	882	842	524	309
Adjustments for:							
Depreciation	1 550	2 847	1 415	1 082	1 042	724	509
Interest				(200)	(200)	(200)	(200)
Net (profit) / loss on disposal of fixed assets							
Other		(115)	70				
Operating surplus / (deficit) before changes in working capital	163	12	1 553	882	842	524	309
Changes in working capital	(360)	1 085	3 739	(1 523)	1 166	234	598
(Decrease) / increase in accounts payable	(340)	1 102	3 848	(1 458)	1 176	244	598
Decrease / (increase) in accounts receivable	(20)	(17)	(109)	(65)	(10)	(10)	
(Decrease) / increase in provisions							
Cash flow from operating activities	(197)	1 097	5 292	(641)	2 008	758	907
Transfers from government	-	-	-	-	-	-	-
Of which:							
Capital							
Current							
Cash flow from investing activities	(1 223)	(993)	(420)	(3 267)	(3 030)	-	-
Acquisition of Assets	(1 223)	(993)	(420)	(3 267)	(3 030)	-	-
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			(305)	(2 967)	(1 300)		
Furniture and Office equipment	(883)	(937)	(115)				
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)	(1 730)		
Other flows from Investing Activities	-	-	-	-	-	-	-
Other 1							
Other 2							
Cash flow from financing activities	306	963	(766)	(268)	(352)	(187)	(93)
Deferred Income							
Borrowing Activities							
Other	306	963	(766)	(268)	(352)	(187)	(93)
Net increase / (decrease) in cash and cash equivalents	(1 114)	1 067	4 106	(4 176)	(1 374)	571	814

Province of the Eastern Cape: Eastern Cape Development Corporation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	6 114	4 376	3 310	5 010	6 530	5 488	4 764
Land							
Dwellings							
Non- Residential Buildings							
Investment Property							
Other Structures (Infrastructure Assets)	1 097	300	79	79	79	79	79
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	595	413	465	2 299	2 412	1 616	1 083
Furniture and Office equipment	2 259	1 830	1 417	1 275	1 148	1 033	930
Other Machinery and equipment							
Specialised military assets							
Transport Assets	1 754	1 369	885	593	397	266	178
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	409	464	464	764	2 494	2 494	2 494
Investments	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	3 764	4 831	8 936	4 760	3 386	3 957	4 771
Bank	3 760	4 827	8 931	4 754	3 380	3 951	4 765
Cash on Hand	4	4	5	6	6	6	6
Other							
Receivables and Prepayments	109	126	235	170	160	150	150
Trade Receivables	109	92	235	170	160	150	150
Other Receivables		15					
Prepaid Expenses		19					
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	9 987	9 333	12 481	9 940	10 076	9 595	9 685
Capital and Reserves	7 289	4 569	4 637	4 637	4 637	4 637	4 637
Share Capital and Premium							
Accumulated Reserves	8 676	7 289	4 569	4 637	4 637	4 637	4 637
Surplus / (Deficit)	(1 387)	(2 720)	68	-	-	-	-
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	2 698	4 764	7 844	5 303	5 439	4 958	5 048
Trade Payables	1 668	2 770	5 931	3 885	3 765	3 270	3 359
Accrued Interest							
Other	1 030	1 994	1 913	1 418	1 674	1 688	1 689
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							

Details of personnel numbers, compensation of employees and unit cost

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Personnel numbers (head count)	63	60	59	58	66	64	64
Unit cost	242	278	315	372	412	457	496
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)	15 227	16 696	18 568	21 595	27 186	29 241	31 726
Personnel numbers (head count)	63	60	59	61	66	64	64
Unit cost	242	278	315	354	412	457	496
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
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
8. A learnership agreement is a contract for a specific time period between a learner; an employer and a training provider.

Province of the Eastern Cape: Eastern Cape Development Corporation

Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	4	4	4	4	4	4	4
Executive Management	1	1	1	1	1	1	1
Senior Management	3	4	4	4	4	4	4
Middle Management	12	12	12	12	15	14	14
Professionals	4	5	7	5	9	8	8
Semi-skilled	38	35	31	32	33	33	33
Very low skilled	5	3	4	4	4	4	4
Total	67	64	63	62	70	68	68

Eastern Cape Development Corporation

Strategic overview: 2009/10 – 2015/16

The Eastern Development Cooperation (ECDC) was established to address prevailing socio-economic challenges and market failures within the Eastern Cape using policy interventions. Its mandate is to plan, finance, co-ordinate, market, promote and implement development of its people in the fields of industry, commerce, agriculture, transport and finance.

ECDC is a government business enterprise classified as a schedule 3D public entity in terms of the PFMA. Its economic programs and priorities are aligned to the Provincial Growth Development Plan (PGDP), Provincial Industrial Development Strategy (PIDS) and Industrial Policy Action Plan (IPAP 2) to promote economic growth and development.

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); invest in intellectual leadership (such as research and innovation); the optimisation of all resources so as to maximise investment returns; the attainment of financial sustainability; building of a strong brand; and establishing integrated partnerships with stakeholders to ensure maximum leverage of resources and development outcomes. Its customer focus is primarily to enterprises (emerging and existing), investors (local and international) and government.

Key achievements over the past 2 years include the following:

- In 2012, R5.8 million was allocated for SMME loans; ECDC utilized its accumulated reserves to finance small business entrepreneurs. Precisely 12 per cent of the loans went to the youth owned businesses and 20 per cent went to businesses owned by women;
- Between 2011/12 and 2012/13, ECDC collected R38 million in rentals;
- The value of property sales at market prices increased to R11 million compared to R5.5 million in the past 2 years;
- Over this period ECDC facilitated 20 investments with a combined value of R613 million despite poor investment climate;
- ECDC undertook research and packaged 4 catalytic projects valued at R125 million in accordance with its target and this investment created 2 027 jobs; and
- The value of exports facilitated through ECDC grew from R900 million in the previous year to R1.7 billion in 2012/13.

Over the MTEF the following priorities were identified over the MTEF, namely:

- To build a viable development finance institution (DFI);
- Unbundle non-performing and non-core assets;

- Undertake investment and trade promotion in the Province and build a capable organisation for high performance with a centre of expertise in business and financial structuring; and
- Product development and innovation and knowledge.

ECDC also implements various special projects as directed by its shareholder Department of Economic Affairs, Environmental and Tourism (DEAET), namely: Invaba Co-operatives Fund, Eastern Cape Industrial Jobs Stimulus Fund and the Local and Regional Economic Development fund (LRED).

During the forthcoming financial year, other strategic initiatives such as the Eastern Cape Agro-Processing Initiative will be implemented as per various co-operation agreements entered into with the Development Bank of Southern Africa (DBSA) and the Eastern Cape Rural Development Agency (ECRDA).

Savings and cost effectiveness measures

In terms of its risk tolerance framework and other management tools, ECDC has implemented programmes to reduce operational costs, reduce gross loan impairments whilst improving productivity. 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.

Selected performance indicators

Table 7.1: ECDC Annual Performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Number of social responsibility programmes conducted	To promote and monitor corporate social investment initiatives of the gambling industry and as well as corporate social investment initiatives made by the ECGBB	2	2	6	6	4	6	6
Number of licences issued by the ECGBB	Award licenses and certificates to suitable qualified applicants	8	68	2	56	8	-	1
Amount of revenue collected	Collection of gambling and gaming taxes on behalf of the EC province	R89 million	R92 million	R102 million	R112 million	R117 million	R125 million	R126 million
Number of research work conducted by the ECGBB	To guide the generation of information in the Gambling industry	1	-	N/A	2	2	1	2
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	460	42	7	67	57	72	75
Number of revenue audit conducted		40	34	34	28	36	66	70
Number of people reached through Responsible Gambling Awareness and Outreach Programme	To educate the public on gambling related issues within the province	-	-	-	-	1400	1600	1800
Number of Sweeps conducted in the province	To protect the public interest and the licensed operators from unfair and illegal competition	1	1	1	5	5	5	5

Details of programmes / activities / objectives

In the 2010/11 financial year, ECDC undertook a review of corporate functions to better align operational functions. The implementation of the realigned functions began in 2011/12 financial year and continued in 2012/13.

- **Administration and management services:** Provides overall organisational financial management, communication, strategic and legal services.
- **Loans, equity investments and property management:** Provision of funding with respect to business loans, risk taking, laden investments to stimulate new economic growth areas, business support, credit risk, due diligence and workout, managing customer service, non-financial SMME support and property management and development. Some of these functions will be undertaken at the 4 regional centres depending on the economic demographic of the region. 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:** Under the newly designed structure, this function is responsible for research, identifying new economic opportunities, develop micro and macro-economic models for analysis and forecasting, contribute to policy formulation and broader economic planning, research new financial products and services and assess economic impact reports including product development and knowledge management, co-ordinate and promote foreign and local direct investment and exports.

Expenditure estimates

Table 7.2: ECDC Statement of financial performance

R'000	ECDC						
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	122 125	114 396	106 535	97 373	125 752	134 262	145 549
Sale of goods and services other than capital assets	6 370	4 670	4 164	3 715	7 263	8 353	9 655
<i>Of which:</i>							
Admin fees	6 370	4 670	4 164	3 715	7 263	8 353	9 655
Sales by market establishments							
Other sales	-						
Fair value adjustment							
Fines penalties and forfeits							
Interest, dividends and rent on land	104 708	101 733	97 259	86 623	108 156	113 859	122 289
Other non-tax revenue	11 047	7 993	5 112	7 036	10 333	12 050	13 605
Transfers received	80 749	84 709	92 157	144 659	188 404	160 461	188 578
Sale of capital assets	(1 671)	(264)	(335)	(369)	-	-	-
Total revenue	201 203	198 841	198 357	241 664	314 156	294 723	334 127
Expenses							
Current expense	260 758	244 893	292 957	272 224	331 507	306 516	306 086
Compensation of employees	84 013	77 391	92 823	91 659	98 614	103 524	88 059
Use of goods and services	173 569	164 347	197 535	177 511	230 542	200 665	215 725
Depreciation	1 568	1 560	2 131	2 538	2 350	2 327	2 303
Unauthorised expenditure							
Fair value adjustment							
Interest, dividends and rent on land	1 608	1 595	468	516	-	-	-
Interest	1 608	1 595	468	516	-	-	-
Dividends							
Rent on land							
Transfers and subsidies				12 200	12 200	12 800	13 380
Total expenses	260 758	244 893	292 957	284 424	343 707	319 316	319 466
Surplus / (Deficit)	(59 555)	(46 052)	(94 600)	(42 760)	(29 550)	(24 593)	14 660

Table 7.3: ECDC Statement of financial position

R'000	Statement of Financial Position						
	Audited outcome			Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Balance Sheet Data							
Carrying Value of Assets	565 567	597 801	642 701	682 375	692 092	651 848	561 637
<i>Of which</i>							
Opening balance	574 634	601 823	640 179	679 724	689 707	649 701	559 705
Acquisition of assets	(9 067)	(4 022)	2 522	2 651	2 385	2 147	1 932
Investments	171 558	159 719	106 603	95 943	86 348	77 714	69 942
Inventory	-	-	-	-	-	-	-
Receivables and Prepayments	239 983	201 505	201 855	181 670	163 503	147 152	132 437
Cash and Cash Equivalents	281 508	309 646	359 116	390 997	421 520	478 347	556 650
Other Assets	-	-	-	-	-	-	-
Total Assets	1 258 616	1 268 671	1 310 275	1 350 985	1 363 463	1 355 061	1 320 666
Share Capital and Premium	347 398	383 548	421 375	421 375	421 375	421 375	421 375
Accumulated Surplus	(112 281)	(158 333)	(252 933)	(295 694)	(325 251)	(347 885)	(318 659)
Other reserves	715 172	757 354	802 198	842 198	852 198	812 198	722 198
Trade and Other Payables	51 199	51 473	57 534	60 404	65 389	81 168	84 561
Provisions	6 066	7 529	12 342	12 342	12 342	12 342	12 341
Liabilities not classified elsewhere	217 284	192 902	165 836	258 398	290 645	333 774	360 970
Deferred Income	33 778	34 198	103 923	51 962	46 765	42 089	37 880
Total equity and liabilities	1 258 616	1 268 671	1 310 275	1 350 985	1 363 463	1 355 061	1 320 666

Expenditure trends

Revenue decreased by 13 per cent between the 2009/10 and 2011/12 financial years. This was due to the impact of the economic down-turn resulting in poor rental income and collection of debtors. In 2012/13, own Revenue is projected to decrease by a further 9 per cent due to poor conditions of the investment properties (residential) yielding less rental income. However, over the MTEF, Own Revenue is projected to increase by an annual average rate of 15 per cent from R125.7 million in 2013/14 to R145.5 million in the 2015/16 financial year due to a planned sale of residential properties portfolio and increasing interest revenue from loan financing.

