

Vote 09

Department: *Economic Development, Environmental Affairs and Tourism*

Table 1: Summary of departmental allocation

To be appropriated by Vote in 2023/24	R2 000 800 000
Responsible Executive Authority	MEC of Economic Development, Environmental Affairs and Tourism
Administrating Department	Department of Economic Development, Environmental Affairs and Tourism
Accounting Officer	Head of Department

1. Overview

1.1 Vision

By 2030, the Province will have a growing, transformed, diversified and inclusive green economy in a sustainable environment.

1.2 Mission

A provincial catalyst for sustainable and inclusive economic development that promotes sound environmental management.

1.3 Core functions and responsibilities

The core functions of the department are summarised as follows:

- To drive economic growth and development in the Eastern Cape;
- To develop key sectors of the economy through the provincial economic development strategy;
- To develop and promote the provincial tourism sector;
- To provide consumer protection services, gambling and betting regulations, trade inspection and regulate the liquor industry; and
- To develop regulatory frameworks and monitor the implementation of policies for the protection of biodiversity and environment in the province.

1.4 Main Services

The department's core services are centred around economic and tourism development as well as environmental management. These services include but not limited to:

- Coordinate all strategic initiatives relating to the creation of decent work through inclusive economic growth; including the implementation of the relevant components of the National Development Plan, Vision 2030 and a number of sector strategies;
- Develop and utilise strategic frameworks and partnerships for the support and promotion of sustainable Small Medium and Micro Enterprises (SMMEs) and Cooperatives as well as support local procurement in the province;
- Promote entrepreneurship and job creation by supporting the Isiqalo Youth Fund;

- Promote economic development through the Economic Stimulus Fund as well as through the new Economic Development Fund;
- Promote economic growth and development of local economies in partnership with key stakeholders by aligning Local Economic Development (LED) initiatives with government programmes as well as creating and facilitating an enabling environment for implementation. This includes small town revitalisation and the development of township economies;
- Increase the number of jobs created through sector and cluster development and support sustainable initiatives, agro-processing, manufacturing and the revitalisation of old industrial parks;
- Facilitate the development of strategic infrastructure projects that will stimulate the competitiveness of priority sectors in the provincial economy. Focus is placed on socio-economic infrastructure, Operation Phakisa, the Black Industrialisation Programme and support of Strategic Infrastructure Programmes (SIPs);
- Support manufacturing and service industries through the promotion of special economic zones;
- Promote consumer rights, develop systems for effective regulation of the liquor, gambling and betting industries in the province;
- Provide credible information and databank that informs economic policy and planning processes;
- Support the development of tourism in the province for competitive product offerings;
- Establish, implement and maintain effective systems to manage the sustainable utilisation of biological resources and conservation of ecosystems;
- Establish, implement and maintain effective systems using environmental legislation to protect the environment and implement environmental awareness programmes to empower communities; and
- Facilitate informed environmental decision-making through the implementation of comprehensive environmental planning and coordination mechanisms.

1.5 Demands for and expected changes in the services

The 2-year long COVID-19 pandemic and subsequent lockdowns has impacted negatively on all facets of social and economic activity. At the same time the budgets were severely cut. This requires a different approach to how work is delivered together with other partners and stakeholders since the focus is now on economic recovery both at a provincial and national level. DEDEAT is the centre for economic growth and sustainable development through collaboration, co-ordination, facilitation, integration and support provided to all Economic Development (ED) cluster departments in order to improve economic growth and sustainable development. The province is faced with high unemployment rate as well as high level of inequality and distribution of income. Furthermore, de-industrialisation and the poor investor climate create a challenging environment for the department to create economic opportunities for investment and associated job creation. The Provincial Economic Development Strategy (PEDS) and the Jobs Strategy require a new set of industrial skills in areas such as petrochemicals, green technology manufacturing, agro-processing and auto-manufacturing.

Over the 2023 MTEF, the focus will be on the coordination and implementation of key economic projects to stimulate economic growth and development in the province. The Premier has mentioned the word 'infrastructure' 31 times in the State of the Province Address. It means DEDEAT has to actively support all applicable infrastructure projects. The Local and Regional Economic Development (LRED) programme continues while previously funded stimulus fund projects will be monitored and supported. There is also a huge demand for SMME assistance with financing through the Eastern Cape Development Corporation (ECDC), which is unable to meet demand. However, funding challenges are impacting the advancement of loans to SMMEs. For 2023/24, the target is to support 70 SMMEs through non-financial support. Furthermore, the establishment of the Economic Development fund under the ECDC in 2023/24 will provide resources to overcome these challenges.

The department foresees an increased demand on skills development programmes and applications for financial and non-financial support from SMME's and cooperatives. The department still aims to support about 120 cooperatives, which will be manageable through greater interactions with prospective communities. Although the skills development programmes at ECDC and Coega Development Corporation (CDC) should be able to meet the demand for skills, the department may not have sufficient financial resources to meet the needs for support to the SMME and cooperative sectors. The fourth industrial revolution requires new types of skills, which cannot be implemented by the department alone. Support and collaboration with the private sector will be sought.

1.6 The Acts, rules and regulations

The department operates in a highly regulated environment, with more than 100 Acts and Regulations that serve as operational boundaries of the DEDEAT Group (department and its six public entities). The key acts, rules and regulations are applicable to the core functions of the department, which are: Consumer Protection Act, 2008; Broad Based Black Economic Empowerment Amended Act, 2013; Co-operatives Bank Act, 2005; Amended Co-operatives Act, 2013; National Gambling and Betting Act, 2008; National Small Business Act, 1996; National Liquor Act, 2003; Eastern Cape Liquor Act, 2003; Unfair Business Act, 1998; National Credit Act, 2006; Eastern Cape Eastern Cape Gambling Amendment Act, 1 of 2015; Eastern Cape Development Corporation Act, 1997; Eastern Cape Parks and Tourism Agency Act, 2010; Nature Conservation Ordinance, 1974; Environmental Management Act, 1998; Environmental Conservation Act, 1998; National Environmental Management Air Quality Act, 2004; National Environmental Management Biodiversity Act, 2004; National Environmental Management Integrated Coastal Management Act, 2008; National Environmental Management Waste Act, 2008; National Environmental Management Protected Areas Act, 2009, and Special Economic Zones Act, 2014.

The Eastern Cape Gambling Amendment Act, 2015 (Act No. 1 of 2015) amended the Eastern Cape Gambling Act, 1997 (Act No. 5 of 1997) and came into operation on 1 August 2016. On the 19 February 2018, the Honourable Premier published a Proclamation bringing into operation section 4 and section 5 of the Eastern Cape Gambling Amendment Act, 2015 (Act No. 1 of 2015). These sections provide that the juristic person will be known as the Eastern Cape Gambling Board. The impact of the Legislation provides for the following: reinforced monitoring to enforce compliance by the industry; an expanded revenue-base and increased economic contribution; a revised regulatory system that caters for new forms of gambling; a quicker decision making process and responsiveness to demands; and enhanced suitability of mechanisms to promote entry into the industry.

The Eastern Cape Liquor Authority Act, 2018 (Act No. 4 of 2018) was assented to and published in the Provincial Gazette during March 2019. Regulations in terms of the Act will be drafted and will be published for comment once the Honourable Premier promulgates the Act.

The White Paper on Consumer Protection in the Eastern Cape has been endorsed by the Executive Council. The Eastern Cape Consumer Protection Act, 2018 (Act No. 3 of 2018) has been assented to by the Honourable Premier and published in the Provincial Gazette during March 2019. The Act when proclaimed and in operation will provide the Office of the Consumer Protector with the necessary legislative mandate to ensure a more effective and efficient service to consumers within the Eastern Cape and will be aligned to the Consumer Protection Act and provides for procedures and mechanisms to provide redress to consumers. Provision is made for the establishment of the Eastern Cape Consumer Tribunal for referral of complaints that are not resolved in terms of alternative dispute resolution mechanisms.

The Eastern Cape Parks and Tourism Agency Act (No 2 of 2010) was reviewed. The Eastern Cape Parks and Tourism Bill, 2018 was published for public comment on 12 February 2018. The Bill will promote alignment with the National tourism legislation whilst it will seek to address gaps that have been identified, which have a direct impact on implementation.

The department has reviewed the Eastern Cape Development Corporation Act, 1997 (Act no. 2 of 1997). A White Paper on the Eastern Cape Development Corporation is being developed which will inform the Eastern Cape Development Corporation Bill to align with the Economic Policy direction of the country and the province.

Formal and Informal businesses are currently governed by the Business Act, 1991 (Act No. 71 of 1991) which predates the Constitution of the Republic of South Africa, 1996. The Department is currently working on the policy development of a White Paper on Businesses in the Eastern Cape, which will culminate in the publication for comment of the Eastern Cape Businesses Bill. The overall intention of the Bill will be to repeal the Business Act, 1991 (Act no. 71 of 1991), provide for measures to protect consumers in the province against unhealthy, harmful, and unsafe goods and business practises. It will also provide for the designation of Licensing, Permitting and Registration Authorities, Committees and Officers in the province and their objects, powers, duties and 51 functions, provide for a conducive environment to ensure graduation and transitioning of small businesses operating in the informal sector into the main stream economy. Furthermore, it will provide for a developmental agenda that covers transfer of skills, capacity building and business support to the SMME's and to provide for business data collection across the board that will be beneficial to proactive economic planning regime.

1.7 Budget decisions

The current economic climate and associated fiscal constraints placed on the provincial financial resources has directed the department to reprioritise its budget allocation within the programmes. The department continues to ensure that the budget decisions are aligned with provincial priorities pertaining to the need for intensified support and oversight of the Public Entities. There has been tightening of the fiscal envelope caused by the weak economic environment. The downward economic growth forecast presents further challenges government's ability to generate revenue to meet the ever-increasing service delivery targets. Reprioritisation within programmes and sub-programmes to accommodate the previous budget cuts was undertaken without severely affecting the service delivery for the 2023 MTEF. Consequently, funds have been reprioritised from Compensation of employees to achieve the government programme of action. However, this didn't compromise the provision for warm bodies. The baseline reprioritisation exercise was necessary to re-direct funds to enhance the assistance to SMME, set-aside funding for economic stimulus projects and COVID-19 recovery plan. The departmental service delivery model was largely been impacted by the COVID-19 pandemic as well as the increasing demand for support to SMMEs. To this end, the introduction of the Economic Development Fund to be implemented by ECDC, will assist in addressing these demands.

