

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 outputs

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Office Of The Mec	8 285	9 539	7 580	15 756	8 869	8 869	7 084	8 642	8 999
2. Office Of The Hod	13 127	22 721	14 601	24 038	27 466	27 466	16 681	18 769	19 635
3. Financial Management	36 642	52 046	42 110	58 327	59 668	59 668	61 282	64 426	66 893
4. Corporate Services	169 434	186 366	161 190	209 583	219 837	219 837	222 448	221 211	236 964
Total payments and estimates	227 488	270 671	225 482	307 704	315 840	315 840	307 495	313 048	332 491

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	209 237	242 262	215 816	293 189	295 916	295 916	290 465	296 035	314 829
Compensation of employees	97 334	115 854	122 629	146 029	143 384	143 384	156 822	168 091	181 357
Goods and services	111 903	126 409	93 187	147 160	152 532	152 532	133 643	127 944	133 472
Transfers and subsidies to:	858	313	243		235	235			
Provinces and municipalities									
Departmental agencies and accounts									
Non-profit institutions	500								
Households	358	313	243		235	235			
Payments for capital assets	17 287	17 205	9 389	14 515	19 689	19 689	17 030	17 013	17 662
Buildings and other fixed structures									
Machinery and equipment	16 988	17 205	9 389	14 515	19 689	19 689	17 030	17 013	17 662
Software and other intangible assets	299								
Payments for financial assets	106	10 891	34						
Total economic classification	227 488	270 671	225 482	307 704	315 840	315 840	307 495	313 048	332 491

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

The budget increased from R227 million in 2016/17 to R271 million owing to implementation of the TER projects through the Qondisi'shishini Lakho Campaign, hosting of the inaugural Infrastructure Investment Conference, the Township Entrepreneurship Awards and the Regional Township Revitalisation Summit. The budget was reduced to R225 million in 2018/19 due to funds being shifted to GEP for Business start-up kits, job placements projects and spaza shop verification.

Over the 2020 MTEF, the allocation increases from R307 million in 2020/21 to R332 million in 2022/23. The largest portion is allocated to corporate services for insourcing cleaners, payment for cleaning materials, leases, municipal rates and taxes,

provision of ICT equipment, printing tender, outreach campaigns, mobile office solutions, bursaries, litigation management and training of staff, bulk media buying and PABX upgrade and maintenance.

The compensation of employees' expenditure increased from R97 million in 2016/17 to R123 million in the 2018/19 financial year. The budget allocated in 2019/20 was R146 million increasing to R181 million in 2022/23 owing to the implementation of the department's proposed structure which is intended to increase operational capacity in the department and ensure that all GGT 20202, NDP and SOPA targets are met.

Goods and services expenditure amounted to R112 million in 2016/17 and decreased to R93 million in 2018/19. Over the 2020 MTEF, the allocation decreases from R147 million in 2019/20. In 2020/21 the allocation decreases to R134 million in 2020/21 and R133 million in 2022/23 due the compulsory baseline reductions of 5 per cent, 6 per cent and 7 per cent over the 2020 MTEF.

Machinery and equipment expenditure for 2016/17 amounted to R17 million and decreased to R9 million in 2018/19. The decrease was due to delays in procuring office equipment such as computers, furniture and software. Over the 2020 MTEF, R17 million is allocated in 2020/21 increasing to R17.6 million in 2022/23. The increase is owing to planned implementation of projects such as the disaster recovery site for system recovery and implementation of community ICT hubs for SMMEs to access internet, broadband and payment of software licences.

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 outputs

- 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 the 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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Enterprise Development	236 718	244 930	242 689	251 017	245 771	245 771	231 351	246 838	254 238
2. Regional And Local Economic Development		2 067		1 225					
3. Economic Empowerment	9 294	10 410	11 699	17 550					
Total payments and estimates	246 012	257 407	254 388	269 792	245 771	245 771	231 351	246 838	254 238

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	9 268	12 438	11 643	24 021					
Compensation of employees	9 222	12 364	11 641	24 021					
Goods and services	46	73	2						
Transfers and subsidies to:	236 744	244 969	242 745	245 771	245 771	245 771	231 351	246 838	254 238
Provinces and municipalities									
Departmental agencies and accounts	236 718	244 930	242 689	245 771	245 771	245 771	231 351	246 838	254 238
Households	26	39	56						
Payments for capital assets									
Buildings and other fixed structures									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	246 012	257 407	254 388	269 792	245 771	245 771	231 351	246 838	254 238

The expenditure under Integrated Economic Development services increased from R246 million in 2016/17 to R254 million in 2018/19. The 2019/20 main budget of R270 million was adjusted downwards to R246 million owing to redirection of compensation of employees. Enterprise development accounts for the largest share of the budget followed by economic empowerment and regional and local economic development. Over the 2020 MTEF, the budget increases from R231 million in 2020/21 to R254 million in 2022/23.