ECDC receives funding from the province in the form Transfers. Transfers increased by 14 percent over a 2 year period between 2009/10 and 2011/12. In the 2012/13 financial year, Transfers increased by 57 per cent from R92.2 million in 2011/12 to R144.6 million in 2012/2013 due to the fact that, the full allocation to ECDC is no longer conditional. In the previous financial years ECDC was only including in its statement of financial performance the portion of the Transfer which was not conditional. The portion of Transfers which had conditions attached to them was recognized as a liability.

In 2013/14, Transfers are projected to grow by 30 per cent due to an additional allocation of R34 million that is provided as a once-off allocation for Agro-processing and Forestry, R24 million as a counterpart funding for DBSA Jobs fund, and R10 million for revitalization of strategic industries.

Compensation of Employees grew by 10 per cent between 2009/10 and 2011/12, due to the filling of vacant posts and annual salary increases. In the 2013/14 financial year, the Compensation of Employees is anticipated to increase by 8 per cent due to filling of vacant posts and annual salary increases.

Goods and Services grew by 13 per cent between the 2009/10 and 2011/12 financial years. This was in relation to the growth in Transfers including the project funds. However, in the 2012/13 financial year, Goods and Services are projected to decrease by 10 per cent due to a decrease in the funding allocated to Automotive Industry Development Centre (AIDC) of R12.2 million which is funded through transfers received from DEDEAT. Furthermore, Goods and Services are projected to increase by an annual average rate of 8 per cent due to growth in the projects funds.

Table 7.3.1 illustrates the allocation to ECDC over the MTEF:

Table 7.3.1 MTEF allocation to ECDC

No	Details	2013/14	2014/15	2015/16
1	Operations	7 822	-	19 038
2	SMME's	35 217	36 910	38 570
3	AIDC	12 200	12 800	13 380
4	HIPP	15 783	16 540	17 285
5	Jobs Stimulus Fund	13 000	13 700	14 320
6	Imvaba Fund	12 500	13 100	13 700
7	Trade and Investment Promotion	61 000	63 950	66 850
8	PIDS Implementation	4 960	5 200	5 435
9	Agro-processing and forestry projects	24 000	-	-
10	Revitalization of strategic industries	10 000	-	-
Total Allocation		188 404	160 461	188 578

Personnel Information

Table 7.4: ECDC personnel information

Level / classification	Post status at at 30 September 2012			Number of posts filled on funded establishment						
	Number of posts approved	Number of funded posts (establishment)	Number of vacant posts	Audited			Mid-year 1	Medium-term estimates		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Executive Management	6	6	-	5	5	5	5	8	7	7
Senior Management	32	32	3	19	21	26	26	26	24	23
Professional	0	0	0	-	-	-	-	-	-	-
Middle Management	80	80	3	69	68	70	70	69	68	67
Semi-skilled	62	62	5	56	56	62	63	62	60	60
Very low skilled	6	6	0	8	7	6	6	5	6	6
Total	186	186	11	157	157	169	170	170	165	163
Compensation (R'000)				84,013	77,391	92,823	91,659	98,194	103,104	87,639
Unit costs (R'000)				535	493	549	539	578	625	538

1. As at 30 September 2012

ECDC has an establishment of 186 posts that are 100 per cent funded. As at 30 September 2012, ECDC had 175 filled posts and 11 vacant posts. It is anticipated that the entity will maintain a minimum average staff compliment of 175 per annum over the MTEF.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	122 125	114 396	106 535	97 373	125 752	134 262	145 549
Sale of goods and services other than capital assets	6 370	4 670	4 164	3 715	7 263	8 353	9 655
Of which:							
Admin fees	6 370	4 670	4 164	3 715	7 263	8 353	9 655
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	104 708	101 733	97 259	86 623	108 156	113 859	122 289
Other non-tax revenue	11 047	7 993	5 112	7 036	10 333	12 050	13 605
Transfers received	80 749	84 709	92 157	144 659	188 404	160 461	188 578
Sale of capital assets	(1 671)	(264)	(335)	(369)	-	-	-
Total revenue	201 203	198 841	198 357	241 664	314 156	294 723	334 127
Expenses							
Current expense	260 758	244 893	292 957	272 224	331 507	306 516	306 086
Compensation of employees	84 013	77 391	92 823	91 659	98 614	103 524	88 059
Use of goods and services	173 569	164 347	197 535	177 511	230 542	200 665	215 725
Depreciation	1 568	1 560	2 131	2 538	2 350	2 327	2 303
Unauthorised expenditure							
Interest, dividends and rent on land	1 608	1 595	468	516			
Interest	1 608	1 595	468	516			
Dividends							
Rent on land							
Transfers and subsidies				12 200	12 200	12 800	13 380
Total expenses	260 758	244 893	292 957	284 424	343 707	319 316	319 466
Surplus / (Deficit)	(59 555)	(46 052)	(94 600)	(42 760)	(29 550)	(24 593)	14 660

Province of the Eastern Cape: Eastern Cape Development Corporation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(204 412)	(19 651)	166 324	114 007	110 140	141 960	135 094
Adjustments for:							
Depreciation	1 568	1 560	2 131	2 538	2 350	2 327	2 303
Interest	(32 226)	(24 751)	(27 577)	(30 335)	(33 645)	(51 802)	(77 788)
Net (profit) / loss on disposal of fixed assets	1 671	264	335	369	-	-	-
Other	(175 425)	3 276	191 435	141 435	141 435	191 435	210 579
Operating surplus / (deficit) before changes in wor	(263 967)	(65 703)	71 724	71 247	80 590	117 367	149 754
Changes in working capital	247 222	25 268	(63 708)	(70 079)	(77 087)	(84 795)	(93 275)
(Decrease) / increase in accounts payable	177 609	(27 678)	(13 276)	(14 604)	(16 064)	(17 670)	(19 437)
Decrease / (increase) in accounts receivable	(6 751)	(23 239)	(24 150)	(26 565)	(29 222)	(32 144)	(35 358)
(Decrease) / increase in provisions	76 364	76 185	(26 282)	(28 910)	(31 801)	(34 981)	(38 479)
Cash flow from operating activities	(16 745)	(40 435)	8 016	1 168	3 503	32 572	56 479
Transfers from government	80 749	84 709	92 157	144 659	188 404	160 461	188 578
Of which:							
Capital							
Current	80 749	84 709	92 157	144 659	188 404	160 461	188 578
Cash flow from investing activities	(3 311)	33 992	15 139	7 029	5 705	5 072	4 559
Acquisition of Assets	9 067	4 022	(2 522)	(2 651)	(2 385)	(2 147)	(1 932)
Land							
Dwellings							
Non- Residential Buildings							
Investment Property	10 421	4 759	3 903	3 513	3 161	2 845	2 561
Other Structures (Infrastructure Assets)		60	(2 441)	(2 197)	(1 977)	(1 779)	(1 602)
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(1 054)	(210)	(3 838)	(3 454)	(3 109)	(2 798)	(2 518)
Furniture and Office equipment	(123)	(160)	(76)	(68)	(62)	(55)	(50)
Other Machinery and equipment	(161)	(4)					
Specialised military assets							
Transport Assets		(423)		(381)	(343)	(308)	(278)
Computer Software	(16)	-	(70)	(63)	(57)	(51)	(46)
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	(12 378)	29 970	17 661	9 680	8 090	7 219	6 491
Loans to group companies & other financial assets	484	13 341	9 892	8 903	8 013	7 211	6 490
Loans to customers	(12 862)	16 629	7 769	777	78	8	1
Cash flow from financing activities	47 064	34 581	26 315	23 684	21 315	19 184	17 265
Deferred Income							
Borrowing Activities	(1 651)	(1 569)	(11 512)	(10 361)	(9 325)	(8 392)	(7 553)
Other	48 715	36 150	37 827	34 044	30 640	27 576	24 818
Net increase / (decrease) in cash and cash equiva	27 008	28 138	49 470	31 881	30 523	56 827	78 303

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	565 567	597 801	642 701	682 375	692 092	651 848	561 637
Land	3 265	3 265	3 265	3 265	3 265	3 265	3 265
Dwellings							
Non- Residential Buildings	16 985	16 594	19 386	19 486	19 586	19 686	19 786
Investment Property	542 730	575 948	615 794	655 794	665 794	625 794	535 794
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	1 301	868	3 430	3 087	2 778	2 500	2 250
Furniture and Office equipment	650	578	416	374	337	303	273
Other Machinery and equipment	553	376	239	215	194	174	157
Specialised military assets							
Transport Assets	-	157	111	100	90	81	73
Computer Software	83	15	60	54	49	44	39
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles							
Investments	171 558	159 719	106 603	95 943	86 348	77 714	69 942
Floating	171 558	159 719	106 603	95 943	86 348	77 714	69 942
Current							
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	281 508	309 646	359 116	390 997	421 520	478 347	556 650
Bank	2 889	15 161	15 920	31 881	30 523	56 827	78 303
Cash on Hand							
Other	278 619	294 485	343 196	359 116	390 997	421 520	478 347
Receivables and Prepayments	239 983	201 505	201 855	181 670	163 503	147 152	132 437
Trade Receivables	207 861	165 116	166 177	149 559	134 603	121 143	109 029
Other Receivables	32 131	36 389	33 748	30 373	27 336	24 602	22 142
Prepaid Expenses	(9)		1 930	1 737	1 563	1 407	1 266
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	1 258 616	1 268 671	1 310 275	1 350 985	1 363 463	1 355 061	1 320 667
Capital and Reserves	950 289	982 569	970 640	967 880	948 322	885 688	824 914
Share Capital and Premium	347 398	383 548	421 375	421 375	421 375	421 375	421 375
Accumulated Reserves	(52 726)	(112 281)	(158 333)	(252 933)	(295 700)	(323 293)	(333 320)
Surplus / (Deficit)	(59 555)	(46 052)	(94 600)	(42 760)	(29 551)	(24 592)	14 661
Other	715 172	757 354	802 198	842 198	852 198	812 198	722 198
Borrowings	15 912	14 343	2 831	2 548	2 293	2 064	1 857
Floating							
Current	1 483	11 496	1 220	1 098	988	889	800
1<5 Years	14 429	2 847	1 611	1 450	1 305	1 174	1 057
5<10 Years							
>10 Years							
Post Retirement Benefits	20 452	23 308	27 620	31 145	35 911	45 670	42 822
Present value of Funded obligations	20 389	24 175	26 340	28 974	26 340	26 340	26 340
Unrecognised transitional liabilities	63	(867)	1 280	1 280	1 280	1 280	1 280
Other				891	8 291	18 050	15 202

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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	51 199	51 473	57 534	60 404	65 389	81 168	84 561
Trade Payables	1 471	1 262	2 068	2 171	2 280	2 394	2 514
Accrued Interest	8 048	6 007	4 926	5 172	5 431	5 702	5 988
Other	41 680	44 204	50 540	53 060	57 678	73 071	76 060
Deferred Income	33 778	34 198	103 923	51 962	46 765	42 089	37 880
Provisions	6 066	7 529	12 342	12 342	12 342	12 342	12 342
Leave pay provision	4 800	5 994	7 027	7 027	7 027	7 027	7 027
Bonus Provision	1 266	1 535	5 315	5 315	5 315	5 315	5 315
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	180 920	155 251	135 385	224 705	252 441	286 041	316 291
Poverty Alleviation Fund							
Regional Development Fund							
Third Party Funds	180 920	155 251	135 385	224 705	252 441	286 041	316 291
Other 4							
Contingent Liabilities	-	-	-	(0)	(0)	(0)	(0)
Other 1				(0)	(0)	(0)	(0)
Other 2							
Other 3							
Other 4							

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	84 013	77 391	92 823	91 659	98 194	103 104	87 639
Personnel numbers (head count)	157	157	169	170	170	165	163
Unit cost	535	493	549	539	578	625	538
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost							
C. Interns							
Personnel cost (R thousand)					420	420	420
Personnel numbers (head count)					10	10	10
Unit cost					42	42	42
Total for entity							
Personnel cost (R thousand)	84 013	77 391	92 823	91 659	98 614	103 524	88 059
Personnel numbers (head count)	157	157	169	170	180	175	173
Unit cost	535	493	549	539	548	592	509
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.