Budget decisions in the department are largely influenced by various factors that are prioritised in order to promote economic development, tourism and taking into consideration our environmental affairs. The department will continue with its untiring efforts of donor mobilisation and work with the private sector in order to leverage on their resources in projects where there are common goals. Cost containment measures and value for money spending will continue to be applied by the department over the 2023 MTEF period.

1.8 Aligning departmental budgets to achieve government's prescribed outcomes

The departmental budget is supported by a Strategic Plan (SP), Annual Performance Plan (APP) that have been aligned to the Medium-Term Strategic Framework (MSTF) and Provincial Development Plan (PDP), Vision 2030. The department's work is influenced by a combination of economic and environmental imperatives in the Eastern Cape; key alignment instruments of the international, national, provincial and local levels; and the structural organisation of the DEDEAT Group as well as the available human and financial resource envelope. The department will continue to make use of policies and strategies that enhance economic, environmental management and tourism development. These include the Eastern Cape Biodiversity Strategy and Action Plan (ECBSAP), Climate Change Response Strategy, Provincial Sustainable Energy Strategy, National Biodiversity Economy Strategy, Integrated Waste Management

Plans, Eastern Cape Youth Development Strategy, Provincial National Protected Area Expansion Strategy, Industry Action Plan, Agricultural Policy Action Plan, Tourism Master Implementation Plan, BBBEE policy, ECAIF Automotive Strategy 2024, AIDC Automotive Strategy 2024, EC Tooling sector strategy 2024, Provincial EC Integrated SMME Strategy 2015-2020 (being reviewed), Co-operative development strategy 2019-2024, Business Incubation Strategy as well as the EC Policy Speeches.

2. Review of the current financial year (2022/23)

2.1 Key achievements

The department attracted 1 investment with a value of R70 million against the annual target of 5 investors with a value of R500 million in 2022/23 for East London Industrial Development Zone (EIDZ), while several factors contributed to the underperformance, the most significant is the slow growth of the investment pipeline. The department reports a value of R292.62 million investments out of an annual target of R460 million through CDC. Subsequently 9 136 jobs opportunities were created against the revised annual target of 9 739 jobs opportunities mainly in the construction industry through CDC.

The department further supported 285 SMMEs with non-financial support such as business training, development of plans and marketing against the revised annual target of 120 SMMEs and further supported 1 project to improve economic growth and sustainable livelihood on LRED programme against the annual target of 10. The under achievement is mainly due to non-compliance with the LRED policy from the respective applicants after due diligence was being undertaken. In respect of Provincial Economic Stimulus Fund, 10 projects were supported to rejuvenate the economic growth and sustainable development against the annual target of 12 projects.

The department issued 4 gambling licence to reach current legislation against the revised annual target of 6 to enhance revenue collection. An amount of R143.8 million was collected against the annual target of R185 million through Eastern Cape Gambling Board (ECGB). The ECGB implemented 5 Gambling Economic Opportunities Awareness Sessions against the annual target of 5 throughout the province. In respect of consumer education programme, the number of consumer education programmes implemented and other consumer protection initiatives, 3 was achieved against the annual target of 6. The department achieved 3 on number of socio-economic intelligent reports produced against a target of 5. With respect to status report on implementation of tourism sector policies/strategies, 1 was achieved against the annual target of 2.

In support of conservation efforts and creating awareness sessions, the department undertook 18 environmental capacity building activities against the annual target of 24. In support of conservation efforts, 19 environmental awareness activities were conducted against the annual target of 24. Out of the annual target of 467, there was no achievement reported for work opportunities through environmental programme as this target is to be reported in Quarter 4. ECPTA generated R2.021 million through tourism development and transformation as well as heritage tourism for hospitality revenue

ECLB processed 34.3 per cent of fully compliant liquor license applications out of an annual target of 70 per cent and 65 907 people were reached through liquor awareness interventions.

In respect of consumer education programme, 3 was achieved on the other consumer protection initiatives against a revised annual target of 6. The department issued 837 Threatened or Protected Species (TOPS) against the annual target of 900.

In support of conservation efforts and creating awareness sessions, 19 environmental awareness activities and 22 environmental capacity building were held throughout the province against the revised annual target of 24 and 24, respectively. Out of the annual target of 550, there was no achievement reported for work opportunities through the environmental programme.

2.2 Key challenges

The key challenges for the DEDEAT group over the past 9 months are as follows:

- On the LRED front, the biggest challenge has been the poor quality of applications received and the monitoring thereof. There is also a challenge of coordination since a number of departments and municipalities are involved in LRED programme.
- On tourism, the Eastern Cape lacks the ability to retain its international tourists, hence the number of international tourists into the province vary each and every period. The Eastern Cape remains in the 8th most visited province followed by the Northern Cape, while Gauteng, Limpopo, Western Cape, Mpumalanga and Free State continue to capture the majority of international tourists and spending due to established tourism products and brands.
- During this review period, no Atmospheric Emission Licenses were issued. However, one additional application was received during this quarter. National also reported that there was a legal challenge for the wood drying category in terms of subcategory 9.5 of the listed activity. The judgement in this case was to the favour of the sawmilling industry. However, the Minister has appealed the case and the matter has now been referred to the Constitutional Court.

3. Outlook for the coming financial year (2023/24)

The department aims to attract 12 investors worth approximately R890 million in 2023/24. The department intends to create 10 963 jobs while simultaneously contributing to skills and development by training approximately 3 500 people. Work will continue support of 3 sustainable energy, 5 manufacturing, 3 Agro-processing and 3 trade and investment promotion initiatives. There is a plan to monitor at least 9 projects that were previously funded through the Provincial Stimulus Fund.

The department will support 200 SMMEs with non-financial support such as business training, development of plans and marketing. A total of 10 Local and Regional Economic Development (LRED) projects will be funded. Work on the Oceans economy will continue with various streams although no additional resources have been allocated for this function. Due to deficiencies in data, the department will partner Statistics South Africa in order to develop credible business intelligence. Thematic areas of 5 have been identified for collaboration with Statistics South Africa, which will be implemented on a cost recovery basis on behalf of the department.

The focus of the department will be on the economic recovery of the province post the COVID-19 pandemic whereby it responded by creating the Economic Development Fund, which will be implemented by the ECDC in 2023/24. This fund will provide resources for strategic economic development imperatives including: industry value chain activation support, SMME access to funding for business finance as well as specialist funds targeting growth and transformation in high potential sectors and industries.

The department will continue to focus on tourism development and transformation as well as heritage tourism and aims to generate revenue. More efforts will be made to market the province through digital platforms. Through the ECLB the department will process all (100 per cent) fully compliant liquor license applications, as well as undertake social responsibility programmes and reach thousands of people through liquor awareness interventions in the province.

The number of Gambling licences has reached current legislative thresholds and 4 gambling licenses is targeted for 2023/24, to be issued through the ECGB. This will further enhance revenue collection going forward. A target of R219 million has been set for revenue collection through the ECGB. The ECGB will implement 5 Gambling Economic Opportunities Awareness sessions throughout the province. Through the Consumer awareness programme, the department plans to do 6 consumer education programmes and other consumer protection initiatives.

In support of sustainable environmental management and sustainable economic development the department will strive to process all environmental-related applications within legislated timeframes. The department under biodiversity programme intends to issue more than 80 per cent of Threatened or Protected Species (TOPS) permits in 2023/24.

Environmental awareness and capacity building activities will continue to play an important role in educating the public on environmental issues. As such, the department will conduct a total of 24 environmental awareness and 24 capacity building activities throughout the province. There are also plans to create approximately 405 work opportunities through environmental programmes.

4. Reprioritisation

The department undertook extensive reprioritisation over the 2023 MTEF, largely for implementation of the department's 4 priority projects for development and implementation. These projects represent an opportunity to create synergy and integration among different role players namely Township and rural economy, Climate change programme, Support to the Provincial Investment and Trade initiatives, and lastly Revitalisation of industrial parks. The projects will be contextualised with SMMEs focusing on red tape reduction, funding instruments and shared services, amongst others being supported.

The department will continue to administer a set of programmes that are targeting micro, small and medium enterprises and ensure that small businesses and co-operatives owned by individuals from historically disadvantaged communities including Women, Youth and Persons with disabilities actively participating. Furthermore, funds were reprioritised from Compensation of employees to Goods and services in order to prioritise service delivery. The service delivery projects as outlined in the departmental Annual Performance Plan will be continued with in 2023/24 and savings realised by the department will be used to augment any shortage to stimulate economic growth and service delivery in the core programmes.

In budgeting, the cost containment measures and other cost cutting practice notes and circulars were implemented in particular to the non-core items. Furthermore, the department has effected reprioritisation in order to fund the departmental priorities. Base line reductions were implemented across the group. Financial Management with the assistance of the Accounting Officer will continue to play an active role in ensuring that programmes are spent as projected and that the budget pressures are addressed. Therefore, the monitoring and oversight will continue over the 2023 MTEF.

5. Procurement

The department's procurement will be aligned to the department procurement plans and the Supply Chain Management (SCM) policy to be implemented. The procurement and contract management still remain a target and the department will robustly look at this area in its quest to implement the cost containment measures and realise efficiency gains. The department will continue to liaise with Provincial Treasury for all matters relating to SCM for guidance. The department will continue to uphold the principles of procurement by ensuring that all contracts are awarded in a manner that is fair, equitable, transparent, competitive and cost effective. The department will continue to ensure that the procurement of goods and services is done in a timely manner and will adhere to the provincial drive to support township economies and meet the targets set for preferential procurement and further intensify the payment of suppliers within 30 days in line with Treasury Regulation 8.2.3. The department will continue to implement the LED Strategy focusing on local procurement for almost all services on tenders so that bids will be awarded in a manner, which is fair, equitable, transparent, competitive and cost effective.

Procurement of goods and services will be 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. However some of the projects that would impact the procurement process are as follows:

- Mid-term impact assessment;
- Refurbishment of industrial parks;
- Tourism marketing;
- Cleaning services;
- Security services;
- Printing solution; and
- LAN switching.

