

VOTE 3

DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 072 661	1 079 615		6 954
<i>of which:</i>				
Current payments	392 962	411 141		18 179
Transfers and subsidies	659 507	659 681		174
Payments for capital assets	20 192	8 793	(11 399)	
Payment for financial assets				
Executive authority	MEC for Economic Development			
Accounting officer	Head of Department			

1. Vision and mission

Vision

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

Mission

The Mission of the DED, in pursuit of its Vision, is to:

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

2. Changes to programme purpose and objective

The changes to programme purpose and objectives are reflected in the 2014/15 revised Annual Performance Plan.

3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 3.1: DEPARTMENT OF ECONOMIC DEVELOPMENT

Programmes R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Administration	171 379			6 954					6 954	178 333
2.Integrated Economic Development Services	268 135				17 900				17 900	286 035
3.Trade and Sector Development	510 665				6 348				6 348	517 013
4.Business Regulation and Governance	81 692				(7 900)				(7 900)	73 792
5.Economic Planning	40 790				(16 348)				(16 348)	24 442
Total for programmes	1 072 661			6 954					6 954	1 079 615

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	392 962			6 954	11 225				18 179	411 141
Compensation of employees	190 540				(17 900)				(17 900)	172 640
Goods and services	202 422			6 954	29 125				36 079	238 501
Interest and rent on land										
Transfers and subsidies	659 507				174				174	659 681
Provinces and municipalities										
Departmental agencies and accounts	659 507									659 507
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					174				174	174
Payments for capital assets	20 192				(11 399)				(11 399)	8 793
Buildings and other fixed structures										
Machinery and equipment	20 192				(11 399)				(11 399)	8 793
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	1 072 661			6 954					6 954	1 079 615

The 2014/15 main appropriation amounts to R1.072 billion and is adjusted up to R1.079 billion as a result of a rollover of R6.9 million for accruals incurred in the preceding financial year. The rollover is allocated to Programme 1: Administration to reduce the current spending pressures.

The budget reprioritization exercise undertaken by the department factored in the seven pillars that the GPG has adopted to ensure radical socio-economic transformation in the province.

In order for the department to achieve Pillar 1: "Radical transformation, modernisation and re-industrialisation of the Gauteng economy", provision had to be made for the Township Economy Revitalization Programme which aims to rebuild the Gauteng Township Economy and create more jobs in the province through SMME support.

The department reprioritized the allocation by shifting the funds within items and within programs. The reprioritization that occurred in the shifting of funds was mainly from the items where funds were redirected to align the budget to the new funding priorities as well as supplement areas which were not adequately budgeted for at the beginning of the financial year. The areas which received reprioritised funding include property payment since the department is paying on behalf of the agencies; Communication due to the Township Economy Revitalization Programme; and Computer services for procurement of computers as a result of the new officials who have recently been appointed.

The virements were prepared by redirecting funds to the Township Economy Revitalization Programme from compensation of employees mainly as a result of vacant posts not being filled since the moratorium on the filling of posts was lifted.

The virements to goods and services emanates from Programme 4 and Programme 5 to make provision for conducting the 11 Industrial Sectoral Analysis in line with 2014 SOPA announcement which is under Programme 3. The aim is to facilitate radical measures to encourage investment in economic and social; support for new sectors of growth such as ICT and the green economy, the revitalisation of manufacturing and localisation to spur industrialisation, transformation of the rural economic development. The virement under Programme 2 is to fund the Township Economy Revitalization Programme.

An amount to the tune of R11 million has been shifted under the Payments of capital assets to goods and services for the SCOA alignment. The department has also implemented stringent cost containment measures by reducing the costs associated with: the hiring of venues; travelling; overseas trips; and the usage of consultants. This exercise will then ensure to that the priorities of the new mandate are fulfilled.