Estimates for Public Entities Revenue and Expenditure 2013/14

Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	14	12	14	12	12	12	12
Executive Management	5	5	5	5	8	7	7
Senior Management	19	21	26	26	26	24	23
Middle Management	69	68	70	70	69	68	67
Professionals							
Semi-skilled	56	56	62	63	72	70	70
Very low skilled	8	7	6	6	5	6	6
Total	171	169	183	182	192	187	185

East London Industrial Development Zone

Strategic overview: 2009/10 – 2015/16

The East London Industrial Development Zone (ELIDZ) 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 (DTI) in terms of legislation enacted under the Manufacturing Development Act (MDA) of 1993. As such, the ELIDZ forms part of government initiatives to assemble and build the industrial competitiveness of South African industries, and especially export oriented industries.

ELIDZ is active in 6 of the 10 National Growth Paths (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.

Key to ELIDZ's contribution to labour-absorbing growth is the attraction of investors in labour-intensive industries. This has led to ELIDZ developing the agro-processing park concept that will host several agro-processing companies; this will assist the ELIDZ in growing the number of employment opportunities within the region.

ELIDZ 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). The ELIDZ will continue to roll out the SMME development strategy over the coming years.

The mandate of the ELIDZ is to provide investor solutions and to attract and develop strategic industries that strengthen South Africa's global competitiveness through the development and operation of a thriving, specialized industrial complex.

This is done through creation and delivery of a suitable location for the establishment of strategic investments; promotion and development of productive links between domestic and zone-based industries to optimise the use of existing infrastructure, generation of employment and creation of technology transfers; and enablement of the benefiting of local resources by resource-seeking.

Key achievements over the past 2 years include the following:

Investment Attraction: Key to the ELIDZ mandate is the attraction of strategic investments that will leverage existing regional and industrial strengths and further upgrade the province's industrial landscape. The ELIDZ had made meaningful strides in this regard:

- ELIDZ has attracted R3.7 billion worth of investment since it secured its first investor in 2005;
- To date, 30 investors have been secured with 22 of these already operational in the zone; and

- 5 other investors are either constructing or commissioning their plants in the zone
Brief objective or purpose of the entity.

In response to calls by government to up skill the local populace to prepare them for increased economic growth, ELIDZ partnered with the provincial government and other stakeholders to drive learnerships and apprentice training as well as offering internships for unemployed graduates.

During 2012/13 financial year, ELIDZ continued to support Broad Based Black Economic Empowerment (BBBEE) initiatives in the province by spending 89 per cent of its annual budget towards BBBEE enterprises while committing a further 17, 17 per cent towards Small Macro and Medium Enterprises (SMME).

Key priorities over the MTEF period include the following:

Automotive Sector: The packaging and establishment of a metal surface treatment plant within ELIDZ to further improve the competitiveness of the province as an automotive investment destination. Also included in the automotive sector is the establishment of an efficient Multi Model, Original Equipment Manufacturer (OEM) assembly facility in the ELIDZ with annual capacity of 60 000 units using world class technology and equipment that will enable a variety of low volume and or niche vehicles to be assembled to world standards on a mutually cost effective basis.

Renewable Energy: 2 photovoltaic investment projects were approved by the ELIDZ board during 2012/13, ELIDZ will finalise the bid approval and conclude the power purchase agreements;

Agro-Processing: the rehabilitation of a grain elevator estimated at R20 million which is part of facilitating the growth strategy of the port.

Savings and cost effectiveness measures

ELIDZ will continue to develop strategic clusters in the zone in phases. This approach has critically saved substantial costs for the zone because critical infrastructure is laid on the ground based on the high level of probability of investment. This has cut down on impairment costs associated with property, plant and equipment and Investment property.

Selected performance indicators

Table 8.1: ELIDZ annual performance

Indicators	Objectives	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new investment agreements (FDI and Domestic) signed between ELIDZ and the approved investors per annum	Strategic, Targeted Investment per annum	5	5	2	2	2	3	3
Periodic value of new investments (FDI and Domestic) signed between IDZ operator and IDZ Tenant enterprises per Annum, as pledged by approved investors at the time of agreement signing	Generate positive economic value and returns per annum from the approved investments	R162m	R331m	R1.7bn	R200m	R300m	R400m	R450m
Value of income collection from own operations and investment income per annum	Grow annual income form own operations to R63.8m for all Zone Services by end of financial year 2015/16	R30.3m	R53.2m	R43.2m	R63m	R66m	R66m	R63.8m
Number of actual reported Manufacturing and Services industries permanent jobs in existence as at financial year end by the IDZ Investors, IDZ Operator and its service providers	Generate positive economic value and returns per annum from the approved investments	720 jobs	1371 jobs	1365 jobs	1515 jobs	1615 jobs	1715 jobs	1800 jobs
Cumulative Number of actual reported Construction jobs attributable to annual construction activity	Generate positive economic value and returns per annum from the approved investments	3 248 jobs	241 jobs	1519 jobs	1300 jobs	960 jobs	820 jobs	750 jobs

Details of programmes / activities / objectives

ELIDZ 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 ELIDZ optimally to enable it to procure all resources needed to execute the entity's strategic and business plans and to mature the organisation towards financial self-sufficiency.

Corporate affairs: Develops ELIDZ's 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 8.2: ELIDZ statement of financial performance

R'000 Statement of Financial Performance							
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	26 902	40 220	47 708	51 714	57 090	62 351	70 011
Sale of goods and services other than capital assets	8 142	16 157	19 664	20 736	22 395	24 186	26 121
Of which:							
Admin fees	8 142	16 157	19 664	20 736	22 395	24 186	26 121
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	18 476	22 090	27 659	30 978	34 695	38 165	43 890
Other non-tax revenue	284	1 973	385				
Transfers received	130 601	135 257	141 614	46 051	112 407	113 792	112 031
Sale of capital assets	21	317	(5 448)				
Total revenue	157 524	175 794	183 874	97 765	169 497	176 143	182 042
Expenses							
Current expense	157 634	139 613	142 572	176 414	194 922	182 491	193 836
Compensation of employees	32 179	36 895	43 340	67 414	77 526	79 346	84 901
Use of goods and services	112 042	83 713	82 901	91 063	97 666	90 928	96 108
Depreciation	13 318	19 005	16 306	17 937	19 730	12 217	12 828
Unauthorised expenditure							
Interest, dividends and rent on land	-	-					
Interest	95		25				
Dividends							
Rent on land							
Fair value adjustment	190 446	119 662	140 521	-			
Taxation (VAT)	2	1 229	422	5 655	13 804	13 974	13 758
Transfers and subsidies							
Total expenses	348 082	260 504	283 515	182 069	208 726	196 465	207 594
Surplus / (Deficit)	(190 558)	(84 710)	(99 641)	(84 304)	(39 229)	(20 322)	(25 552)

Table 8.3: ELIDZ statement of financial position

R'000	Statement of Financial Position						
	Audit outcome			Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying Value of Assets	937 683	1 175 059	1 213 472	1 544 396	1 853 781	1 899 227	2 092 111
<i>Of which</i>							
Opening balance		937 683	237 376	976 096	568 300	1 285 481	613 745
Acquisition of assets	937 683	237 376	976 096	568 300	1 285 481	613 745	1 478 365
Investments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Receivables and Prepayments	11 874	12 284	29 808	24 153	29 808	29 808	29 808
Cash and Cash Equivalents	334 065	383 496	370 933	126 603	59 727	85 468	51 250
Other Assets	3 800	1 750	49 477	1 530	765	383	191
Total Assets	1 287 422	1 572 589	1 663 690	1 696 681	1 944 081	2 014 885	2 173 360
Share Capital and Premium	1	1	1	1	1	1	1
Accumulated Reserves	(184 880)	31 167	(68 448)	(152 752)	(191 981)	(212 303)	(237 855)
Other Reserves	8 123	8 306	8 306	8 306	8 306	8 306	8 306
Trade and Other Payables	895 513	412 758	460 628	160 054	365 099	123 721	82 855
Provisions	8 922	6 176	4 446	4 668	4 902	5 147	5 404
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Deferred Income	559 743	1 114 181	1 258 757	1 676 404	1 757 754	2 090 014	2 314 649
Total equity and liabilities	1 287 422	1 572 589	1 663 690	1 696 681	1 944 081	2 014 885	2 173 360

Expenditure trends

Own Revenue increased by 77 per cent between the 2009/10 and 2011/12 financial years from R26.9 million in 2009/10 to R47.7 million in 2011/12. This significant increase was due to the increase in rental income from investment properties. Furthermore, own revenue is projected to increase by 8 per cent in 2012/13 and an average of 11 per cent over the MTEF. This increase relates to the increase in the investment properties and annual increases in the rental rates charged to tenants.

ELIDZ receives government funding both from the dti and the provincial government. The dti grant is provided on project by project basis and there is no allocation made for ELIDZ by the dti over the MTEF. As from 2009/10 to 2012/13 financial years, ELIDZ has received a sum of R1.1 billion from the dti for the development of the industrial factories within ELIDZ.

Transfers increased by 8 per cent between 2009/10 and 2011/12. The increase in the Transfers was in relation to the subsidy for operational costs, which include maintenance. In the 2012/13 financial year, Transfers decreased by 67 per cent from R141.6 million in 2011/12 to R46 million in 2012/13. This was due to devoting of 50 per cent of the 2012/13 allocation and reprioritization by the controlling department (Department of Economic Affairs, Environment and Tourism). However, in the 2013/14 financial year, Transfers increased by 144 per cent due to indicative allocation of 2013/14 that are based on 2012/13 figures before the devoting and reprioritization of funds, instead of the adjusted estimates. Over the MTEF, Transfers are projected to grow at an annual average of 1 per cent. These transfers are mainly to fund the operations of the entity including the Cost of Employees.

Compensation of Employees grew by 35 per cent over the period of 2009/10 to 2011/12. This was due to filling of vacant posts at senior and middle management level and annual salary increases. In 2012/13 financial year, Compensation of Employees is projected to increase by 56 per cent from R43.3 million in 2011/12 to R67.4 million in 2012/13 due to the filling of vacant posts. Over the MTEF, Compensation of Employees is projected to grow at

an annual average rate of 8 per cent, which is reasonable considering the annual increases on salaries and filling of vacant posts.

Goods and Services decreased by 21 per cent between 2009/10 and 2011/12 due to cost saving measures implemented. However, in 2012/13 financial year, ELIDZ projected an increase of 10 per cent in its Goods and Services and a further annual average increase of 0.4 per cent over the MTEF as a result of maturity levels in the industrial property sector and enhancement of cost saving measures.