Compensation of employee's expenditure increased from R9 million in 2016/17 to R12 million in 2018/19. The increase was attributed to cost of living salary adjustments and filling of vacant posts. In 2019/20, the budget allocation for compensation of employees is shifted to Programmes 4 and 5 to ensure that personnel are aligned with the approved organisational structure.

Goods and services expenditure decreased from R46 thousand in 2016/17 to R2 thousand in 2018/19. The decrease was as a result of centralising operational costs under a common cost centre as well as shifting the B-BBEE and inclusive Economy functions to Programme 5.

Expenditure under departmental transfers increased from R237 million in 2016/17 to R243 million in the 2018/19 financial year. Construction of the JMP top structure and Bio Science Park Projects migrated from GEP to GGDA which resulted in re-prioritisation of funds over the 2019 MTEF period between the two entities. Over the MTEF, the allocation increases from R231 million in 2020/21 to R254 million in 2022/23. The allocation over the 2020 MTEF will cater for programmes and projects that will be carried out by GEP such as financial support to townships, support to informal businesses, the Youth Accelerator Programme, establishment of the Construction Ecosystem Centre, implementation of a localisation programmes and a Supplier Development Programme.

SERVICE DELIVERY MEASURES

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of innovations commercialised by incubated start-ups	60	57	56	56
Number of companies incubated at eKasi Labs	60	57	56	56
Number of students to be trained in the Construction skills programme.	15	20	20	20
Number of companies contracted to the efficiency improvement programme	30	30	30	30
Number of Creative Businesses provided with access to markets at ConHill	100	130	140	160
Number of construction enterprises non-financially supported	125	150	175	200
Number of Small Enterprises provided with financial support through the provision of loans (approval)	50	50	55	60
Number of Small Enterprises supported through non-financial interventions in the priority districts of West Rand and Sedibeng	200	250	250	250
Number GEP supported small enterprises benefitting from government set-asides	15	15	20	25
Number of youth benefitted from the Youth Accelerator Programme	450	500	650	700
Number of companies with sustainable business graduated from Incubation	16	16	18	18

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 outputs

- 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 the 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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Trade And Investment Promotion		3 749	5 770	6 728	6 728	6 728			
2. Sector Development	211 903	209 185	229 838	212 399	224 660	224 660	236 610	246 778	248 938
3. Strategic Initiatives	465 282	525 019	628 162	598 888	636 813	636 813	791 000	610 119	632 516
Total payments and estimates	677 185	737 953	863 771	818 015	868 201	868 201	1 027 610	856 897	881 454

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments		6 921	5 770	6 728	6 728	6 728			
Compensation of employees		6 887	5 769	6 606	6 606	6 606			
Goods and services		34	2	122	122	122			
Transfers and subsidies to:	677 185	731 032	858 000	811 287	861 473	861 473	1 027 610	856 897	881 454
Provinces and municipalities									
Departmental agencies and accounts	677 185	731 032	858 000	811 287	861 473	861 473	1 027 610	856 897	881 454
Households									
Payments for capital assets									
Payments for financial assets									
Total economic classification	677 185	737 953	863 771	818 015	868 201	868 201	1 027 610	856 897	881 454

The expenditure for Trade and Sector Development increased from R677 million in 2016/17 to R864 million in 2018/19. The budget allocation over the MTEF increases from R1 billion in 2020/21 before decreasing to R881 million in 2022/23. A significant share of the budget is allocated to sector development and strategic initiatives where the Cradle of Humankind, Dinokeng, GTA and GGDA are located.

In 2019/20, the budget allocation for compensation of employees was shifted to Programmes 4 and 5 to ensure that personnel are aligned with the approved organisational structure.

Expenditure under goods and services decreases from R34 000 in 2017/18 to R2 000 in 2018/19. Expenditure incurred relates to travel and subsistence claims. Over the 2020 MTEF, there is no allocation for goods and services in the Trade and Sector Branch which coincides with the correct alignment of personnel as per the department's organisational structure.

Expenditure under departmental agencies and transfers increased from R677 million in 2016/17 to R858 million in 2018/19. The budget increases from R811 million in 2019/20 R1 billion in 2020/21 before decreasing to R881 million in the outer year as the department undertakes reprioritisation to fund cost pressures and new priority projects under GGDA for implementation of capital related projects. Additional funding is granted to GGDA (R200 million in 2020/21) and GTA (R40 million over the MTEF). The additional funding for GTA will cater for the following initiatives such as ; partnership with the Office of the Premier to improve its destination marketing and branding strategy for implementation in the next three years; development and promotion of 2 new and 3 existing tourism routes and precincts across the regional corridors in the

province. Moreover, an additional funding of R200 million in 2020/21 allocated to GGDA is for the Tshwane Automatic Special Economic Zone (SEZ). This project will promote the following: Direct investment; Job creation; Strengthen SA position and role in the global automotive supply chain; increase local content; exports and Foreign Direct Investment; Increase level of SMME and Black Industrialists development and regional development.

