

# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

To be appropriated by vote in 2018/19	R 1 510 450 000
Responsible Executing Authority	MEC for Economic Development
Administering Department	Department of Economic Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To transform, modernise and re-industrialise the economy in Gauteng which leads to decent work, economic inclusion and equity.

#### Mission

The mission of the Department of Economic Development is to:

- Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy;
- Provide an enabling policy and legislative environment for equitable economic growth and development;
- Develop and implement programmes and projects that will:
  - Revitalise Gauteng's township economies;
  - Build new smart, green, knowledge-based economy and industries;
  - Ensure decent employment and inclusion in key economic sectors;
  - Facilitate radical economic transformation, modernisation and re-industrialisation;
  - Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities; and
  - Establish appropriate partnerships for delivery and ensure that DED effectively delivers on its mandate.

#### Strategic Goals

The strategic outcome oriented goals of DED are:

- Transform Gauteng's economy radically;
- Re-industrialise Gauteng's economy; and
- Capacitate the Department for efficient and effective delivery.

#### Core functions and responsibilities

- Revitalisation of township economies;
- Increase the participation of small, medium and micro enterprises (SMMEs) and cooperatives (coops) in the Province's mainstream economy;
- Support the growth and development of the 11 identified sectors (agro processing, automotive, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction, real estate, finance and mineral beneficiation);
- Provide research-based information to support planning, decision-making and optimal resource utilisation in respect of radical economic transformation and re-industrialisation interventions;
- Provide transversal, centralised and collaborative provincial strategic economic infrastructure projects;
- Facilitate trade and investment towards radical transformation, modernisation and re-industrialisation of Gauteng's economy;
- Promote and stimulate the demand for Gauteng as a destination of choice among domestic and international visitors (destination marketing, bidding, hosting and visitor services); and Promote the socio-economic development and competitiveness of Gauteng in targeted sectors through innovation

#### Main services

##### Enterprise Development

- Include SMMEs, township enterprises and cooperatives into the value of the 11 identified sectors;

- Build the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities; and
- Revitalise and modernise township economies.

#### **Regional and Local Economic Development**

- New, smart, green, knowledge-based economy and industries;
- Green technologies, processes and industries;
- Township economies; and
- Energy security and project management support.

#### **Trade and Investment Promotion**

- Attract domestic direct investment (DDI) and foreign direct investment (FDI);
- Increase trade, investment and export opportunities in Africa and globally; and
- Invest in strategic economic infrastructure.

#### **Sector Development**

- Support high-growth, competitive and labour-absorbing sectors;
- Support local manufacturing;
- Stimulate competitiveness and the transformation of identified sectors;
- Radically transform the energy sector;
- Revitalise and modernise old industries; and
- Support tourism and the creative industries.

#### **Liquor affairs**

- Effective governance and regulation of the liquor industry;
- Ensure ethical business practice and empowered stakeholders;
- Promote and maintain an effective and efficient regulatory system for the liquor industry;
- Maximise the benefits derived from the liquor industry and minimise its potential negative impact; and
- Generate revenue from the industry and the regulation services offered for socio-economic development of the Province.

#### **Consumer affairs**

- Ensure awareness of consumer rights through education and awareness programmes;
- Ensure consumer protection and compliance by business with applicable consumer legislation; and
- Provide secretarial support to the Consumer Affairs court.

#### **National Development plan (NDP)**

The NDP is the major blueprint for government and society at large. It aims to eradicate poverty and unemployment and build a national democratic society that is socially inclusive by 2030. The NDP gives birth to the Medium Term Strategic Framework which identifies significant actions to be prioritised in the first five years of the NDP. The NDP assumes that about 90 per cent of jobs in 2030 will be created through SMMEs. This presents an opportunity for Gauteng to create and develop productive and manufacturing skills to produce decent and sustainable jobs. The Department will continue its efforts to develop and increase Gauteng's Provincial Supplier Development database to enhance SMME participation in the economy so that they benefit from the 30 per cent set aside for township businesses. There will be a strong focus on products designated for township businesses (bakery, meat and milk products).

#### **Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR)**

GPG has adopted a 10 Pillar Programme to ensure radical socio-economic transformation of the Province. GDED supports the following seven TMR pillars:

- Pillar 1: Radical economic transformation;
- Pillar 2: Decisive spatial transformation;
- Pillar 4: Transformation of the state and governance;
- Pillar 5: Modernisation of the public service;
- Pillar 6: Modernisation of the economy;
- Pillar 9: Re-industrialisation of Gauteng; and
- Pillar 10: Taking the lead in Africa's new industrial revolution.

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

- National Tourism Act No. 24, 2014;
- National Tourism Sector Strategy 2011;
- Consumer Protection Act, 2008 ;
- Gauteng Tourism Act No. 3, 2006;

- Gauteng Enterprise Propeller Act, 2005;
- National Credit Act, 2005;
- National Environmental Management: Biodiversity Act, 2004;
- National Environmental Management: Protected Areas Act, 2003;
- Gauteng Liquor Act, 2003;
- National Protected Areas Act, 2003;
- Blue IQ Investment Holding Act, 2003;
- Gauteng Gambling Act, 1995, 1996, 2001;
- Engineering Professions Act, 2000;
- Promotion of Access to Information Act, 2000;
- Administration of Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Municipality Systems Act, 2000;
- Public Finance Management Act (PFMA), 1999;
- National Heritage Resource Act, 1999;
- Skills Development Act, 1998;
- Employment Equity Act, 1998;
- National Water Act, 1998;
- Convention Concerning the Protection of the World Cultural and Natural Heritage (adopted 1997);
- Intergovernmental Fiscal Relations Act, 1997;
- Extension of Security of Tenure Act, 1997;
- Gauteng Consumer Affairs (Unfair Business Practices) Act, 1996;
- Constitution of the Republic South African Act 108 of 1996;
- Restitution of Land Rights Act, 1994;
- Public Service Act, 1994;
- Business Act, 1991;
- Environment Conservation Act, 1989;
- Nature Conservation Ordinance, 1983;and
- Conservation of Agricultural Resources Act, 1983.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### PILLAR 1: Radical Economic Transformation

#### Sector and Industry

##### Manufacturing

The Gauteng Tooling Initiative (GTI) is a dedicated development initiative of the GDED in response to Radical Transformation, Modernisation, and Re-industrialisation (TMR). The key focus area of the GTI is firm-level interventions targeting 20 manufacturing SMMEs to arrest the de-industrialisation. Also targeted are: the re-industrialisation, facilitation of three manufacturing cluster development across the GCR Economic Development Plan corridors; customisation of the manufacturing sector skills development and supporting the catalyst programmes such as Black Industrialist; Automotive Industry Development Centre (AIDC) AIDC; and the West Rand Manufacturing Economic Development Plan. Gauteng Tooling Manufacturing Initiative (GTMI) has been positioned as a solid technical manufacturing expertise to support the emerging manufacturing SMMEs, labour absorption and upscaling the localisation in the manufacturing value chain across the Gauteng City Region.

For the period under review 11 SMMEs were supported through enterprise development programme across various manufacturing sectors, namely the Mining, Automotive, Fabricated Metals, Machinery and Equipment and Construction. Since its inception, over 70 companies have benefitted from the initiative.

##### Tertiary Services

The Gauteng Township Stock Exchange (GTSE) Project has been identified as a platform where SMMEs and Township Enterprises (TEs) could access finance, with the objective of stimulating and improving economic growth of the SMMEs and TEs by developing and exploiting innovative capital markets. The South African Financial Exchange (SAFE) has been appointed as a strategic partner of GDED in establishing the GTSE. During the period under review the Department's key emphasis was on issuing adverts with the aim of attracting and informing the different stakeholders (SMMEs and investors) about the project and its products, conducting roadshows to create a platform to educate and interact with potential SMMEs, investors and other stakeholders about Over The Counter (OTC) and GTSE operations and prerequisites to participate on both platforms and shortlist 25 SMMEs to be listed on the Over The Counter platform.

To date the following have been achieved for the GTSE:

- Hosted a Financial Securities Services Seminar with the objective of exploring private and public initiatives of stimulating economic growth and deliberate feasible solutions in capital markets to be considered for SMMEs and Township Enterprise funding;
- Developed a GTSE framework based on the outcome of the study (GTSE Feasible);
- Developed a project plan for the GTSE;
- Issued an Expression of Interest (EOI) inviting the private sector to express their interest in designing and implementing the project;
- Appointed a partner based on the recommendations of the DD;
- Formulated and signed the Memorandum of Agreement (MOA) with the partner; and
- Formulated the Service Level Agreement (SLA) between GDED and SAFE.

The GDED is envisaged in establishing a Gauteng State-Owned Bank (GSOB). The bank will correct market failures and provide resources to the underserved or high-priority sectors of the economy, thus facilitating equitable economic growth. The key focus areas are to appoint a service provider to perform a risk and review assessments on all possible risks and returns on establishing a State-Owned Provincial Bank, works hopping the results of the assessments with all the key relevant stakeholders, gathering constructive inputs that will ensure effective and efficient deliverance of the project.

Progress to date for the GSOB includes the following:

- The Gauteng Department of Economic Development (GDED) commissioned a study in June 2015. The objective of the study was to conduct a “feasibility study” to assess the feasibility of Gauteng establishing a state owned-bank (SOB).
- The study was completed in 2016 and presented to Executive Council (EXCO), and EXCO resolved that the Economic cluster should critically analyse the outcomes of the study with the objective of strengthening the study to bring it to a post-feasibility level that will assist the Province in making its decision towards developing the bank.
- GDED initiated the Request for Information (RFI) process for the establishment of Gauteng State-Owned Bank. The RFI was advertised and six RFI submissions were received.
- Following the outcome of the RFI process the GDED issued an RFQ to appoint a service provider to strengthen the feasibility study. The RFQ was issued and a total of five bids were received.
- A service provider has been appointed for the risk and review assessment of the feasibility study. The service provider commenced with the risk and review of the GSOB on 24 January 2017.

The Business Process Services (BPS) sector has been identified as one of the priority sectors to be developed in the Industrial Policy Action Plan 2016-2017-2018-2019. The industry presents an opportunity for sustainable job creation and skills development within the townships. During the period under review, the GDED partnered with a call centre company (one of the biggest BPS Service Providers) and the priority is to recruit, train and place previously disadvantaged, unskilled, unemployed youth in Soweto. The GDED will also attract investment opportunities to locate BPS satellite offices in all five corridors. The Call Centre Industry (CCI) Company as a strategic partner to GDED will be locating BPS satellite office within the Soweto Township. The CCI Company anticipates creating over 300 decent, beneficial and sustainable jobs in Soweto to accelerate inclusive youth employment during this agreement.

### Primary Resources

The Township Furniture Manufacturing project is an intervention aimed at promoting radical economic Transformation, The Township Furniture Manufacturing Project is an intervention aimed at promoting radical Economic Transformation, Modernisation and Re-Industrialisation (TMR). The key focus of the Township Furniture Manufacturing Project (during 2017/18 financial year) is targeting enterprise training, support and business development through the FURNTECH incubation and cluster or hub enterprise solutions. The 45 SMMEs and cooperatives will be spread across the five corridors of the Gauteng City Region Economic Development Plan (GCR EDP).

The objective of this intervention is to create an enabling macro-environment for the development of sustainable, productive, competitive and fast-growing black-owned furniture manufacturing enterprises to enhance the competitiveness of the industry in local, regional and global markets. The programme supports the DTI Industrial Policy Action Plan (IPAP) designation of the domestic furniture sector as a critical sector in addressing unemployment, poverty and inequality owing to its labour absorption capabilities. To date no major developments have occurred as the Gauteng Enterprise Propeller (GEP) is yet to finalise the appointment of the service provider who will do the training and development of furniture manufacturers.

Mining is still an important economic sector in the West Rand in terms of both production and employment and its influence in the economy of Gauteng, in particular that of the West Rand, will still be felt for years to come. Therefore, it is critical that the mining sector be used as a catalyst for developing other economic activities within the region.

Currently there are several mining activities, dormant mines and exploited mining deposits evident in the West Rand. However, in most cases between 5 and 40 per cent of mined metal is lost to waste lying in old mining dumps because mining waste is usually dumped rather than treated or recycled.

The Department seeks to incubate 50 businesses towards the creation of 600 jobs in the mining sector over a period of three years. To date engagements with the mining house Shanduka have been held to facilitate the incubation programme.

### **Economic Planning**

Economic planning (EP) continues to provide thought leadership to inform the transformation and re-industrialisation agenda for the Gauteng City Region economy through:

- On-going tracking of both global and local economic developments and their likely impact on the Gauteng economy;
- Development of evidence-based macro-policies and strategies; and
- Coordination of employment and youth programmes.
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The current efforts are focused on updating the tool to allow timely access to information. Like the barometer, the intelligence reports also focus on provision of information for decision-making. EP has initiated township surveys to understand the dynamics of township business communities in Gauteng. To this effect, enterprise surveys have been rolled out in Duduza, Kwa-Thema, and Tsakane, Tembisa and Toekomsrus between the financial years 2016/17 and 2017/18.

For 2017/18, the focus was on the review of the Gauteng SMME and Cooperative strategies given that SMMEs and cooperatives are at the centre of the Gauteng's provincial township revitalisation agenda. EP has commenced monitoring the implementation of the Gauteng City Region Economic Development Plan.

EP continued to facilitate the job creation tracking and reporting for the provincial government. Monthly reports were consolidated to reflect on the jobs created by the Province and EP works together with the Econometric Modelling Programme to enhance the technical aspect of impact assessment studies.

### **Inclusive Economy**

The Inclusive Economy remains an anchor regarding monitoring and implementation of programmes with transformative intent and bias. All programmes are implemented with the two main strategic guidelines [i.e. BBBEE Strategy and Township Economy Revitalisation]. Most of the Gauteng population still lives in townships or communities confined to the periphery both socially and economically by apartheid policies. Although these policies ceased to exist post 1994, their impact has permeated every aspect of the society which includes entrepreneurship. Most township entrepreneurs still struggle to access information to enter the market successfully.

Inclusive Economy continues to conduct economic opportunities workshops wherein enterprises were informed about the public procurement opportunities, especially regarding basic compliance to the tendering processes. Moreover, enterprises were also linked to the funding opportunities through the government agencies [i.e. GEP and IDC]. At the project level, a TER intergovernmental Working Committee is convened monthly to track project implementation progress in line with the TER strategy.

Programmes being implemented to create a conducive environment for viable township enterprises include Cooperative Banks Growth and Modernisation Programme and consumer cooperatives. The Department continues to assist registered and non-registered Cooperative Financial Institutions (CFIs) through technical training and workshops as well as coaching and mentoring. In the current 2017/18 financial year, three CFIs are being mentored to ensure sustainable and self-sufficiency. Regarding consumer cooperatives, four have been established to date and the Department is providing hands-on support focusing on community activations, stimulating market access for locally produced goods as well as collaborating with international experts as a way of establishing networks with local cooperatives.

### **Gauteng Enterprise Propeller (GEP)**

In the 2017/18 financial year GEP's focus remained on the provision of financial and non-financial support to SMMEs and cooperatives in key sectors such as manufacturing, agriculture, services and retail, ICT and agro processing. Interventions included financial support, training and mentorship, access to markets, productive and technical skills development opportunities and the provision of support aimed at enhancing the investment. A total of 2 652 SMMEs and 562 cooperatives benefitted from these interventions. The rand value of financial support to be provided to SMMEs and co-ops by the end of 2017/18 is approximately R60 million. The Agency's contribution towards the implementation of the Gauteng Informal Business Upliftment Strategy has resulted in 797 township-based informal businesses having benefited non-financially through business development support interventions aimed at formalising their businesses. The support provided to township businesses would ensure that GEP continues to broaden its reach to previously underserved regions, thus increasing their economic output and job creation potential.