Personnel information

Table 8.4: ELIDZ personnel information

Level / classification	Post status at at 30 September 2012			Number of posts filled on funded establishment						
	Number of posts approved	Number of funded posts (establishment)	Number of vacant posts	Actuals			Mid-year1	Medium-term estimates		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Executive Management	6	6		5	5	5	6	6	6	6
Senior Management	15	15	3	7	9	9	12	11	11	11
Middle Management	30	30	3	28	26	25	27	35	35	35
Professional	35	35	18	15	18	25	27	34	34	34
Semi-skilled	0	0	0	-	-	-	-	-	-	0
Very low skilled	0	0	-	-	-	-	-	-	-	-
Total	86	86	24	55	58	64	72	86	86	86
Compensation (R'000)				32,124	36,288	43,340	66,622	76,734	78,554	84,109
Unit costs (R'000)				584	626	677	925	892	913	978

1. As 30 September 2012

As at 30 September 2012, ELIDZ has an establishment of 86 posts, which are 100 per cent funded. As at 30 September 2012, only 62 posts were filled. However, it is anticipated that 74 vacant posts and an additional 12 interns posts will be filled before the end of the current financial year. Furthermore, ELIDZ is planning to maintain a staff compliment of 86 over the MTEF.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	26 902	40 220	47 708	51 714	57 090	62 351	70 011
Sale of goods and services other than capital assets	8 142	16 157	19 664	20 736	22 395	24 186	26 121
Of which:							
Admin fees	8 142	16 157	19 664	20 736	22 395	24 186	26 121
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	18 476	22 090	27 659	30 978	34 695	38 165	43 890
Other non-tax revenue	284	1 973	385				
Transfers received	130 601	135 257	141 614	46 051	112 407	113 792	112 031
Sale of capital assets	21	317	(5 448)				
Total revenue	157 524	175 794	183 874	97 765	169 497	176 143	182 042
Expenses							
Current expense	157 634	139 613	142 572	176 414	194 922	182 491	193 836
Compensation of employees	32 179	36 895	43 340	67 414	77 526	79 346	84 901
Use of goods and services	112 042	83 713	82 901	91 063	97 666	90 928	96 108
Depreciation	13 318	19 005	16 306	17 937	19 730	12 217	12 828
Unauthorised expenditure							
Interest, dividends and rent on land							
Interest	95	-	25				
Dividends							
Rent on land							
Fair value adjustment	190 446	119 662	140 521	-			
Taxation (VAT)	2	1 229	422	5 655	13 804	13 974	13 758
Transfers and subsidies							
Total expenses	348 082	260 504	283 515	182 069	208 726	196 465	207 594
Surplus / (Deficit)	(190 558)	(84 710)	(99 641)	(84 304)	(39 229)	(20 322)	(25 552)

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	8 252	137 834	157 249	23 592	33 535	26 191	26 586
Adjustments for:							
Depreciation	13 380	19 005	16 306	17 937	19 730	12 217	12 828
Interest	(97)	(175)					
Profit on Foreign Exchange							
Impairment reversal	(62)	(329)					
Taxation Reversal	2	1 229	422	5 655	13 804	13 974	13 758
Net (profit) / loss on disposal of fixed assets	(21)	(317)					
Other	(4 946)	119 662	140 521				
Operating surplus / (deficit) before changes in working capital	63 114	54 151	57 608	(60 712)	(5 694)	5 869	1 034
Changes in working capital	344 709	147 129	208 240	111 640	292 283	91 126	184 027
(Decrease) / increase in accounts payable	7 943	(33 965)	47 870	(300 574)	205 045	(241 379)	(40 865)
Decrease / (increase) in accounts receivable	8 611	410	17 524	(5 655)	5 655	-	-
(Decrease) / increase in provisions	5 605	(2 746)	(1 730)	222	233	245	257
Deferred Income	322 550	554 438	144 576	417 647	81 350	332 260	224 635
Cash flow from operating activities	407 823	201 280	265 848	50 928	286 589	96 996	185 061
Transfers from government		457 257	312 896	196 051	212 407	314 151	397 031
Of which:							
Capital	249 373	322 000	171 282	150 000	100 000	200 359	285 000
Current	127 601	135 257	141 614	46 051	112 407	113 792	112 031
Cash flow from investing activities	(263 107)	(153 549)	(278 436)	(295 259)	(219 714)	(122 737)	(150 843)
Acquisition of Assets	(263 107)	(153 549)	(278 436)	(295 259)	(219 714)	(122 737)	(150 843)
Land							
Dwellings							
Non- Residential Buildings							
Investment Property	(77 049)	(88 592)	(128 572)	(319 000)	(195 194)	(110 517)	(148 623)
Other Structures (Infrastructure Assets)	(2 842)	(14 958)	(79 248)	(20 000)	(20 000)	(10 000)	
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	(179 455)	(40 343)	(22 194)	(1 000)	(1 000)	(1 000)	(1 000)
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	(71)	(3 407)	(101)	(20)	(20)	(20)	(20)
Other Machinery and equipment	(45)		(786)	(350)			
Specialised military assets							
Transport Assets	(31)			(389)			
Computer Software	(1 621)	(8 198)	(2 002)	(4 500)	(3 500)	(1 200)	(1 200)
Interest Income	(97)	175					
Tax Received / (Paid)		1 342					
Proceeds from sale of property, plant & equipment	21	432	4 467				
Decrease (Increase) in Loans	(1 917)		(50 000)	50 000			
Sale of Financial Assets							
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	144 910	49 431	(12 588)	(244 331)	(66 875)	25 741	(34 218)

Province of the Eastern Cape: Coega Development Cooperation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	937 683	1 175 059	1 213 472	1 544 396	1 853 781	1 899 227	2 092 111
Land	17 649	407	3 820	3 820	3 820	3 820	3 820
Dwellings							
Non- Residential Buildings							
Investment Property	364 455	817 929	792 651	1 110 811	1 426 126	1 488 762	1 705 936
Other Structures (Infrastructure Assets)	452 232	330 970	372 806	373 656	363 206	343 796	317 286
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	98 722	12 041	31 426	38 081	39 081	40 081	41 081
Heritage Assets							
Biological Assets							
Computer equipment							
Furniture and Office equipment	612	3 822	3 524	3 544	3 564	3 584	3 604
Other Machinery and equipment	224	310	904	1 254	1 254	1 254	1 254
Specialised military assets							
Transport Assets	767	731	584	973	973	973	973
Computer Software	2 899	8 772	7 657	12 157	15 657	16 857	18 057
Mastheads and Publishing titles							
Patents, Licences, Copyrights, Brand names and Trademarks							
Recipes, Formulae, Prototypes, Designs and Models							
Service and Operating Rights							
Other Intangibles	123	77	100	100	100	100	100
Other Financial Assets	3 800	1 750	49 477	1 530	765	383	191
Other Financial Assets	1 917	1 750	49 477	1 530	765	383	191
Current Tax Receivable	1 883						
1<5 Years							
5<10 Years							
>10 Years							
Cash and Cash Equivalents	334 065	383 496	370 933	126 603	59 727	85 468	51 250
Bank	127 225	1 581	467	467	467	467	467
Cash on Hand	2	2	1	1	1	1	1
Other	206 838	381 913	370 465	126 135	59 259	85 000	50 782
Receivables and Prepayments	11 874	12 284	29 808	24 153	29 808	29 808	29 808
Trade Receivables	3 912	4 602	11 329	9 076	9 076	9 076	9 076
Other Receivables	7 740	7 052	16 738	13 336	18 991	18 991	18 991
Prepaid Expenses	222	630	1 741	1 741	1 741	1 741	1 741
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	1 287 422	1 572 589	1 663 690	1 696 681	1 944 081	2 014 885	2 173 360
Capital and Reserves	(176 756)	39 474	(60 141)	(144 445)	(183 674)	(203 996)	(229 548)
Share Capital and Premium	1	1	1	1	1	1	1
Accumulated Reserves	(184 880)	31 167	(68 448)	(152 752)	(191 981)	(212 303)	(237 855)
Surplus / (Deficit)	-						
Other	8 123	8 306	8 306	8 306	8 306	8 306	8 306
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Receivables and Prepayments	11 874	12 284	29 808	24 153	29 808	29 808	29 808
Trade Receivables	3 912	4 602	11 329	9 076	9 076	9 076	9 076
Other Receivables	7 740	7 052	16 738	13 336	18 991	18 991	18 991
Prepaid Expenses	222	630	1 741	1 741	1 741	1 741	1 741
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	1 287 422	1 572 589	1 663 690	1 696 681	1 944 081	2 014 885	2 173 360
Capital and Reserves	(176 756)	39 474	(60 141)	(144 445)	(183 674)	(203 996)	(229 548)
Share Capital and Premium	1	1	1	1	1	1	1
Accumulated Reserves	(184 880)	31 167	(68 448)	(152 752)	(191 981)	(212 303)	(237 855)
Surplus / (Deficit)	-						
Other	8 123	8 306	8 306	8 306	8 306	8 306	8 306
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	895 513	412 758	460 628	160 054	365 099	123 721	82 855
Trade Payables	66 896	34 457	85 221	42 611	51 133	39 883	33 236
Deferred Income Short Term	828 617	377 862	372 443	116 803	313 326	83 837	49 619
Other		439	2 964	641	641		
Deferred Income	559 743	1 114 181	1 258 757	1 676 404	1 757 754	2 090 014	2 314 649
Provisions	8 922	6 176	4 446	4 668	4 902	5 147	5 404
Leave pay provision / Retention	8 922	6 176	4 446	4 668	4 902	5 147	5 404
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							

Province of the Eastern Cape: Coega Development Cooperation

Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees	2010/11	2011/12	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	32 124	36 288	43 340	66 622	76 734	78 554	84 109
Personnel numbers (head count)	55	58	64	74	86	86	86
Unit cost	584	626	677	900	892	913	978
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost							
C. Interns							
Personnel cost (R thousand)	55	622	296	792	792	792	792
Personnel numbers (head count)	2	12	6	12	16	16	16
Unit cost	28	52	49	66	50	50	50
Total for entity							
Personnel cost (R thousand)	32 179	36 895	43 340	67 414	77 526	79 346	84 901
Personnel numbers (head count)	57	66	70	86	102	102	102
Unit cost	565	559	619	784	760	778	832
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	6	8	8	8	8	8	8
Executive Management	5	5	5	6	6	6	6
Senior Management	7	9	9	12	11	11	11
Middle Management	28	26	25	27	35	35	35
Professionals	15	18	25	27	34	34	34
Semi-skilled	2	12	6	12	16	16	16
Very low skilled	-	-	-	-	-	-	-
Total	63	74	78	92	110	110	110

Coega Development Corporation

Strategic Overview: 2009/10 – 2015/16

The Coega Development Cooperation (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, while a modern deep-water port facility has been developed by the Transnet National Port Authority (TNPA), a division of Transnet Limited. Commonly known as the Coega Project, these two complementary developments aim to contribute to economic development through the attraction of local and international investments, primarily in manufacturing industries with an export orientation, to the Coega IDZ based on competitive advantages. This contributes to the achievement of the national goal of a better life for all through increasing economic growth opportunities and employment.

Key achievements over the past 2 years are as follows:

- The signing of 5 new investors. These investors are in the renewable energy, agro-processing, Business Process Outsourcing (BPO) and logistics sectors.
- Just over R220 million was generated by CDC to represent about 70 per cent of the grant funding received from the national government.
- CDC also signed a R600 million investment deal with First Auto Works (FAW), a Chinese automotive manufacturer; the construction started in 2012.
- India–South Africa joint venture consortium, AgniSteels also started construction on site in Coega IDZ for a further R400.
- CDC exceeded its target of signing 6 investors over the MTEF period with a total of 7 more investors signed.
- R2 billion Biodiesel Refinery investments are to be relocated to Coega. This will create 200 direct jobs, 500 construction jobs and 25 000 indirect jobs and construction will be undertaken over the MTEF period;
- CDC also moved from a level 3 BBEE contributor to a level 2 in the 2011/12 financial year;
- 10 826 people were trained as part of the CDC's Human Capital Development programme;
- Roads Enterprise Development Programme (REDP) (a CDC programme) created 1 257 jobs and awarded 216 work opportunities to SMMEs in the construction and related industries, to the value of R400 million; and
- Vulindlela Village generated R33 million in turnover, whilst Coega Corporate Travel revenue R57 million over the same period.

Over the MTEF planned investments include:

- R270 million in the renewable energy sector to develop and operate a solar farm in the IDZ;
- CDC has now identified investor projects that will be financed using the proceeds of this transaction (R125 million) and it is expected that construction on these would start during 2013/14 financial year; and
- CDC will also continue with the Fish River Flat Water Treatment Works which was previously funded by the dti.

Savings and cost effectiveness measures

CDC has committed since the 2010/11 financial year, to retain overheads at the same level, it further committed to reduce its operating expenditure by 10 per cent per annum which can be seen from the table below. CDC has indicated its commitment to the latter by renegotiating various contracts with service providers in an effort to reduce costs.