6. Receipts and financing

6.1 Summary of receipts

Table 2: Summary of departmental receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Equitable share	1 338 441	1 329 974	1 415 152	1 327 559	1 398 062	1 398 909	1 997 109	1 896 720	2 075 707	42.8
Conditional grants	2 670	2 494	2 605	2 823	2 823	1 976	3 691	–	–	66.8
Expanded Public Works Programme	2 670	2 494	2 605	2 823	2 823	1 976	3 691	–	–	
Departmental receipts	1 341 111	1 332 468	1 417 757	1 330 382	1 400 885	1 400 885	2 000 800	1 896 720	2 075 707	42.8
of which										
Total receipts	221 786	116 323	185 387	237 733	237 733	215 293	252 271	252 448	264 060	17.2

Table 2 above reflects the summary of departmental receipts, which consist of equitable share, conditional grants and own revenue from 2019/20 to 2025/26. The receipts increased from R1.341 billion in 2019/20 to a revised estimate of R1.4 billion in 2022/23. In 2023/24, the receipts increases by 42.8 per cent to R2 billion. This is due mainly for funds allocated for Budget Facility for Infrastructure to implement the water effluent project through CDC and further allocations for sustainable economic growth and development at ECDC including the Economic Development (ED) Fund, recapitalisation and property modernisation as well as refurbishment of Data Centre in the ELIDZ and further implementation of the Eastern Cape Liquor Act.

6.2 Departmental receipts collection

Table 3: Summary of departmental receipts and collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Tax receipts	217 557	112 979	182 198	236 988	236 988	211 280	250 162	250 339	261 559	18.4
Casino taxes	187 125	83 616	150 155	208 977	208 977	183 239	219 319	218 346	228 133	19.7
Horse racing taxes	11 402	13 112	9 101	9 381	9 381	9 381	10 343	10 493	10 963	10.3
Liquor licences	19 040	16 251	22 942	18 600	18 600	18 600	20 500	21 500	22 463	10.2
Motor vehicle licences										
Sales of goods and services other than capital assets	1 318	976	1 547	227	227	931	1 200	1 200	1 552	28.9
Transfers received										
Fines, penalties and forfeits	1 427	591	1 013			2 086				(100.0)
Interest, dividends and rent on land	1 023	1 606	58	439	439	439	700	700	731	59.5
Sales of capital assets			136							
Transactions in financial assets and liabilities	451	171	436	109	109	557	209	209	218	(62.5)
Total departmental receipts	221 786	116 323	185 387	237 733	237 733	215 293	252 271	252 448	264 060	17.2

Table 3 above, Departmental own receipts decreased from R221.786 million in 2019/20 to a revised estimate of R215.293 million in 2022/23 due to normalising of the restrictions caused by COVID-19 pandemic. In 2023/24, the budget increases by 17.2 per cent to R252.271 million mainly due the economic recovery following the COVID-19 pandemic. The revenue drivers are casino taxes, liquor licences, sale of permit for environmental affairs and the implementation of gambling activities (e.g. bingo). Furthermore,

the department is striving to increase its revenue through the implementation of the provincial revenue study.

6.3 Official development assistance (donor funding)

Table 4: Summary of departmental donor funding receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Donor organisations										
European Funding	27 358	-	-	-	-	-	-	-	-	
European Funding	4 126	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Total receipts	31 484	-	-	-	-	-	-	-	-	

Table 5: Summary of departmental donor funding payments

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Donor organisations										
European Funding	17 244	10 114	-	-	-	-	-	-	-	
European Funding	-	4 126	-	-	-	-	-	-	-	
Donor 5	-	-	-	-	-	-	-	-	-	
Total payments	17 244	14 240	-	-	-	-	-	-	-	

Table 4 above showed that the department received R31.484 million in donor funding in 2019/20, while Table 5 shows that the department spent R17.244 million and R14.240 million of the donor funds in 2019/20 and 2020/21, respectively. This is mainly for managing school toilets waste in order to generate fertiliser and cooking gas for school garden and feeding schemes, which is implemented by the ECDC in the Amathole District Municipality. No funding was received since 2021/22 onwards from donors.

7. Payment summary

7.1 Key assumptions

The expectations for crafting this budget were to provide a framework to the departmental officials for setting priorities, determining service levels and allocating financial resources efficiently. The following key assumptions were taken into consideration when this budget was formulated:

- Budgetary reduction on the Compensation of Employees (CoE) and other non-COE expenditure items are based on the cuts towards wage freeze reductions, fiscal consolidation reductions and adjustment to baseline for the new data in the PES formula amongst other things;
- Cost containment measures to be implemented as much as possible in order to ensure an efficient use of fiscal resources; and
- Inflation over the 2023 MTEF is 4.42 per cent in 2023/24, 4.45 per cent in 2024/25 and 4.48 per cent in 2025/26.

7.2 Programme summary

Table 6: Summary of payments and estimates by programme

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Administration	225 617	188 468	200 571	241 043	234 439	234 439	229 021	247 863	210 337	(2.3)
2. Economic Development And Touri	778 780	803 842	848 753	747 164	805 058	805 058	1 418 434	1 283 104	1 498 404	76.2
3. Environmental Affairs	336 714	340 158	368 433	342 175	361 388	361 388	353 345	365 753	366 966	(2.2)
Total payments and estimates	1 341 111	1 332 468	1 417 757	1 330 382	1 400 885	1 400 885	2 000 800	1 896 720	2 075 707	42.8

7.3 Summary of economic classification

Table 7: Summary of payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	381 174	329 840	346 928	414 043	423 436	423 436	416 047	439 283	405 999	(1.7)
Compensation of employees	262 963	253 903	260 572	302 370	299 118	299 118	297 737	315 097	321 357	(0.5)
Goods and services	118 211	75 937	86 356	111 673	124 318	124 318	118 310	124 186	84 642	(4.8)
Interest and rent on land										
Transfers and subsidies to:	949 658	985 608	1 056 527	898 516	960 449	960 449	1 567 135	1 435 217	1 655 893	63.2
Provinces and municipalities	18 956	23 918	36 968	25 900	26 400	26 400	23 750	21 041	16 765	(10.0)
Departmental agencies and accounts	923 234	937 447	1 007 986	853 594	916 049	916 049	1 524 110	1 394 704	1 623 118	66.4
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 780	22 155	8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Non-profit institutions	1 427						1 800	1 800		
Households	4 261	2 088	3 567	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Payments for capital assets	9 972	16 950	14 121	17 823	17 000	17 000	17 618	22 220	13 815	3.6
Buildings and other fixed structures		7 446								
Machinery and equipment	9 972	9 185	14 121	17 823	17 000	17 000	17 618	22 220	13 815	3.6
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets		320								
Payments for financial assets	307	70	181	-	-	-	-	-	-	
Total economic classification	1 341 111	1 332 468	1 417 757	1 330 382	1 400 885	1 400 885	2 000 800	1 896 720	2 075 707	42.8

Tables 6 and 7 above represent a summary of actual and projected estimates from 2019/20 to 2025/26 by programme and economic classification, respectively. Expenditure increases from R1.341 billion in 2019/20 to a revised estimate of R1.4 billion in the 2022/23. The budget increases by 42.8 per cent to R2 billion in 2023/24 mainly due to funds allocated for Budget Facility for Infrastructure to implement the water effluent project through CDC.

Compensation of Employees increases from R262.963 million in 2019/20 to a revised estimate of R299.118 million in 2022/23 due to provisions made for Improvements of Conditions of Service (ICS) and the filling of vacant posts. In 2023/24, there is a decrease of 0.5 per cent to R297.737 million.

Goods and Services increases from R118.211 million to a revised estimate of R124.318 million in 2022/23 mainly due to reclassification of informal sector scheme allocations from Transfers and Subsidies to this item. In 2023/24, the budget decreases by 4.8 per cent to R118.310 million due to once off payments for informal business support programme and further use of Information of Communication Technology (ICT) for national events such as environmental celebration days and awareness's (biodiversity day, wetlands day and provincial consumer rights day celebration).

Transfers to public entities are the main cost driver of expenditure and it increases from R949.658 million in 2019/20 to a revised estimate of R960.449 billion in 2022/23. In 2023/24, the budget increases by 63.2 per cent to R1.567 billion. This is due to mainly funds allocated for Budget Facility for Infrastructure to implement the water effluent project through CDC and further allocations for sustainable economic growth and development at ECDC including the Economic Development Fund, recapitalisation and property modernisation as well as refurbishment of Data Centre in the ELIDZ and further implementation of the Eastern Cape Liquor Act.

Payments for Capital Assets increases from R9.972 million in 2019/20 to revised estimates of R17 million in 2022/23 mainly due to funds that was provided of office furniture for the relocation to the new offices in Bhisho. In 2023/24, the budget increases by 3.6 per cent to R17.618 million due to CPI adjustments.