The budget under this programme is mainly for transfers of funds for GTA, Cradle of Humankind, Dinokeng and GGDA towards implementation of core projects/programmes including the eKasi labs roll-out, completion of the visitor centre construction, the Working on Fire Programme, tourism routes implementation, implementation of the JMP top structure, the Bio- Science park and bidding for and hosting the Gauteng Shopping Festival, Cycling Relay, Discorp Africa and Joy of Jazz.

SERVICE DELIVERY MEASURES

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of destination marketing initiatives implemented at domestic markets	26	15	16	17
Number of destination marketing initiatives implemented in international markets	36	20	22	23
Number of bids presented(mega,major and significant events)	20	24	24	24
Number of people participated in the supported events		382 000	393 00	405 000
Number of tourism enterprises participated in the Gauteng Tourism Enterprise Development Programme			30	50
Number of tourism products and amenities registered on the GTA products and amenities database		2 100	2 200	2 300
Natural Resources Management report produced		Natural Resources Management report produced	Natural Resources Management report produced	Natural Resources Management report produced
Number of jobs created through the cycling economy	20 local people employed	20 local people employed	20 local people employed	20 local people employed

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 outputs

- 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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Governance	5 219	16 678	3 702	10 132	4 599	4 599	10 374	11 682	10 920
2. Igr And Strategic Partnerships	6 700	4 457	6 474	10 115	12 194	12 194	29 468	31 828	35 953
3. Consumer Protection	20 353	22 224	22 192	21 807	27 519	27 519	23 680	24 662	25 846
4. Liquor Regulation	40 670	23 029	25 871	26 352	26 352	26 352	23 912	24 789	25 702
5. Gambling And Betting					33 391	33 391	26 473		
Total payments and estimates	72 942	66 388	58 239	68 406	104 055	104 055	113 907	92 961	98 421

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	32 222	43 068	32 323	42 054	44 252	44 252	63 522	68 172	72 719
Compensation of employees	26 805	26 106	29 732	33 924	37 113	37 113	54 886	60 344	65 837
Goods and services	5 417	16 962	2 591	8 130	7 139	7 139	8 636	7 828	6 882
Transfers and subsidies to:	40 719	23 320	25 916	26 352	59 803	59 803	50 385	24 789	25 702
Departmental agencies and accounts	40 669	23 029	25 871	26 352	59 743	59 743	50 385	24 789	25 702
Households	50	291	45		60	60			
Payments for capital assets									
Payments for financial assets	1								
Total economic classification	72 942	66 388	58 239	68 406	104 055	104 055	113 907	92 961	98 421

The total expenditure decreased from R73 million for 2016/17 to R58 million in 2018/19. The decrease was due to reduction in the use of consultants and implementation of cost containment. The 2019/20 budget increases from R68 million to R98 million in 2022/23.

Expenditure on compensation of employees increased from R27 million in 2016/17 to R30 million in the 2018/19 financial year then increasing to R34 million in 2019/20. Over the MTEF, the budget increases from R54 million in 2019/20 to R66 million in the 2022/23 financial year. The increase is due to the correct alignment of personnel as per the approved organisational structure.

Expenditure under goods and services was R5 million in 2016/17 and decreased to R2.6 million in 2018/19. Over the 2020 MTEF, the budget increases to R8.6 million in 2020/21 but decreases to R7 million in 2022/23. It caters for projects such as the Trade Exchange Programme with community radio stations for consumer awareness campaigns, financial education for young entrepreneurs, commemorative month campaigns, consumer education for business, a consumer education and awareness impact assessment study and special projects such as international engagement, strategic partnerships working groups, board performance reviews and the annual Joint IGR retreat and Economic cluster forum.

Transfers to the GLB decreased from R41 million in 2016/17 to R26 million in 2018/19 owing to better revenue collection from GLB which compelled the department to decrease its funding to assist the GLB to fund operational costs. Over the 2020 MTEF, the allocation increases significantly to R50 million in 2020/21 before decreasing to R26 million in 2022/23; the

allocation includes funds for the GGB Business Automation project. Over the 2020 MTEF, the allocation funds, among others, Automation System Maintenance to simplify the liquor licence process through automation, the physical verification project which will assist with the verification project that determines the total number of liquor outlet in the province, lodgement of liquor licence applications, processing of liquor licence applications and renewal of licences. Education and awareness campaigns will educate the public and stakeholders about liquor legislation and the effects of alcohol abuse.