Selected performance indicators

Table 9.1: CDC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projection		
		2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Generation of own Revenue from IDZ and NMBLP rentals and External Services	Financial sustainability	2009/10	2010/11	2011/12	238 138	262 951	289 244	492 225
Number of Investors Signed during the year	Investment promotion	4	5	7	7	7	8	8
Number of people trained	Socio- Economic Development	7 507	8 226	10 826	10 826	11 909	13 099	14 409
Job Creation in the IDZ and on Infrastructure Program Management Projects	Socio- Economic Development	6 889	4 153	8 898	10 826	10 826	11 909	11 909
No of Interns engaged during the year	Corporate Social Investment	165	195	101	110	110	110	110

Details of programmes / activities / objectives

Investment Promotion: This programme focuses on the business of investment generation and facilitation. This programme's approach is to actively search for investments and serve the needs of the investor.

Human Capital development: The purpose of this programme is to provide comprehensive human resources skills development and capital solutions to client specifications through the provision of an outsourced recruitment and placement service to investors in the IDZ and Nelson Mandela Bay Logistics Park (NMBLP) as part of the CDC's One Stop Investor Service Centre (OSISC) solution in support of its investment location value proposition; training and development of the local skills base, in direct support of the Nelson Mandela Bay Metropolitan Municipality's (NMBM) Local Economic Development Plan. These include key growth sectors; and provision of a managed human capital development; and employment relations framework that enables the effective and efficient commissioning of mega infrastructure and construction

projects and ensures labour stability and significantly eases investors' interface with the prevailing labour legislation in support of the Coega IDZ's and NMBLP's comparative competitiveness.

Infrastructure Development: The purpose of this programme is to provide both the enabling infrastructure and top structure developments to investors in the IDZ and the NMBLP.

External Business Services: This element of the CDC's business focuses on extending the reach of the CDC to play a major role in the social and economic development of South Africa, particularly in the Eastern Cape.

Coega Development Corporation Services: The purpose of this programme is to provide consultancy services as an Implementing Agent to various government departments.

Expenditure estimates

Table 9.2: CDC statement of financial performance

R'000 Statement of Financial Performance							
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	155 146	140 948	240 356	236 149	262 951	289 244	492 225
Sale of goods and services other than capital assets	26 929	35 893	123 957	143 068	156 842	172 526	258 789
Of which:							
Admin fees	26 929	35 893	123 957	143 068	156 842	172 526	258 789
Sales by market establishments							
Other sales							
Fair value adjustment	32 036						
Fines penalties and forfeits							
Interest, dividends and rent on land	49 740	84 181	106 051	93 081	106 109	116 718	233 436
Other non-tax revenue	46 441	20 874	10 348			-	-
Transfers received	1 048 224	635 919	345 895	402 542	394 350	-	-
Sale of capital assets							
Total revenue	1 203 370	776 867	586 251	638 691	657 301	289 244	492 225
Expenses							
Current expense	459 446	222 396	421 618	501 347	524 353	468 543	463 035
Compensation of employees	99 617	107 261	149 358	157 573	166 239	175 382	185 028
Use of goods and services	297 765	19 375	179 024	252 242	232 648	174 208	174 208
Depreciation	21 659	24 603	26 080	32 623	39 640	43 356	46 391
Unauthorised expenditure							
Fair value adjustment		6 800	730	12 067	34 300	18 919	730
Interest, dividends and rent on land	40 405	64 357	66 426	46 842	51 526	56 678	56 678
Interest	-	46	170	-	-	-	-
Dividends							
Rent on land	40 405	64 311	66 256	46 842	51 526	56 678	56 678
Transfers and subsidies							
Total expenses	459 446	222 396	421 618	501 347	524 353	468 543	463 035
Surplus / (Deficit)	743 924	554 471	164 633	137 344	132 948	(179 299)	29 190

Table 9.3: CDC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	3 287 818	3 501 979	3 562 019	3 744 674	3 812 926	3 833 076	3 859 356
Of which:							
Opening balance	2 729 161	3 256 589	3 465 589	3 045 005	3 137 845	3 769 154	3 780 205
Acquisition of assets	558 657	245 390	96 430	699 669	675 081	63 922	79 151
Investment	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Receivables and prepayments	68 349	54 588	51 088	51 599	52 115	52 636	53 162
Cash and cash equivalents	176 678	108 508	269 884	208 494	286 416	222 260	304 412
Other assets	-	-	-	-	-	-	-
Total assets	3 532 845	3 665 075	3 882 991	4 004 767	4 151 457	4 107 972	4 216 930
Share capital	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558	1 264 558
Accumulated surplus / deficit	1 544 747	2 099 218	2 263 851	2 401 195	2 534 143	2 354 844	2 384 033
Other Reserves	-	-	-	-	-	-	-
Trade and other payables	364 078	135 902	179 156	98 408	93 827	89 051	69 533
Provisions	23 721	24 154	17 500	71 611	127 805	21 093	21 514
Liabilities not classified elsewhere	211 396	26 771	52 484	53 009	53 539	263 083	335 898
Deferred Income	124 345	114 472	105 442	115 986	77 585	115 343	141 394
Total equity and liabilities	3 532 845	3 665 075	3 882 991	4 004 767	4 151 457	4 107 972	4 216 930

Expenditure trends

The CDC is listed under schedule 3D in the PFMA as a Government Business Enterprise. It receives its revenue from various sources, being:

- The dti;
- Own Generated Revenue (Professional and Consultancy Services) and
- Eastern Cape Provincial Government

Total revenue of the CDC has decreased significantly from R1.2 billion in 2009/10 to R586 million in 2011/12 representing a 51 per cent decrease. This was due to a decrease in government funding (the dti) over the years which was mainly for the establishment of the IDZ. However, in the 2012/13 financial year, the budget increased by 8.9 per cent mainly due to an increase in the government grant by 16.4 per cent from the dti.

In 2014/15, the total revenue is expected to grow by 3 per cent and further decrease by 25 per cent in the 2015/16 financial year. The reason for the decrease in revenue is mainly the reduction in government funding which is dependent on industrial investment projects that need to be funded.

Compensation of Employees has grown from R99.6 million in 2009/10 to R149.4 million in the 2011/12 financial year, representing a 49.9 per cent growth. This was due to a significant increase in the staff compliment from 181 in the 2009/10 to 247 in the 2011/12 financial year. However, from 2012/13 it is projected that the Compensation of Employees would increase by a constant inflationary rate of 5.5 per cent over the MTEF, so as to maintain a staff compliment of 249. Therefore, the Compensation of Employees will grow from R157.6 million in 2012/13 to R185 million in the 2015/16 financial year.

Goods and Services decreased from R359.8 million in 2009/10 to R272.3 million in 2011/12, in relation to the revenue trends, representing a 24 per cent decrease. In the 2012/13 financial year, Goods and Services increased significantly by 26 per cent to R343.7 million. However, over the MTEF period, Goods and Services decreased from the projected R358.1 million to R278 million by 2015/16 financial year, representing a 22 per cent decrease. The decrease in the projected good and services is aligned with lack of government grant funding over the MTEF.

Capital Expenditure relating to the construction of the industrial factories is reflected in the Statement of Financial Position under the Investment Property item. The CDC has already invested R844 million in the investment properties between the period of 2009/10 and 2011/12 financial years. Furthermore, it is projecting to invest R1.4 billion between the period of 2012/13 and the 2015/16 financial years. This is to ensure that the Coega IDZ is utilized up to its maximum capacity and ensures that it is encouraged to support national priorities.

Personnel Information

Table 9.4: CDC personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Executive management	1	1	0	1	1	1	1	1	1	1
Senior management	7	5	2	7	5	5	7	7	7	7
Middle management	175	172	3	112	116	172	172	172	172	172
Professional				3	-	-	-	-	-	-
Semi-skilled	66	64	2	54	60	64	64	64	64	64
Very low skilled	5	5	0	4	4	5	5	5	5	5
Total	254	247	7	181	186	247	249	249	249	249
Compensation (R'000)				94,773	99,053	142,492	148,809	156,949	165,535	174,492
Unit cost (R'000)				524	533	577	598	630	665	701

1. As at 30 September 2012

CDC has an establishment of 254 posts, of which 247 are funded. As at 30 September 2012, all the positions were filled and it is anticipated that staff compliment of 249 will be maintained throughout the MTEF.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	155 146	140 948	240 356	236 149	262 951	289 244	492 225
Sale of goods and services other than capital assets	26 929	35 893	123 957	143 068	156 842	172 526	258 789
Of which:							
Admin fees	26 929	35 893	123 957	143 068	156 842	172 526	258 789
Sales by market establishments							
Other sales							
Fair value adjustment	32 036						
Fines penalties and forfeits							
Interest, dividends and rent on land	49 740	84 181	106 051	93 081	106 109	116 718	233 436
Other non-tax revenue	46 441	20 874	10 348			-	-
Transfers received	1 048 224	635 919	345 895	402 542	394 350	-	-
Sale of capital assets							
Total revenue	1 203 370	776 867	586 251	638 691	657 301	289 244	492 225
Expenses							
Current expense	459 446	222 396	421 618	501 347	524 353	468 543	463 035
Compensation of employees	99 617	107 261	149 358	157 573	166 239	175 382	185 028
Use of goods and services	297 765	19 375	179 024	252 242	232 648	174 208	174 208
Depreciation	21 659	24 603	26 080	32 623	39 640	43 356	46 391
Unauthorised expenditure							
Fair value adjustment		6 800	730	12 067	34 300	18 919	730
Interest, dividends and rent on land	40 405	64 357	66 426	46 842	51 526	56 678	56 678
Interest	-	46	170	-			
Dividends							
Rent on land	40 405	64 311	66 256	46 842	51 526	56 678	56 678
Transfers and subsidies							
Total expenses	459 446	222 396	421 618	501 347	524 353	468 543	463 035
Surplus / (Deficit)	743 924	554 471	164 633	137 344	132 948	(179 299)	29 190

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(1 051 622)	(789 558)	(293 371)	146 480	260 663	121 073	132 257
Adjustments for:							
Depreciation	21 659	24 603	26 080	32 623	39 640	43 356	46 391
Interest	(6 071)	(3 090)	(6 817)	(3 342)	(3 809)	(4 190)	(4 232)
Net (profit) / loss on disposal of fixed assets	2 070	-	-	-	-	-	-
Other	(1 069 280)	(811 071)	(312 634)	117 199	224 832	81 907	90 098
Operating surplus / (deficit) before changes in wo	(307 698)	(235 087)	(128 738)	283 824	393 611	(58 226)	161 446
Changes in working capital	119 308	(214 008)	49 948	(80 237)	(4 065)	(4 255)	(72 036)
(Decrease) / increase in accounts payable	116 879	(200 680)	45 177	(80 748)	(4 581)	(4 776)	(19 518)
Decrease / (increase) in accounts receivable	(15 642)	(13 761)	4 771	511	516	521	(52 518)
(Decrease) / increase in provisions	18 071	433	-	-	-	-	-
Cash flow from operating activities	688 706	177 221	257 805	585 918	696 734	(62 481)	89 410
Transfers from government	877 096	626 316	336 595	382 331	307 188	-	-
Of which:							
Capital							
Current	877 096	626 316	336 595	382 331	307 188	-	-
Cash flow from investing activities	(558 657)	(245 390)	(96 430)	(699 669)	(675 081)	(63 922)	(79 151)
Acquisition of Assets	(558 657)	(245 390)	(96 430)	(699 669)	(675 081)	(63 922)	(79 151)
Land	(20 148)	(1 115)	-	-	-	-	-
Dwellings							
Non- Residential Buildings							
Investment Property	(497 050)	(205 004)	(80 884)	(586 047)	(597 209)	(45 466)	(58 850)
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	(40 145)	(21 018)	-	(60 907)	(50 409)	-	-
Heritage Assets							
Biological Assets							
Computer equipment	(589)	(16 859)	(8 127)	(35 409)	(8 217)	(8 820)	(9 702)
Furniture and Office equipment	(305)	(714)	(1 300)	(10 108)	(11 688)	(1 700)	(1 870)
Other Machinery and equipment							
Specialised military assets							
Transport Assets	(420)	(680)	(6 119)	(7 198)	(7 558)	(7 936)	(8 729)
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	-	-	-	-	-	-	-
Other 1							
Other 2							
Cash flow from financing activities	-	-	-	52 361	56 269	62 247	71 893
Deferred Income							
Borrowing Activities				52 361	56 269	62 247	71 893
Other							
Net increase / (decrease) in cash and cash equival	130 049	(68 169)	161 375	(61 390)	77 922	(64 156)	82 152