7.4 Expenditure by municipal boundary

Table 8: Summary of departmental payments and estimates by benefiting municipal boundary

	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26	% change
	Audited outcome		Preliminary Outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate			from 2022/23
Rand thousand										
Buffalo City	1 217 252	1 131 458	1 188 696	1 284 792	1 313 257	1 313 257	1 604 778	1 207 260	1 188 594	22.2
Nelson Mandela Bay	104 903	177 092	192 093	19 690	61 228	61 228	372 272	668 419	870 348	508.0
Sarah Baartman District Municipality	2 670	2 494	10 386	10 000	10 000	10 000	2 000	-	-	(80.0)
Dr Beyers Naude	-	-	-	-	-	-	-	-	-	
Blue Crane Route	-	-	5 781	-	-	-	-	-	-	
Makana	-	-	2 000	5 000	5 000	5 000	-	-	-	(100.0)
Ndlambe	-	-	-	-	-	-	-	-	-	
Sundays River Valley	-	-	2 605	-	-	-	-	-	-	
Kouga	-	-	-	5 000	5 000	5 000	-	-	-	(100.0)
Kou-Kamma	2 670	2 494	-	-	-	-	2 000	-	-	
Amatole District Municipality	4 000	11 633	8 300	300	800	800	6 059	209	-	657.4
Mbhashe	4 000	-	-	-	-	-	3 859	-	-	
Mnquma	-	-	5 000	-	-	-	-	-	-	
Great Kei	-	-	-	-	-	-	-	-	-	
Amahlathi	-	6 633	3 300	-	-	-	-	-	-	
Ngqushwa	-	-	-	-	-	-	-	-	-	
Raymond Mhlaba	-	5 000	-	300	800	800	2 200	209	-	175.0
Chris Hani District Municipality	3 000	2 500	3 000	1 400	1 400	1 400	6 000	-	-	328.6
Inxuba Yethemba	3 000	-	-	-	-	-	-	-	-	
Intsika Yethu	-	-	-	-	-	-	-	-	-	
Emalahleni	-	-	3 000	-	-	-	-	-	-	
Engcobo	-	-	-	1 400	1 400	1 400	3 000	-	-	114.3
Sakhisizwe	-	2 500	-	-	-	-	-	-	-	
Enoch Mgijima	-	-	-	-	-	-	3 000	-	-	
Joe Gqabi District Municipality	2 000	-	5 200	5 000	5 000	5 000	5 000	-	-	-
Elundini	-	-	-	-	-	-	5 000	-	-	
Senqu	-	-	5 200	-	-	-	-	-	-	
Walter Sisulu	2 000	-	-	5 000	5 000	5 000	-	-	-	(100.0)
O.R. Tambo District Municipality	3 000	2 500	5 582	1 000	1 000	1 000	-	-	-	(100.0)
Ngquza Hill	-	-	-	-	-	-	-	-	-	
Port St Johns	3 000	-	5 582	-	-	-	-	-	-	
Nyandeni	-	-	-	1 000	1 000	1 000	-	-	-	(100.0)
Mhlontlo	-	-	-	-	-	-	-	-	-	
King Sabata Dalindyebo	-	2 500	-	-	-	-	-	-	-	
Alfred Nzo District Municipality	3 286	3 791	3 500	7 200	7 200	7 200	3 691	-	-	(48.7)
Matatiele	-	3 791	-	-	-	-	3 691	-	-	
Umtzimvubu	-	-	3 500	3 700	3 700	3 700	-	-	-	(100.0)
Mbizana	3 286	-	-	-	-	-	-	-	-	
Ntabankulu	-	-	-	3 500	3 500	3 500	-	-	-	(100.0)
District Municipalities	-	-	-	-	-	-	-	-	-	
Sarah Baartman District Municipality	-	-	-	-	-	-	-	-	-	
Amatole District Municipality	-	-	-	-	-	-	-	-	-	
Chris Hani District Municipality	-	-	-	-	-	-	-	-	-	
Joe Gqabi District Municipality	-	-	-	-	-	-	-	-	-	
O.R. Tambo District Municipality	-	-	-	-	-	-	-	-	-	
Alfred Nzo District Municipality	-	-	-	-	-	-	-	-	-	
Whole Province	1 000	1 000	1 000	1 000	1 000	1 000	1 000	20 832	16 765	-
Total payments and estimates by district and municipal area	1 341 111	1 332 468	1 417 757	1 330 382	1 400 885	1 400 885	2 000 800	1 896 720	2 075 707	42.8

Table 8 above show the departmental payments and estimates by municipal boundary. The budget increases from R1.3411 billion in 2019/20 to a revised estimate of R1.4 billion in 2022/23. The budget further increases by 42.8 per cent to R2.000 billion in 2023/24. The Buffalo City and the Nelson Mandela Bay Metropolitan municipalities reflects the highest budget allocations as compared to other district and local municipalities due to funds allocated to public entities and head office.

7.5 Infrastructure payments

7.5.1 Departmental Infrastructure payments

Table 9: Summary of departmental infrastructure payments

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Existing infrastructure assets	-	2 700	-	-	-	-	-	-	-	
Maintenance and repairs										
Upgrades and additions										
Refurbishment and rehabilitation		2 700								
New infrastructure assets	-	80 008	-	-	-	-	-	-	-	
Infrastructure transfers	176 789	-	297 484	-	-	-	384 150	632 000	848 000	
Capital	176 789	-	297 484				384 150	632 000	848 000	
Infrastructure payments for financial assets	-	-	-	-	-	-	-	-	-	
Infrastructure leases	-	-	-	-	-	-	-	-	-	
Non infrastructure	2 670	2 494	2 605	2 823	-	-	-	-	-	
Total department infrastructure	179 459	85 202	300 089	2 823	-	-	384 150	632 000	848 000	

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items.

Table 9 above shows the summary of infrastructure payment per category from 2019/20 to 2022/23. The budget for infrastructure transfers decreases from R176.789 million in 2019/20 to a revised estimate of R0 in 2022/23 due to the Economic Stimulus Fund projects coming to an end. In 2023/24, budget increases to R384.150 million mainly due to Budget Facility for Infrastructure at CDC.

7.5.2 Maintenance

None

7.6 Conditional grants payments

7.6.1 Conditional grants payments

Table 10: Summary of departmental conditional grants by grant

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
EPWP Integrated Grants for Provinces	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	30.7
	-	-	-	-	-	-	-	-	-	
Total	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	30.7

7.6.2 Conditional grant payments by economic classification

Table 11: Summary of departmental conditional grants by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Transfers and subsidies	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	30.7
Provinces and municipalities	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	31
Households	-	-	-	-	-	-	-	-	-	
Total	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	30.7

Tables 10 and 11 above shows a summary of the department's conditional grants, which increases from R2.670 million in 2019/20 to a revised estimate of R2.823 million in 2022/23. The grant increases by 30.7 per cent to R3.691 million in 2023/24 and will be utilised on projects for poverty alleviation and job creation relating to waste management, greening and cleaning and alien plant eradication.

7.7 Transfers

7.7.1 Transfers to public entities

Table 12: Summary of transfers to public entities by entity

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
COEGA Development Cooperation	104 903	177 092	192 093	19 690	61 228	61 228	372 272	668 419	870 348	508.0
Eastern Cape Development Corporation	217 841	266 945	321 017	327 657	328 407	328 407	596 636	238 615	247 349	81.7
Eastern Cape Gambling Board	58 710	61 350	61 961	70 043	70 043	70 043	70 725	70 756	73 926	1.0
Eastern Cape Liquor Board	62 483	69 094	68 995	74 480	74 480	74 480	99 623	81 139	83 984	33.8
Eastern Cape Provincial Arts and Culture Council	13 311									
Eastern Cape Parks and Tourism Agency	222 695	252 314	245 164	215 027	235 194	235 194	220 148	229 719	239 965	(6.4)
Eastern Cape Rural Development Agency	18 715									
East London Industrial Development Zone	181 575	110 652	118 756	146 697	146 697	146 697	164 706	106 056	107 546	12.3
Total departmental transfers	880 234	937 447	1 007 986	853 594	916 049	916 049	1 524 110	1 394 704	1 623 118	66.4

Table 12 show the summary of transfers to public entities. The relationship between the department and its entities is formalised through shareholder compacts and Service Level Agreements (SLAs). The transfers to public entities accounts for 76.2 per cent of the departmental budget for 2023/24.

Expenditure by public entities increased from R880.234 million in 2019/20 to a revised estimate of R916.049 million in 2022/23 due to the allocation of the Economic Stimulus Fund. In 2023/24, the budget increases by 66.4 per cent to R1.524 billion due to funds allocated for Budget Facility for Infrastructure through CDC and further allocations for sustainable economic growth and development at ECDC including the Economic Development Fund, recapitalisation and property modernisation as well as construction of Data Centre in the ELIDZ and further implementation of the Eastern Cape Liquor Act.

7.7.2 Transfers to other entities

Table 13: Summary of transfers to other entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
LRED Fund	1 780	22 155	8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Non Profit Institutions	1 427						1 800	1 800		
Total departmental transfers	3 207	22 155	8 006	15 597	15 597	15 597	16 400	16 400	14 600	5.1

Table 13 above provides for all departmental transfers to other entities such as Public Corporations and Private Enterprises and Non-Profit Institutions. Transfers to other entities increased from R3.207 million to the revised estimate of R15.597 million in 2022/23 mainly for Local and Regional Economic Development (LRED) projects. In 2023/24, the budget increases by 5.1 per cent to R16.400 million mainly due to the inflationary adjustments.

7.7.3 Transfers to local government

Table 14: Transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates			% change from 2022/23
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19	
Category A										
Category B	17 956	22 918	35 968	24 900	25 400	25 400	22 750	209		(10.4)
Category C										
Unallocated	1 000	1 000	1 000	1 000	1 000	1 000	1 000	20 832	16 765	-
Total departme	18 956	23 918	36 968	25 900	26 400	26 400	23 750	21 041	16 765	(10.0)

Table 14 provides for transfers to municipalities by transfer type and category A, B and C. The transfers to municipalities increased from R18.956 million in 2019/20 to a revised estimate of R26.400 million in 2022/23. In 2023/24, it decreases by 10 per cent to R23.750 million as the department in partnership with local municipalities utilises these funds to create jobs on environmental sector projects mainly through EPWP projects of Waste management and Alien plant eradication.

8. Programme description

8.1 Programme 1: Administration

Objectives: To provide leadership, strategic management, direction, financial and human capital management in accordance with legislation, regulations and policies of the department and its public entities. The Programme is divided into 4 sub-programmes:

- **Office of the MEC:** To effectively and efficiently manage and direct the activities of the MEC;
- **Office of the HOD:** To manage and direct the departmental transversal administrative programmes that give leadership to the department and effectively maintain an oversight function of the whole department's mandate and function;
- **Financial Management:** To provide an effective financial management function and ensure implementation of the PFMA and other related financial regulations and policies; and
- **Corporate Services:** To ensure adequate provision of institutional capacity through effective human capital management and organisational development interventions.