### **Gauteng Tourism Authority (GTA)**

The role of the GTA is to implement projects aimed at marketing Gauteng as a destination for growing visitor economy, by deliberating on the following objectives:

- Provide a wide-range of world-class, customer-focused and vibrant visitor experiences located throughout the Province which appeal to the diverse needs of increasing numbers of overseas, African and domestic visitors;

- Being a destination of choice for global, regional, national and local events;
- Partnering with public, private and communities to achieve goals;
- Focusing on sustaining and creating temporary jobs through a (continued) growing contribution to the provincial economy; and
- Contributing to transforming the industry sectors that act responsibly for the benefit of the economy, environment, employees, communities and society.

The GTA implements its mandate through three core programmes, namely, Destination Marketing Communications, Bidding and Hosting (Gauteng Convention Bureau) and, Leisure, Trade and Visitor Services. The three programmes share a purpose, i.e. to promote destination Gauteng. Destination Marketing Communications promote destination Gauteng through media, digital, and branding. Bidding and Hosting supports events and it is through the supported events the GTA leveraged for promotional activities aimed at promoting destination Gauteng. Leisure, trade and visitor services implement promotional projects at domestic and international platforms and provide information required by the tourists, including implementation of safety programmes.

Some of the projects that the GTA implement cut across different units, nonetheless, the GTA's 2017/18 APP focused on the following projects:

Some of the projects that the GTA implements cut across different units, nonetheless, the GTA's 2017/18 APP focused on the following projects:

SMMEs support – to promote township SMMEs tourism products. The Agency assists township SMMEs to promote their products through the GTA's digital system and showcase their products in events and exhibitions that the GTA supports.

Destination promotion activities – to stimulate tourism demand, the Agency promote destination Gauteng through social networks, the GTA website, Gauteng Travel Guide App, branding materials, and strategic partnership with media as marketing channels for telling a story about different Gauteng products and experiences at local and international platforms. The Agency leverages on exhibitions, including events, and other platforms to promote Gauteng at domestic and international markets. Visitor information services also play role in promoting destination marketing through roadshows, exhibitions, and visitor information services.

Tourism safety - the agency works with strategic partners to implement tourism-safety programmes.

Events support – aimed at stimulating tourism demand, the agency implements events support programme by working with strategic partners to secure events in implementing the Gauteng Events Strategy thus generating economic benefit, such as rand value, jobs, etc.

SMMEs support - through Gauteng Convention Bureau, the Agency identifies and collaborates with strategic partners to bid for, and support in, hosting international, regional, local, community, and township events, and leverages on the supported events to promote destination Gauteng. Within the broader scope of the event support programme, the Agency implement township events by collaborating with event's organisers. The agency uses events as a leverage platform for tourism attraction, community activations and for job creation opportunities. Adding to events support, the Agency implements leisure and trade projects to promote destination Gauteng at domestic and international platforms through exhibitions and events.

The GTA has signed three memorandum of agreements with strategic partners, i.e., Airlift Strategy-ACSA (Airports Company of South Africa), N12, and Lanseria Airport. This provides the GTA with opportunities to engage with organisations that play a central role in the industry. For example, the signing of the Airlift Strategy Agreement paves the way for increasing visitor's number through direct flights into the Province and the expansion of existing routes. The N12 memo is signed with N12 Association to promote and develop businesses along the N12 route and to include marginalised communities in the development of the route. Through the relationship with Lanseria, the GTA will be opening a visitor centre to serve tourist with relevant information.

Six media partnerships were implemented where the target was nine. Despite the failure to achieve cumulative the Quarter 3 target, the GTA overachieved in hosting key influencers and journalist. Media familiarisation tours and hosting of key influencers and journalists are strategic activities as these contribute towards implementing the mandate of the organisation. The GTA works with media for to generate content and key influencers to promote products and experiences, by telling stories about products and experiences in Gauteng.

The GTA overshot the cumulative targets of the digital marketing and brand awareness programme as follows: 34 digital marketing projects against a target of nine and 23 brand awareness projects against a target of 15. The GTA leverages on events that the Agency support to implement these projects. The overachievement can be attributed to the success in supporting events. Digital marketing appears to be the future in destination marketing as people use websites and social media to perform research. Branding, whether on a physical space or on digital, plays a significant role in portraying the destination brand values.

The GTA supported 16 signature, regional and township events in which five were regional events namely Sedibeng Summer Cup; Spring Jump-Off, Township Music Legends; Makhelwane Festival.

Forty-four Meetings, incentives, conferences and event (MICE) events were supported, which was the targeted number. The events generate rand value, jobs, and give platform to the SMMEs to showcase their products and experiences. The preliminary report shows that R2.2 billion and 13 766 jobs were generated, with more than 50 SMMEs supported through event. Out of the jobs generated, 4 106 were youth and 3 012 women.

Through Leisure Projects, destination Gauteng was promoted to a total of seven African markets, namely Mozambique, Zambia, Swaziland, Angola, Malawi, Tanzania and Zimbabwe and the promotion was seen by a total of 14 932 people in those countries. The Agency succeeded to promote destination Gauteng to two BRICS market, namely, India and Brazil as well as other key international source markets such as the Netherlands, France, Switzerland, London, Italy, Australia and other countries. The initial approach is that these projects are implemented through international exhibitions and events at different source markets where the GTA participates.

Owing to budget cuts during the beginning of the financial year, the GTA could not meet the set targets as planned, which resulted in the revision on the annual targets. The projects above are the core businesses of the organisation. For the organisation to ensure that the programme proceeds, as a result, the GTA subscribed to the giant international social network, to assist the Agency in promoting destination Gauteng. Furthermore, the Agency uses partnership with DIRCO to promote destination Gauteng on behalf of the Agency. However, this implementation approach does not give the GTA opportunities to establish partnerships from different source markets. Through Leisure, ninety-seven SMMEs were given market platforms to showcase their products against the target of 80.

Through visitor services projects, the GTA hosted/participated in 39 tourism information-sharing workshops/exhibitions/roadshows against the target of 44. The Agency managed to handle 100 per cent of the reported tourists' incidents.

#### **Gauteng Growth and Development Agency (GGDA)**

##### **Automotive Industry Development Centre (AIDC) skills development and training programme**

The Supplier Park Development Company (SPDC) trading as AIDC was established to support the automotive industry in Gauteng through the provision of economic infrastructure and sector development interventions. The Automotive Supplier Park (ASP), the Winterveldt Enterprise Hub, the incubation centres in Silverton and Rosslyn, the Gauteng Automotive Learning Centre (GALC) and the Incubation Centres in Silverton and Rosslyn are some of the infrastructure projects developed. A total of 1 701 people were trained during the three quarters of 2017/18.

##### **AIDC Supplier Efficiency Programme**

The objective of this programme is to improve the competitiveness of companies in the Gauteng automotive component industry and related industries to enable them to participate at an international supply chain level. The programme is aimed at addressing key issues of quality, cost reduction, productivity improvement and manufacturing/supply stability. A total of 25 companies were enrolled in the programme during the period under review and 25 gap analyses for these companies were completed.

##### **Winterveldt Enterprise Hub (WEH)**

The aim of project is to train and mentor SMMEs from the Winterveldt area to enable them to grow their businesses into entities that possess the required accreditations. The facility lost approximately over 180 production days during 2017/18 financial year from the numerous operational disturbances and shut-downs caused by community unrests which may result in the planned target of 100 vehicles not be met at year-end.

The new SMMEs recruitment was initiated during the second quarter specifically targeting those residing in ward 19. Five SMMEs have expressed interest and have signed agreements to return to the Hub during the last quarter of the financial year. Regular engagements with key stakeholders such as the local community in Winterveldt, political structure, civic organisations in the area are ongoing to improve cohesion and facilitate a structured partnership.

##### **The Innovation Hub (TIH)**

The TIH was established with a view to enhance the development of smart industries (high-technology sectors) in Gauteng. The primary sectors for TIH are information and communications technology, biosciences and green economy (renewable energy and low-carbon-economy technologies). A secondary sector is industrials, which addresses innovations falling outside the primary sectors.

TIHMC Enterprise Development programmes consist of incubation programmes, the Maxum Incubator, the Climate Innovation Centre (CIC) and mLab. These programmes offer incubation support to entrepreneurs to develop sustainable businesses. The short-term outcome expected from these programmes is the increased number of commercialised innovations within TIHMC's targeted sectors, with the intent to enable the entrepreneurs to form sustainable businesses that create knowledge-based jobs.

### Commercialisations

During the period under review the incubation programmes were offered support to attain sustainable and high-growth enterprises. A total of 56 companies were provided with commercialisation support (i.e. with investment readiness, access to market, among others) where these companies managed to sell their products locally and outside the South African borders. These companies were assisted with training for investment readiness, linkages and networks.

### Exported technologies

At the end of the reporting period, a BioPark company exported its products to the Lesotho market to the value of R2.3 million. Another company successfully exported its products (audiometers) to Mozambique, the United States of America, New Zealand and Hong Kong. These exports amounted to a value of R296 000.

### Graduations

A total of 6 companies demonstrated sustainable cash flow in the past six months and were graduated from Maxum Core incubation.

### Open Innovation pilot projects

The Open Innovation Solutions Exchange Platform is TIHMC's initiative to engage the open innovation market to find solutions for challenges posed by regional innovation seekers (government, academia, large and small business and community), as well as provide a window for innovations looking for markets. The programme is leading a growing movement that delivers tangible solutions to real challenges posted by solution seekers in government and the private sectors and connects leading researchers and entrepreneurs with new opportunities to commercialise their innovations. Contracting for five pilot projects were concluded by the end of the reporting period. The pilots in question are:

- Innovations around the utilization of the Braamfontein Spruit area: Johannesburg City Parks and Zoo.
- Innovations around the utilization or eradication of alien invasive plant species: Johannesburg City Parks and Zoo.
- Green energy, water, sanitation and building technologies – Gauteng Department of Infrastructure Development.
- Novel approaches for the analysis of the composition of spent foundry sand for potential regeneration: Department of Science and Technology & National Foundry Technology Network

CSIR was contracted in March 2017 for a pilot project entitled "ColiSpot Early Warning System", a low cost, user-friendly, early warning system for E. coli and faecal coliforms in water/effluent sources. The pilot project was executed in collaboration with the City of Tshwane and piloted at the Daspoort Waste Water Treatment Works. The primary objective of the pilot project was to illustrate that the ColiSpot system addresses the shortcomings of conventional methods and the more recent Colilert method.

### EkasiLabs

The eKasi Labs Programme is TIHMC's vehicle to promote the culture of innovation and entrepreneurship in the townships in line with Township Economy Revitalisation (TER) economic policies of the Gauteng Provincial Government. The Programme is focused on new innovative output as well as innovative entrepreneurship in these communities through business incubation. The programme is aimed at increasing entrepreneurial outputs in the township in terms of the number of new township-based entrepreneurs and new innovative products and services coming from the townships. During the financial year 2017/18 eKasi Labs expanded its operations to three more sites bringing to a total of 10 sites in the five corridors of Gauteng. A total of 96 start-ups were recruited across the various labs.

### Skills Development

#### CoachLab

This is Leadership Development Programme for ICT post-graduates aimed at bridging the gap between academia and the demands of industry. The objective of CoachLab is to instil the business principles and the value of innovative and entrepreneurial thinking among the participating post-graduate students through mentorship by programme partners. The curriculum includes personal, leadership and professional development. The participants of the leadership development programme were introduced to the project-based learning where the focus is on exposure and the application of project management principles in a real-time project environment.

TIHMC and SITA signed a MoA in support of the CoachLab Programme for the development and empowerment of the youth to the value of R15 million over the next three years. These programmes are aimed at developing unique and scarce skills to bridge the gap between academia and the business world. The recruited ICT students will develop cost-effective solutions to existing challenges within government Departments and municipalities:

- Leadership Development Programme targeted at postgraduate students – NQF 7;
- ICT Innovation; and
- Research and development.

### Industry Exposure Internship Programmes

The programme is aimed at unemployed graduates who require experience to enhance their acquired knowledge or wish to improve their current skills. This programme is based on a methodology rooted over a decade of experience and designed to deliver work-ready individuals who can support industry in providing high-quality exposure, while affording graduates meaningful experience to make the graduates more marketable and employable. The internship programmes are offered over a 12-month duration and are designed to deliver work-ready individuals who can support host employers in providing high-quality exposure.

By the end of the reporting period, a total number of 160 youth were exposed to the workplace development skills (these include amongst others; business principles and innovative and entrepreneurial thinking). Of these, 100 were recruited on the CodeTribe Programme and 18 from CoachLab. MLab Southern Africa upped the skills of unemployed graduates and youth in Android coding and SCRUM agile methodologies as well as provided digital start-up support through its business accelerator programme.

### Nissan Incubation Centre

The AIDC Nissan simulator located at Nissan SA is being operationalised, with the recruitment of incubates, operator staff and the installation of the required production equipment. The physical layout of the Incubation facility has been finalised and production equipment has been specified for the pre-incubation phase. Procurement and installation of the equipment was initiated in quarter one of the 2017/18 financial year. Layouts for the first two commodities were finalised, i.e. these two companies will be responsible for trim kitting and logistics and the other will manufacture bumpers. A total of eight incubates were appointed at the end of the previous financial year of which six will move into full incubation. Ten people were trained.

### Bio Park Facility Project

The Bio Park Facility Park facility was established as an incubation centre for SMMEs and small manufacturers in the pharmaceutical and bio-chemicals industries. The aim of the Biosciences Park is to provide a nurturing environment for biotechnology start-ups to develop, thrive and eventually become important commercial players and contribute to economic growth. The establishment of the second phase of the facility was initiated in the 2015/16 financial year.

### Industrial Development Zone (IDZ)

The Gauteng IDZ's work is focused on the development of "phase 1" of its programme and the identification of opportunities that can be considered for expansion of its programme ("expansion phase"). Implementation of both the phases is underway, with phase 1 being at the infrastructure development and investor attraction stages. The expansion phase is at the investigative stage where a feasibility of other export-driven subsectors of the economy that have catalytic impact and can utilise both air and land freight in their operating model are being undertaken. Furthermore, the expansion phase focuses on the identification of opportunities within the air freight value chain as well as those with linkages to the Aerotropolis Development Framework developed for the Eastern Corridor of the Province.

### JMP Bulk Infrastructure

The Gauteng IDZ is presently developing, a Jewellery Manufacturing Precinct (JMP) on land identified for such purposes within the OR Tambo International IDZ. Bulk infrastructure construction for greenfield development reached 97 per cent completion by the end of the second quarter. The status as end quarter 3 of 2017/18 is still 97 per cent as the contractor repudiated/terminated.

### Industrial Parks

The Township Enterprise Hub programme is a turnkey solution to address the objectives of the Township Economies Revitalization Strategy. The aim of the proposed refurbishment programme is to enhance the effectiveness of the SMMEs role in growing the township economy. During the 2017/18 FY, the implementation of the TER programme has been allocated a budget of R52.5 million wherein 5 state owned industrial parks are to be refurbished across the development corridors.

The procurement process was completed by end of the second quarter with an award of four of the five sites issued during quarter three. The Alex ICT site was abandoned owing to the community rejecting the initiative. Other sites are:

- Pennyville phase 2 (Central corridor) – 10 per cent refurbishment completed;
- Khutsong industrial park (Western corridor) – 37 per cent refurbishment completed;
- Vosloorus phase 2 (Eastern corridor) – 45 per cent refurbishment completed; and
- Chamdor training centre (Western corridor) – 45 per cent refurbishment completed.

### Trade and Investment Facilitation

#### Foreign Direct Investment (FDI)

The annual target for FDI for 2017-18 has increased by R500 million from the previous year and now stands at R2.5 billion. During the period under review, one FDI project was successfully concluded and an investment of R528 million was made in the Province. The phase of investment was for the expansion of their assembly factory in Springs. The company assembles

semi-knockdown minibuses and offers low-cost rentals to taxi operators. In addition, an amount R183 million was paid and recognised during quarter 3.

### **Domestic Direct Investment (DDI)**

In terms of Domestic Direct Investment facilitation, the annual target has also been increased by R500 million to R1.5 billion for 2017-18. An amount of R198 million was invested.