SERVICE DELIVERY MEASURES

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Percentage of complaints resolved within 60 working days	90%	90%	90%	90%
Number of proactive investigations conducted	144	168	192	216
Number of consumer education programmes conducted	410	420	430	440
Number of liquor compliance inspections conducted	4	8	8	8
Number of liquor awareness programmes conducted	220	220	220	220
Number of social responsibility programs supported	4	4	4	4
Number of gambling compliance audits conducted	157	157	157	157
Number of technical gambling inspections conducted	780	780	780	780

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 outputs

- 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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Policy And Planning	21 017	19 342	23 791	23 358	24 420	24 420	34 124	34 249	38 490
2. Research And Development	2 698	1 817	7 900	6 073	10 104	10 104	8 462	9 467	9 015
3. Knowledge Management	1 350	1 631	2 127	2 000	2 140	2 140	2 119	2 438	2 555
4. Monitoring And Evaluation	5 099	10							
5. Economic Infrastructure Development	49 511	838		11 876					
6. Sector And Industry Development	46 010	41 533	47 094	59 508	49 012	49 012	96 127	102 143	107 532
7. Inclusive Economy	9 957	12 235	13 568	14 508	18 749	18 749	18 481	20 262	18 734
Total payments and estimates	135 642	77 406	94 480	117 323	104 425	104 425	159 313	168 559	176 326

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	135 153	77 259	87 113	117 323	104 275	104 275	159 313	168 559	176 326
Compensation of employees	51 357	46 370	51 259	65 291	53 768	53 768	82 094	89 459	94 542
Goods and services	83 796	30 889	35 854	52 032	50 507	50 507	77 219	79 100	81 784
Transfers and subsidies to:	221	146	344		150	150			
Non-profit institutions									
Households	221	146	344		150	150			
Payments for capital assets	268		6 989						
Machinery and equipment									
Software and other intangible assets	268		6 989						
Payments for financial assets		1	33						
Total economic classification	135 642	77 406	94 480	117 323	104 425	104 425	159 313	168 559	176 326

The programme expenditure decreased from R136 million in 2016/17 to R94 million in 2018/19. Projects implemented were: Industrial High-Impact Tooling Initiatives, SMME support, state-owned bank feasibility studies, the Gauteng Barometer and the Gauteng Tooling Initiatives.

Over the 2020 MTEF, the programme budget grows from R159 million in 2020/21 to R176 million in 2022/23 for projects such as: implementation of the mid-term impact assessment of the TER strategy, the business case for the GPG economic modelling and capacity building, development of financial models for the Gauteng Investment Incentives Framework, the Gauteng Growth and Modernisation Programme, facilitation of the township brick project, township clothing and linen clusters, township consumer cooperatives, economic intervention workshops, Gauteng industrialisation high-impact projects and an enterprise licence for the Gauteng Economic Barometer.

Expenditure on Compensation of Employees decreased from R51 million in 2016/17 to R46 million in 2017/18; it was informed by vacancy of core staff in the branch. The MTEF budget for compensation increases from R82 million in 2020/21 to R95 million in 2022/23 to provide for annual salary increases and benefits.

The budget for goods and services increases from R77 million in 2020/21 to R82 million in 2022/23 to implement the following projects amongst others: the Quarterly Economic Bulletin, the Gauteng Economic Barometer, the Gauteng economic modelling and capacity building model, the 4IR digital strategy, Economic Data subscription, a township baseline study, economic intervention workshops, the Gauteng Growth and Modernisation Programme, the Township Economy Development Act and the, township consumer cooperative project. EDP projects such as clothing and textiles, wholesale and retail, brick manufacturing, machinery and capital equipment, chemical and pharmaceuticals and furniture were moved from GEP and GGDA to sector and industry development for implementation. Funds are also reprioritised to fund the water and sanitation and e-waste management, energy projects (under the Green Economy sector) and the ICT Smart Industry centre and ICT innovation development over the 2020 MTEF.

SERVICE DELIVERY MEASURES

PROGRAMME 5: ECONOMIC PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of impact assessment study conducted	3	3	3	3
Gauteng 4IR strategy draft developed	Gauteng 4IR draft strategy developed	Gauteng 4IR draft strategy developed	-	-
Thematic intelligence report produced	Thematic intelligence report produced	Thematic intelligence report produced	Thematic intelligence report produced	Thematic intelligence report produced
Number of Municipal economic socio-profiles updated	5	5	5	5
Number of Gauteng Consumer Cooperatives supported	5	5	10	15
Number of Gauteng Cooperative Banks supported	5	10	15	20