Table 15: Summary of payments and estimates by sub-programme: P1 – Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Office of the MEC	1 446	312	216	1 561	1 871	1 871	943	1 717	1 745	(49.6)
2. Office of the HOD	51 674	24 638	25 680	31 135	30 724	30 724	31 433	36 312	33 636	2.3
3. Financial Management	114 033	84 369	81 799	104 013	92 794	92 794	83 411	91 519	76 459	(10.1)
4. Corporate Services	58 464	79 149	92 866	104 334	109 050	109 050	113 234	118 315	98 497	3.8
Total payments and estimates	225 617	188 468	200 571	241 043	234 439	234 439	229 021	247 863	210 337	(2.3)

Table 16: Summary of payments and estimates by economic classification: P1 – Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	211 169	177 203	182 869	219 845	215 086	215 086	208 528	222 571	195 112	(3.0)
Compensation of employees	117 238	113 582	115 289	135 551	127 117	127 117	124 366	133 694	136 368	(2.2)
Goods and services	93 931	63 621	67 580	84 294	87 969	87 969	84 162	88 877	58 744	(4.3)
Interest and rent on land										
Transfers and subsidies to:	4 169	2 088	3 567	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	4 169	2 088	3 567	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Payments for capital assets	9 972	9 107	13 954	17 773	16 950	16 950	17 618	22 220	13 815	3.9
Buildings and other fixed structures										
Machinery and equipment	9 972	9 107	13 954	17 773	16 950	16 950	17 618	22 220	13 815	3.9
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets	307	70	181	–	–	–	–	–	–	–
Total economic classification	225 617	188 468	200 571	241 043	234 439	234 439	229 021	247 863	210 337	(2.3)

Tables 15 and 16 above show the summary of payments and estimates per sub-programme and per economic classification from 2019/20 to 2025/26. Expenditure for the programme increased from R225.617 million in 2019/20 to a revised estimate of R234.439 million in 2022/23 due to internal reprioritisation. In 2023/24, it decreases by 2.2 per cent to R229.021 million.

Compensation of Employees increased from R117.238 million in 2019/20 to a revised estimate of R127.117 million in 2022/23. In 2023/24, the budget decreases by 2.2 per cent to R124.366 million due to the attrition posts in relation to the restructuring on the 2018 Organisational Structure on the person to post matching of employees that was not matched to the structure and whereby these posts will not be replaced.

Goods and Services decreased from R93.931 million in 2019/20 to a revised estimate of R87.969 million in 2022/23 due to re-alignment of the available funds towards the support of core programmes. In 2023/24, the budget decreases by 4.3 per cent to R84.162 million due to internal reprioritisation from operating lease to capital expenditure and leave gratuities for retirement of departmental officials.

Transfers and Subsidies decreased from R4.169 million in 2019/20 to a revised estimate of R2.403 million in 2022/23 due to reduction on natural attrition and retirement. In 2023/24, the budget increase by 19.6 per cent to R2.875 million mainly due to funds allocated for early retirement of departmental officials.

Payments for Capital assets increased from R9.972 million in 2019/20 to R16.950 million in the 2022/23 revised estimates due to additional users on the finance lease and relocation to new offices in Bhisho. In 2023/24, the budget slightly increases to R17.618 million or 3.9 per cent due to inflationary adjustments.

8.2 Programme 2: Economic Development and Tourism

Objectives: Promoting and administering sustainable economic development and job creation. The programme is divided into 5 sub-programmes:

- **Integrated Economic Development Services:** Promotes and supports economic development through shared partnership;
- **Trade and Sector Development:** Stimulates economic growth through industry development, trade and investment promotion;
- **Business Regulation and Governance:** Ensures an enabling socially responsible business environment that allows for predictability;
- **Economic Planning:** Develops provincial economic policies and strategies to achieve and measure sustainable economic development; and
- **Tourism:** Creates an enabling tourism environment through legislation, policy and strategy development as well as create demand and supply for tourism.

Table 17: Summary of payments and estimates by sub-programme: P2 - Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Integrated Economic Development Services	49 944	141 322	131 073	158 494	173 343	173 343	311 952	143 391	146 051	80.0
2. Trade And Sector Development	572 983	503 075	551 134	397 785	441 273	441 258	889 869	942 123	1 149 300	101.7
3. Business Regulation & Governance	140 697	145 969	147 948	170 111	169 668	169 668	193 505	175 086	180 460	14.0
4. Economic Planning	4 998	4 115	5 982	8 375	8 375	8 390	5 929	6 104	5 974	(29.3)
5. Tourism	10 158	9 361	12 616	12 399	12 399	12 399	17 179	16 400	16 619	38.6
Total payments and estimates	778 780	803 842	848 753	747 164	805 058	805 058	1 418 434	1 283 104	1 498 404	76.2

Table 18: Summary of payments and estimates by economic classification: P2 - Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	69 812	62 774	69 524	84 951	100 057	100 057	87 574	90 848	87 676	(12.5)
Compensation of employees	57 902	55 209	58 190	71 985	74 576	74 576	70 452	73 798	75 273	(5.5)
Goods and services	11 910	7 565	11 334	12 966	25 481	25 481	17 122	17 050	12 403	(32.8)
Interest and rent on land										
Transfers and subsidies to:	708 968	733 303	779 229	662 213	705 001	705 001	1 330 860	1 192 256	1 410 728	88.8
Provinces and municipalities				300	800	800	200	200		(75.0)
Departmental agencies and accounts	707 188	711 148	771 223	646 316	688 604	688 604	1 316 060	1 177 447	1 396 128	91.1
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 780	22 155	8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Non-profit institutions										
Households										
Payments for capital assets	-	7 765	-	-	-	-	-	-	-	
Buildings and other fixed structures		7 446								
Machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets		320								
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total economic classification	778 780	803 842	848 753	747 164	805 058	805 058	1 418 434	1 283 104	1 496 404	76.2

Tables 17 and 18 above show the summary of payments and estimates per sub-programme and per economic classification from 2019/20 to 2025/26. The expenditure for the programme decreased from R778.780 million in 2019/20 to the revised estimate of R805.058 million in 2022/23. This is followed by an increase to R1.418 billion or 76.2 per cent in 2023/24 mainly due to funds allocated for Budget Facility for Infrastructure to implement the water effluent project through CDC.

Compensation of Employees increases from R57.902 million in 2019/20 to a revised estimate of R74.576 million in 2022/23 due to filling of the critical vacant posts to strengthen the functional programme performance. The budget decreases by 5.5 per cent to R70.452 million in 2023/24 due to the correction of the baseline for this item.

Goods and Services increases from R11.910 million in 2019/20 to revised estimates of R25.481 million in 2022/23 mainly due the implementation of the informal business support programme operational activities and automation of the departmental systems to improve operations. In 2023/24, the budget decreases by 32.8 per cent to R17.122 million due to the once off implementation of informal business support programme and departmental systems automation in 2022/23.

Transfers and Subsidies decreases from R708.968 million in 2019/20 to a revised estimate of R705.001 million in 2022/23. In 2023/24, the budget increases by 88.8 per cent to R1.330 billion. This is due to mainly funds allocated for Budget Facility for Infrastructure to implement the water effluent project through CDC and further allocations for sustainable economic growth and development at ECDC including the Economic Development Fund, recapitalisation and property modernisation as well as refurbishment of Data Centre in the ELIDZ and further implementation of the Eastern Cape Liquor Act.

Payment for Capital Assets decreases from R7.765 million in 2020/21 to no allocations in 2022/23 and over 2023 MTEF due to the completion of the CDC social infrastructure projects.

8.2.1 Service delivery measures

Table 19: Selected service delivery measures for programme: P2 - Environmental Affairs

Programme performance measures	Estimated performance	Medium-term estimates			
	2022/23	2023/24	2024/25	2025/26	
Number of sustainable energy initiatives facilitated	4	4	4	4	
Number of manufacturing initiatives facilitated	5	5	5	5	
Number of agro-processing initiatives facilitated	3	4	4	4	
Number of policies reviewed	1	1	1	1	
Number of socio-economic intelligence reports produced	5	5	5	5	
Number of SMMEs supported	70	70	70	70	
Number of qualifying economic development projects funded at local and regional levels	11	11	11	11	
Number of cooperatives provided with non-financial support	120	130	150	150	
Number of business incubation programmes supported	2	2	2	2	
Number of projects supported by the Provincial Economic Stimulus Fund					
Value of funds spent on the Jobs Fund	R9 million	R9 million	R9 million	R9 million	
	W: R620 000	W: R620 000	W: R620 000	W: R620 000	
	Y: R580 000	Y: R580 000	Y: R580 000	Y: R580 000	
	D: R320 000	D: R320 000	D: R320 000	D: R320 000	
Procurement spend on businesses owned by women, youth and people with disabilities	R18 million	R19 million	R20 million	R20 million	
Value spent on tourism marketing	8.2	8.2	8.2	8.2	
Tourism Transformation	36.0	36.0	36.0	36.0	
Tourism experience diversification	80	80	80	80	
Number of trade engagements in defence of source markets[2]	18.0	18.0	18.0	18.0	
Provincial Nature Reserve promotion	2	2	2	2	
Status report on implementation of tourism sector policies / strategies	4 837	5 328	5 328	5 328	
Number of people trained	6	6	6	6	
Number of consumer education programmes implemented					
Value of tourism infrastructure upgrade in the EOPTA Nature Reserves (Economic Stimulus Fund)					
Status report on implementation of tourism sector policies / strategies	2	2	2	2	
Number of people trained	13 300	13 300	13 300	13 300	
Number of consumer education programmes implemented ²⁴	6	6	6	6	

The department's plans to increase the number of cooperatives funded in 2021/22, and to maintain support to different sectors (sustainable energy, manufacturing and agro-processing) in the economy.

8.3 Programme 3: Environmental Affairs

Objectives: Administers environmental policies that are cascaded from national level in line with the mandate of the department. It regulates environmental management through instruments such as the environmental impact assessments, compliance and enforcement, air quality, waste and biodiversity management tools. The programme is divided into 5 sub-programmes:

- **Environmental Policy, Planning and Coordination:** Ensure the integration of environment objectives in national, provincial and local government planning, including provincial growth and development strategies, and local economic developments plans and integrated plans;
- **Compliance and Enforcement:** Ensure that environmental compliance monitoring systems are established and implemented and ensure the enforcement of legislation and environment authorisations;
- **Environmental Quality Management:** Establish legislation, policies, norms, standards and guidelines for environmental impact management, air quality management and management of waste and pollution at provincial and local sphere of government;
- **Biodiversity Management:** Promote equitable and sustainable use of ecosystem goods and services to contribute to economic development, by managing biodiversity, and its components, processes, habitats and functions as well as effectively mitigate threats to biodiversity; and
- **Environmental Empowerment Services:** Empower and capacitate external stakeholders of the department to meaningfully participate in and contribute to effective environmental management.