Province of the Eastern Cape: Coega Development Corporation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	3 287 818	3 501 979	3 562 019	3 744 674	3 812 926	3 833 076	3 859 356
Land	204 234	197 565	189 736	185 889	178 453	171 315	164 463
Dwellings							
Non- Residential Buildings							
Investment Property	3 017 604	3 222 608	3 302 762	3 490 999	3 586 040	3 621 900	3 658 119
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress	40 145	54 536	44 957	42 479	21 239	10 620	5 310
Heritage Assets							
Biological Assets							
Computer equipment	23 374	24 489	15 530	14 162	15 578	17 136	18 850
Furniture and Office equipment	2 048	1 779	2 236	2 348	2 465	2 588	2 718
Other Machinery and equipment							
Specialised military assets							
Transport Assets	413	1 002	6 798	8 798	9 150	9 516	9 897
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	176 678	108 508	269 884	208 494	286 416	222 260	304 412
Bank	41 750	60 864	18 986	20 885	22 973	25 270	27 797
Cash on Hand							
Other	134 928	47 644	250 898	187 609	263 443	196 989	276 615
Receivables and Prepayments	68 349	54 588	51 088	51 599	52 115	52 636	53 162
Trade Receivables	57 015	33 988	37 343	37 716	38 094	38 475	38 859
Other Receivables	11 334	20 600	13 745	13 882	14 021	14 161	14 303
Prepaid Expenses							
Accrued Income							
Inventory	-	-	-	-	-	-	-
Trade							
Other							
Total Assets	3 532 845	3 665 075	3 882 991	4 004 767	4 151 457	4 107 972	4 216 931
Capital and Reserves	2 809 305	3 363 776	3 528 409	3 665 753	3 798 701	3 619 402	3 648 591
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	800 823	1 544 747	2 099 218	2 263 851	2 401 195	2 534 143	2 354 844
Surplus / (Deficit)	743 924	554 471	164 633	137 344	132 948	(179 299)	29 190
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Trade and Other Payables	364 078	135 902	179 156	98 408	93 827	89 051	69 533
Trade Payables	348 311	118 418	89 639	98 408	93 827	89 051	69 533
Accrued Interest							
Other	15 767	17 484	89 517				
Deferred Income	124 345	114 472	105 442	115 986	77 585	115 343	141 394
Deferred Tax	211 396	26 771	52 484	53 009	53 539	263 083	335 898
Provisions	23 721	24 154	17 500	71 610	127 805	21 093	21 514
Leave pay provision	7 038	7 654		-	-	-	0
Other 1	16 683	16 500	17 500	19 250	19 175	21 093	21 514
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	-	-	-	-	-
CD had claims by third parties arising from contractual which are still unresolved	5 000	45 675	-	-	-	-	-
Other 3							
Other 4							

Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	94 773	99 053	142 492	148 809	156 949	165 535	174 492
Personnel numbers (head count)	181	186	247	249	249	249	249
Unit cost	524	533	577	598	630	665	701
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	228	2 660	1 601	2 164	2 294	2 431	2 601
Personnel numbers (head count)	3	21	19	22	22	22	22
Unit cost	76	127	84	98	104	111	118
C. Interns							
Personnel cost (R thousand)	4 616	5 548	5 265	6 600	6 996	7 416	7 935
Personnel numbers (head count)	84	95	101	110	110	110	110
Unit cost	55	58	52	60	64	67	72
Total for entity							
Personnel cost (R thousand)	99 617	107 261	149 358	157 573	166 239	175 382	185 028
Personnel numbers (head count)	268	302	367	381	381	381	381
Unit cost	372	355	407	414	436	460	486
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.

Province of the Eastern Cape: Coega Development Corporation

Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	7	7	7	7	7	7	7
Executive Management	1	1	1	1	1	1	1
Senior Management	7	5	5	7	7	7	7
Middle Management	112	116	172	172	172	172	172
Professionals	3	-	-	-	-	-	-
Semi-skilled	54	60	64	64	64	64	64
Very low skilled	4	4	5	5	5	5	5
Total	188	193	254	256	256	256	256

Mayibuye Transport Corporation

Strategic overview: 2009/10 – 2015/16

Mayibuye Transport Corporation (MTC) was established in accordance with the Ciskei Corporation Act of 1981 and the government Decree of 1990. MTC is a Schedule 3D public entity reporting to the Department of Transport. MTC's mandate is to provide effective and efficient public transport service mainly to rural areas where formal modes of transport are limited.

In the past 2 years, the corporation managed to acquire 11 new buses and this resulted in more passengers being serviced, while private hire demand also escalated resulting in more revenue. Through the corporation's current fleet of 63 buses, the number of commuters increased averaging 2 million compared to 1.7 million and 1.8 million reported in the last two financial years. The projected number of passengers to be conveyed in the 2012/13 financial year amounts to 2.2 million and reflects a 10 per cent increase compared to the previous year figure of 2 million. This trend is expected to continue for the next 3 years as more buses are expected to be acquired.

Since the implementation of a new revenue collection system and the acquisition of new buses, own generated revenue increased by 27 per cent from R18.6 million in 2010/11 to R23.8 million in 2011/12 financial year. Projected revenue for 2012/13 amounts to R27.5 million and reflects an increase of 15.5 per cent (R3.6 million) compared to R23.8 million reported in the 2011/12 financial year. This positive trend is expected to continue as more buses are expected to be on the road thereby commuting more passengers over the MTEF period.

Over the MTEF period, MTC will focus on the recapitalization of the corporation's current fleet of buses through the refurbishment program and the introduction of new buses. MTC will also strive to improve measures on revenue collection and the implementation of a new computerized financial accounting system that will result in an improved audit report.

Savings and cost effectiveness measures

The corporation has adopted measures to guide against inefficiencies on its expenditure budget. This includes the development and implementation of an annual operational plan and an annual performance plan which will serve as a monitoring tool against budgeted programs. The implementation of a new financial accounting system will enhance controls on over expenditure as budgets will be centrally controlled in the system.

Selected performance indicators

Table 10.1: MTC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
% of Audit findings reduced	Reduce the number of audit findings	-	-	-	89	100	100	100
% of enterprise resource planning implemented	Key business functions supported by relevant technology	-	-	-	-	100	100	100
% compliance with identified SCM related legislation	100% compliance with PFMA and Treasury regulations	-	-	-	100	100	100	100

Details of programmes / activities / objectives

The mandate of MTC is undertaken through the following programmes:

Office of the CEO: Provides strategic leadership and direction for the organization by giving guidance and implementation of board resolutions.

Strategy: Assist the office of the CEO on strategy development.

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

Finance: Ensures the provision of systematic financial management systems through the following areas budget and financial planning, financial reporting and cash flow management.

Engineering: Provides safe and reliable buses to the Operations Division.

Operations: Provide passenger transport services.

Marketing and communication: Develops and sustains a strong brand for the organization.

Expenditure estimates

Table 10.2: MTC statement of financial performance

R'000		Statement of Financial Performance						
Audited				Estimated outcome	Medium-term estimate			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	
Revenue								
Tax revenue								
Non-tax revenue	22 570	26 871	35 680	34 411	43 640	44 125	46 177	
Sale of goods and services other than capital assets	18 513	18 633	23 835	25 037	27 540	30 294	33 323	
Of which:								
Admin fees	18 513	18 633	23 835	25 037	27 540	30 294	33 323	
Sales by market establishments								
Other sales								
Fines penalties and forfeits								
Interest, dividends and rent on land	248	65	123	72	-	-	-	
Other non-tax revenue	3 809	8 173	11 722	9 302	16 100	13 831	12 854	
Transfers received	43 000	41 809	51 429	63 773	74 088	85 000	88 910	
Sale of capital assets								
Total revenue	65 570	68 680	87 109	98 184	117 728	129 125	135 087	
Expenses								
Current expense	70 579	68 516	87 550	98 184	117 728	129 125	135 087	
Compensation of employees	31 021	35 165	41 315	43 626	49 603	54 563	60 020	
Use of goods and services	28 066	25 349	33 289	40 729	51 724	60 131	62 213.00	
Depreciation	11 492	7 207	11 614	12 731	15 226	13 831	12 854	
Unauthorised expenditure								
Interest, dividends and rent on land	-	795	1 332	1 098	1 175	600	-	
Interest	-	795	1 332	1 098	1 175	600	-	
Dividends								
Rent on land								
Transfers and subsidies								
Total expenses	70 579	68 516	87 550	98 184	117 728	129 125	135 087	
Surplus / (Deficit)	(5 009)	164	(441)	-	-	-	-	

Table 10.3: MTC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	33 287	52 375	62 156	56 422	73 651	64 685	58 068
<i>Of which:</i>							
Opening balance	22 168	40 232	48 989	56 422	45 651	55 944	48 925
Acquisition of assets	11 119	12 143	13 167	-	28 000	8 741	9 143
Investments	-	-	-	-	-	-	-
Inventory	1 134	1 471	867	867	867	867	867
Receivables and prepayments	492	415	99	99	99	99	99
Cash and cash equivalents	2 480	1 771	106	106	106	106	106
Other assets	-	-	-	-	-	-	-
Total assets	37 393	56 032	63 228	57 494	74 723	65 757	59 140
Share capital	56 761	56 761	56 761	56 761	56 761	56 761	56 761
Accumulated surplus / deficit	(60 647)	(60 222)	(60 663)	(60 663)	(60 663)	(60 663)	(60 663)
Other Reserves	-	-	-	-	-	-	-
Trade and other payables	2 678	11 165	19 940	19 516	14 710	14 710	14 710
Provisions	2 752	3 058	3 533	3 957	3 957	3 957	3 957
Liabilities not classified elsewhere	-	-	-	-	-	-	-
Deferred income	35 849	45 270	43 657	37 923	59 958	50 992	44 375
Total equity and liabilities	37 393	56 032	63 228	57 494	74 723	65 757	59 140

Expenditure trends

MTC receives its main funding from the Department of Transport (DOT) in the form of grant-in-aid allocated as transfers. The budget consists of funding for operational and capital expenditure. In the period between 2009/10 and 2011/12, total transfers to MTC amounted to R140.4 million, of which R18.9 million was a capital grant. These transfers were subsidizing the operational challenges of the entity after taking into consideration the poor contributions generated by the entity from the bus services. In the 2011/12 financial year, the MTC bought 11 buses through finance leases. Furthermore, the entity has been allocated R48.9 million for the recapitalization of the entity over the MTEF period. This budget is mainly for the purchase of buses so as to be able to cover most of the operational routes in the province.

Over the MTEF, the corporation has adopted a break-even budget principle, where expenditure is estimated to equal the projected revenue estimates. In the 2013/14 financial year, the budget increased by 48 per cent from R68 million in 2012/13 to R102 million in the 2013/14 financial year. This increase relates to a recapitalisation amount of R28 million that has been reprioritised by the DOT so as to improve bus services. However, in the 2014/15 financial year, projected transfers will decrease by 8.2 per cent then increase again by 4.6 per cent in the 2015/16 financial year to R98 million.

In 2009/10 financial year, the MTC had generated R22.6 million from "Own Revenue" which increased by 58 per cent to R35.7 million in 2011/12. However, this is projected to decrease in the 2012/13 financial year due to loss of advertising income. Nevertheless, in 2013/14 it is expected to increase by 27 per cent, due to a recapitalisation fund of R28 million that will increase the bus fleet and maintenance services and grow by an average of 2.5 per cent per annum over the MTEF period.