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

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

2016/17			Actual		2018/19			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF				
R thousands	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	2020/21		2021/22		2022/23		2019/20 - 2022/23		
											Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	40	6 341	41	12 151	73	13 895	59	11	70	14 625	70	14 169	70	15 450	70	16 598	0%	4%	5%
7 – 10	181	57 392	209	57 344	222	86 608	228	9	237	100 038	237	108 556	237	116 344	237	126 329	0%	8%	38%
11 – 12	68	53 723	83	37 652	74	44 393	81		81	50 845	81	54 772	81	59 192	81	66 034	0%	9%	20%
13 – 16	66	67 262	62	81 685	50	68 734	41	12	53	72 521	53	91 023	53	98 972	53	108 261	0%	14%	31%
Other			4	18 749	8	7 399	4		4	2 842	8	25 283	8	27 936	8	24 514	26%	105%	6%
Total	355	184 718	399	207 581	427	221 029	413	32	445	240 871	449	293 802	449	317 894	449	341 736	0%	12%	100%
Programme																			
1. Administration	212	97 334	231	115 854	239	122 629	217	18	235	129 793	239	156 822	239	168 091	239	180 413	1%	12%	53%
2. Integrated Economic Development Services		9 222	25	12 364	38	11 641	36	2	38	14 664							(100)%	(100)%	2%
3. Trade And Sector Development			26	6 887	46	5 769	40		40	5 714							(100)%	(100)%	1%
4. Business Regulation And Governance	69	26 805	61	26 106	65	29 732	55	10	65	36 856	103	61 057	103	66 855	103	69 705	17%	24%	19%
5. Economic Planning	74	51 357	56	46 370	39	51 259	65	2	67	53 845	107	75 923	107	82 948	107	91 618	17%	19%	25%
Total	355	184 718	399	207 581	427	221 029	413	32	445	240 871	449	293 802	449	317 894	449	341 736	0%	12%	100%

Personnel costs increased from R185 million in 2016/17 to R221 million in the financial year 2018/19. This was owing to many critical posts that needed to be filled. The increase in personnel costs was due to the continuation of implementation of the organisational structure.

Over the MTEF, the compensation budget allocation will escalate due to an increase in the number of posts as per the proposed structure which has been submitted to DPSA for review and which is in support of the Ten Pillar Programme. Compensation of employees will increase from R293 million in 2020/21 to R342 million in 2022/23. The TMR Strategy and the GCR Economic Development Plan are cornerstones for rationalisation of the departmental functions and the proposed organisational structure.

9.2 Training

TABLE 3.18: PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Number of staff	355	399	427	445	445	445	449	449	449
Number of personnel trained	377	497	526	305	305	305	305	322	322
of which									
Male	128	227	240	130	130	130	130	137	137
Female	249	270	286	175	175	175	175	185	185
Number of training opportunities	117	125	131	139	139	139	142	148	148
of which									
Tertiary	77	81	83	88	88	88	88	93	93
Workshops	15	17	19	20	20	20	21	22	22
Seminars									
Other	25	27	29	31	31	31	33	33	33
Number of bursaries offered	49	55	31	35	35	35	35	37	37
Number of interns appointed	63	65	57	64	64	64	64	68	68
Number of learnerships appointed	20	15	15	10	10	10	10	11	11
Number of days spent on training	2 595	2 725	2 883	222	222	222	222	234	234
Payments on training by programme									
1. Administration	2 306	3 474	3 673	3 879	3 879	3 879	4 092	4 317	4 524
2. Integrated Economic Development Services									
3. Trade And Sector Development									
4. Business Regulation And Governance									
5. Economic Planning									
Total payments on training	2 306	3 474	3 673	3 879	3 879	3 879	4 092	4 317	4 524

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 the 2019/20 financial year yet the budget was not sufficient due to large number of active bursary holders (85) who have not yet completed their studies in record time. There's increase in number of applicants for the post graduate qualifications which requires a higher budget allocation i.e. Masters/PHD is allocated R70 000.00.

The HRUCD office is planning to award external bursaries to matriculants from 2021/22 financial year.

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 the DPSA.

In the 2019/20 financial year, the department implemented 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 included 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 identified skills requirements in performance management. In addition, ad hoc training requests are also implemented as they arise from unforeseen factors such as poor performance, DPSA Directives and changes in the department's objectives. 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

ANNEXURE 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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Tax receipts	910 209	987 226	1 044 632	1 049 684	1 048 217	1 272 785	1 110 611	1 177 075	1 233 575
Casino taxes	870 030	948 608	1 006 149	1 008 684	921 840	921 840	1 068 611	1 132 765	1 187 138
Horse racing taxes	40 179	38 618	38 483	41 000	126 377	350 945	42 000	44 310	46 437
Sales of goods and services other than capital assets	413	454	481	455	524	(109 151)	480	506	530
Sale of goods and services produced by department (excluding capital assets)	413	454	481	455	524	(109 151)	480	506	530
Sales by market establishments									
Administrative fees									
Other sales	413	454	481	455	524	(109 151)	480	506	530
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land	3 226	3 366	3 641	2 400	3 901	3 901	2 544	2 696	2 825
Interest	3 226	3 366	3 641	2 400	3 901	3 901	2 544	2 696	2 825
Sales of capital assets	30	8	89						
Other capital assets	30	8	89						
Transactions in financial assets and liabilities	1 126	164	485	342	239	239	361	381	399
Total departmental receipts	915 004	991 218	1 049 328	1 052 881	1 052 881	1 167 774	1 113 996	1 180 658	1 237 329