Table 20: Summary of payments and estimates by sub-programme: P3 - Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
1. Environmental Policy, Planning and Coordination	31 571	33 873	47 199	40 941	39 507	36 917	38 749	36 366	30 465	5.0
2. Compliance and Enforcement	51 176	48 513	49 944	50 837	43 763	32 119	33 219	35 686	35 454	3.4
3. Environmental Quality Management	21 354	20 148	20 418	28 317	25 119	27 019	28 182	30 398	28 719	4.3
4. Biodiversity Management	219 714	228 245	239 639	212 207	242 994	253 329	241 574	251 193	260 897	(4.6)
5. Environmental Empowerment Services	12 889	9 379	11 233	9 873	10 005	12 004	11 621	12 110	11 431	(3.2)
Total payments and estimates	336 714	340 158	368 433	342 175	361 388	361 388	353 345	365 753	366 966	(2.2)

Table 21: Summary of payments and estimates by economic classification: P3 - Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	100 193	89 863	94 535	109 247	108 293	108 293	119 945	125 864	123 211	10.8
Compensation of employees	87 823	85 112	87 093	94 834	97 425	97 425	102 919	107 605	109 716	5.6
Goods and services	12 370	4 751	7 442	14 413	10 868	10 868	17 026	18 259	13 495	56.7
Interest and rent on land										
Transfers and subsidies to:	236 521	250 217	273 731	232 878	253 045	253 045	233 400	239 889	243 755	(7.8)
Provinces and municipalities	18 956	23 918	36 968	25 600	25 600	25 600	23 550	20 832	16 765	(8.0)
Departmental agencies and accounts	216 046	226 299	236 763	207 278	227 445	227 445	208 050	217 257	226 990	(8.5)
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	1 427						1 800	1 800		
Households	92									
Payments for capital assets	–	78	167	50	50	50	–	–	–	(100.0)
Buildings and other fixed structures										
Machinery and equipment		78	167	50	50	50				(100.0)
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets	–	–	–	–	–	–	–	–	–	–
Total economic classification	336 714	340 158	368 433	342 175	361 388	361 388	353 345	365 753	366 966	(2.2)

Tables 20 and 21 above show the summary of payments and estimates per sub-programme and per economic classification from 2019/20 to 2025/26. The expenditure for the programme increased from R336.714 million in 2019/20 to the revised estimate of R361.388 million in 2022/23 due to reprioritisation for the environmental management EPWP projects such as Waste Management, Waste Greening and Cleaning and Alien plants eradication. This is followed by 2.2 per cent reduction to R353.345 million in 2023/24.

Compensation of Employees increased from R87.823 million in 2019/20 to a revised estimate of R97.425 million in 2022/23 due to the filling of posts for environmental and law enforcement officers. In 2023/24, the budget increases by 5.6 per cent to R102.919 million due to the filling of critical vacant posts and the ICS inflationary adjustment.

Goods and Services decreased from R12.370 million in 2019/20 to a revised estimate of R10.868 million in 2022/23 due to internal reprioritisation for environmental awareness and education of non-profit institutions. In 2023/24, the budget increases by 56.7 per cent to R17.026 million due the implementation of the climate change projects and development of the plans for Wetlands programmes.

Transfers and Subsidies increased from R236.521 million in 2019/20 to R253.045 million in the 2022/23 revised estimates due to the allocation for biodiversity and conservation at the ECPTA. In 2023/24, the budget decreases by 7.8 per cent to R233.400 million due to the once off allocation for biodiversity and conservation as well as internal reprioritisation.

Payment for Capital assets expenditure decreased from R78 thousand in 2020/21 to a revised estimate of R50 thousand in 2022/23 due to the once off allocation for the animal cages in 2022/23.

8.3.1 Service delivery measures

Table 22: Selected service delivery measures for the programme: P3 - Environmental Affairs

Programme performance measures	Estimated performance	Medium-term estimates			
	2022/23	2023/24	2024/25	2025/26	
Number of climate change response interventions implemented	1	1	1	1	
Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	1	3	3	3	
Compliance with Annual Ambient Air Quality Standards	NAQI less than 1	NAQI less than 1	NAQI less than 1	NAQI less than 1	
% of complete Atmospheric Emission Licenses issued within legislated timeframes	1	1	1	1	
Number of compliance inspections conducted	90	92	92	92	
Number of administrative enforcement notices issued for non-compliance with environmental management legislation	77	80	80	80	
Number of completed criminal investigations handed to the NPA for prosecution	57	56	56	56	
% of complete EIA applications finalized within legislated timeframes	1	1	1	1	
% of complete Waste License applications finalised within legislated time-frames	1	1	1	1	
% increase in volume of waste recycled	4.2%	4.2%	4.2	4.2	
Number of legislated tools developed	2	2	2	2	
Number of inter-governmental sector programmes implemented	1	1	1	1	
Number of environmental research projects completed	2	2	2	2	
Number of functional environmental information management systems maintained					
Percentage of complete biodiversity management permits issued within legislated timeframes.	1	1	1	1	
Number of work opportunities created through environmental public employment programmes	550	600	750	750	
Number of environmental awareness activities conducted	24	24	24	24	
Number of environmental capacity building activities conducted	24	24	24	24	
Number of Coastal projects developed	1	1	1	1	

The department's performance is measured through enforcing environmental legislation and the issuing of permits within legislated timeframes.

9. Other programme information

9.1 Personnel numbers and costs by component

Table 23: Personnel numbers and costs by component

	2019/20		Actual 2020/21		2021/22		Revised estimate 2022/23		Medium-term expenditure estimate				Average annual growth over MTEF 2022/23 - 2025/26		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	%Costs of Total
Thousands															
Salary level															
Total	541	262 993	500	253 903	556	260 572	556	-	556	258 118	568	297 737	568	315 097	100.0%
Programme															
Total	541	262 993	500	253 903	556	260 572	556	-	556	258 118	568	297 737	568	315 097	100.0%
Employee dispensation classification															
Public Service Act appointees not covered by OSDs															
Public Service Act appointees still to be covered by OSDs															
Professional Nurses, Self Nurses and Nursing Assistants															
Engineering Professions and related occupations															
Therapeutic, Diagnostic and other related Allied Health Professionals															
Others such as interns, EPWP, learnerships, etc															
Total	541	262 993	500	253 903	556	260 572	556	-	556	258 118	568	297 737	568	315 097	100.0%

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment

Table 23 shows personnel numbers and cost by programme and component for the 2023 MTEF period. Number of personnel numbers increased slightly from 541 in 2019/20 to a revised estimates of 556 in 2022/23. In 2023/24, the personnel number is projecting to increase to 568 as the department is focussing on increasing the numbers to improve service delivery.

9.2 Training

Table 24: Information on training

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Number of staff	541	500	526	556	556	556	568	568	568	2.2
Number of personnel trained	228	147	231	180	180	180	300	340	350	66.7
of which										
Male	90	65	91	75	75	75	150	160	170	100.0
Female	138	82	140	105	105	105	150	180	180	42.9
Number of training opportunities	29	17	77	80	80	80	83	85	90	3.8
of which										
Tertiary	10	4	10	5	5	5	8	10	15	60.0
Workshops	3	4	2	5	5	5	5	5	5	0.0
Seminars	7	1	—	5	5	5	5	5	5	0.0
Other	9	8	65	65	65	65	65	65	65	0.0
Number of bursaries offered	40	35	75	30	30	30	80	85	90	166.7
Number of interns appointed	24	25	30	30	30	30	30	30	30	0.0
Number of learnerships appointed	34	—	30	30	30	30	30	30	30	0.0
Number of days spent on training	59	65	61	70	70	70	75	80	95	7.1
Payments on training by programme										
1. Administration	1 758	1 190	1 646	2 002	2 102	2 102	2 002	2 081	1 352	(4.8)
Total payments on training	1 758	1 190	1 646	2 002	2 102	2 102	2 002	2 081	1 352	(4.8)

Payments on training are centralised in Programme 1. Table 24 above reflects an increasing trend from R1.758 million in 2019/20 to a revised estimate of R2.102 million in 2022/23 due skills developed linked to the staff placements to other sections. In 2023/24, the budget decreases by 4.8 per cent to R2.002 million due to budget reprioritisation.

9.3 Structural Changes

None.

**Annexure to the
Estimates of Provincial Revenue
and Expenditure**

**Economic Development,
Environmental Affairs and Tourism**

Table B. 1: Specification of receipts

R1 thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Tax receipts	217 557	129 999	182 198	236 958	236 958	211 280	230 162	230 339	281 559	184
Casino taxes	187 125	88 616	150 155	238 977	238 977	183 299	219 319	218 316	228 133	197
Hospitaling taxes	11 402	13 112	9 101	9 381	9 381	9 381	10 343	10 488	10 983	103
Liquor licences	19 040	16 251	22 942	18 600	18 600	18 600	20 500	21 500	22 463	102
Motor vehicle licences										
Sales of goods and services other than capital assets	1318	976	1547	227	227	981	1200	1200	1552	289
Sale of goods and services produced by department (excluding capital assets)	1318	976	1547	227	227	981	1200	1200	1552	289
Sales by market establishments	1318	976	1547	227	227	981	1200	1200	1552	289
Administrative fees										
Other sales										
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
Transfers received from	-	-	-	-	-	-	-	-	-	
Other governmental units										
Higher education institutions										
Foreign governments										
Public corporations and private enterprises										
Households and nonprofit institutions										
Fines, penalties and forfeits	1427	591	1003	-	-	2066	-	-	-	(1000)
Interest, dividends and rent on land	1023	1806	58	439	439	439	700	700	731	585
Interest	1023	1806	58	439	439	439	700	700	731	585
Dividends										
Rent on land										
Sales of capital assets	-	-	135	-	-	-	-	-	-	
Land and subsoil assets										
Other capital assets			135							
Transactions in financial assets and liabilities	451	171	436	109	109	557	209	209	218	(625)
Total departmental receipts	221 786	116 323	185 397	237 733	237 733	215 238	232 271	232 448	284 080	172