### **Gauteng Investment Centre**

The Gauteng Investment Centre (GIC) is successful in promoting its offerings to the attention of the various foreign agencies and embassies that seek to work closely with the GGDA specially to create access for businesses originating from their countries keen on doing business in the Province. By the end of the reporting period, a total of 2 161 clients made use of the services at the GIC. Of these approximately 2 013 queries were lodged and resolved.

### **Gauteng Infrastructure Investment Conference**

The GGDA and the Gauteng Provincial Government hosted the second Gauteng Infrastructure Investment Conference (GIIC), in July 2017. The GIIC brought together the private sector and government, to share information on the Gauteng City Region Infrastructure needs and plans for the next 15 years. It also showcased current and planned infrastructure plans and capabilities in the Gauteng City Region, while serving as a platform for investors to explore investment opportunities in our Provincial Infrastructure Master Plan, 2030.

### **Trade facilitation and Export Development**

The strategic focus of the unit is to assist Gauteng companies to globalise through trade and export activities. The unit's objective is to assist companies with access into new markets and training to be export ready. The unit's 2017/18 performance targets of R400 million will be realised through facilitation of projects in both established and emerging exporters as the way to entrenching developmental and transformation in the Province. To date an amount of R49 million worth of trade has been facilitated.

The unit has identified five specific areas through which this will be achieved:

- Local buyers programmes;
- International expos and outward trade missions;
- Company-specific projects seeking Gauteng interventions; and
- Expansions into Africa by Gauteng-based companies.

### **Export Development**

The Unit's Export Development's objective is to diversify the export basket and introduce new companies to exporting. For 2017/18 target is 240 companies to be trained.

Export development training took place and 247 companies were successfully enrolled and trained during a three-day training programme. The focus of the workshop was on: export to United State of America (USA) using African Growth and Opportunity Act (AGOA), participating and applying for Global Exporter Passport Programme, applying for Department of Trade and Industry (DTI) National Pavilions, missions and ITIs, the dti's incentive schemes Export Marketing & Investment Assistance Scheme (EMIA), export preparation and readiness. The programmes were hosted in two metros starting with Ekurhuleni and Johannesburg. The remainder will be done in the remaining metros and districts in the next quarter.

### **Consumer Affairs (CA)**

The aim of this sub-programme is to increase the level of consumer protection and improve consumer awareness through relevant programmes. The main campaigns for this year (2017/18) are focused on small businesses, the Elderly, Youth, Women's Month, and Disability Month. The total number of workshops and outreach events conducted for 2017/18 is 325, and a total of four television (Speak Out) and 27 radio interviews were held.

For the period under review, the Department conducted three campaigns: Spend Wisely Campaign, Second Hand Motor Industry Compliance Monitoring Campaign and the Borrow Wisely Campaign. These campaigns were conducted in partnership with other Regulatory Authorities and the National Consumer Commission. Consumer Affairs also participated in the GPG Transversal-Financial Literacy Project and received requests to host sessions of the School Olympiads Competition, ConHill Debating Competition, Ntirhisano Outreach events and the Qondisishishini Lakho campaign.

### **Gauteng Liquor Board (GLB)**

Gauteng Liquor Board is mandated to create a seamless business regulation and good governance environment that promotes ethical conduct, transforms the liquor industry, realises sustainable revenue generation and contributes towards radical economic pillar. The Entity is currently finalising and implementing projects for records management and the automation system for the Gauteng Liquor Board business processes.

Progress has been made in the Automation Project, the Gauteng Liquor Board automated system. It was launched in October 2017 with the training of critical users and testing for functionality and monitoring challenges associated with the system roll-

out. The Records Management Project is in progress, files are being scanned onto Livelink, and the project is intended to automate GLB's records management system. The Physical Verification of Licences Project has been rolled out. The West Rand Region was used as a pilot. Since then the project has been rolled out to Tshwane and will soon cover the remaining regions (Sedibeng, Johannesburg and Ekurhuleni). The project was initiated to consolidate the statistics of liquor premises within Gauteng, both licenced, to enhance the credibility of the database, improve the regulatory and compliance function, improve on revenue collection potential and to create a provincial baseline for the liquor premises in Gauteng.

A total of approximately R47 million revenue has been collected by GLB, in relation to liquor regulation processes cumulatively this financial year (2017/18). The entity is implementing its revenue management strategies to enhance its revenue-collection potential. A total number of 1 946 liquor applications have been received while 1 052 were approved. Moreover, regarding inspections, the Gauteng Liquor Board has conducted 1 357 pre-inspections and 1 507 compliance inspections. A total of 143 liquor awareness activities have been conducted and two media-based awareness activities.

#### **Cradle of Humankind World Heritage Site (COHWHS)**

The COHWHS has continued to focus on the management of the fossil deposits and fossil sites that are found within the demarcated core area of the site through regular inspections undertaken with the South African Heritage Resources Agency (SAHRA). These inspections were completed in the current financial year. The entity also continues with its water-monitoring programme and ensures compliance and enforcement initiatives in terms of land-use development to address land fragmentation within COHWHS environment through consultations with the Department of Environmental Affairs (DEA). This is to ensure that there is no threat to the Outstanding Universal Value (OUV) of the site, the site is well managed and protected for future generations. State of Conservation reports are submitted periodically to UNESCO as and when requested.

The 13 reports emanating from the second round of inspections are anticipated to be finalised and submitted to the South African Heritage Resources Agency in March 2018. The inspection of the fossil sites is a critical aspect of the work of the Management Authority for the site. In relation to the monitoring of the water resources in the COHWHS, an open tender process was undertaken and the Council for Scientific and Industrial Research (CSIR) have been appointed to undertake this important and critical work for the site over the next three years.

Regarding the sponsored schools programme, the project for the current financial year has just been completed, which identified 2 000 learners from underprivileged schools being sponsored to visit the COHWHS Official Visitor Centres of Maropeng and Sterkfontein Caves. The visitor centres are an important resource for teachers and learners alike as fossil studies and evolution is part of the National Curriculum. The learners have begun to understand the importance of World Heritage management through these excursions. Increase in visitation to Maropeng has improved substantially in the current financial year primarily because of management efficiencies being implemented as well as new exhibitions on offer.

There are numerous other projects being implemented in the World Heritage site ranging from implementation of an extension to the already constructed mountain bike trail, the maintenance thereof as well as numerous infrastructure projects being implemented at Maropeng, the official visitor centre in the COHWHS. The Human Impact picnic site has been completed as one of the new offerings at Maropeng.

The finalisation of the appointment of the Management Authority for the COHWHS in December 2017 - the MEC GDED - has meant that a greater focus will be given by the team managing the site to take the project forward considering this important appointment. A first round of stakeholder engagements has already taken place and more are planned in March 2018 to give impetus to this all-important appointment.

#### **Dinokeng Project**

The Dinokeng Project has provided non-financial support to 20 SMMEs and nine cooperatives. Various training schedules were undertaken with all the SMMEs and cooperatives. In addition, the appointed service providers, having conducted an operational assessment and developed Standard Operational Procedures for each SMME as part of the interventions planned, has completed this assignment and is giving feedback to each SMME and identifying areas of gaps and areas of strength.

Moreover, the Dinokeng Project identified two community-based project (the Beeline and the Laundromat projects) for support in the area. Feasibility studies are being conducted to determine their viability

#### **A skilled and capable workforce to support inclusive growth path**

A partnership with GaRankuwa Hotel School was reached to provide training to 50 members of the community in Dinokeng. The target is anticipated to be achieved before the end of the current financial year.

#### **Visitor experience: Information improvement**

Four Tourism Information Meetings (TIMs), which are used as stakeholder engagement platform, whereby the Dinokeng Project provides feedback on progress for implementation of projects and solicits views from stakeholders to ensure alignment of plans and budgets were planned in the current financial year. To date two Tourism Information Meeting have already been held. The remaining two meetings will still be held as planned before the end of 2017/18 financial year.

**Protect and enhance our environmental assets and natural resources**

The Dinokeng Project has planned to conduct vegetation management over 4124 ha of land in the Dinokeng Game Reserve (DGR). There were unforeseen delays in the appointment of a suitable service provider to implement this project. None of the proposals received on both occasions met the minimum technical threshold. On the third attempt, two proposals were received but both failed the administrative compliance.

Through the partnership between Dinokeng Project and the DGR Management Association, essential obligations of the Natural Resource Management were undertaken at no charge to Dinokeng Project. This project is a legal obligation for Duty of Care to prepare and maintain firebreaks as per the National Veld and Forest Fire Act 101 of 1998.

**An efficient, competitive and responsive economic infrastructure network**

The plan is to complete designs for the upgrades of picnic sites and ablution facilities as well as designs for the riverboat cruise operation facility in Roodeplaat. There were delays in finding potential service providers to do these pieces of work. A service provider for the development of designs for the picnic sites and ablution facilities has now been appointed. It is anticipated that the designs will be completed by the end of the fourth quarter of the current financial year. No appointment has been made yet to develop designs for the riverboat cruise operation. This was because there were no responses to the initial advertisement. The plan to design a feasibility study for the development of an Anti-Chemical and Biological Warfare Museum in Roodeplaat will no longer be implemented as this project was not approved citing that it was not aligned to the TMR programme.

In Cullinan, in support of the radical economic transformation, the Dinokeng Project plans to construct two gateways. These gateways will give a sense of arrival to the town of Cullinan and the township of Refilwe. The gateways are expected to transform and modernise the public space.

**Market competitiveness and diversification**

The Dinokeng Project will be marketing the plans to include setting up a Local Tourism Association (LTA) for Dinokeng, developing a Dinokeng Brand Strategy as well as implementing Dinokeng brand-specific exhibitions and campaigns. Marketing of the other two hubs will be intensified as soon as the infrastructure work has been completed. The plan is to work closely with the Gauteng Tourism Authority to promote and market the Dinokeng Game Reserve as a preferred destination of choice, using the tagline of the only “free-roaming big five game reserve in the Province”. A Local Tourism Association has been established. Procurement of a service provider to do the brand strategy is being done.

**Visitor experience”: Enhance destination sites through cleanliness, safety and security and information Improvement**

The plan is to bring 12 schools to Dinokeng as part of a broader plan to bolster the Dinokeng brand as well as to ensure that visitation to the area is increased. So far, a total of 18 schools visited the Dinokeng.

**Gauteng Gambling Board (GGB)**

The Gauteng Gambling Board achieved 186 compliance audits against a target of 135 and 509 inspections were achieved against a target of 508 for the third quarter of 2017/2018 financial year. The slight overachievement on audits is owing to the reallocation of Betting Audits among Compliance Auditors resulting in more audits conducted in the betting environment. The tax revenue distributed to GDED at the end of the third quarter of 2017/18 is R800 million against a target of R808.9 million. This is only 1 per cent under collection year to date. There has been an overachievement in relation to the number of people reached with responsible gambling message because of the high number of persons reached through social media.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)****Sector and Industry****Manufacturing**

The need for a Gauteng Technical Manufacturing Initiative (GTMI) stems from the necessity to revitalise SMME manufacturing in Gauteng.

The intention during 2018/19 financial year is to concentrate better Gauteng’s existing pool of industrial experience and skilled people in a GTMI to support 90 manufacturing SMME firm-level interventions. The GTMI would therefore have to harness the skills which are otherwise beyond the reach of SMMEs to create opportunities for existing and new SMMEs through creation of five clusters in the manufacturing clusters including the West Rand Gold Ore laboratory and chemicals cluster.

**Tertiary Services****Township Stock Exchange**

During the 2018/2019 financial year, suitable Small Medium Micro Enterprises (SMME) which applied to be listed will be shortlisted to list on the OTC platform. The Over the Counter (OTC) platform will be utilised as the benchmark platform for the GTSE and will be piloted with 25 SMMEs suitable to list and raise capital. Upon completion of the shortlisting process,

SMMEs will be taken through an incubation process. It consists of a shared services programme which will assist the shortlisted SMMEs to ready themselves to list on the OTC platform. The shared services platform will assist the SMMEs with prior to listing on the platform. The OTC platform will be used as a pilot phase to minimise the general listing risks that would normally exist in a main exchange board. Twenty-five SMMEs would be used to pilot the GTSE project.

The department will also be undertaking the following projects for 2018/2019 with the following objectives;

- Gauteng BPS Value Proposition - develop a clear and compelling value proposition to attract investors to Gauteng;
- Business Process Services Satellite Office - facilitate the establishment of Business Process Services satellite office, to train and place unemployed youth from the township in the BPS center;
- Gauteng Micro Insurance diagnostic study – to develop a guiding document for the sector that will also outline short-medium objectives, and assist the Province in the development of the micro-insurance framework;
- ICT e-waste Input study - Establish an ICT Electronics and Assembly resource center, that is to promote local productions, and new tech innovations. The focus is through electronic waste and local ICT input components.

### **Primary Resources**

Over the past decade, the domestic furniture manufacturing sector has suffered a tremendous decline in competitiveness. The DTI IPAP has identified a lack of competitiveness as a serious challenge facing the sector. Factors underpinning the lack of competitiveness include:

- Lack of technological innovation;
- Lack of skills and technical capabilities;
- Poor innovation and product design often leading to heavy reliance on reverse engineering;
- Lack of research and development;
- Cheap imports from Asia and other low-cost producers;
- High cost of raw materials and equipment leading to inability to acquire large volume orders to achieve economies of scale; and
- Limited access to furniture retail and public sector markets.

The intention for the 2018/2019 financial year is to build on and strengthen support for 45 furniture Manufacturing SMMEs and cooperatives through the FURNTECH incubation and cluster or hub enterprise solutions including design studios to enhance competitiveness and create employment opportunities.

In facilitating the development of the mining sector development, the Department shall be continuing the development of businesses in the mining value chain, of which the objectives of the programme shall include:

- The development of the business skills and technical capabilities of black-owned businesses already within the local supply chains with a view to assisting in the growth of these businesses and improving their customer diversity and resulting sustainability;
- The recruitment of existing black-owned businesses with the objective of developing their technical capabilities and business skills to meet local supply chain requirements. The focus will once again also be on assisting these businesses in diversifying their customer base and improving their sustainability;
- The support of businesses which are already a part of DED's supply chain; and
- The identification of entrepreneurs within the local communities who have the capability to create new sustainable businesses or grow their existing businesses on a sustainable basis.

The Department seek to incubate 50 businesses towards the creation of 600 jobs in the mining sector over a period of three years. To date engagements with the Mining house Shanduka have been held to facilitate the incubation programme.

### **Tertiary Services**

During 2018/2019 financial year, suitable SMMEs who applied to list on the OTC platform will be shortlisted. The OTC platform will be utilised as the benchmark platform for the GTSE and will be piloted with 25 SMMEs suitable to list and raise capital. Upon completion of the shortlisting process, SMMEs will be taken through an incubation process consisting of a shared services programme which will assist the shortlisted SMMEs to ready themselves to list on the OTC platform. The shared services platform will assist the SMMEs with prior to listing on the platform. The OTC platform will be used as a pilot phase to minimise the general listing risks that would normally exist in a main exchange board. Twenty-five SMMEs will be used to pilot the GTSE project.

### **Economic Planning**

Economic planning will continue to undertake township enterprise surveys to build the information and knowledge base.

### **Inclusive Economy**

The Department will increasingly focus on supporting and developing cooperatives mainly because of the potential to broaden economic participation for the Gauteng region. To date, 13 Financial Cooperatives have been supported which in turn provides financial support to their members. The unit will further promote CFI legislative framework focusing on

organised informal savings group such as Stokvels and Burial Societies. In addition, the Department is currently facilitating establishment of consumer cooperatives in all the development corridors of the Province. Four consumer cooperatives have been established to date and the Department will continue to provide these with training and financial support. The fifth consumer cooperative will be established during the 2018/19 financial year in the Sedibeng Corridor.

The Chief Directorate will also continue to coordinate implementation of the TER programme targeting township enterprises especially using collective public spending to create market access opportunities.