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	385 880	381 947	352 666	483 315	451 171	451 171	513 300	532 767	563 874
Compensation of employees	184 718	207 581	221 029	275 871	240 871	240 871	293 802	317 894	341 736
Salaries and wages	162 058	181 719	192 870	238 154	208 412	208 012	254 013	275 070	296 856
Social contributions	22 660	25 862	28 159	37 717	32 459	32 859	39 789	42 824	44 880
Goods and services	201 162	174 366	131 637	207 444	210 300	210 300	219 498	214 873	222 138
Administrative fees	1 374	663	800	661	708	708	871	288	780
Advertising	8 660	13 983	6 483	18 978	16 613	16 613	20 219	20 831	20 170
Minor assets	2 868	989	78		157	157			
Audit cost: External	3 792	5 329	4 775	5 577	6 912	6 912	5 237	5 370	5 465
Bursaries: Employees	1 006	897	1 440	1 991	1 991	1 991	1 948	2 008	1 772
Catering: Departmental activities	2 021	2 283	2 342	4 000	4 916	4 916	4 264	4 049	4 317
Communication (G&S)	6 679	5 537	4 128	4 476	5 233	5 233	7 202	7 861	8 161
Computer services	17 495	19 680	13 323	26 782	16 665	16 665	23 949	24 676	25 860
Consultants and professional services:	85 640	53 043	33 827	50 867	49 983	49 983	73 031	75 230	75 975

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Business and advisory services									
Legal services	1 275	2 351	1 369	4 901	1 597	1 597	2 000	2 150	2 300
Contractors	4 403	1 808	1 562	8 821	17 887	17 887	5 138	6 573	6 888
Agency and support / outsourced services	338	378	325	101	361	361	94	96	99
Entertainment	4	8	4	56	56	56	52	53	55
Fleet services (including government motor transport)	1 939	1 212	1 469	2 671	2 872	2 872	2 592	2 475	2 519
Inventory: Food and food supplies									
Inventory: Materials and supplies									
Consumable supplies	2 259	3 510	1 335	2 253	2 183	2 183	1 096	1 276	1 267
Consumable: Stationery, printing and office supplies	3 604	3 580	2 491	4 596	9 991	9 991	4 059	4 415	4 548
Operating leases	21 962	21 471	22 429	25 214	26 952	26 952	18 014	9 195	15 442
Property payments	20 678	25 013	25 797	26 862	28 989	28 989	32 367	29 939	27 744
Travel and subsistence	3 929	5 962	1 840	8 990	6 375	6 375	7 853	7 712	8 071
Training and development	4 274	3 031	2 715	2 758	2 817	2 817	2 938	3 179	3 417
Operating payments	1 301	293	11	129	467	467	158	160	145
Venues and facilities	4 868	2 868	2 986	6 360	5 950	5 950	6 054	6 951	6 737
Rental and hiring	793	475	108	400	625	625	362	387	406
Transfers and subsidies	955 727	999 780	1 127 248	1 083 410	1 167 432	1 167 432	1 309 346	1 128 524	1 161 394
Departmental agencies and accounts	954 572	998 991	1 126 560	1 083 410	1 166 987	1 166 987	1 309 346	1 128 524	1 161 394
Provide list of entities receiving transfers	954 572	998 991	1 126 560	1 083 410	1 166 987	1 166 987	1 309 346	1 128 524	1 161 394
Non-profit institutions	500								
Households	655	789	688		445	445			
Social benefits	655	789	688		435	435			
Other transfers to households					10	10			
Payments for capital assets	17 555	17 205	16 378	14 515	19 689	19 689	17 030	17 013	17 662
Machinery and equipment	16 988	17 205	9 389	14 515	19 689	19 689	17 030	17 013	17 662
Transport equipment	4 846	4 793	5 574	7 217	7 721	7 721	6 776	6 908	7 072
Other machinery and equipment	12 142	12 412	3 815	7 298	11 968	11 968	10 254	10 105	10 590
Software and other intangible assets	567		6 989						
Payments for financial assets	107	10 892	67						
Total economic classification	1 359 269	1 409 824	1 496 359	1 581 240	1 638 292	1 638 292	1 839 676	1 678 304	1 742 930