Table B. 2: Details of payments and estimates by economic classification: Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	381 174	329 840	346 928	414 043	423 436	423 436	416 047	439 283	405 999	(1.7)
Compensation of employees	262 953	253 903	260 572	302 370	299 118	299 118	297 737	315 097	321 357	(0.5)
Salaries and wages	225 774	213 877	222 061	256 347	249 353	254 102	253 177	264 260	269 503	(0.4)
Social contributions	37 189	40 026	38 511	46 023	49 765	45 016	44 560	50 837	51 854	(1.0)
Goods and services	118 211	75 937	86 356	111 673	124 318	124 318	118 310	124 186	84 642	(4.8)
Administrative fees	14	341	1 482	2 745	2 973	2 970	2 475	2 531	1 406	(16.7)
Advertising	2 524	3 263	4 029	3 572	3 557	3 527	3 102	2 723	1 451	(12.0)
Minor assets	12	19	195	215	285	269	550	556	362	104.5
Audit cost: External	4 776	3 724	4 094	4 000	4 000	4 000	4 270	4 228	2 770	6.8
Bursaries: Employees	1 988	1 356	1 389	1 900	1 150	1 584	2 300	2 025	1 045	44.3
Catering: Departmental activities	2 734	87	447	1 112	2 288	2 285	2 771	2 562	2 239	21.3
Communication (G&S)	887	211	239	764	246	246	819	799	407	232.9
Computer services	5 868	6 664	9 197	9 754	13 589	13 683	13 223	19 817	11 155	(3.4)
Consultants and professional services: Business and advisory services	7 365	6 183	10 969	22 132	24 255	23 749	22 020	23 388	17 611	(7.3)
Infrastructure and planning						48				(100.0)
Laboratory services										
Scientific and technological services										
Legal services	2 134	1 405	2 452	2 900	1 950	1 950	1 705	1 999	1 019	(12.6)
Contractors	10 824	1 929	5 055	3 246	7 743	7 531	1 161	1 194	906	(84.6)
Agency and support / outsourced services										
Entertainment										
Fleet services (including government motor transport)	3 883	2 179	3 025	3 000	4 456	4 456	3 150	3 237	2 089	(29.3)
Housing										
Inventory: Clothing material and accessories	605	295	228		682	624	866	774	633	2.6
Inventory: Farming supplies		83								
Inventory: Food and food supplies										
Inventory: Chemicals, fuel, oil, gas, wood and coal										
Inventory: Learner and teacher support material										
Inventory: Materials and supplies	64			62				3	3	
Inventory: Medical supplies										
Inventory: Medicine										
Medias inventory interface										
Inventory: Other supplies	148	1 478	720	292	100	100	120	130	131	20.0
Consumable supplies	1 246	1 238	1 054	1 160	980	884	931	1 186	998	5.3
Consumable: Stationery, printing and office supplies	937	1 401	1 377	831	1 228	1 274	2 317	2 110	1 431	81.9
Operating leases	37 576	28 568	16 878	28 000	19 095	19 095	15 331	15 770	10 928	(19.7)
Property payments	8 713	8 669	10 838	10 940	10 965	10 965	12 265	12 829	10 957	11.9
Transport provided: Departmental activity	70	5								
Travel and subsistence	19 176	3 974	7 998	8 946	15 129	15 332	18 351	16 881	11 232	19.7
Training and development	1 758	1 190	1 646	2 002	2 102	2 102	2 002	2 081	1 352	(4.8)
Operating payments	1 071	586	868	1 888	3 140	3 169	3 483	4 003	2 044	9.9
Venues and facilities	3 457	1 089	1 642	2 202	3 700	3 484	5 108	3 360	2 493	46.6
Rental and hiring	361		544		745	771				(100.0)
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies	949 658	985 608	1 056 527	898 516	960 449	960 449	1 567 135	1 435 217	1 655 893	63.2
Provinces and municipalities	18 956	23 918	36 988	25 900	26 400	26 400	23 750	21 041	16 765	(10.0)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	18 956	23 918	36 988	25 900	26 400	26 400	23 750	21 041	16 765	(10.0)
Municipalities	18 956	23 918	36 988	25 900	26 400	26 400	23 750	21 041	16 765	(10.0)
Municipal agencies and funds										
Departmental agencies and accounts	923 234	937 447	1 007 986	853 594	916 049	916 049	1 524 110	1 394 704	1 623 118	66.4
Social security funds										
Provide list of entities receiving transfers	923 234	937 447	1 007 986	853 594	916 049	916 049	1 524 110	1 394 704	1 623 118	66.4
Higher education institutions										
Public corporations and private enterprises	1 780	22 155	8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Public corporations		22 155								
Subsidies on production										
Other transfers		22 155								
Private enterprises	1 780		8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Subsidies on production										
Other transfers	1 780		8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Non-profit institutions	1 427						1 800	1 800		
Households	4 261	2 088	3 567	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Social benefits	4 261	1 600	3 227	3 000	2 200	2 200	2 150	2 307	1 410	(2.3)
Other transfers to households		488	340	425	203	203	725	765		267.1
Payments for capital assets	9 972	16 950	14 121	17 823	17 000	17 000	17 618	22 220	13 815	3.6
Buildings and other fixed structures		7 445								
Buildings		7 445								
Other fixed structures										
Machinery and equipment	9 972	9 185	14 121	17 823	17 000	17 000	17 618	22 220	13 815	3.6
Transport equipment	5 963	4 345	4 529	5 817	5 817	5 817	5 000	9 027	5 431	(14.0)
Other machinery and equipment	4 009	4 840	9 592	12 006	11 183	11 183	12 618	13 193	8 384	12.8
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets		320								
Payments for financial assets	307	70	181	-	-	-	-	-	-	-
Total economic classification	1 341 111	1 332 468	1 417 757	1 330 382	1 400 885	1 400 885	2 000 800	1 896 720	2 075 707	42.8

Table B.2A: Details of payments and estimates by economic classification: P1 – Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	211 169	177 203	182 869	219 845	215 086	215 086	208 528	222 571	195 112	(3.0)
Compensation of employees	117 238	113 682	115 289	135 551	127 117	127 117	124 336	133 694	136 368	(2.2)
Salaries and wages	100 436	93 940	97 710	112 432	104 012	105 543	105 706	113 649	115 922	0.2
Social contributions	16 802	19 642	17 579	23 119	23 105	21 574	18 660	20 045	20 446	(13.5)
Goods and services	93 931	63 621	67 580	84 294	87 969	87 969	84 162	88 877	58 744	(4.3)
Administrative fees	14	341	1 216	2 455	2 683	2 683	2 170	2 208	1 180	(18.1)
Advertising	1 823	2 328	2 357	2 053	2 888	2 858	2 102	1 873	942	(26.5)
Minor assets	12	9	195	215	265	269	550	556	362	104.5
Audit cost: External	4 776	3 724	4 094	4 000	4 000	4 000	4 270	4 228	2 770	6.8
Bursaries: Employees	1 988	1 366	1 385	1 900	1 150	1 594	2 300	2 025	1 045	44.3
Catering: Departmental activities	514	27	219	432	735	814	719	691	697	(11.7)
Communication (G&S)	887	211	239	764	246	246	819	759	407	232.9
Computer services	5 052	5 347	7 374	6 613	11 474	11 588	11 353	18 053	9 573	(1.9)
Consultants and professional services: Business and advisory services	4 017	2 879	3 722	8 176	4 524	4 222	8 564	8 363	5 737	102.8
Infrastructure and planning						48				(100.0)
Laboratory services										
Scientific and technological services										
Legal services	2 134	1 405	2 452	2 900	1 950	1 950	1 705	1 999	1 019	(12.6)
Contractors	10 703	1 922	5 046	3 156	7 568	7 325	1 000	1 038	748	(86.3)
Agency and support / outsourced services										
Entertainment										
Fleet services (including government motor transport)	3 883	2 179	3 025	3 000	4 455	4 455	3 150	3 237	2 069	(29.3)
Housing										
Inventory: Clothing material and accessories		30	218			20				(100.0)
Inventory: Farming supplies										
Inventory: Food and food supplies										
Inventory: Chemicals, fuel, oil, gas, wood and coal										
Inventory: Learner and teacher support material										
Inventory: Materials and supplies										
Inventory: Medical supplies										
Inventory: Medicine										
Medas inventory interface										
Inventory: Other supplies										
Consumable supplies	969	559	413	700	730	634	931	1 176	988	46.8
Consumable: Stationery, printing and office supplies	554	829	955	258	623	669	1 302	1 005	815	94.6
Operating leases	37 576	28 588	16 878	28 000	19 055	19 055	15 331	15 770	10 928	(19.7)
Property payments	8 713	8 659	10 838	10 940	10 965	10 965	12 255	12 829	10 957	11.9
Transport provided: Departmental activity	70									
Travel and subsistence	6 603	1 224	3 720	4 143	7 791	7 908	7 669	5 488	3 942	(3.0)
Training and development	1 758	1 150	1 646	2 002	2 102	2 102	2 002	2 081	1 352	(4.8)
Operating payments	1 035	455	689	1 795	3 077	3 084	3 410	3 932	1 972	10.6
Venues and facilities	820	379	849	782	1 557	1 403	2 550	1 526	1 241	81.8
Rental and hiring	30					66				(100.0)
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies	4 169	2 088	3 557	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities										
Municipalities										
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Higher education institutions										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Nonprofit institutions										
Households	4 169	2 088	3 557	3 425	2 403	2 403	2 875	3 072	1 410	19.6
Social benefits	4 169	1 600	3 227	3 000	2 200	2 200	2 150	2 307	1 410	(2.3)
Other transfers to households		488	340	425	203	203	725	765		257.1
Payments for capital assets	9 972	9 107	13 954	17 773	16 950	16 950	17 618	22 220	13 815	3.9
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	9 972	9 107	13 954	17 773	16 950	16 950	17 618	22 220	13 815	3.9
Transport equipment	5 963	4 345	4 529	5 817	5 817	5 817	5 000	9 027	5 431	(14.0)
Other machinery and equipment	4 009	4 762	9 425	11 956	11 133	11 133	12 618	13 193	8 384	13.3
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets	307	70	181	-	-	-	-	-	-	
Total economic classification	225 617	188 468	200 571	241 043	234 439	234 439	229 021	247 863	210 337	(2.3)