### **Gauteng Enterprise Propeller**

In line with the continued GDED drive to graduate SMMEs from being consumers of goods and services to becoming productive centres that can supply locally manufactured goods to township and external markets, GEP will establish a Construction Ecosystem Centre and Township Local Producer Incubation site in the Eastern corridor in 2018/19. The agency aims to unlock the barriers to entry into various sectors of the economy and increase ownership, especially to the previously marginalised section of the society whilst also contributing to job creation.

Priority sectors targeted to be led by GEP are wholesale and retail as well as the construction and building materials sectors. The construction Ecosystem Centre to be developed by the Agency will house all construction manufacturing competencies with a focus on Township Contractor development and support (e.g. accreditation and formalisation of construction SMMEs). Part of these manufacturing competencies will assist with the production of products such as bricks, nails, steel products including doorframes, window frames and gates amongst others. Offtake agreements will be finalised with the respective Departments, municipalities and the private sector and GEP envisages the incubation of 20 SMMEs within the construction industry. The project will positively contribute to the transformation of the Construction Sector and assist SMMEs at the lower level to graduate to higher construction levels (4-6) as well as to enable SMMEs to compete at various levels of development. Upon completion, the project has a potential to create a minimum of 10 jobs per SMME with the potential of 30 jobs at maximum capacity of the business. This will in turn change the current domination of a few businesses within the infrastructure space. Most of the SMMEs solely benefiting through outsourcing would get an opportunity to drive bigger projects post-incubation. It is envisaged that more than 2 000 direct jobs will be created during the implementation and replication of this programme to other corridors of the Gauteng City Region.

GEP will provide financial support to 550 SMMEs, in line with the TER Strategy with a targeted 330 of these enterprises being based in townships. These businesses will mostly be funded through Loans, the Community Fund and the Township Business Renewal programme. The rand value of financial support to be provided to SMMEs and co-ops in 2018/19 will be total R67.3 million. Non-financial support interventions will be provided to 3 370 SMMEs and of these businesses 700 are to be assisted through formalisation of their Informal businesses. Such support interventions will contribute towards the GEP objective of providing non-financial support services that propel enterprises into the mainstream economy, revitalise township economies and grow the key economic sectors.

### **Gauteng Tourism Authority**

The GTA's drive for its 2018/19 programmes is 'Partnerships', which is also a central theme of the Gauteng City Region Economic Development Plan. The Agency will continue to implement its programmes in the context of the current priorities treasured in the NDP, TMR, TER, GCREDs, and other priority plans, including the newly adopted National Tourism strategy known as 5-in-5. The objective of 5-in-5 strategy is to bring additional four million international tourists into the country and stimulate local tourism with a target of increasing local tourists by one million. As a leading Province in tourist arrivals, Gauteng has been given a bigger responsibility in terms of contributing to the five million target. This calls for new or additional strategies in the implementation of Tourism programmes. The GTA will be partnering with the South African Tourism (SAT) towards achieving the target above.

The GTA continues to strive for accelerating the growth of the tourism sector in Gauteng through Destination Marketing by strengthening its current competitive and comparative advantages relating to market capture and diversification, destination image creation, attractive and package offerings, business tourism, events hosting, and trade linkages, with the Agency's adoption of an Integrated Destination Marketing Strategy. The strategy articulates and communicates the values, vision and competitive attributes of destination Gauteng to a wide audience for the tourism sector to create jobs opportunities and prosperity for Gauteng in every region of the Province, more especially in townships, neighbourhoods and hubs.

Historically, the GTA has been engaging informally with Tourism strategic partners. In line with its Integrated Stakeholder Engagement strategy, the Agency's 2018/19 programme emphasises formal engagement with strategic partners.

The Agency's current approach to implementing its trade strategy is a reactive approach, where projects are implemented by participating in other organisations' projects. Furthermore, there is no formal engagement with regions, specifically Johannesburg, and Tshwane, regarding travel trade and product partnership opportunities. The GTA will institutionalise a forum for the GTA and regions to have a comprehensive Travel trade work-stream item into a broader GTA stakeholder agreements with the regions.

The Gauteng City Region is the first route to beginning a journey to Southern African Business leisure “Bleisure” experience. This means that the Gauteng Region has several tourism offerings for business and leisure purposes and thus the concept “Bleisure” emerged. Although it is situated at the bottom of the African continent, Gauteng is well positioned as an access and trade centre for globalised activities. The operating model will continue to balance the implementation of its core programmes, i.e., Destination Marketing and Promotions, Bidding and Hosting, and Leisure and Visitor Services for realising “Bleisure”.

### **Destination Communications and Integrated Marketing**

The GTA will continue to implement destination marketing and promotion programmes to market destination Gauteng by focusing on urban tourism and Township tourism promotion. A Global Media Relations Programme will be implemented to influence editorial content that encourages travel and contribute towards increased visitation to the city region. The Agency will continue to use #GPLifestyle as its promotions drive. #GPLifestyle is the agency’s core marketing strategy. It acts as an events promotions drive, showcasing lifestyle, sporting, adventure and entertainment with the purpose of using these events to generate editorial content that strive to increase visitation to the destination. Destination marketing will focus on improving marketing of attractions and products across different multi-media channels, implementing several joint marketing initiatives with key strategic and tactical partners in marketing destination Gauteng, and rolling out dedicated and sector-based marketing campaigns.

Niche markets are therefore increasingly responsible for driving the growth of tourism in both rural and urban areas. The GTA will utilise a niche tourism approach that appears to offer greater opportunities and a tourism sector that is more sustainable, less damaging and - more importantly - more capable of attracting high-value tourists. Areas of potential niche tourism for Gauteng include: Sports Tourism, Health, Wellness and Spa, Bird Watching, Cycling, Golf, Festivals, Big Five: Dinokeng Game Reserve offers an opportunity to see the big five, Adventure: Soweto, Vaal River and Hartbeespoort provide several exciting adventure activities, Agri-tourism and experiences.

### **Bidding and Hosting**

In the 2017/18 financial year, the GTA approved a revised strategic plan with the aim of focusing on outcomes-based approaches. Bidding and hosting is one of the areas that is crucial for measuring outcomes, with events support bearing tangible fruits, such as SMMEs supports, job creation, rand value and other social, economic, and environmental values. The GTA will continued to promote the events sector by supporting event’s organisers in bidding and hosting events. The agency’s 2018/19 programme planned at increasing the number of events created, and rand value generation, including the number of SMMEs supported through events.

### **Township Events**

Gauteng Township tourism has been positioned as one of the key drivers of township economy while growing and supporting the number of black-owned tourism enterprises. Thus, the growth and development of townships is one of the game changers identified by the Gauteng Provincial Government. On the back of this the Township Economic Revitalisation (TER) Strategy was developed to build an inclusive, labour-absorbing and growing economy. The GTA’s engagement with regions during 2016/17 was planned to stimulate local tourism. It provides a guide to decision-making for supporting township-based community events and will aid provincial and local government to work cooperatively and maximise the brand-building potential, as well as economic, social and environmental benefits that can be realised from hosted events.

Township events incorporate a range of actions to be implemented that will not only maintain, develop and expand events, but will improve engagement between the stakeholders delivering and hosting events. Target outcomes of the township-based community events include: expanding Gauteng’s visitor economy in townships; growing visitor nights in Gauteng regional townships; and enhancing Gauteng’s liveability in terms of: Local attendance; Local Enjoyment; Local Pride; strengthening the capacity to both bid and host major sporting and cultural events; and Increasing national brand awareness and media exposure for Gauteng townships.

### **Leisure and Information Services**

The GTA will continue to focus on initiating marketing activities for promoting destination Gauteng in African markets, key BRICS markets (Brazil, Russia, India and China) and give opportunities to township SMMEs to showcase their products in both local and international markets.

The GTA will implement the Tourism Ambassador Programme in partnership with the National Department of Tourism (NDT). Adding to the Tourism Ambassador Programme will be the formalisation of the Agency’s relationships with TBCSA and the inclusion of the Tourism Safety work stream item in the broader GTA stakeholder agreement with the regions. This will provide a platform for relevant stakeholders to deal with the issue of crime collectively.

### **Gauteng Growth and Development Agency**

#### **AIDC Skills development and training programme**

The Supplier Park Development Company (SPDC) trading as the AIDC was established to support the automotive industry in Gauteng. This was to be achieved by providing economic infrastructure and sector development interventions. The Automotive Supplier Park (ASP), the Winterveldt Enterprise Hub, the Gauteng Automotive Learning Centre (GALC) and the

Incubation Centre in Silverton are some of the infrastructure developed. The target of 400 was exceeded as 690 people were trained across the various training programmes. The high training numbers are a result of concentrated marketing efforts as well as the utilisation of the training facility by Nissan SA.

### **AIDC Supplier Efficiency Programme**

Under the Efficiency Improvement Programme, 40 companies will be provided with the following seven key interventions

- Total Productive Maintenance Programme (TPM);
- Cleaner Production Programme;
- Rapid Process Improvement Programme (RPIW);
- Lean Manufacturing Programme, including collaboration initiatives with Japanese Government, United Nations and ASCCI;
- Quality and Environmental Management Systems;
- Automotive Centre for Competitiveness; and
- Support and services for BMW suppliers (New)

### **Commercialisations**

There are existing MoUs signed with the research and academic institutions in Gauteng, TIHMC has also created platforms with research councils of various universities to interact with them on matters of research and commercialisation. These agreements with the Universities envisage that THMC provides commercialisation support for the research outputs emanating from these institutions. The research institutions near TIHMC Science Park also provide infrastructure space (e.g. laboratory and technical facilities for the start-up companies in incubation). During the financial year 2018/19 TIHMC plans to strengthen these relationships to improve the pipeline of spinoffs from the Universities and research institutions into TIHMC incubation programmes which will result in 60 innovations being commercialized with 2 technologies produced exported.

### **EKasi Programmes**

EKasiLabs are extensions of TIHMC in the townships to promote the culture of innovation and entrepreneurship and innovative output in the community in line with the provincial economic policies of TMR/TER. The facilities will also incorporate Mobile Application development and aspects of Fablab (Fabrication Laboratories) activities and programmes, whose main objectives are to drive activities that will promote entrepreneurship in the area of product design and manufacturing. It will also promote high tech skills for local entrepreneurs in the townships, provide access to infrastructure for entrepreneurs to develop new products that can be tested and modified in the market place according to customer needs, increased the diffusion and adoption of technology and provide research, development of new tools for entrepreneurs and infrastructure to produce small batches of niche products.

The key outcomes from the programme include the creation of new generation of entrepreneurship, high impact / high tech product and services, skills development and job opportunities for the local communities. The eKasiLabs will train and incubate 140 entrepreneurs at its various sites of which 40 will be youth.

### **Nissan SA Incubation Centre**

During 2018/19 financial year, the Nissan SA Incubation Centre will commence with the operationalization of an additional two BEE SMME in incubation bringing the total to 6 BB BEE SMMEs.

### **Incubation graduation**

A total of 12 large, medium size and small companies including the start-ups in the incubation programmes -will graduate from the various incubation programmes at TIH.

### **Trade and investment**

The FDI will amount to a target of R3 billion while DDI will be R2 billion.

### **Africa Focus**

Opportunities in infrastructure development in the continent will continue to be identified for Gauteng-based firms and 14 such firms will be assisted to expand their operations in the continent. A feasibility study to establish hubs to accommodate Gauteng-based capital equipment manufacturing companies will be undertaken and delivered by the end of the MTEF period.

### **Gauteng Liquor Board**

The Gauteng Liquor Board will continue to strengthen and implement revenue management strategies and policies to grow its revenue streams, revenue collection from its processes and move towards being self-sustainable. Furthermore, turnaround time for processing new applications will be reduced and constantly monitored. The entity will continue to focus on its regulatory function through issuing of licences to compliant applicants. The Gauteng Liquor Board will continue to adjudicate on liquor applications within the stipulated turnaround time.

Liquor compliance inspections and liquor pre-inspections will continue to be undertaken including education and awareness on application procedures, responsible drinking, and compliance and non-compliance issues. Penalties on non-compliance

notices, various contraventions of the Gauteng Liquor Act and its regulations will be brought before the Gauteng Liquor Board for adjudication and fines will be imposed. This will further contribute towards revenue collection.

The Entity will continue with the implementation of the Corporate Social Investment (CSI) expanded programme. A portion of revenue collected from the regulation processes will be used to fund CSI beneficiaries. The portion contributed towards the CSI will subsidise the fight against the scourge of alcohol abuse and further expand the GLB's footprint on redressing the social ills. Gauteng Liquor Board processes will be fully migrated to an automated platform through the full implementation of Automation and Records management projects in the 2018/19 financial year. An automated system environment remains central to the Gauteng Liquor Board processes as it seeks to modernise the GLB processes, increase access to the services rendered and consolidate the potential for revenue collection. It will contribute towards the creation of a credible database. The Gauteng Liquor Board will continue to roll out the Physical Licence Verification Project to achieve a credible database and revenue management.

## **Skills Development**

### **CoachLab**

TIHMC and SITA signed a MoA in support of the CoachLab programme for the development and empowerment of the youth to the value of R15 million over the next three years. These programmes are aimed at developing unique and scarce skills to bridge the gap between academia and the business world. The recruited ICT students will develop cost-effective solutions to existing challenges within government Departments and municipalities:

- Leadership Development Programme targeted at postgraduate students – NQF 7;
- ICT Innovation; and
- Research and development.

### **Consumer Affairs**

In the 2018/19 financial year there will be no changes in the actual services being delivered however, Consumer Affairs will be commencing new projects in consumer education and awareness, in particular the Counterfeit Goods campaign, updating of the Consumer Buzz magazine which is aimed at providing consumer education to learners in high school. These programmes will improve the level of understanding of consumer protection legislation in our schools through initiatives such as Consumer Education for Young Entrepreneurs Grade 7, 8 and 9. To achieve the education and outreach programmes, the office will embark on consumer education media campaigns throughout the new financial.

To deliver services effectively and efficiently, there is an automated complaints registration and management system as well as regional offices, a mobile office solution (bus) which services townships and informal settlements across the Province. There is also a consumer court which sits in all five corridors of the Province to increase public access to the Department's services. Education programmes are also delivered across the Province, utilising various means of delivery including workshops, roadshows, exhibitions, print, electronic and social media, radio, television, audio disks and braille.

In response to the eradication of the Illegal Economy the unit will, in the 2018/19 financial year, embark on awareness campaigns on counterfeit goods. This campaign will incorporate various stakeholders with expertise in this area. Compliance-monitoring inspections of small businesses and Pro-Active Investigations will be continued to ensure compliance with consumer protection legislation. This will increase consumer satisfaction and will ensure a conducive environment to increase the participation of SMME's and Co-operatives in the Province's mainstream economy and contribute to the growth and the development of the 11 identified sectors, by developing capabilities, knowledge and awareness of the regulatory environment in which these businesses operate. Proactive investigation of complaints has proved to be an effective method of ensuring compliance with consumer protection legislations. This method will be continued with to ensure that the citizens of Gauteng are adequately protected, without necessarily waiting for consumers to lodge complaints. In addition to the continued resolution of complaints, the turnaround has been fixed to 60 days per complaint.

Consumer Affairs will continue to strengthen its relationships with various stakeholders such as the National Consumer Commission, Ombudsmen and Statutory Regulatory bodies to ensure consumers in Gauteng are protected. This will ensure greater impact through our outreach programmes and consumer education initiatives. Furthermore, consumer education geared toward small business will be intensified to ensure compliance with the Gauteng Consumer Affairs (Unfair Business Practices) Act, 1996 and the Consumer Protection Act, 2008 (CPA).