TABLE 3.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	209 237	242 262	215 816	293 189	295 916	295 916	290 465	296 035	314 829
Compensation of employees	97 334	115 854	122 629	146 029	143 384	143 384	156 822	168 091	181 357
Salaries and wages	84 405	100 238	105 885	125 300	122 454	122 454	134 954	144 780	156 927
Social contributions	12 929	15 616	16 743	20 729	20 930	20 930	21 868	23 311	24 430
Goods and services	111 903	126 409	93 187	147 160	152 532	152 532	133 643	127 944	133 472
Administrative fees	615	171	226	398	429	429	570	164	651
Advertising	8 333	13 247	5 611	18 114	15 929	15 929	19 352	19 938	19 084
Minor assets	2 868	987	78		157	157			
Audit cost: External	3 792	5 329	4 775	5 577	6 912	6 912	5 237	5 370	5 465
Bursaries: Employees	1 006	897	1 440	1 991	1 991	1 991	1 948	2 008	1 772
Catering: Departmental activities	526	330	536	1 206	1 330	1 330	1 477	1 275	1 237
Communication (G&S)	6 673	5 536	4 126	4 476	5 233	5 233	7 202	7 861	8 161
Computer services	17 495	19 593	13 233	26 282	15 961	15 961	23 477	24 192	25 353
Consultants and professional services: Business and advisory services	5 290	14 371	3 182	4 564	10 935	10 935	2 302	4 081	4 277
Legal services	1 275	2 351	1 369	4 900	1 596	1 596	2 000	2 150	2 300
Contractors	4 365	1 421	1 050	8 520	10 856	10 856	1 435	2 207	2 313
Agency and support / outsourced services	338	378	325	100	360	360	94	96	99
Entertainment	4	6	4	56	56	56	52	53	55
Fleet services (including government motor transport)	1 939	1 197	1 438	2 671	2 869	2 869	2 592	2 475	2 519
Inventory: Food and food supplies									
Inventory: Materials and supplies									
Consumable supplies	1 349	2 620	1 071	2 247	2 143	2 143	1 096	1 276	1 267
Consumable: Stationery, printing and office supplies	3 198	3 514	2 433	3 370	9 320	9 320	3 464	3 226	3 301
Operating leases	21 962	21 471	22 429	25 214	26 952	26 952	18 014	9 195	15 442
Property payments	20 343	25 005	25 797	26 862	28 989	28 989	32 367	29 939	27 744
Travel and subsistence	1 561	3 088	473	4 396	3 732	3 732	3 774	4 111	4 190
Training and development	4 071	3 031	2 715	2 758	2 758	2 758	2 938	3 179	3 417
Operating payments	1 285	293	11	129	467	467	158	160	145
Venues and facilities	3 089	1 313	791	3 179	3 182	3 182	3 961	4 851	4 536
Rental and hiring	526	259	75	150	375	375	133	137	144
Transfers and subsidies	858	313	243		235	235			
Non-profit institutions	500								
Households	358	313	243		235	235			
Social benefits	358	313	243		225	225			
Other transfers to households					10	10			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Payments for capital assets	17 287	17 205	9 389	14 515	19 689	19 689	17 030	17 013	17 662
Machinery and equipment	16 988	17 205	9 389	14 515	19 689	19 689	17 030	17 013	17 662
Transport equipment	4 846	4 793	5 574	7 217	7 721	7 721	6 776	6 908	7 072
Other machinery and equipment	12 142	12 412	3 815	7 298	11 968	11 968	10 254	10 105	10 590
Software and other intangible assets	299								
Payments for financial assets	106	10 891	34						
Total economic classification	227 488	270 671	225 482	307 704	315 840	315 840	307 495	313 048	332 491

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	9 268	12 438	11 643	24 021					
Compensation of employees	9 222	12 364	11 641	24 021					
Salaries and wages	7 993	10 671	10 004	20 683					
Social contributions	1 229	1 693	1 637	3 338					
Goods and services	46	73	2						
Administrative fees									
Advertising									
Catering: Departmental activities									
Consultants and professional services: Business and advisory services									
Contractors									
Travel and subsistence	30	50	2						
Operating payments	16								
Venues and facilities		23							
Transfers and subsidies	236 744	244 969	242 745	245 771	245 771	245 771	231 351	246 838	254 238
Departmental agencies and accounts	236 718	244 930	242 689	245 771	245 771	245 771	231 351	246 838	254 238
Provide list of entities receiving transfers	236 718	244 930	242 689	245 771	245 771	245 771	231 351	246 838	254 238
Households	26	39	56						
Social benefits	26	39	56						
Other transfers to households									
Payments for capital assets									
Payments for financial assets									
Total economic classification	246 012	257 407	254 388	269 792	245 771	245 771	231 351	246 838	254 238