Compensation of Employees has increased from R31 million in 2009/10 to R41.3 million in the 2011/12 financial year, representing a growth rate of 13 per cent (2010/11) and 17 per cent (2011/12) due to salary increases. However, Compensation of Employees is projected to grow by 6 per cent in the 2012/13 financial year. Over the MTEF, Compensation of Employees is projected to grow by an average annual rate of 11 per cent, which is linked to annual salary increments and will amount to R60 million by 2015/16.

Goods and Services increased from R28 million in the 2009/10 to R33.3 million in 2011/12, representing an 18.6 per cent growth and due to increases in bus service “parts prices”. In addition, Goods and Services increased by 22 per cent in the 2012/13 financial year to R40.7 million due to continued increases in bus service “parts prices”. The Goods and Services are projected to increase further by 27 per cent in the 2013/14 financial year, due to an increase in the budget for service and maintenance caused by the recapitalisation of buses. Between 2014/15 and 2015/16, Goods and Services are projected to increase by an average of 10 per cent, per annum to cater for inflationary increases and unforeseen costs.

Personnel information

Table 10.4: MTC personnel information

Level / classification	Post status as at 30 September 2012			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		
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Executive management	1	1	0	5	6	5	6	6	6	6
Senior management	4	4	1	5	4	3	5	5	5	5
Middle management	16	13	1	8	8	8	21	21	21	21
Professional				0	0	0	0	0	0	0
Semi-skilled	125	120	5	54	44	12	139	139	139	139
Very low skilled	71	71	0	118	129	180	90	90	90	90
Total	214	209	7	190	191	208	261	261	261	261
Compensation (R'000)				31 021	35 165	41 315	43 626	49 603	54 563	60 020
Unit cost (R'000)				163	184	199	167	190	209	230

1. As at 30 September 2012

As at 30 September 2012, MTC has an establishment of 214 posts of which 209 are funded. As at 30 September 2012, the entity had filled 202 posts and it was anticipated that all 209 posts will be filled by the end of the financial year. The staff complement increased by 12 per cent between 2009/10 and 2011/12. This was as a result of additional fleet that was brought into operation either through purchasing or the refurbishing programme. In March 2012, a consulting company was appointed to redesign the organizational structure in order to ensure alignment of organizational arrangements with the strategic goals of the corporation. This resulted to an 8 per cent increase in operational levels for the 2013/14 financial year. These numbers are expected to grow to 230 in 2015/16 financial year, with the plan to revise the current organogram.

Annexure: Detailed financial information

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Revenue							
Tax revenue							
Non-tax revenue	22 570	26 871	35 680	34 411	43 640	44 125	46 177
Sale of goods and services other than capital assets	18 513	18 633	23 835	25 037	27 540	30 294	33 323
Of which:							
Admin fees	18 513	18 633	23 835	25 037	27 540	30 294	33 323
Sales by market establishments							
Other sales							
Fines penalties and forfeits							
Interest, dividends and rent on land	248	65	123	72	-	-	-
Other non-tax revenue	3 809	8 173	11 722	9 302	16 100	13 831	12 854
Transfers received	43 000	41 809	51 429	63 773	74 088	85 000	88 910
Sale of capital assets							
Total revenue	65 570	68 680	87 109	98 184	117 728	129 125	135 087
Expenses							
Current expense	70 579	68 516	87 550	98 184	117 728	129 125	135 087
Compensation of employees	31 021	35 165	41 315	43 626	49 603	54 563	60 020
Use of goods and services	28 066	25 349	33 289	40 729	51 724	60 131	62 213.00
Depreciation	11 492	7 207	11 614	12 731	15 226	13 831	12 854
Unauthorised expenditure							
Interest, dividends and rent on land	-	795	1 332	1 098	1 175	600	-
Interest		795	1 332	1 098	1 175	600	-
Dividends							
Rent on land							
Transfers and subsidies							
Total expenses	70 579	68 516	87 550	98 184	117 728	129 125	135 087
Surplus / (Deficit)	(5 009)	164	(441)	-	-	-	-

Province of the Eastern Cape: Mayibuye Transport Corporation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	20 686	10 361	19 621	12 659	15 226	13 831	12 854
Adjustments for:							
Depreciation	11 492	7 207	11 615	12 731	15 226	13 831	12 854
Interest	(248)	(65)	(123)	(72)	-	-	-
Net (profit) / loss on disposal of fixed assets	(10)	731	234	-	-	-	-
Other	9 452	2 488	7 895	-	-	-	-
Operating surplus / (deficit) before changes in wo	15 677	10 525	19 180	12 659	15 226	13 831	12 854
Changes in working capital	747	8 870	3 937	72	-	-	-
(Decrease) / increase in accounts payable	599	8 487	2 821	(424)	-	-	-
Decrease / (increase) in accounts receivable	186	77	921	72	-	-	-
(Decrease) / increase in provisions	(38)	306	195	424	-	-	-
Cash flow from operating activities	16 424	19 395	23 117	12 731	15 226	13 831	12 854
Transfers from government	51 500	45 710	55 271	68 773	102 088	93 741	98 053
Of which:							
Capital	8 500	9 860	10 000	5 000	28 000	8 741	9 143
Current	43 000	35 850	45 271	63 773	74 088	85 000	88 910
Cash flow from investing activities	(11 119)	(12 143)	(13 167)	-	(28 000)	(8 741)	(9 143)
Acquisition of Assets	(11 119)	(12 143)	(13 167)	-	(28 000)	(8 741)	(9 143)
Land							
Dwellings							
Non- Residential Buildings	(709)	(175)	(279)				
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	(247)	(527)	(730)		(727)		
Furniture and Office equipment	(236)	(6)	(101)		(180)		
Other Machinery and equipment	(4 067)	(7 739)	(7 358)				
Specialised military assets							
Transport Assets	(5 860)	(3 696)	(4 699)	-	(27 093)	(8 741)	(9 143)
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	-	-	-	-	-	-	-
Other 1							
Other 2							
Cash flow from financing activities	(3 669)	(7 962)	(11 615)	(12 731)	12 774	(5 090)	(3 711)
Deferred Income	(3 669)	(7 962)	(11 615)	(12 731)	(15 226)	(13 831)	(12 854)
Borrowing Activities							
Other					28 000	8 741	9 143
Net increase / (decrease) in cash and cash equival	1 636	(710)	(1 665)	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	33 287	52 375	62 156	56 422	73 651	64 685	58 068
Land							
Dwellings							
Non- Residential Buildings	4 622	4 737	4 950	4 882	4 814	4 746	4 678
Investment Property							
Other Structures (Infrastructure Assets)							
Mineral and Similar Non - Regenerative Resources							
Capital Work in Progress							
Heritage Assets							
Biological Assets							
Computer equipment	698	1 023	1 390	977	1 278	958	718
Furniture and Office equipment	632	560	574	487	567	482	410
Other Machinery and equipment	5 684	11 706	13 598	12 596	11 336	10 202	9 182
Specialised military assets							
Transport Assets	21 651	34 349	41 644	37 479.60	55 656	48 297	43 080
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	2 480	1 771	106	106	106	106	106
Bank	2 478	1 747	101	101	101	101	101
Cash on Hand	2	24	5	5	5	5	5
Other							
Receivables and Prepayments	492	415	99	99	99	99	99
Trade Receivables	50	-	-	-			
Other Receivables	442	415	99	99	99	99	99
Prepaid Expenses							
Accrued Income							
Inventory	1 134	1 471	867	867	867	867	867
Trade	1 134	1 471	867	867	867	867	867
Other							
Total Assets	37 393	56 032	63 228	57 494	74 723	65 757	59 140
Capital and Reserves	(3 886)	(3 461)	(3 902)	(3 902)	(3 902)	(3 902)	(3 902)
Share Capital and Premium	56 761	56 761	56 761	56 761	56 761	56 761	56 761
Accumulated Reserves	(55 638)	(60 386)	(60 222)	(60 663)	(60 663)	(60 663)	(60 663)
Surplus / (Deficit)	(5 009)	164	(441)	-	-	-	-
Other							
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							

Province of the Eastern Cape: Mayibuye Transport Corporation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	2 678	11 165	19 940	19 516	14 710	14 710	14 710
Trade Payables	2 397	10 884	19 940	19 516	14 710	14 710	14 710
Accrued Interest							
Other	281	281					
Deferred Income	35 849	45 270	43 657	37 923	59 958	50 992	44 375
Provisions	2 752	3 058	3 533	3 957	3 957	3 957	3 957
Leave pay provision	2 752	3 058	3 533	3 957	3 957	3 957	3 957
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							

Estimates for Public Entities Revenue and Expenditure 2013/14

Details of personnel numbers, compensation of employees and unit cost

A. Permanent and full-time-contract employees	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Personnel cost (R thousand)	31 021	35 165	41 315	43 626	49 603	54 563	60 020
Personnel numbers (head count)	190	191	208	261	261	261	261
Unit cost	163	184	199	167	190	209	230
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)	31 021	35 165	41 315	43 626	49 603	54 563	60 020
Personnel numbers (head count)	190	191	208	261	261	261	261
Unit cost	163	184	199	167	190	209	230
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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	11	11	13	13	13	13	13
Executive Management	5	6	5	6	6	6	6
Senior Management	5	4	3	5	5	5	5
Middle Management	8	8	8	21	21	21	21
Professionals							
Semi-skilled	54	44	12	139	139	139	139
Very low skilled	118	129	180	90	90	90	90
Total	201	202	221	274	274	274	274

Eastern Cape Provincial Arts and Culture Council

Strategic overview: 2009/10 – 2015/16

The Eastern Cape Provincial Arts and Culture Council (ECPACC) was established by means of Act of 2000 and is listed in the PFMA as a schedule 3C public entity of the Department of Sport, Recreation, Arts and Culture.

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

During the past few years, a number of crafters were assisted in marketing and subsequent selling of their craft. The 3 craft hubs strategically placed in Mthatha, Queenstown and Dimbaza served as service points for the display and selling for these craft works. The sales generated at the 3 craft hubs boosted the income and employment potential of the dominantly 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 crafters were afforded the opportunity to gain exposure through their participation in the 2010 FIFA Soccer World Cup extravaganza, thereby gaining economic benefits from the hosting of this event in South Africa.

Between 2009/10 to 2012/13, ECPACC successfully achieved the following goals:

- A hand-over ceremony was conducted whereby artists from 50 arts & culture projects from the Eastern Cape were awarded sewing machines and material to assist in tasks such as the creation of traditional clothes and accessories;
- An amount R1 million was spent on various artists performing at the National Arts festival; this platform is used to showcase Eastern Cape artists nationally and internationally;
- Approximately 250 arts & culture related projects were awarded annually to artists in the Eastern Cape;
- The formation of a partnership between ECPACC and the National Arts Council (NAC) that benefitted the EC artists and crafters during the period of the 2010 Soccer World Cup;
- Implementation of the pastel system 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 2010/11 year. One on the North End forced removals that occurred in East London in the early 60s and the other on Ukuthwala-Marriage by Abduction was developed;
- Bursaries were awarded to 120 students in the arts & culture faculties annually;

- Funded approximately 200 projects which represent 1 900 artists / performers in the province over the last MTEF period.

Over the MTEF period ECPACC will focus on the following key priority areas:

- 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 the ECPACC founding legislation to strategically guide the entity to achieve its mandate;
- Perform impact assessments for projects funded by ECPACC to ensure that development of artists is monitored and funding gaps in the arts and culture industry are identified.

Savings and cost effectiveness measures

Over the MTEF, 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 be utilized to fund training and development and craft exhibitions. An estimated cost saving will amount to R100 000 per annum.

The Eastern Cape Arts and Craft Hub and Amathole Craft Hub are currently renting premises from the service providers. The entity has approached the municipality about the provision of suitable accommodation for the hubs to ensure that the hubs are accessible to the crafters and to the general public. The municipality will be requested not to charge rent on the state owned premises while the project is still in its infancy stage, the craft activities would also 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 3 year audit cycle.