### **Cradle of Humankind World Heritage**

It is envisaged that for the year 2018/2019 there will be a renewed effort in implementing the critical tourism development objectives as per the Economic Development Implementation Plan within the Global City Region context with several new projects that will focus entirely on community beneficiation, skills development and job creation initiatives. The research currently being undertaken by a University with a specific focus on community beneficiation will be implemented over the 2018 MTEF. In addition to the existing projects that will be implemented in terms of our World Heritage mandate, the following community beneficiation will be facilitated and implemented over the 2018 MTEF:

- Portion 26 Community Projects: (Housing partnership project with MCLM for formal housing on Portion 26; establishment of two cooperatives to deal with: 1. community cycling maintenance project (based on Khubeka model) and, 2. community works maintenance project for general maintenance of gateways, cycle lanes and broader COHWHS area;
- World Heritage Education awareness partnership project with East Africa/Nairobi Natural History Museum;
- Sponsoring educators to visit the museums at Sterkfontein and Maropeng;
- Public transport accessibility to Maropeng/Sterkfontein visitor centres;
- Enhance Maropeng procurement from township suppliers;
- Paleontological partnership programme with East Africa (Kenya/Ethiopia);
- Promulgation of land-use regulations in a GG that are specific to the COH WHS (in line with IDPs and SDF);
- Visitor and socio-economic impact assessment in the COHWHS,
- Management of the COHWHS Community Trust; and
- Funding of Community Trust projects in COHWHS.

The Cradle of Humankind World Heritage Site will continue to manage the site in terms of national and international obligations. The Management Authority will continue to carry out inspections of the fossil sites twice a year.

#### **Dinokeng Project**

The Dinokeng Project will continue to ensure that the existing 620 jobs are sustained by the operations within the Dinokeng Game Reserve through the payment of the operational funding to the Dinokeng Game Reserve Management Authority. In addition, it will facilitate the creation of 30 new jobs. The Dinokeng Project will require budget allocation for operational funding to cover the shortfall of the DGR operations. Further facilitation will ensure that the existing 50 job opportunities created through the implementation of the Natural Resources Management Programme are sustained.

The Dinokeng Project, working together with the Gauteng Growth and Development Agency plans to develop Roodeplaat as a tourism hub by constructing 10 picnic sites, six ablution facilities and one riverboat cruise operation facility. It is anticipated that these infrastructure projects will enhance the day visitor facilities and therefore attract tourists to the area, resulting in local economic growth, creation of job opportunities and opportunities for members of the community to own or manage some of these operations through a concession. In Cullinan, the plan is to construct two gateways. These gateways are intended to serve as part of the beautification of public spaces and to also provide tourists with a sense of arrival to the areas of Cullinan and Refilwe. These gateways will also be used as entrepreneurial spaces. The Dinokeng Project plans to conduct vegetation management over 4 300 ha of land mass in the DGR. As mentioned above, this project is a legal obligation for Duty of Care to prepare and maintain firebreaks as per the National Veld and Forest Fire Act 101 of 1998.

For the financial year 2018/19, the Dinokeng Project will be hosting local schools on visits to the project area. The purpose of these visits is to impress on learners the importance of nature conservation, the impact tourism can make on the local economy as well as to ensure that learners play a role in spreading the Dinokeng brand to their local communities. A comprehensive programme, with the support of GDARD and GDED, will ensure that the aims of the school visits are achieved and that communities have a better understanding of the Dinokeng Project and the work it does locally. The plan is to bring 30 schools to Dinokeng as part of a broader plan to bolster the Dinokeng brand as well as to ensure that visitation to the area is increased. This work is done in tandem with other pieces of work on the project. The activities include exercises and workshops on nature conservation, water resource management and biodiversity. The activities are fine-tuned to the levels of the learners. The learners are Grade 7, 10 and 11.

A broader community awareness campaign will be implemented which includes five of the school and unemployed youth groups that visited Dinokeng and five groups of elderly people who visited Dinokeng.

#### **Gauteng Gambling Board (GGB)**

The Gauteng Gambling Board has commissioned a saturation study to determine the size of the gambling market in Gauteng and the demand for additional gambling opportunities. The results of the study will be utilised to guide further roll-out of gambling opportunities in the Province informed by empirical data. Through the licensing of bookmaker and bingo establishments, the Board will continue its efforts to ensure the attainment of the provincial government's Transformation Modernisation and Re-industrialisation (TMR) Programme.

## **4. REPRIORITISATION**

The baseline budget on compensation of employees was kept constant over the MTEF to be in line with the organisational structure, which is currently under review and in the final stage of being approved. Funds were reprioritised within the same programme and economic classification over the MTEF. The review of the organisational structure took place to reposition the Department to carry out its mandate appropriately. This review includes consultations with the Department of Public Services and Administration during the 2015/16 financial year.

The R20 million allocations per annum for the Youth Project Management Office (PMO) has been reprioritised from Economic Planning to GEP to fund and implement the project until 2020/21. The focus of the YPMO is essentially the development of skills through placement for on-the-job training, giving youth an opportunity to go into formal employment as well as the entrepreneurial stream. The budget of R15.6 million over the 2018 MTEF for the GaRankuwa Hotel School has been incorporated within the Cradle of Humankind budget since the management of the school now resides there. The Mobile satellite buses project and budget of R37.6 million over the MTEF has been moved from Business Regulation and Governance to Administration. This project ensures access to government services by going directly to communities and assist them with various administrative functions as part of TER implementation. The Department has transferred the implementation of the Township hubs to GGDA and the budget of R177.9 million over the 2018 MTEF budget cycle has been shifted to follow function from the 2017 MTEF.

Furthermore, the Department has reprioritised the procurement of the Nelson Mandela Visitors Centre which amounts to R124.5 million from GGDA to GTA during the 2018 MTEF period. Project implementation, oversight and reporting remains with GGDA's competency. Procurement function of the BIO Park phase 3 and block 1C with an allocation of R140 million over the MTEF and the JMP Top structure (R101 million over the MTEF) has been shifted to GEP while GGDA is still responsible for the implementation of the project.

## 5. PROCUREMENT

Procurement of goods and services was done in line within the requirement of PPPFA together with Departmental procurement policies. The Department will ensure that all contracts are subjected to market-price analysis and the concept of value for money is the core driver when negotiating contracts. Furthermore, the Department will continue to ensure that the procurement of goods and services is in line with the requirement of the PPPFA and the constitution.

The Department has allocated funds over the MTEF to ensure that all projects that are critical to the mandate of the Department are delivered on time. Some of the projects that would impact the procurement process are as follows:

- Heighten public participation and outreach;
- Mid-term impact assessment;
- PMO for unemployed youth;
- Enterprise Building 2 and 3;
- Constitution Hill Visitor Centre and redevelopment of precinct;
- ICT PMO;
- Refurbishment of industrial parks;
- Tourism marketing;
- ConHill Visitor's Centre;
- Tourism marketing;
- EKasi Labs;
- Winterveldt;
- JMP top structure at IDZ;
- SEZ ICT Park;
- Cleaning services;
- Security services
- Printing solution;
- LAN switching; and
- Bidding and hosting summer cup.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 3.1 SUMMARY OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	1 101 491	1 305 610	1 387 699	1 413 792	1 425 973	1 425 973	1 510 450	1 587 355	1 676 058
<b>Total receipts</b>	<b>1 101 491</b>	<b>1 305 610</b>	<b>1 387 699</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

The total budget of the Department for the period 2014/15 to 2016/17 has increased from R1.1 billion to R1.4 billion. In 2018/19, the budget grew from the R1.4 billion for 2017/18 to R1.5 billion. Among the key projects that are budgeted for are: Water monitoring program; implementation of Tourism routes in Gauteng; working on fire in the Dinokeng Game Reserves;

B-BBEE supplier incubation; Gauteng Auto City Masterplan; Supplier efficiency program; student training in Jewellery design; SMME support; youth PMO and review of the organisation structure as well as projects that are committed to over the MTEF which includes job creation initiatives and the Nelson Mandela Visitors Centre. The allocation also catered for core priority outputs such as eKasi Labs, refurbishment of industrial parks in townships and Innovation hubs which contributes to the provincial pillars of radical economic transformation. Over the MTEF the baseline increases from R1.5 billion in 2018/19 to R1.7 billion in 2020/21.

## 6.2 Departmental receipts collection

TABLE 3.2 : DEPARTMENTAL RECEIPTS: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	799 823	870 999	910 209	1 014 013	1 014 013	918 564	1 039 864	1 090 637	1 144 485
Casino taxes	759 547	828 997	870 030	944 673	944 673	880 138	1 000 864	1 049 637	1 102 485
Horse racing taxes	40 276	42 002	40 179	69 340	69 340	38 426	39 000	41 000	42 000
Sales of goods and services other than capital assets	17 361	374	413			56 640	433	455	480
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	2 526	5 167	3 226	2 334	2 334	3 536	2 404	2 476	2 612
Sales of capital assets			30			8			
Transactions in financial assets and liabilities	753	(5 215)	1 126	306	306	170	324	342	361
<b>Total departmental receipts</b>	<b>820 463</b>	<b>871 325</b>	<b>915 004</b>	<b>1 016 654</b>	<b>1 016 653</b>	<b>978 918</b>	<b>1 043 025</b>	<b>1 093 910</b>	<b>1 147 938</b>

To achieve the goals and priorities outlined, the Department's main source of funding is the equitable share. In the execution of the Department's mandate of regulating the gambling industry. Revenue is mainly from gambling taxes (casino, bingo, LPM and horse racing taxes) by Gauteng Gambling Board (GGB). The Department's other sources categorised include sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities; and sales of capital assets which are Departmentally generated.

Gambling revenue is collected by the Gauteng Gambling Board (GGB) for a commission in terms of the Public Finance Management Act Sec 21 (b)(iii), s23(1) & (2) and (3) as well as the Gauteng Gambling Act of 1995 as amended. During the 2014/15 financial year the actual collection increased from R820 million to R915 million in 2016/17. Over the 2018 MTEF, the projected revenue collection is estimated at R1 billion for 2018/19 and R1.1 billion for 2020/21.

The GGB will continue implementing its mandate by attracting tourists to ensure a sustainable revenue collection including intensifying the responsible gambling awareness campaign in the domain. The GGB will continue with its programmes as planned and the baseline will not be reduced moving forward.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2018 MTEF budget is informed by the NDP, the 2014-2019 Medium Term Strategic Framework (MTSF), the Department of Economic Development Strategic Plan, TMR Annual Performance Plan, provincial outcomes and the GPG Programme of Action (POA). The key assumptions underpinning the budget are:

- Provision for the annual salary adjustments at 7.2 per cent over the MTEF; and
- Operational costs including existing contractual obligations.

### 7.2 Programme summary

TABLE 3.3: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	168 306	202 072	227 488	287 897	294 196	294 196	302 494	307 704	327 390
2. Integrated Economic Development Services	284 020	301 958	246 012	231 613	252 581	252 581	320 504	333 145	348 395
3. Trade And Sector Development	530 906	578 254	677 185	714 211	727 033	727 033	703 148	756 427	799 610

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
4. Business Regulation And Governance	58 209	55 228	72 942	66 563	70 260	70 260	64 792	68 756	72 539
5. Economic Planning	19 214	133 332	135 642	113 508	81 903	81 903	119 512	121 323	128 124
<b>Total payments and estimates</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

### 7.3 Summary of economic classification

TABLE 3.4 : SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>310 979</b>	<b>369 174</b>	<b>385 880</b>	<b>450 750</b>	<b>419 942</b>	<b>411 389</b>	<b>474 208</b>	<b>487 315</b>	<b>516 935</b>
Compensation of employees	134 813	165 315	184 718	244 145	213 772	206 908	258 306	275 871	293 802
Goods and services	176 166	203 859	201 162	206 605	206 170	204 481	215 902	211 444	223 133
<b>Transfers and subsidies to:</b>	<b>688 559</b>	<b>886 660</b>	<b>955 727</b>	<b>950 593</b>	<b>983 930</b>	<b>984 239</b>	<b>1 022 606</b>	<b>1 085 525</b>	<b>1 143 810</b>
Provinces and municipalities									
Departmental agencies and accounts	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Non-profit institutions			500						
Households	22 460	715	655		378	687			
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 555</b>	<b>12 449</b>	<b>11 328</b>	<b>19 572</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Buildings and other fixed structures									
Machinery and equipment	6 028	14 924	16 988	12 449	11 248	19 492	13 636	14 515	15 313
Software and other intangible assets		84	567		80	80			
<b>Payments for financial assets</b>	<b>55 089</b>	<b>2</b>	<b>107</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

The Department's expenditure increased from R1 billion in 2014/15 to R1.4 billion in 2016/17 owing to the TMR mandate to support SMMEs, the completion of mini-factory Automotive Supplier Park (ASP), the development of AIDC's Second Incubation Centre, the construction of the Nissan Incubation Centre, the Winterveldt Enterprise Hub and the launch of Gauteng Automotive Learning Centre. In addition, the expenditure was also owing to the refurbishment of three township industrial parks in Vosloorus, Sebokeng and Eldorado Park. Projects such as Discorp Africa, cycling festival and world choir games projects were implemented through GTA.

Over the MTEF, budget increased from R1.5 billion in 2018/19 to R1.7 billion in 2020/21 with includes R13.8 million as additional funding to Cradle of Humankind for the implementation of tourism routes. A significant share of the budget is allocated to entities to implement the mandate of the Department which supports the achievement of the Transformation, Modernisation and Re-industrialisation (TMR) agenda and Township Entrepreneur Revitalisation (TER). The 2018 MTEF allocation will be disaggregated as follows:

- Programme 1: Administration budget increased from R302 million in 2018/19 to R327 million in 2020/21 for operational cost, workshops and seminars such as the Economic intervention, Economic opportunities, B-BBEE reference guide, high-impact studies, Gauteng Tooling initiatives, Gauteng Investment GIIC and Local economic development.
- Programme 2: Integrated Economic Development Services budget increased from R321 million in 2018/19 to R348 million in 2020/21 because of shifting of the procurement function of the following projects from GGDA to GEP: The Jewellery Manufacturing Precinct Top structure (JMP) and Bio-Park Phase 3 Block 1C. The GGDA is still responsible for the implementation of the projects since it remains their mandate to facilitate and implement infrastructural projects.
- Programme 3: Trade and Sector Development increased from R703 million in 2018/19 to R800 million in 2020/21. Funds will be transferred to Entities for the implementation of projects such as Refurbishment of the Township industrial parks, Implementation of the Gauteng Science and Hi-Tech SEZ programme, Completion of the Visitor's Centre construction; Completion of the IDZ ORTIA, Chamdor auto hub, eKasi Labs roll-out and ASP further Development. The budget for the Nelson Mandela Visitors Centre has been allocated under GTA to procure services while the implementation and the delivery of the project still resides with GGDA.
- Programme 4: Business Regulation and Governance budget increased from R65 million in 2018/19 to R73 million in 2020/21. The budget caters for projects such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; and the Consumer Affairs Office on Wheels (CAOW).

- Programme 5: Economic Planning Budget increased from R120 million in 2018/19 to R128 million in 2020/21 for development of evidence-based macro-policies, strategies and tracking the performance of the economy.

The compensation budget increased from R258 million to R294 million over the 2018/19 MTEF period. The growth considers the cost of leaving adjustment over the MTEF period.

The expenditure for goods and services increased from R176 million in 2014/15 to R201 million in 2016/17 to cater for operational costs; workshops and seminars such as the Economic intervention, Economic opportunities, B-BBEE reference guide, Qondisishishini Lakho, High-impact studies, Tooling initiatives, GIIC, Local economic development, Gauteng growth and modernisation programme. Over the 2018 MTEF, the allocation increased from R216 million in 2018/19 to R223 million in 2020/21 to cater for projects such as the Township Stock Exchange, State Bank, Gauteng Economic barometer, Gauteng cooperative bank, Gauteng consumer Cooperative, LED capacity-building programme, Gauteng technical manufacturing initiatives as well as EDP projects.

The expenditure for payments for capital assets increased from R6 million in 2014/15 to R17 million in 2016/17. This was owing to the procurement of new servers, furniture for the new building and other installation costs. Over the 2018 MTEF, the allocation increases from R13.6 million in 2018/19 to R15.3 million in 2020/21. The increase is attributed to the provision made for the finance lease of the GG vehicles, procurement of furniture for the newly renovated regional offices and desktop computers for new office members.