4. Details of Adjustments to Estimates of Departmental Expenditure 2014/15

Programme 1: Administration

TABLE 3.2: PROGRAMME 1:ADMINISTRATION

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1.Office Of The Mec	16 167				(4 387)				(4 387)	11 780
2.Office Of The Hod	21 794				(3 085)				(3 085)	18 709
3.Financial Management	22 422			3 054	1 806				4 860	27 282
4. Corporate Services	110 996			3 900	5 666				9 566	120 562
Total for programme	171 379			6 954					6 954	178 333

Vote 3 - Economic Development • Adjustment Budget - 2014/15

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	152 111			6 954	11 245				18 199	170 310
Compensation of employees	86 994									86 994
Goods and services	65 117			6 954	11 245				18 199	83 316
Interest and rent on land										
Transfers and subsidies					100				100	100
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					100				100	100
Payments for capital assets	19 268				(11 345)				(11 345)	7 923
Buildings and other fixed structures										
Machinery and equipment	19 268				(11 345)				(11 345)	7 923
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	171 379			6 954					6 954	178 333

TABLE 3.3 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(18 005)		29 250
Compensation of employees	The organisational structure of the department has been finalised. Funds are redirected to where the people have been placed.	(9 081)	Realignment of the budget to where personnel expenditure has been incurred.	9 081
Goods and services	Funds are redirected to where the relevant expenditure in goods and services has been incurred; as well as changes in SCOA classification.	(8 924)	Realignment of the budget to where expenditure has been incurred.	20 169
Interest and rent on land				
Transfers and subsidies				100
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				

Economic classification	Motivation	From	Motivation	To
Public corporations and private enterprises				
Non-profit institutions				
Households			Provision is made for injury on duty and leave gratuity.	100
Payments for capital assets		(14 380)		3 035
Buildings and other fixed structures	The department implemented cost cutting measures which translated to internal efficiencies and savings. In addition, the shift takes into account changes in the SCOA classification.	(14 380)	Realignment of the budget within this line item to where expenditure has been incurred.	3 035
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		(32 385)		32 385

Rollover: R6.9 million

An amount of R6.9 million is rolled over which relates to the invoices that were not paid in the preceding financial year. The rollover funds will alleviate the current spending pressures on this programme.

Virements and Shifts

The department embarked on an exercise of cost containment and identify savings within the existing expenditure envelop and to reallocate the budget where there are pressures within the programme. The budget for the Office of the MEC and HOD was reduced to fund the emerging pressures within the programme. Furthermore, the budget for Financial Management and Corporate services were increased to support the shortfall under certain items.

The programme budget has increased from R171 million to R178 million to make provision for payment of leases building, security and cleaning; office equipment; software licenses and office furniture.

Program 2: Integrated Economic Development Services

TABLE 3.4: PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1.Enterprise Development	139 485									139 485
2.Regional & Local Economic Development	14 503				54				54	14 557
3.Economic Empowerment	114 147				17 846				17 846	131 993
Total for programme	268 135				17 900				17 900	286 035

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	138 209				17 880				17 880	156 089
Compensation of employees	19 757									19 757
Goods and services	118 452				17 880				17 880	136 332
Interest and rent on land										

Vote 3 - Economic Development • Adjustment Budget - 2014/15

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Transfers and subsidies	129 291				74				74	129 365
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	129 291									129 291
					74				74	74
Payments for capital assets	635				(54)				(54)	581
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets	635				(54)				(54)	581
Payments for financial assets										
Total economic classification	268 135				17 900				17 900	286 035

TABLE 3.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(2 114)		19 994
Compensation of employees	Funds are shifted within this programme to where the function is delivered.	(1 094)	Funds are shifted within this programme to where the function is delivered.	1 094
Goods and services	Funds are shifted within this programme to where the function is delivered to accommodate SCOA changes.	(1 020)	Realignment of the budget to where expenditure has been incurred as a result of SCOA changes. The virement is allocated to supplement Township Revitalization Programme to rebuild the Gauteng Township Economy.	18 900
Interest and rent on land				
Transfers and subsidies				74
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			Provision is made for injury on duty and leave gratuity which was not adequately budgeted for at the beginning of the financial year.	74

Economic classification	Motivation	From	Motivation	To
Payments for capital assets		(54)		
Buildings and other fixed structures	The department has reprioritised the purchase of machinery to the next financial year.	(54)		
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		(2 168)		20 068

Virements and Shifts

The main appropriation of Programme 2 increases from R268 million to R286 million during the 2014/15 Adjustment Budget. This increase is due the virement from Programme 4 and Programme 5 amounting to R17.9 million which was allocated to Goods and services to make provision for the Township Economy Revitalization Programme. This programme will rebuild the Gauteng Township Economy and create more jobs in the province through SMME support as well as focus on skills development.

An amount of R74 000 will supplement the allocation for the injury of duty payments and leave gratuity under Transfers and Subsidies which was not adequately budgeted for at the beginning of the financial year. Furthermore, the budget for Payments for capital assets is reduced by R54 000 since the department has reprioritised the purchase of machinery to the next financial year.