Selected performance indicators

Table 11.1: ECPACC annual performance

Indicators	Activity / Objective	Annual performance						
		Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
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	35	31	15	15	15
Number of district projects granted funding	Annual Report on district projects granted funding	246	276	250	200	200	150	150
Number of manuscripts published	Publication of manuscripts	1	1	5	5	5	5	5
Number of students studying arts related courses at tertiary level	Annual report on bursaries awarded to students	102	137	138	80	50	50	50

Details of Programmes / activities and objectives

ECPACC operates through the following 3 programmes:

Attainment of Excellence – the objective of the programme is to nurture and develop projects of excellence in the field of arts, craft, music, film, dance, language, publishing and other forms of art. It also strives to co-ordinate efforts in order to enhance the quality and output of the arts and craft in the province.

Support to Artists - the main aim of the programme is to identify and nurture community arts and culture individuals and groups in the various districts of the province. The purpose is to give them 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 or scholarships to deserving tertiary education students to pursue studies in arts and culture related courses and programmes.

Enterprise Development and Partnerships - the main objective of this programme is to implement an integrated arts development plan in order to maximize the economic benefits of the arts and culture. It also endeavours to prepare an economic case for arts and culture in the province and ensure linkages between arts and culture and other stakeholders.

Expenditure estimates

Table 11.2: ECPACC statement of financial performance

R'000							
Statement of financial performance							
	Audited			Estimated outcome	Medium-term estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue							
Non-tax revenue	355	615	321	719	783	852	835
Sale of goods and services other than capital assets	169	425	139	514	566	622	684
Of which:							
Admin fees							
Sales by market establishments							
Other sales	169	425	139	514	566	622	684
Fines penalties and forfeits							
Interest, dividends and rent on land	185	184	133	205	217	229	151
Other non-tax revenue	1	6	49	-	-	-	-
Transfers received	15 346	14 744	14 156	15 561	11 823	12 323	12 323
Sale of capital assets							
Total revenue	15 701	15 359	14 477	16 280	12 606	13 175	13 158
Expenses							
Current expense	15 346	14 906	15 511	16 281	12 606	13 175	13 159
Compensation of employees	2 750	3 794	4 277	4 576	4 865	5 152	5 440
Use of goods and services	12 013	10 477	10 545	10 980	6 956	7 173	6 937
Depreciation	216	230	220	255	269	283	157
Unauthorised expenditure	-	-	-				
Interest, dividends and rent on land	367	405	469	469	516	568	624
Interest	-	-	3				
Dividends	-	-	-				
Rent on land	367	405	466	469	516	568	624
Transfers and subsidies							
Total expenses	15 346	14 906	15 511	16 281	12 606	13 175	13 159
Surplus / (Deficit)	355	453	(1 034)	-	-	-	-

Table 11.3: ECPACC statement of financial position

R'000	Statement of financial position						
	Audited outcome			Revised estimate	Medium term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Carrying value of assets	968	866	665	697	613	540	468
<i>Of which:</i>							
<i>Opening balance</i>	770	740	646	618	534	461	389
<i>Acquisition of assets</i>	198	126	19	79	79	79	79
Investments	-	-	-	-	-	-	-
Inventory	263	204	235	204	204	204	204
Receivables and prepayments	345	258	253	145	116	93	47
Cash and cash equivalents	4,073	3,426	4,197	3,148	3,442	3,948	2,573
Other assets	-	-	-	-	-	-	-
Total assets	5,649	4,754	5,350	4,194	4,375	4,785	3,292
Share capital	-	-	-	-	-	-	-
Accumulated surplus / deficit	1,835	2,288	1,254	2,288	2,288	2,288	2,288
Other Reserves	-	-	-	(30)	451	995	-
Trade and other payables	3,521	1,427	2,050	940	640	506	506
Provisions	-	-	-	-	-	-	-
Liabilities not classified elsewhere	293	1,039	2,046	996	996	996	498
Deferred income	-	-	-	-	-	-	-
Total equity and liabilities	5,649	4,754	5,350	4,194	4,375	4,785	3,292

Expenditure trends

Expenditure relating to Compensation of Employees has increased by 66 per cent from 2009/10 to 2012/13 as 6 posts were filled during the period under consideration. A general salary increase of 7 per cent, per annum, has also contributed to the increase in Compensation of Employees. The gradual increase in Compensation of Employee's expenditure during the 2013/14 MTEF is projected to occur due to all funded posts being filled including the 6 vacant posts and the expected annual salary increase of 7 per cent over the MTEF.

A significant increase of 35 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. Goods and Services expenditure indicates a gradual decrease in 2013/14 of 11 per cent and an increase of 6 per cent in 2014/15. This trend is consistent to the Transfer received from the controlling department. As the focus of the entity will be to fill vacant posts, the expenditure on projects and hubs are to remain constant.

Personnel information

Table 11.4: ECPACC Personnel Information

Level / classification	Post status as at 31 December 2012			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		
				2009/10	2010/11	2011/12		2012/13	2013/14	2015/16
Executive management	1	1	0	1	1	1	1	1	1	1
Senior management	1	1	0	1	1	1	1	1	1	1
Middle management	6	5	1	4	5	5	5	5	5	5
Professional				2	4	2	2	2	2	2
Semi-skilled	12	6	6	3	4	4	4	4	4	4
Very low skilled	8	8	0	6	8	8	8	8	8	8
Total	28	21	7	17	23	21	21	21	21	21
Compensation (R'000)				2,750	3,794	4,277	2,288	4,865	5,152	5,440
Unit cost (R'000)				162	165	204	109	232	245	259

1. As at 30 September 2012

The ECPACC has an establishment of 28 posts, of which 21 posts are funded. As at 30 September 2012, all funded posts were filled and the entity is projecting to maintain the staff compliment of 21, over the 2013/14 MTEF.

Annexure: Detailed financial information

R thousand	Audited			Estimated outcome	Medium-term estimate		
Revenue							
Tax revenue							
Non-tax revenue	355	615	321	719	783	852	835
Sale of goods and services other than capital assets	169	425	139	514	566	622	684
Of which:							
Admin fees							
Sales by market establishments							
Other sales	169	425	139	514	566	622	684
Fines penalties and forfeits							
Interest, dividends and rent on land	185	184	133	205	217	229	151
Other non-tax revenue	1	6	49	-	-	-	-
Transfers received	15 346	14 744	14 156	15 561	11 823	12 323	12 323
Sale of capital assets							
Total revenue	15 701	15 359	14 477	16 280	12 606	13 175	13 158
Expenses							
Current expense	15 346	14 906	15 511	16 281	12 606	13 175	13 159
Compensation of employees	2 750	3 794	4 277	4 576	4 865	5 152	5 440
Use of goods and services	12 013	10 477	10 545	10 980	6 956	7 173	6 937
Depreciation	216	230	220	255	269	283	157
Unauthorised expenditure	-	-	-				
Interest, dividends and rent on land	367	405	469	469	516	568	624
Interest	-	-	3				
Dividends	-	-	-				
Rent on land	367	405	466	469	516	568	624
Transfers and subsidies							
Total expenses	15 346	14 906	15 511	16 281	12 606	13 175	13 159
Surplus / (Deficit)	355	453	(1 034)	-	-	-	-

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(93)	792	1 104	1 054	486	512	(995)
Adjustments for:							
Depreciation	216	230	220	255	269	283	157
Interest	(185)	(184)	(133)	(205)	217	229	(151)
Net (profit) / loss on disposal of fixed assets	-	-	3	-	-	-	-
Other	(124)	746	1 014	1 004	-	-	(1 001)
Operating surplus / (deficit) before changes in working capital	262	1 245	70	1 054	486	512	(995)
Changes in working capital	(334)	569	588	(2 083)	(329)	(157)	(452)
(Decrease) / increase in accounts payable	(146)	425	614	(2 160)	(300)	(134)	(498)
Decrease / (increase) in accounts receivable	(166)	86	5	108	(29)	(23)	47
(Decrease) / increase in inventory	(22)	58	(31)	(31)	-	-	-
Cash flow from operating activities	(72)	1 814	658	(1 029)	157	355	(1 447)
Transfers from government	15 346	14 744	14 156	15 561	11 823	12 323	12 323
Of which:							
Capital	-	-	-	-	-	-	-
Current	15 346	14 744	14 156	15 561	11 823	12 323	12 323
Cash flow from investing activities	(13)	58	114	(20)	138	150	72
Acquisition of Assets	(198)	(126)	(19)	(225)	(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	(31)	(32)	(9)	(82)	(32)	(32)	(32)
Furniture and Office equipment	(103)	(37)	(10)	(113)	(37)	(37)	(37)
Other Machinery and equipment							
Specialised military assets							
Transport Assets							
Computer Software	(64)	(57)		(30)	(10)	(10)	(10)
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	185	184	133	205	217	229	151
Other 1	185	184	133	205	217	229	151
Other 2							
Cash flow from financing activities	1 558	(2 519)	-	-	-	-	-
Deferred Income	1 558	(2 519)	-	-	-	-	-
Borrowing Activities							
Other							
Net increase / (decrease) in cash and cash equivalents	1 473	(647)	772	(1 049)	295	505	(1 375)

Province of the Eastern Cape: Eastern Cape Provincial Arts and Culture Council

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Audited			Estimated outcome	Medium-term estimate		
R thousand							
Balance Sheet Data							
Carrying Value of Assets	968	866	665	697	613	540	468
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	93	75	33	74	59	47	38
Furniture and Office equipment	474	430	356	382	343	309	272
Other Machinery and equipment	335	295	254	228	201	177	155
Specialised military assets							
Transport Assets							
Computer Software	66	66	22	14	10	7	3
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	4 073	3 426	4 197	3 148	3 442	3 948	2 573
Bank	4 073	3 426	4 197	3 148	3 442	3 948	2 573
Cash on Hand							
Other							
Receivables and Prepayments	345	258	253	145	116	93	47
Trade Receivables	319	227	214	145	116	93	47
Other Receivables	26	31	39	-	-	-	
Prepaid Expenses							
Accrued Income							
Inventory	263	204	235	204	204	204	204
Trade	263	204	235	204	204	204	204
Other							
Total Assets	5 649	4 754	5 350	4 194	4 375	4 785	3 292
Capital and Reserves	1 835	2 288	1 254	2 258	2 739	3 283	2 288
Share Capital and Premium							
Accumulated Reserves	1 480	1 835	2 288	2 288	2 288	2 288	2 288
Surplus / (Deficit)	355	453	(1 034)	(0)	(0)	0	-
Other	-	-		(30)	451	995	
Borrowings	-	-	-	-	-	-	-
Floating							
Current							
1<5 Years							
5<10 Years							
>10 Years							

Estimates for Public Entities Revenue and Expenditure 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Post Retirement Benefits	-	-	-	-	-	-	-
Present value of Funded obligations							
Unrecognised transitional liabilities							
Other							
Trade and Other Payables	3 521	1 427	2 050	940	640	506	506
Trade Payables	609	1 034	2 050	734	434	300	300
Accrued Interest							
Other	2 912	393	-	206	206	206	206
Deferred Income							
Provisions	-	-	-	-	-	-	-
Leave pay provision							
Other 1							
Other 2							
Other 3							
Other 4							
Funds Managed (e.g. Poverty Alleviation Fund)	293	1 039	2 046	996	996	996	498
Poverty Alleviation Fund	65	43	-	-	-	-	
Regional Development Fund							
Third Party Funds	228	996	2 046	996	996	996	498
Other 4							
Contingent Liabilities	-	-	-	-	-	-	-
Other 1							
Other 2							
Other 3							
Other 4							

Details of personnel numbers, compensation of employees and unit cost

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	2 750	3 794	4 277	4 576	4 865	5 152	5 440
Personnel numbers (head count)	17	23	21	21	21	21	21
Unit cost	162	165	204	218	232	245	259
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)	2 750	3 794	4 277	4 576	4 865	5 152	5 440
Personnel numbers (head count)	17	23	21	21	21	21	21
Unit cost	162	165	204	218	232	245	259
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.

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Details of personnel numbers according to salary level

Salary Level	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Board Members	10	6	4	4	4	4	4
Executive Management	1	1	1	1	1	1	1
Senior Management	1	1	1	1	1	1	1
Middle Management	4	5	5	5	5	5	5
Professionals	2	4	2	2	2	2	2
Semi-skilled	3	4	4	4	4	4	4
Very low skilled	6	8	8	8	8	8	8
Total	27	29	25	25	25	25	25