## 7.4 Infrastructure payments

### 7.4.1 Departmental Infrastructure payments

N/A

### 7.4.2 Departmental Public-Private Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

TABLE 3.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Enterprise Propeller	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 123	323 126
Gauteng Tourism Authority	69 530	93 798	104 744	101 165	103 165	103 165	141 201	149 466	157 687
Gauteng Growth and Development Agency	341 772	359 033	465 282	493 117	516 827	516 827	443 181	480 830	507 276
<b>Total departmental transfers</b>	<b>547 593</b>	<b>743 269</b>	<b>806 744</b>	<b>808 656</b>	<b>859 503</b>	<b>859 503</b>	<b>885 076</b>	<b>939 419</b>	<b>988 089</b>

The expenditure under transfers and subsidies to public entities has increased from R548 million 2014/15 to R807 million in 2016/17 and the allocation for 2017/18 amounts to R809 million. The budget allocation over the MTEF increases from R885 million in 2018/19 to R988 million in 2020/21.

The expenditure for GEP increases from R136 million in 2014/15 to R237 million in the 2016/17 financial year. During the 2014/15 financial year the agency through partnerships managed to support businesses owned by disabled people. The PWD Empowerment Programme consisted of the identification and assessment of potential entrepreneurs from people with disability through the database and from a network of affiliated disability service providers. GEP will be also be responsible for the procurement and financial management of the Jewellery Manufacturing Precinct in 2018/19 and the BioPark phase 3 Block 1C while GGDA remains the project implementer since it is responsible for the delivery of infrastructure projects. The allocation over the MTEF increases from R301 million in 2018/19 to R323 million in 2020/21. The following projects will be procured and implemented by GEP over the 2018/19:

- To provide financial support to township;
- Support to Informal Businesses
- Booster Pitching;
- Youth Accelerator Programme;
- Supporting Bakery Clusters;
- Supporting the Footwear Industry;
- Support SMMEs in the priority sectors;
- Support SMMEs in the Automotive Sector
- Supplier Development Programme.; and

- TSHEPO 1 million - Youth Accelerator Programme.

The Expenditure for GTA grew from R69.5 million in 2014/15 to R104.7 million in the 2016/17 financial year. The 2018/19 MTEF allocation increased from R141 million in 2018/19 to R158 million in 2020/21 over three-year cycle. GTA will also be responsible for the procurement of services for the Nelson Mandela Visitor Center which stems from GGDA. In addition, the allocation caters for projects such as the hosting of the Gauteng Shopping Festival, cycling relay, Discorp Africa, Joy of Jazz and the Gauteng Summer Cup and marketing of Gauteng tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories. In addition, it provides for the promotion and sustainable development of tourism in Gauteng.

The Department transferred an amount of R342 million in 2014/15 and R465 million was transferred in 2016/17 to GGDA which translates into an increase of R124 million over three years. Among the programmes that were implemented by GGDA from 2014/15 to 2016/17 are: development of AIDC's second Incubation Centre, the Gauteng Automotive Learning Centre was launched, and the eKasi Labs programmes. The eKasi labs are aimed at promoting a culture of innovation within the township economy. The key outcomes from the programme include the creation of new generation of entrepreneurship, high impact / high tech product and services, skills development and job opportunities for the local communities.

Over the MTEF, the allocation for GGDA increased from R443 million in 2018/19 to R507 million in 2020/21, to implement the following projects:

- Refurbishment of the Township industrial parks;
- mLab & Code Tribe Academy;
- Implementation of the Gauteng Science and Hi-Tech SEZ programme; and
- Completion of the Visitor's Centre construction.

The following are some of the Deliverology projects that will be implemented through GGDA:

- Artisan training;
- Zambia Capital Equipment Hub;
- Black industrialists; and
- Incubation at eKasi Labs.

## 7.5.2 Transfers to other entities

TABLE 3.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Cradle of Humankind	37 736	71 377	63 583	70 706	64 522	64 522	73 454	77 768	83 625
Dinokeng	62 616	53 570	43 576	43 202	36 498	36 498	39 056	41 635	43 925
Gauteng Liquor Board	18 157	25 327	40 669	28 030	23 029	23 029	25 021	26 702	28 171
<b>Total departmental transfers</b>	<b>118 509</b>	<b>150 274</b>	<b>147 828</b>	<b>141 938</b>	<b>124 049</b>	<b>124 049</b>	<b>137 531</b>	<b>146 105</b>	<b>155 721</b>

The transfers to other entities increased from R119 million 2014/15 to R148 million in 2016/17. The allocated budget for 2017/18 amounts to R142 million. The budget allocation over the MTEF increased from R138 million in 2018/19 to R156 million in 2020/21.

The expenditure for Cradle of Humankind increased from R38 million in 2014/15 to R64 million in the 2016/17 financial year. The bulk of the expenditure was on infrastructure development, natural resources management, operations of Maropeng and Sterkfontein Caves as well community development projects such as Sponsored School Visits to the COHWHS and specific public meetings. The budget allocation for 2017/18 financial year is R71 million, of which an amount of R66 million has been allocated to implement critical projects. A large portion of the budget is allocated to scientific research, community beneficiation and the tourism visitor economy to ensure that it becomes the anchor for socio-economic development projects.

The MTEF budget allocation for Cradle of Humankind has increased from R73 million in 2018/19 million to R84 million in the 2020/21 financial year. The increase includes the additional budget of R13.8 million for the tourism routes implementation in Gauteng. This tourism route will bring together a variety of activities and attractions under a unified theme and this stimulates entrepreneurial opportunity through development of ancillary product and services.

The budget for the Garankuwa Hotel School has been included within Cradle of Humankind's budget over the MTEF because of reversed migration. Furthermore, the Department envisage that in the 2018/2019 MTEF, there will be a renewed effort in implementing critical tourism development objectives as per the Economic Development Implementation Plan within the Global City Region context with Management of the COHWHS Community Trust.

Transfers made to the Dinokeng Trading Entity amounted to R63 million in 2014/15 and R54 million in 2015/16 before decreasing to R44 million in 2016/17. Over the MTEF, the allocation increases from R39 million in 2018/19 to R44 million in 2020/21. The increase is because of the intensive drive on investment on tourism infrastructure development programmes and empowerment of SMMEs and cooperatives that the Dinokeng Project has embarked on over these periods. Projects such as Working on Fire Programme, School visits to the Dinokeng Game Reserve (DGR) as well as establishing the Dinokeng community development fund will be implemented.

The mandate of GLB among other things is to manage the lodgement of liquor licence applications, processing liquor licence applications and a renewal of licences. The budget transferred to the Gauteng Liquor Board increased from R18 million in 2014/15 financial year to R41 million in 2016/17. The increase in expenditure was a result of low revenue collection from GLB which compelled the department to increase its funding to assist the GLB to fund their operational costs. The budget increases from R25 million in 2018/19 to R28 million in 2020/21.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide strategic leadership, support and transversal business solutions to enable the MEC, HOD and DED group to effectively deliver on the mandate of the Department.

#### Programme objectives

Capacitate GDED financially to meet its objectives, fulfil its mission and improve service delivery.

TABLE 3.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	9 894	10 146	8 285	14 103	10 553	10 104	14 920	15 756	17 887
2. Office Of The Hod	15 770	14 089	13 127	22 726	37 174	36 277	22 764	24 038	26 860
3. Financial Management	22 428	32 310	36 642	65 216	62 065	56 856	55 236	58 327	61 533
4. Corporate Services	120 214	145 527	169 434	185 852	184 404	190 959	209 574	209 583	221 110
<b>Total payments and estimates</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

TABLE 3.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>161 602</b>	<b>186 752</b>	<b>209 237</b>	<b>275 508</b>	<b>271 867</b>	<b>263 605</b>	<b>288 858</b>	<b>293 189</b>	<b>312 077</b>
Compensation of employees	84 924	92 750	97 334	132 431	122 993	116 420	138 285	146 029	156 822
Goods and services	76 678	94 002	111 903	143 077	148 874	147 185	150 573	147 160	155 255
<b>Transfers and subsidies to:</b>	<b>587</b>	<b>311</b>	<b>858</b>		<b>288</b>	<b>306</b>			
Provinces and municipalities									
Departmental agencies and accounts									
Non-profit institutions			500						
Households	587	311	358		288	306			
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 287</b>	<b>12 389</b>	<b>11 268</b>	<b>19 512</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Buildings and other fixed structures									
Machinery and equipment	6 028	14 924	16 988	12 389	11 248	19 492	13 636	14 515	15 313
Software and other intangible assets		84	299		20	20			
<b>Payments for financial assets</b>	<b>89</b>	<b>1</b>	<b>106</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

The Administration budget is utilised for the items that are centralised to Corporate Services and Financial Management such as lease payments for office buildings, security services, cleaning services, bursaries, telephones payment, LAN upgrades, payment of software licences, disaster recover management, fleet services, municipal rates and taxes, legal costs, ICT equipment and internal audit costs that are allocated under the CFO's office budget.

During 2014/15 financial year, the budget increased from R168 million to R227 million in 2016/17 owing to the implementation of the TER projects through the Qondisishishini Lakho Campaign; hosting of inaugural Infrastructure investment conference; Township Entrepreneurship awards and regional Township Revitalisation Summits.

Over the 2018 MTEF, the allocation amounts to R302 million in 2018/19 and increases to R327 million in the 2020/21 financial year. The largest portion is allocated to Corporate services for payment of leases, municipal rates and taxes, provision of ICT equipment and training of staff.

The Compensation of Employees expenditure increased from R85 million in 2014/15 to R97 million in the 2016/17 financial year. The budget is R138 million in 2018/19 and increases to R157 million in 2020/21 which is due to the implementation of the Department's approved structure, which is intended to increase the operational capacity in the Department and ensure that all the TMR, NDP and SOPA targets are met.

Goods and Services expenditure amounts to R77 million in 2014/15 and increased to R112 million in the 2016/17. Over the 2018 MTEF, the allocation increased from R151 million in 2018/19 to R155 million in 2020/21 owing to the inflationary increase in prices of services.

Machinery and Equipment expenditure for 2014/15 amounts to R6 million and increased to R17 million in 2016/17. The immense increase is due to the procurement of office equipment such computers, furniture and software. Over the 2018 MTEF, R14 million is allocated in 2018/19 and increased to R15 million in 2020/21 because of various projects such as the disaster recovery site for the purposes of system recovery and implementation of community ICT hubs for SMMEs to access internet, broadband, and payment of software licenses.

## PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### Programme description

To ensure radical economic transformation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

### Programme objectives

- Advance economic development skills to Radically Transform and Re-Industrialise Gauteng Economy;
- Radically transform the Gauteng economy through new, smart, knowledge-based economy;
- Remodel township economies reflecting radical transformation and re-industrialisation of Gauteng's economy; and Strategic economic infrastructure that supports and facilitates radical economic transformation and re-industrialisation of Gauteng.

TABLE 3.9 : SUMMARY OF PAYMENTS AND ESTIMATES: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Enterprise Development	138 479	291 337	236 718	219 386	240 274	240 274	305 662	314 370	328 588
2. Regional And Local Economic Development	7 589	(877)		1 290	1 290	1 290	1 160	1 225	1 293
3. Economic Empowerment	137 952	11 498	9 294	10 937	11 017	11 017	13 682	17 550	18 514
<b>Total payments and estimates</b>	<b>284 020</b>	<b>301 958</b>	<b>246 012</b>	<b>231 613</b>	<b>252 581</b>	<b>252 581</b>	<b>320 504</b>	<b>333 145</b>	<b>348 395</b>

TABLE 3.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>107 261</b>	<b>11 487</b>	<b>9 268</b>	<b>17 239</b>	<b>13 040</b>	<b>13 040</b>	<b>19 810</b>	<b>24 021</b>	<b>25 269</b>
Compensation of employees	12 650	8 775	9 222	17 007	12 728	12 728	19 810	24 021	25 269
Goods and services	94 611	2 712	46	232	312	312			
<b>Transfers and subsidies to:</b>	<b>152 759</b>	<b>290 471</b>	<b>236 744</b>	<b>214 374</b>	<b>239 541</b>	<b>239 541</b>	<b>300 694</b>	<b>309 124</b>	<b>323 126</b>
Provinces and municipalities									
Departmental agencies and accounts	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Households	16 468	33	26		30	30			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>24 000</b>								

Total economic classification	284 020	301 958	246 012	231 613	252 581	252 581	320 504	333 145	348 395
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The expenditure under Integrated Economic Development services has decreased from R284 million in 2014/15 to R246 million in 2016/17 and the budget allocation for 2017/18 amounts to R231 million. Enterprise development accounts for the largest share of the budget, followed by Economic empowerment and then Regional and Local Economic Development.

Over the 2018 MTEF, the budget increases from R321 million in 2018/19 to R348 million in 2020/21. The allocation will cater for the following programmes and projects such as: financial support to township; support to Informal Businesses; Youth Accelerator Programme; supporting Bakery Clusters; supporting the Footwear Industry; Support SMMEs in the Automotive Sector; and Supplier Development Programme.

The Compensation of Employees expenditure decreased from R13 million in 2014/15 to R9 million in 2016/17 because of function shift and migration of Development Planning and Land use to the Office of the Premier. The 2017/18 budget amounts to R17 million. The increase is informed by the implementation of a revised organisational structure. Over the 2018 MTEF, the allocation increases from R20 million to R25 million in 2020/21 which is because of the implementation of the Department's approved structure and the cost of leaving adjustment.

Goods and Services expenditure amounts to R95 million in 2014/15 before sharply decreasing to R46 000 in the 2016/17 financial year. Over the 2018 MTEF, the zero budget is attributed to the function shift which has been migrated to Programme 5.

The transfer for GEP under Departmental agencies and transfers increased from R136 million in 2014/15 to R237 million in the 2016/17 financial year. The entity utilised its budget to fund the Qondisishishini Lakho campaign and provided financial support to new and existing SMME. The 2018 MTEF transfers which amounts R301 million and R323 million in 2018/19 and 2020/21 respectively will enable the entity to continue playing a pivotal role in transforming the Gauteng township economy, through the implementation of projects such as Booster Pitching, Youth Accelerator programme and providing support to informal business.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of jewellery manufacturing and design students contracted	14	15	15	15
Number of companies graduated with sustainable businesses from incubation	10	12	15	15
Number of companies incubated at Ekasi Labs	80	80	80	80
Number of innovations commercialised by incubated start-ups	45	60	75	75
Number of township industrial parks refurbished	10	10	10	10
Number of township attractions promoted	25	120	150	180
Number. of SMME's financially supported in the prioritized sectors	700	250	250	250
Number. of SMME's non-financially supported in the prioritized sectors	2 000	1 500	1 750	2 000
Number of SMME's supported through the Pitching Booster Programme	200	250	300	350
Number of youths benefited from Youth Accelerator Programme	500	600	700	800
Number of Co-ops supported to improve their investment readiness	New indicator	100	100	100
Number of Informal Businesses supported non-financially to formalise	700	750	800	850

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

#### Programme description

Ensure re-industrialisation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

Provide an enabling environment for sustainable business activities in Gauteng for radical economic transformation of Gauteng's economy;

- Create an enabling environment for economic activities that generate revenue for transformation and re-industrialisation of Gauteng economy; and
- Sustain tourism development by providing protection mechanisms for biodiversity areas and other conservation sites.

TABLE 3.11: SUMMARY OF PAYMENTS AND ESTIMATES BY : TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Trade And Investment Promotion	5 512	476		6 021	6 021	6 021	6 257	6 728	7 097
2. Sector Development	179 637	218 745	211 903	215 073	204 185	204 185	253 711	268 869	285 237
3. Strategic Initiatives	345 757	359 033	465 282	493 117	516 827	516 827	443 181	480 830	507 276
<b>Total payments and estimates</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

TABLE 3.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 335</b>	<b>475</b>		<b>6 021</b>	<b>6 021</b>	<b>6 021</b>	<b>6 257</b>	<b>6 728</b>	<b>7 097</b>
Compensation of employees	8 213	469		6 021	6 021	6 021	6 257	6 606	6 969
Goods and services	122	6						122	128
<b>Transfers and subsidies to:</b>	<b>515 571</b>	<b>577 778</b>	<b>677 185</b>	<b>708 190</b>	<b>721 012</b>	<b>721 012</b>	<b>696 891</b>	<b>749 699</b>	<b>792 513</b>
Provinces and municipalities									
Departmental agencies and accounts	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Households	3 919								
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>7 000</b>	<b>1</b>							
<b>Total economic classification</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

The expenditure for Trade and Sector development has increased from R531 million in 2014/15 to R714 million in 2017/18. The bulk of the budget is allocated under Strategic initiatives (GGDA) with the allocated budget of R493 million, in 2017/18 followed by Sector development (Cradle of Humankind and Dinokeng) with an amount of R215 million allocated in 2017/18. The budget allocation over the MTEF increased from R703 million in 2018/19 to R800 million in 2020/21. A significant share of the budget is allocated between Sector development and Strategic initiatives where Cradle of Humankind, Dinokeng, GTA and GGDA are located.