Programme 3: Trade and Sector Development

TABLE 3.6: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Trade and Investment Promotion	57 007									57 007
2. Sector Development	160 889				6 348				6 348	167 237
3. Strategic Initiatives	292 769									292 769
Total for programme	510 665				6 348				6 348	517 013

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	10 704				6 348				6 348	17 052
Compensation of employees	10 634									10 634
Goods and services	70				6 348				6 348	6 418
Interest and rent on land										
Transfers and subsidies	499 961									499 961
Provinces and municipalities	499 961									499 961
Departmental agencies and accounts										
Higher education institutions										

Vote 3 - Economic Development • Adjustment Budget - 2014/15

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households										
Payments for capital assets										
Buildings and other fixed structures 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	510 665				6 348				6 348	517 013

TABLE 3.7 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
Current payments				6 348
Compensation of employees Goods and services Interest and rent on land			The funds will supplement the allocation for the Township Economy Revitalization Programme to rebuild the Gauteng Township Economy.	6 348
Transfers and subsidies		(2 141)		2 141
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	Funds are shifted from Dinokeng to correct the misallocation.	(2 141)	Funds are shifted to Cradle of Humankind to correct the misallocation.	2 141
Payments for capital assets				
Buildings and other fixed structures 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		(2 141)		8 489

Virements and Shifts

The main appropriation of Programme 3 increases by R6.3 million from R510.7 million in the main appropriation to R517 million during the 2014/15 Adjustment Budget. This growth of R6.3 million is allocated to good and services emanates from Programme 5 to make provision for conducting the 11 Industrial Sectoral Analysis for the current financial year in line with the 2014 SOPA announcements. These studies will assist in the overall strategic orientation of the provincial industrial sectoral strategies which will be geared towards meeting the basic needs of the poor majority. This means the sectoral industrial strategies will build and support industries that largely produce wage goods and capital goods that aid and support the wage-goods industries.

The development of 11 Sector Industrial Studies are for the targeted sectors strategies and include: Food and Beverages; Furniture and Timber; Clothing, Footwear, Textile and Leather; Automotive and Components; Pharmaceuticals; Plastics and Chemical; Machinery and Equipment; Mining and Mineral Beneficiation; Construction; Building Material and Real Estate; Finance and Retail ICT and Creative Industry i.e. crafts, music and film are to be conducted in the 2014/15 financial year. Only 6 Industrial Strategies will be done in 2015/16 financial year. The department is in a process of appointing the service provider to develop 11 and 6 separate industrial sector studies for 2014/15 and 2015/16 respectively.

Programme 4: Business Regulation and Governance

TABLE 3.8: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Sub programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1.Governance	12 549				250				250	12 799
2.Regulation Services	8 600				1 000				1 000	9 600
3.Consumer Protection	30 288				(9 150)				(9 150)	21 138
4.Liquor Regulation	30 255									30 255
Total for programme	81 692				(7 900)				(7 900)	73 792

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	51 437				(7 900)				(7 900)	43 537
Compensation of employees	45 742				(7 900)				(7 900)	37 842
Goods and services	5 695									5 695
Interest and rent on land										
Transfers and subsidies	30 255									30 255
Provinces and municipalities										
Departmental agencies and accounts	30 255									30 255
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
Payments for capital assets										
Buildings and other fixed structures										

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
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	81 692				(7 900)				(7 900)	73 792

TABLE 3.9 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(9 238)		1 338
Compensation of employees	Vacant posts have not been filled. Compensation of Employees has been reprioritised in favour of the Township Revitalization Programme and Township Hubs.	(7 900)		
Goods and services	Goods and services line items has been reprioritised within this line item in favour of the Township Revitalization Programme and Township Hubs.	(1 338)	Realignment of the budget to where expenditure has been incurred. No negative impact on service delivery targets.	1 338
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households				
Payments for capital assets				
Buildings and other fixed structures 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		(9 238)		1 338

Virements and shifts

The main appropriation of Programme 4 is decreased by R7.9 million from R81.7 million to R73.8 million during the 2014/15 Adjustment Budget. The decline of the programme budget is due to the virement of R7.9 million that is made to Programme 2 to augment the budget for goods and services. The funds will supplement the allocation for Township Economy Revitalization Programme.