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments		6 921	5 770	6 728	6 728	6 728			
Compensation of employees		6 887	5 769	6 606	6 606	6 606			
Salaries and wages		6 466	5 528	6 582	6 582	6 182			
Social contributions		421	240	24	24	424			
Goods and services		34	2	122	122	122			
Administrative fees									
Catering: Departmental activities				26	26	26			
Contractors									
Travel and subsistence		34	2	59	59	59			
Transfers and subsidies	677 185	731 032	858 000	811 287	861 473	861 473	1 027 610	856 897	881 454
Departmental agencies and accounts	677 185	731 032	858 000	811 287	861 473	861 473	1 027 610	856 897	881 454
Provide list of entities receiving transfers	677 185	731 032	858 000	811 287	861 473	861 473	1 027 610	856 897	881 454
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
Payments for financial assets									
Total economic classification	677 185	737 953	863 771	818 015	868 201	868 201	1 027 610	856 897	881 454

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		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	32 222	43 068	32 323	42 054	44 252	44 252	63 522	68 172	72 719
Compensation of employees	26 805	26 106	29 732	33 924	37 113	37 113	54 886	60 344	65 837
Salaries and wages	23 537	22 820	25 948	28 664	32 521	32 521	45 816	50 595	55 620
Social contributions	3 268	3 286	3 784	5 260	4 592	4 592	9 070	9 749	10 217
Goods and services	5 417	16 962	2 591	8 130	7 139	7 139	8 636	7 828	6 882
Administrative fees	8	20	23	100	100	100	25	23	24
Advertising	327	736	872	264	604	604	867	893	1 086
Catering: Departmental activities	568	472	426	688	1 375	1 375	729	721	929
Communication (G&S)									
Consultants and professional services: Business and advisory services	2 705	13 915	50	3 348	1 949	1 949	4 571	3 506	2 010
Contractors	28	244	22	16	113	113	49	50	52
Agency and support / outsourced services									
Entertainment		2							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Inventory: Materials and supplies									
Consumable supplies	2	403	261	6	38	38			
Consumable: Stationery, printing and office supplies	12	61	52	56	56	56	59	54	57
Operating leases									
Travel and subsistence	1 108	618	292	1 937	1 200	1 200	1 575	1 733	1 834
Training and development					19	19			
Operating payments									
Venues and facilities	469	442	561	1 710	1 677	1 677	761	849	890
Rental and hiring	190	32		5	5	5			
Transfers and subsidies	40 719	23 320	25 916	26 352	59 803	59 803	50 385	24 789	25 702
Departmental agencies and accounts	40 669	23 029	25 871	26 352	59 743	59 743	50 385	24 789	25 702
Provide list of entities receiving transfers	40 669	23 029	25 871	26 352	59 743	59 743	50 385	24 789	25 702
Households	50	291	45		60	60			
Social benefits	50	291	45		60	60			
Other transfers to households									
Payments for capital assets									
Payments for financial assets	1								
Total economic classification	72 942	66 388	58 239	68 406	104 055	104 055	113 907	92 961	98 421

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	135 153	77 259	87 114	117 323	104 275	104 275	159 313	168 559	176 326
Compensation of employees	51 357	46 370	51 259	65 291	53 768	53 768	82 094	89 459	94 542
Salaries and wages	46 123	41 524	45 504	56 925	46 855	46 855	73 243	79 695	84 309
Social contributions	5 234	4 846	5 755	8 366	6 913	6 913	8 851	9 764	10 233
Goods and services	83 796	30 889	35 855	52 032	50 507	50 507	77 219	79 100	81 784
Administrative fees	751	472	551	163	179	179	276	101	105
Advertising				600	80	80			
Catering: Departmental activities	927	1 481	1 380	2 080	2 185	2 185	2 058	2 053	2 151
Communication (G&S)	6	1	2						
Computer services		87	90	500	704	704	472	484	507
Consultants and professional services: Business and advisory services	77 645	24 757	30 595	42 955	37 099	37 099	66 158	67 643	69 688
Legal services				1	1	1			
Contractors	10	143	489	285	6 918	6 918	3 654	4 316	4 523

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Agency and support / outsourced services				1	1	1			
Entertainment									
Fleet services (including government motor transport)									
Inventory: Materials and supplies									
Consumable supplies	908	487	4		2	2			
Consumable: Stationery, printing and office supplies	394	5	6	1 170	615	615	536	1 135	1 190
Property payments	335	7							
Travel and subsistence	1 230	2 172	1 072	2 598	1 384	1 384	2 504	1 868	2 047
Training and development	203				40	40			
Operating payments									
Venues and facilities	1 310	1 090	1 634	1 434	1 054	1 054	1 332	1 251	1 311
Rental and hiring	77	185	33	245	245	245	229	250	262
Transfers and subsidies	221	146	344		150	150			
Households	221	146	344		150	150			
Social benefits	221	146	344		150	150			
Other transfers to households									
Payments for capital assets	268		6 989						
Machinery and equipment									
Other machinery and equipment									
Software and other intangible assets	268		6 989						
Payments for financial assets		1	33						
Total economic classification	135 642	77 406	94 480	117 323	104 425	104 425	159 313	168 559	176 326