Table B.2B: Details of payments and estimates by economic classification: P2 – Economic Development and Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	69 812	62 774	69 524	84 951	100 057	100 057	87 574	90 848	87 676	(12.5)
Compensation of employees	57 902	55 209	58 190	71 985	74 576	74 576	70 452	73 798	75 273	(5.5)
Salaries and wages	50 125	47 469	50 244	63 826	65 466	65 466	61 199	64 406	65 693	(6.5)
Social contributions	7 777	7 740	7 946	8 159	9 120	9 120	9 253	9 392	9 580	1.5
Goods and services	11 910	7 565	11 334	12 966	25 481	25 481	17 122	17 050	12 403	(32.8)
Administrative fees			269	299	299	297	335	329	226	6.2
Advertising	701	935	503	1 000	669	669	1 000	860	509	49.5
Minor assets										
Audit cost: External										
Bursaries: Employees			2							
Catering: Departmental activities	814	55	178	576	1 061	1 059	1 012	886	745	(4.4)
Communication (G&S)										
Computer services	716	759	701	900	830	830	900	985	735	8.4
Consultants and professional services: Business and advisory services	3 138	2 463	5 760	6 281	17 817	17 735	7 355	8 065	6 146	(38.5)
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors	54		13	99	125	156	191	94	95	(35.2)
Agency and support/ outsourced services										
Entertainment										
Road services (including government motor transport)										
Housing										
Inventory: Clothing material and accessories										
Inventory: Farming supplies		82								
Inventory: Food and food supplies										
Inventory: Chemicals, fuel, oil, gas, wood and coal										
Inventory: Learner and teacher support material										
Inventory: Materials and supplies										
Inventory: Medical supplies										
Inventory: Medicine										
Medicines inventory interface										
Inventory: Other supplies		1 478	639							
Consumable supplies										
Consumables: Stationery, printing and office supplies	230	224	109	483	60	60	472	540	245	686.7
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence	4 615	970	1 991	2 136	2 900	2 986	4 339	4 336	2 952	45.3
Training and development										
Operating payments		9	116	43	6	28				(100.0)
Venues and facilities	1 482	589	573	1 157	1 373	1 321	1 637	970	680	23.9
Rental and hiring	90		465		360	360				(100.0)
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies	708 968	733 303	779 229	662 213	705 001	705 001	1 330 860	1 192 256	1 410 728	88.8
					200	800	200	200		(75.0)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities				300	800	800	200	200		(75.0)
Municipalities				300	800	800	200	200		(75.0)
Municipal agencies and funds										
Departmental agencies and accounts	707 188	711 148	771 223	646 316	688 604	688 604	1 316 060	1 177 447	1 395 128	91.1
Social security funds										
Provide list of entities receiving transfers	707 188	711 148	771 223	646 316	688 604	688 604	1 316 060	1 177 447	1 395 128	91.1
Higher education institutions										
Public corporations and private enterprises	1 780	22 155	8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Public corporations		22 155								
Subsidies on production										
Other transfers		22 155								
Private enterprises	1 780		8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Subsidies on production										
Other transfers	1 780		8 006	15 597	15 597	15 597	14 600	14 600	14 600	(6.4)
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
Payments for capital assets	-	7 765	-	-	-	-	-	-	-	
Buildings and other fixed structures		7 445								
Buildings		7 445								
Other fixed structures										
Machinery and equipment										
Transport equipment										
Other machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets		320								
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total economic classification	778 780	803 842	848 753	747 164	805 058	805 058	1 418 434	1 283 104	1 498 404	76.2

Table B.2C: Details of payments and estimates by economic classification: P3 – Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	100 193	89 863	94 535	109 247	108 283	108 293	119 945	125 864	123 211	10.8
Compensation of employees	87 823	85 112	87 038	94 834	97 425	97 425	102 919	107 605	109 716	5.6
Salaries and wages	75 213	72 468	74 107	80 089	79 885	83 103	86 272	86 205	87 888	3.8
Social contributions	12 610	12 644	12 986	14 745	17 540	14 322	16 647	21 400	21 828	16.2
Goods and services	12 370	4 751	7 442	14 413	10 888	10 868	17 026	18 259	13 485	56.7
Administrative fees										
Advertising			1 169		500					
Minor assets		10								
Audit cost: External										
Bursaries: Employees										
Catering: Departmental activities	1 406	5	50	104	412	412	1 040	985	797	152.4
Communication (G&S)										
Computer services	100	558	1 122	2 241	1 285	1 285	970	779	787	(24.5)
Consultants and professional services: Business and advisory services	230	841	1 487	7 675	1 924	1 792	6 100	6 959	5 728	240.4
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors	67	7	6		50	50	60	62	60	29.0
Agency and support / outsourced services										
Entertainment										
Road services (including government motor transport)										
Housing										
Inventory: Clothing material and accessories	605	265	10		682	814	866	774	633	5.2
Inventory: Farming supplies										
Inventory: Food and food supplies										
Inventory: Chemicals, fuel, oil, gas, wood and coal										
Inventory: Learner and teacher support material										
Inventory: Materials and supplies	64			62				3	3	
Inventory: Medical supplies										
Inventory: Medicine										
Medicines inventory interface										
Inventory: Other supplies	148		82	202	100	100	120	130	131	20.0
Consumable supplies	277	679	641	460	250	250		10	10	(100.0)
Consumables: Stationery, printing and office supplies	93	348	273	80	545	545	543	555	371	(0.4)
Operating leases										
Property payments										
Transport provided: Departmental activity		5								
Travel and subsistence	7 988	1 780	2 287	2 657	4 438	4 438	6 343	7 057	4 328	42.9
Training and development										
Operating payments	36	122	54	60	57	57	73	71	72	28.1
Venues and facilities	1 145	131	220	263	760	760	921	864	572	21.2
Rental and hiring	241		28		366	366				(100.0)
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies	236 521	250 217	273 731	232 878	253 045	253 045	233 400	239 889	243 755	(7.8)
Provinces and municipalities	18 956	23 918	36 988	25 600	25 600	25 600	23 550	20 832	16 765	(8.0)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	18 956	23 918	36 988	25 600	25 600	25 600	23 550	20 832	16 765	(8.0)
Municipalities	18 956	23 918	36 988	25 600	25 600	25 600	23 550	20 832	16 765	(8.0)
Municipal agencies and funds										
Departmental agencies and accounts	216 046	226 299	236 763	207 278	227 445	227 445	208 050	217 257	226 990	(8.5)
Social security funds										
Provide list of entities receiving transfers	216 046	226 299	236 763	207 278	227 445	227 445	208 050	217 257	226 990	(8.5)
Higher education institutions										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions	1 427						1 800	1 800		
Households	92									
Social benefits	92									
Other transfers to households										
Payments for capital assets	-	78	167	50	50	50	-	-	-	(100.0)
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment		78	167	50	50	50				(100.0)
Transport equipment										
Other machinery and equipment		78	167	50	50	50				(100.0)
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets	-	-	-	-	-	-	-	-	-	(100.0)
Total economic classification	336 714	340 158	368 433	342 175	361 388	361 388	353 345	365 753	366 966	(2.2)

Table B. 3: Conditional grant payments and estimates by economic classification: EPWP

Rthousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates			% change from 2022/23
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26	
Current payments	-	-	-	-	-	-	-	-	-	
Compensation of employees										
Salaries and wages										
Social contributions										
Goods and services										
Administrative fees										
Advertising										
Minor assets										
Audit cost: External										
Bursaries: Employees										
Catering: Departmental activities										
Communication (G&S)										
Computer services										
Consultants and professional services: Business and advisory services										
Infrastructure and planning										
Laboratory services										
Scientific and technological services										
Legal services										
Contractors										
Agency and support / outsourced services										
Entertainment										
Road services (including government motor transport)										
Housing										
Inventory: Clothing material and accessories										
Inventory: Farming supplies										
Inventory: Food and food supplies										
Inventory: Chemicals, fuel, oil, gas, wood and coal										
Inventory: Learner and teacher support material										
Inventory: Materials and supplies										
Inventory: Medical supplies										
Inventory: Medicine										
Medias inventory interface										
Inventory: Other supplies										
Consumable supplies										
Consumable: Stationery, printing and office supplies										
Operating leases										
Property payments										
Transport provided: Departmental activity										
Travel and subsistence										
Training and development										
Operating payments										
Venues and facilities										
Rental and hiring										
Interest and rent on land										
Interest										
Rent on land										
Transfers and subsidies	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	307
Provinces and municipalities	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	307
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	307
Municipalities	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	307
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Higher education institutions										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Other machinery and equipment										
Heritage Assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total economic classification	2 670	2 494	2 605	2 823	2 823	2 823	3 691	-	-	307

💧END OF EPRE💧

Eastern Cape

Table B5: Economic Development and Tourism
Payments of infrastructure by category

Type of Infrastructure	Project Name	IDMS Stage	District Municipality	Project Duration		Source of Funding	Budget program name	Coordinates		Total Project Cost	Total Expenditure to date from previous years	Total Available		MTEF Forward Estimates	
				Date: start	Date: finish			Lat.	Lon.			23/24	24/25	25/26	
1. Infrastructure Transfers - Capital															
	Property Modernization & Development	Packaged Programme		01/Apr/22	31/Mar/25	Equitable Share	Programme 3 - Trade and Sector Development			275 505	0	27 500	0	0	
	Data Centre - ELIDZ	Stage 4: Design Documentation	Buffalo City	01/Apr/23	31/Mar/25	Equitable Share	Programme 3 - Trade and Sector Development	-33.0485	27.8535	58 650	0	58 650	0	0	
	CDC Bulk Infrastructure	Packaged Programme		01/Apr/23	31/Mar/26	Equitable Share	Programme 3 - Trade and Sector Development			765 646	0	298 000	632 000	848 000	
TOTAL: Infrastructure Transfers - Capital(3 projects)										1 099 801	0	384 150	632 000	848 000	
TOTAL: Economic Development and Tourism(3 projects)										1 099 801	0	384 150	632 000	848 000	