The Compensation of Employees expenditure decreased from R8 million in 2014/15 to R469 000 in 2015/16 because of function shift. The budget for 2018/19 is R6.2 million, the increase is informed by the revised organisational structure where a new branch has been created under this programme. Over the 2018 MTEF, the allocation increases from R6.6 million in 2019/20 million to R7 million in 2020/21 owing to the implementation of the Department's approved structure and the cost of living adjustment over the MTEF.

During 2014/15 financial year, the expenditure under goods and services amounts to R122 000 before decreasing to R6 000 in the 2015/16 financial year. Over the MTEF, the allocation increases from R122 000 in 2019/20 to R128 000 in 2020/21. The increase is aimed to cater for operational costs for the new branch over the MTEF.

The expenditure under Departmental Agencies and Transfers increased from R512 million in 2014/15 to R677 million in 2016/17. The budget for the 2017/18 is R708 million before decreasing to R697 million in 2018/19 and then increases to R793 million in 2020/21. The budget under this item will be transferred to GTA, Cradle of Humankind, Dinokeng and GGDA for the implementation of core projects/ programmes some of which include; eKasi labs roll out; Completion of the Visitor's Centre construction; Working on Fire Programme; Tourism routes; and Nelson Mandela Visitor's Centre.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Gauteng tourism marketing initiatives implemented in the key International source markets	3	20	25	35
Number of Gauteng tourism marketing initiatives implemented in the domestic markets	7	9	11	15
Number of enterprises provided with export readiness development programme	240	270	300	300
Number of Gauteng based firms assisted to expand operations in Africa	14	14	16	16

COHWHS Integrated Management Plan (IMP) implementation report produced	-	Implementation report produced	Implementation report produced	Implementation report produced
Number of jobs created from the Dinokeng Project	-	721	741	751
Number of Cooperatives supported at Dinokeng	9	10	12	15
Number of township tourism products showcased to markets	200	300	400	500

## PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Programme description

To create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards the achievement of TMR goals.

### Programme objectives

- Provide an enabling environment for consumer satisfaction to stimulate growth of businesses;
- Properly regulate the Liquor Industry in Gauteng;
- Properly regulate the Gambling and Betting Industry in Gauteng; and
- Generate revenue from business regulation for socio-economic development of the Gauteng.

TABLE 3.13: SUMMARY OF PAYMENTS AND ESTIMATES: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Governance	6 384	4 177	5 219	9 201	19 986	17 772	9 587	10 132	10 690
2. Igr And Strategic Partnerships	6 291	6 803	6 700	9 634	7 433	6 963	9 544	10 115	10 672
3. Consumer Protection	27 377	26 518	20 353	19 698	19 812	22 496	20 640	21 807	23 006
4. Liquor Regulation	18 157	17 730	40 670	28 030	23 029	23 029	25 021	26 702	28 171
<b>Total payments and estimates</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

TABLE 3.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 050</b>	<b>37 373</b>	<b>32 222</b>	<b>38 534</b>	<b>47 231</b>	<b>46 940</b>	<b>39 771</b>	<b>42 054</b>	<b>44 368</b>
Compensation of employees	19 181	24 342	26 805	30 334	27 231	26 940	32 125	33 924	35 788
Goods and services	1 869	13 031	5 417	8 200	20 000	20 000	7 646	8 130	8 580
<b>Transfers and subsidies to:</b>	<b>18 159</b>	<b>17 855</b>	<b>40 719</b>	<b>28 029</b>	<b>23 029</b>	<b>23 320</b>	<b>25 021</b>	<b>26 702</b>	<b>28 171</b>
Departmental agencies and accounts	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171
Households	3	126	50			291			
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>19 000</b>		<b>1</b>						
<b>Total economic classification</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

Business Regulation and Governance total expenditure for 2014/15 increased from R58 million to R73 million in the 2016/17. The budget for 2017/18 has decreased by R2.6 million resulting in an adjusted allocation of R70.3 million. The 2018/19 budget has increased from R65 million to R73 million in 2020/21.

The expenditure for compensation of employees increased from R19 million in 2014/15 to R27 million in the 2016/17 financial year. Over the MTEF, the budget increased from R32 million in 2018/19 to R36 million in 2020/21 financial year.

Expenditure under goods and services for 2014/15 was R1.9 million and increased to R5.4 million in 2016/17. Over the 2018 MTEF, the budget increased from R7.6 million in 2018/19 to R8.6 million in 2020/21. The budget caters for projects such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; the Consumer Affairs Office on Wheels (CAOW), international engagements, Spaza- shop summit and the consumer affairs court holding its sittings.

Transfers to the GLB increased from R18 million in 2014/15 to R41 million in 2016/17 due to low revenue collection from GLB which compelled the department to increase its funding to assist the GLB to fund operational costs. Over the 2018 MTEF, the allocation increased from R25 million in 2018/19 to R28 million in 2020/21 to fund following: the verification project to determine the total number of liquor outlet in the Province; the lodgement of liquor license applications; processing liquor license applications and; renewal of licenses.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of liquor social responsibility programmes supported	3	4	4	4
Rand value spent on Corporate Social Investment programmes	500 000	800 000	900 000	1 000 000
Number of liquor inspections conducted	3 000	11 065	12 065	13 065
Number of liquor awareness activities conducted	120	220	250	280
Number of gambling compliance audits conducted	180	181	181	181
Number of technical gambling inspections conducted	678	678	678	678
Percentage of consumer complaints resolved within 60 days	100%	100%	100%	100%
Number of consumer education programmes conducted	360	400	450	500

### PROGRAMME 5: ECONOMIC PLANNING

#### Programme description

To provide thought leadership to transform and re-industrialise the Gauteng City Region through policy and strategy development

#### Programme objectives

- Develop informative strategies for implementing effective economic development programmes in Gauteng.

TABLE 3.15: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Policy And Planning	9 562	12 702	21 017	22 261	15 566	20 554	26 759	29 483	24 717
2. Research And Development	8 076	3 008	2 698	2 746	3 159	1 733	3 931	4 593	4 846
3. Knowledge Management	1 031	1 009	1 350	1 443	1 453	1 599	1 283	1 355	1 429
4. Monitoring And Evaluation	545	3 916	5 099	4 434	1 587	12			
5. Economic Infrastructure Development		66 750	49 511	10 632	1 500	1 500	11 247	11 876	12 529
6. Sector And Industry Development		39 501	46 010	48 682	44 468	42 972	61 756	59 508	69 297
7. Inclusive Economy		6 446	9 957	23 310	14 170	13 533	14 536	14 508	15 306
<b>Total payments and estimates</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>

TABLE 3.16: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>12 731</b>	<b>133 087</b>	<b>135 153</b>	<b>113 448</b>	<b>81 783</b>	<b>81 783</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>
Compensation of employees	9 845	38 979	51 357	58 352	44 799	44 799	61 829	65 291	68 954
Goods and services	2 886	94 108	83 796	55 096	36 984	36 984	57 683	56 032	59 170
<b>Transfers and subsidies to:</b>	<b>1 483</b>	<b>245</b>	<b>221</b>		<b>60</b>	<b>60</b>			
Non-profit institutions									
Households	1 483	245	221		60	60			
<b>Payments for capital assets</b>			<b>268</b>	<b>60</b>	<b>60</b>	<b>60</b>			
Machinery and equipment				60					
Software and other intangible assets			268		60	60			
<b>Payments for financial assets</b>	<b>5 000</b>								
<b>Total economic classification</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>

The programme expenditure increased from R19 million in 2014/15 to R136 million in 2016/17 for the implementation of projects such as the Industrial High-Impact Tooling Initiatives, SMMEs support and maintenance of the Garankuwa Hotel School were implemented. The Gauteng Tooling Initiatives and the Industrial Hubs were maintained and refurbished before the function migrated to GGDA.

Over the 2018 MTEF, the programme budget grew from R120 million in 2018/19 to R128 million in 2020/21 for the implementation of the mid-term impact assessment of the TER strategy; business case for the Gauteng Provincial Government

Economic modelling and capacity building; development of Financial Models for the Gauteng Investment Incentives Framework ;Gauteng Growth and Modernisation Programme; facilitation of township brick project; township clothing and linen clusters; township consumer cooperatives, economic intervention workshops and Gauteng industrialisation high-impact projects. The expenditure for Compensation of Employees increased from R10 million in 2014/15 to R51 million in 2016/17. The increase in expenditure is informed by the employment of core staff in the branch. The MTEF budget for compensation increased from R62 million in 2018/19 to R69 million in 2020/21 to provide for annual salary increases and benefits.

The budget for goods and services increased from R58 million in 2018/19 before it increased to R59 million in the 2020/21 to implement the following projects such as Quarterly Economic Bulletin; Gauteng Economic Barometer; Economic Growth Model; Economic Impact Assessments; Implementation; Housing Cooperatives; GCR EDP Monitoring & Evaluation tool; and Job Creation Tracking.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: ECONOMIC PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of impact assessment reports produced	2	2	2	2
Number Gauteng Econometric Models and capacity programme building reports produced	-	1	1	1
Number of regional and local economic strategies revised	-	-	-	-
Number of TER Intergovernmental Programmes coordinated	4	4	4	-
Number of Gauteng consumer cooperatives in all regions facilitated	3	2	-	-
Number of cooperatives banking platforms established	3	2	3	-
Number of GCR EDP implantation reports produced	4	4	4	4
State Bank Business Case developed	-	Gauteng State Owned Bank Business Case developed	-	-

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

**TABLE 3.17: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT**

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF						
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21				
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																			
1 – 6	48	5 398	44	8 382	40	6 341	30	11	41	12 151	51	11 143	54	11 767	57	12 415	12%	1%	5%
7 – 10	153	40 007	171	53 902	181	57 392	211	9	220	57 344	256	88 465	269	97 717	282	105 856	9%	23%	34%
11 – 12	61	37 427	70	45 372	68	53 723	79		79	37 652	97	58 876	102	60 802	107	64 145	11%	19%	21%
13 – 16	45	50 910	60	54 336	66	67 262	47	12	59	81 012	83	99 822	87	105 565	91	111 386	16%	11%	38%
Other	9	1 071	18	3 323						18 749							0%	(100)%	2%
Total	316	134 813	363	165 315	355	184 718	367	32	399	206 908	487	258 306	512	275 871	537	293 802	10%	12%	100%
Programme																			
1. Administration	192	84 924	192	92 750	212	97 334	213	18	231	116 420	299	132 048	314	142 542	329	153 142	13%	10%	53%
2. Integrated Economic Development Services	29	12 650	77	8 775		9 222	(2)	2		12 728							0%	(100)%	2%
3. Trade And Sector Development	12	8 213	26	469						6 021							0%	(100)%	1%
4. Business Regulation And Governance	49	19 181	59	24 342	69	26 805	70	10	80	26 940	95	60 582	101	63 974	107	67 492	10%	36%	20%
5. Economic Planning	34	9 845	9	38 979	74	51 357	86	2	88	44 799	93	65 676	97	69 355	101	73 188	5%	18%	24%
Total	316	134 813	363	165 315	355	184 718	367	32	399	206 908	487	258 306	512	275 871	537	293 802	10%	12%	100%

Personnel costs increased from R135 million in 2014/15 to R194 million in the financial year 2016/17. This was owing to many critical posts that needed to be filled. The increase in personnel cost was due to the continuation of the implementation of the organisational structure.

Over the MTEF, the compensation budget allocation will escalate owing to an increase in the number of posts as per the proposed structure which is in support of the Ten Pillar Programme. The TMR Strategy and the GCR Economic Development Plan are cornerstones of the rationalisation of the Departmental functional and organisational structure. As such, the Department has also embarked on a process to realign the current structure with the new mandate of the Department. This will increase compensation of employees from R258 million in 2018/19 to R293 million in 2020/21.

## 9.2 Training

TABLE 3.18: PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	316	363	355	399	399	399	487	512	537
Number of personnel trained	400	487	377	497	497	497	526	556	587
of which									
Male	164	211	128	227	227	227	240	254	268
Female	236	276	249	270	270	270	286	302	319
Number of training opportunities	720	750	117	125	125	125	131	139	147
of which									
Tertiary	80	135	77	81	81	81	83	88	93
Workshops	550	500	15	17	17	17	19	20	21
Seminars	75	100							
Other	15	15	25	27	27	27	29	31	33
Number of bursaries offered	80	75	49	55	55	55	57	60	63
Number of interns appointed	50	30	63	65	65	65	65	69	73
Number of learnerships appointed	70	25	20	15	15	15	15	16	17
Number of days spent on training	2 550	2 595	2 595	2 725	2 725	2 725	2 883	3 044	3 211
<b>Payments on training by programme</b>									
1. Administration	2 310	2 245	2 306	3 474	3 474	3 474	3 673	3 879	4 092
2. Integrated Economic Development Services	578								
3. Trade And Sector Development									
4. Business Regulation And Governance	578								
5. Economic Planning	578								
<b>Total payments on training</b>	<b>4 044</b>	<b>2 245</b>	<b>2 306</b>	<b>3 474</b>	<b>3 474</b>	<b>3 474</b>	<b>3 673</b>	<b>3 879</b>	<b>4 092</b>

The Department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes and bursary opportunities. The bursaries awarded in 2015/16 and 2016/17 financial year increased due to the improvement in the bursary application and approval process.

The budget for training is centralised in Programme 1 under Human Capital Management for better coordination and management. The training budget constitutes 1 per cent of the compensation budget in line with the directive on training budget as determined by DPSA.

In the 2018/19 financial year, the Department will implement a framework of courses, experiential learning and capacity development for each level of staff using the different methodologies of learning, i.e. e-learning, classroom learning and on-the-job training. This will include technical skills, foundation skills, behavioural skills and leadership development. To ensure succession planning and retention of skills, there will be a focus on preparing supervisory levels (MMS and SMS) for the next level of management based on the competency framework for SMS. The training budget also makes provision for the development of graduates through the appointment of interns and graduate trainees with scarce and critical skills in core business units. To ensure compliance with the standards of operational skills sectors, affiliation to professional bodies will also be provided for.

The Department's Workplace Skills Plan (WSP) is compiled annually by 30 April as mandated. The WSP is an indication of the planned training that will be implemented as per identifies skills requirements in performance management. Additionally, ad-

hoc training requests are also implemented as they arise from unforeseen factors such as poor performance, DPSA Directives, changes in Department's objectives, etc. As such, training priorities are determined on an annual basis while the training budget is allocated based on the MPSA's Directive on Training Budgets.

### **9.3 Reconciliation of structural changes**

N/A

# **ANNEXURES TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 3.19: SPECIFICATION OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>	<b>799 823</b>	<b>870 999</b>	<b>910 209</b>	<b>1 014 013</b>	<b>1 014 013</b>	<b>918 564</b>	<b>1 039 864</b>	<b>1 090 637</b>	<b>1 144 485</b>
Casino taxes	759 547	828 997	870 030	944 673	944 673	880 138	1 000 864	1 049 637	1 102 485
Horse racing taxes	40 276	42 002	40 179	69 340	69 340	38 426	39 000	41 000	42 000
<b>Sales of goods and services other than capital assets</b>	<b>17 361</b>	<b>374</b>	<b>413</b>			<b>56 640</b>	<b>433</b>	<b>455</b>	<b>480</b>
Sale of goods and services produced by department (excluding capital assets)	17 361	374	413			56 640	433	455	480
Sales by market establishments	17 361								
Administrative fees									
Other sales		374	413			56 640	433	455	480
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>2 526</b>	<b>5 167</b>	<b>3 226</b>	<b>2 334</b>	<b>2 334</b>	<b>3 536</b>	<b>2 404</b>	<b>2 476</b>	<b>2 612</b>
Interest	2 526	5 167	3 226	2 334	2 334	3 536	2 404	2 476	2 612
<b>Sales of capital assets</b>			<b>30</b>			<b>8</b>			
Other capital assets			30			8			
<b>Transactions in financial assets and liabilities</b>	<b>753</b>	<b>(5 215)</b>	<b>1 126</b>	<b>306</b>	<b>306</b>	<b>170</b>	<b>324</b>	<b>342</b>	<b>361</b>
<b>Total departmental receipts</b>	<b>820 463</b>	<b>871 325</b>	<b>915 004</b>	<b>1 016 654</b>	<b>1 016 653</b>	<b>978 918</b>	<b>1 043 025</b>	<b>1 093 910</b>	<b>1 147 938</b>

TABLE 3.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>310 979</b>	<b>369 174</b>	<b>385 880</b>	<b>450 750</b>	<b>419 942</b>	<b>411 389</b>	<b>474 208</b>	<b>487 315</b>	<b>516 935</b>
Compensation of employees	134 813	165 315	184 718	244 145	213 772	206 908	258 306	275 871	293 802
Salaries and wages	118 427	144 485	162 058	208 463	187 242	181 295	222 588	238 154	254 013
Social contributions	16 386	20 830	22 660	35 682	26 530	25 613	35 718	37 717	39 789
Goods and services	176 166	203 859	201 162	206 605	206 170	204 481	215 902	211 444	223 133
Administrative fees	237	1 159	1 374	897	933	914	524	654	691
Advertising	4 969	23 720	8 660	15 703	14 472	14 472	28 174	19 024	19 437
Minor assets	159	186	2 868	325	400	400			
Audit cost: External	3 862	4 293	3 792	5 001	5 001	5 001	5 300	5 577	5 884
Bursaries: Employees	336	799	1 006	1 000	1 011	1 011	1 900	1 991	2 101
Catering: Departmental activities	1 724	1 054	2 021	4 104	3 663	3 663	4 040	4 560	4 720
Communication (G&S)	4 937	4 826	6 679	4 555	4 471	4 471	4 677	4 476	4 722
Computer services	8 950	7 619	17 495	26 684	23 218	22 320	25 400	26 782	28 258
Consultants and professional services: Business and advisory services	100 722	79 624	85 640	40 529	72 749	72 749	57 359	54 469	59 090
Legal services	5 507	2 742	1 275	4 364	1 456	1 875	4 915	4 901	5 171
Contractors	4 268	14 311	4 403	18 584	4 363	3 943	8 745	8 921	9 112
Agency and support / outsourced services	837	389	338	11 225	20	20	100	101	107
Entertainment	1	2	4	47	52	52	53	56	59
Fleet services (including government motor transport)	1 250	4 442	1 939	2 137	2 227	2 227	2 478	2 671	2 818
Inventory: Food and food supplies	523	1							
Inventory: Materials and supplies	91	197		21					
Consumable supplies	1 305	581	2 259	486	1 937	2 835	2 105	2 253	2 376

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consumable:									
Stationery, printing and office supplies	2 243	2 841	3 604	5 198	5 217	5 217	3 959	4 596	4 785
Operating leases	9 886	12 362	21 962	25 378	26 106	24 417	23 840	25 214	26 601
Property payments	17 922	27 261	20 678	24 250	23 358	23 358	25 334	26 862	28 339
Travel and subsistence	2 020	4 277	3 929	8 396	7 678	7 698	8 387	8 727	8 895
Training and development	1 562	2 060	4 274	2 577	2 981	2 981	2 583	2 758	2 910
Operating payments	105	177	1 301	800	550	550	1 172	1 214	1 281
Venues and facilities	2 492	2 840	4 868	3 541	3 685	3 685	4 463	5 237	5 355
Rental and hiring	258	6 096	793	803	622	622	395	400	421
<b>Transfers and subsidies</b>	<b>688 559</b>	<b>886 660</b>	<b>955 727</b>	<b>950 593</b>	<b>983 930</b>	<b>984 239</b>	<b>1 022 606</b>	<b>1 085 525</b>	<b>1 143 810</b>
Departmental agencies and accounts	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Provide list of entities receiving transfers	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Non-profit institutions			500						
Households	22 460	715	655		378	687			
Social benefits	19 086	537	655		378	687			
Other transfers to households	3 374	178							
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 555</b>	<b>12 449</b>	<b>11 328</b>	<b>19 572</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Machinery and equipment	6 028	14 924	16 988	12 449	11 248	19 492	13 636	14 515	15 313
Transport equipment		2 120	4 846	6 464	2 313	4 102	6 836	7 217	7 614
Other machinery and equipment	6 028	12 804	12 142	5 985	8 935	15 390	6 800	7 298	7 699
Software and other intangible assets		84	567		80	80			
<b>Payments for financial assets</b>	<b>55 089</b>	<b>2</b>	<b>107</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

TABLE 3.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>161 602</b>	<b>186 752</b>	<b>209 237</b>	<b>275 508</b>	<b>271 867</b>	<b>263 605</b>	<b>288 858</b>	<b>293 189</b>	<b>312 077</b>
Compensation of employees	84 924	92 750	97 334	132 431	122 993	116 420	138 285	146 029	156 822
Salaries and wages	73 729	80 287	84 405	113 372	107 400	100 512	118 655	125 300	134 954
Social contributions	11 195	12 463	12 929	19 059	15 593	15 908	19 630	20 729	21 868
Goods and services	76 678	94 002	111 903	143 077	148 874	147 185	150 573	147 160	155 255
Administrative fees	191	609	615	284	394	401	113	398	421
Advertising	4 595	16 631	8 333	15 000	13 552	13 552	27 744	18 114	19 110
Minor assets	159	186	2 868	325	400	400			
Audit cost: External	3 862	4 293	3 792	5 001	5 001	5 001	5 300	5 577	5 884
Bursaries: Employees	336	799	1 006	1 000	1 011	1 011	1 900	1 991	2 101
Catering: Departmental activities	1 041	339	526	1 096	1 228	1 228	1 070	1 206	1 272
Communication (G&S)	4 937	4 772	6 673	4 555	4 471	4 471	4 587	4 476	4 722
Computer services	8 950	7 619	17 495	26 684	23 218	22 320	25 300	26 282	27 728
Consultants and professional services:									
Business and advisory services	4 309	2 168	5 290	3 122	26 756	26 756	4 540	4 564	4 815
Legal services	5 507	2 742	1 275	4 364	1 456	1 875	4 915	4 900	5 170
Contractors	4 125	8 683	4 365	6 217	3 946	3 527	8 488	8 520	8 989
Agency and support / outsourced services	837	389	338	11 193	20	20	100	100	106
Entertainment		2	4	3	49	49	53	56	59
Fleet services (including government motor transport)	1 250	4 442	1 939	2 137	2 227	2 227	2 438	2 671	2 818
Inventory: Food and food supplies	523	1							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Materials and supplies	89	197							
Consumable supplies	1 300	576	1 349	437	1 877	2 775	2 100	2 247	2 370
Consumable: Stationery, printing and office supplies	2 243	2 834	3 198	4 234	4 658	4 658	3 179	3 370	3 555
Operating leases	9 874	12 362	21 962	25 377	26 106	24 417	23 840	25 214	26 601
Property payments	17 923	17 713	20 343	24 250	23 358	23 358	25 334	26 862	28 339
Travel and subsistence	829	1 767	1 561	3 644	3 982	3 975	4 140	4 396	4 638
Training and development	1 561	2 060	4 071	2 472	2 981	2 981	2 583	2 758	2 910
Operating payments	2	97	1 285	400	550	550	128	129	136
Venues and facilities	1 977	2 452	3 089	1 179	1 523	1 523	2 572	3 179	3 353
Rental and hiring	258	269	526	103	110	110	150	150	158
<b>Transfers and subsidies</b>	<b>587</b>	<b>311</b>	<b>858</b>		<b>288</b>	<b>306</b>			
Non-profit institutions			500						
Households	587	311	358		288	306			
Social benefits	213	133	358		288	306			
Other transfers to households	374	178							
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 287</b>	<b>12 389</b>	<b>11 268</b>	<b>19 512</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Machinery and equipment	6 028	14 924	16 988	12 389	11 248	19 492	13 636	14 515	15 313
Transport equipment		2 120	4 846	6 464	2 313	4 102	6 836	7 217	7 614
Other machinery and equipment	6 028	12 804	12 142	5 925	8 935	15 390	6 800	7 298	7 699
Software and other intangible assets		84	299		20	20			
<b>Payments for financial assets</b>	<b>89</b>	<b>1</b>	<b>106</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

TABLE 3.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>107 261</b>	<b>11 487</b>	<b>9 268</b>	<b>17 239</b>	<b>13 040</b>	<b>13 040</b>	<b>19 810</b>	<b>24 021</b>	<b>25 269</b>
Compensation of employees	12 650	8 775	9 222	17 007	12 728	12 728	19 810	24 021	25 269
Salaries and wages	11 510	7 757	7 993	13 397	11 563	11 233	16 649	20 683	21 748
Social contributions	1 140	1 018	1 229	3 610	1 165	1 495	3 161	3 338	3 521
Goods and services	94 611	2 712	46	232	312	312			
Administrative fees	18	12		26	26				
Advertising	135	1 083							
Catering: Departmental activities	15	5							
Consultants and professional services: Business and advisory services	94 126	1 500							
Contractors				132	212	211			
Travel and subsistence	227	112	30	6	6	33			
Operating payments	58		16						
Venues and facilities	32			68	68	68			
<b>Transfers and subsidies</b>	<b>152 759</b>	<b>290 471</b>	<b>236 744</b>	<b>214 374</b>	<b>239 541</b>	<b>239 541</b>	<b>300 694</b>	<b>309 124</b>	<b>323 126</b>
Departmental agencies and accounts	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Provide list of entities receiving transfers	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Households	16 468	33	26		30	30			
Social benefits	16 468	33	26		30	30			
Other transfers to households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>24 000</b>								
<b>Total economic classification</b>	<b>284 020</b>	<b>301 958</b>	<b>246 012</b>	<b>231 613</b>	<b>252 581</b>	<b>252 581</b>	<b>320 504</b>	<b>333 145</b>	<b>348 395</b>

TABLE 3.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 335</b>	<b>475</b>		<b>6 021</b>	<b>6 021</b>	<b>6 021</b>	<b>6 257</b>	<b>6 728</b>	<b>7 097</b>
Compensation of employees	8 213	469		6 021	6 021	6 021	6 257	6 606	6 969
Salaries and wages	7 340	430		5 894	5 894	5 883	6 234	6 582	6 944
Social contributions	873	39		127	127	138	23	24	25
Goods and services	122	6						122	128
Administrative fees	18								
Catering: Departmental activities	1	6						26	27
Contractors	50								
Travel and subsistence	53							59	62
<b>Transfers and subsidies</b>	<b>515 571</b>	<b>577 778</b>	<b>677 185</b>	<b>708 190</b>	<b>721 012</b>	<b>721 012</b>	<b>696 891</b>	<b>749 699</b>	<b>792 513</b>
Departmental agencies and accounts	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Provide list of entities receiving transfers	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Households	3 919								
Social benefits	919								
Other transfers to households	3 000								
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>7 000</b>	<b>1</b>							
<b>Total economic classification</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

TABLE 3.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 050</b>	<b>37 373</b>	<b>32 222</b>	<b>38 534</b>	<b>47 231</b>	<b>46 940</b>	<b>39 771</b>	<b>42 054</b>	<b>44 368</b>
Compensation of employees	19 181	24 342	26 805	30 334	27 231	26 940	32 125	33 924	35 788
Salaries and wages	16 973	21 302	23 537	25 625	22 558	23 482	27 144	28 664	30 239
Social contributions	2 208	3 040	3 268	4 709	4 673	3 458	4 981	5 260	5 549
Goods and services	1 869	13 031	5 417	8 200	20 000	20 000	7 646	8 130	8 580
Administrative fees	7	90	8	79	166	166	101	93	98
Advertising	129	46	327	495	835	835	430	310	327
Catering: Departmental activities	645	504	568	1 359	1 087	1 087	1 080	1 248	1 317
Communication (G&S)		32							
Consultants and professional services: Business and advisory services	253	4 662	2 705	345	14 777	14 777	2 707	2 950	3 113
Contractors	74	36	28	2 513	205	205	257	116	123
Agency and support / outsourced services				32					
Entertainment	1			43	2	2			
Inventory: Materials and supplies	1			21					
Consumable supplies	1	5	2	49	60	60	5	6	6
Consumable: Stationery, printing and office supplies		7	12	25	7	7	40	56	59
Operating leases	12			1					
Travel and subsistence	477	1 632	1 108	1 527	1 508	1 508	1 512	1 674	1 767
Training and development				105					
Operating payments	34			400			1 044	1 085	1 145
Venues and facilities	235	251	469	1 206	1 041	1 041	465	587	620
Rental and hiring		5 766	190		312	312	5	5	5
<b>Transfers and subsidies</b>	<b>18 159</b>	<b>17 855</b>	<b>40 719</b>	<b>28 029</b>	<b>23 029</b>	<b>23 320</b>	<b>25 021</b>	<b>26 702</b>	<b>28 171</b>
Departmental agencies and accounts	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Provide list of entities receiving transfers	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171
Households	3	126	50			291			
Social benefits	3	126	50			291			
Other transfers to households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>19 000</b>		<b>1</b>						
<b>Total economic classification</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

TABLE 3.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	12 731	133 087	135 153	113 448	81 783	81 783	119 512	121 323	128 124
Compensation of employees	9 845	38 979	51 357	58 352	44 799	44 799	61 829	65 291	68 954
Salaries and wages	8 875	34 709	46 123	50 175	39 827	40 185	53 906	56 925	60 128
Social contributions	970	4 270	5 234	8 177	4 972	4 614	7 923	8 366	8 826
Goods and services	2 886	94 108	83 796	55 096	36 984	36 984	57 683	56 032	59 170
Administrative fees	3	448	751	508	347	347	310	163	172
Advertising	110	5 960		208	85	85		600	
Catering: Departmental activities	22	200	927	1 649	1 348	1 348	1 890	2 080	2 104
Communication (G&S)		22	6				90		
Computer services							100	500	530
Consultants and professional services: Business and advisory services	2 034	71 294	77 645	37 062	31 216	31 216	50 112	46 955	51 162
Legal services								1	1
Contractors	19	5 592	10	9 722				285	
Agency and support / outsourced services								1	1
Entertainment				1	1	1			
Fleet services (including government motor transport)							40		
Inventory: Materials and supplies	1								
Consumable supplies	4		908						
Consumable: Stationery, printing and office supplies			394	939	552	552	740	1 170	1 171
Property payments	(1)	9 548	335						
Travel and subsistence	434	766	1 230	3 219	2 182	2 182	2 735	2 598	2 428
Training and development	1		203						
Operating payments	11	80							
Venues and facilities	248	137	1 310	1 088	1 053	1 053	1 426	1 434	1 343
Rental and hiring		61	77	700	200	200	240	245	258
<b>Transfers and subsidies</b>	<b>1 483</b>	<b>245</b>	<b>221</b>		<b>60</b>	<b>60</b>			
Households	1 483	245	221		60	60			
Social benefits	1 483	245	221		60	60			
Other transfers to households									
<b>Payments for capital assets</b>			<b>268</b>	<b>60</b>	<b>60</b>	<b>60</b>			
Machinery and equipment				60					
Other machinery and equipment				60					
Software and other intangible assets			268		60	60			
<b>Payments for financial assets</b>	<b>5 000</b>								
<b>Total economic classification</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>