Shifts amounting to R1.3 million are made within the programme for the realignment of the budget to where expenditure has been incurred. An amount of R1 million is moved to consultants whilst the remaining funds is shifted to supplement the budget of items such as Catering, Venues and Facilities and Travel and Subsistence that will cater for the implementation of the Township Economy Revitalization Programme.

An amount of R160 million in the surpluses of the Gambling board will be redirected to augment Township Economy Revitalization Programme.

Programme 5: Economic Planning

TABLE 3.10: PROGRAMME 5: ECONOMIC PLANNING

Sub programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Policy and Planning	10 877				1 456				1 456	12 333
2. Research and Development	10 203				(3 028)				(3 028)	7 175
3. Knowledge Management	10 919				(9 320)				(9 320)	1 599
4. Monitoring And Evaluation	8 791				(5 456)				(5 456)	3 335
Total for programme	40 790				(16 348)				(16 348)	24 442

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	40 501				(16 348)				(16 348)	24 153
Compensation of employees	27 413				(10 000)				(10 000)	17 413
Goods and services	13 088				(6 348)				(6 348)	6 740
Interest and rent on land										
Transfers and subsidies										
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
Payments for capital assets	289									289
Buildings and other fixed structures										
Machinery and equipment	289									289
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	40 790				(16 348)				(16 348)	24 442

TABLE 3.11 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: ECONOMIC PLANNING

Economic classification	Motivation	From	Motivation	To
Current payments		(17 804)		1 456
Compensation of employees	Vacant posts have not been filled. Compensation of Employees has been reprioritised in favour of the Township Revitalization Programme and Township Hubs.	(10 000)		
Goods and services	Goods and services line items has been reprioritised within this line item.	(7 804)	Realignment of the budget within to where expenditure has been incurred.	1 456
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
Payments for capital assets				
Buildings and other fixed structures				
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		(17 804)		1 456

Virements and shifts

The programme budget is decreased by R16.3 million from R40.7 million in the main appropriation to R24.4 million during the 2014/15 Adjustment Budget. The significant decrease of the budget is due to the virement of R10 million from compensation of employees which is made available to Programme 2 to augment the budget for goods and services.

Another virement of R6.3 million from goods and services is moved to Programme 3 to enable the department to conduct the 11 Industrial Sectoral Analyses for the current financial year in line with the 2014 SOPA announcements. The savings under this programme is due to the department's own research work which will be conducted in-house as per the instruction note on cost containment circular.

A shift amounting to R1.5 million under goods and services is made within to align the budget with where expenditure has been incurred.

5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 3:12 EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2013/14 Expenditure Outcome				2014/15 Preliminary expenditure		
R thousand	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 -March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014-September 2014	% change 13/14- 14/15 Apr-Sept
1.Administration	132 013	102 748	132 544	100%	178 333	97 992	(5%)
2.Integrated Economic Development Services	237 087	100 728	222 076	94%	286 035	95 415	(5%)
3.Trade And Sector Development	513 187	265 781	512 185	100%	517 013	313 248	18%
4.Business Regulation And Governance	59 460	17 124	46 577	78%	73 792	19 523	14%
5.Economic Planning	21 606	5 929	13 405	62%	24 442	5 100	(14%)
Total for programmes	963 353	492 310	926 787	96%	1 079 615	531 278	8%
Current payments	295 219	159 943	264 807	90%	411 141	131 194	(24%)
Compensation of employees	124 988	59 457	110 685	89%	172 640	65 558	10%
Goods and Services	170 231	100 486	154 122	91%	238 501	65 636	(35%)
Interest and rent on land							
Transfers and subsidies	657 720	329 657	657 890	100%	659 681	396 965	66%
Provinces and municipalities							
Departmental agencies and accounts	657 492	329 504	657 797	100%	659 507	396 743	20 %
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	228	153	93	41%	174	222	46 %
Payments for capital assets	10 414	2 711	1 619	16%	8 793	3 119	15%
Buildings and other fixed structures							
Machinery and equipment	10 414	2 711	1 619	15 %	12 793	3 119	15%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
Payments for financial assets			2 471				
Total for economic classification	963 353	492 311	926 787	96%	1 079 615	531 278	8%

Expenditure trends for 2013/14

Programme 1: Administration

The 11 per cent under spending was as a result of the moratorium on filling of vacant posts as well as delays in recruitment processes. This also contributed to delays in procuring tools of trade in this regard.

Programme 2: Integrated Economic Development Services

The programme spent 98 per cent of the budget. The under spending relates to non-payments of some projects invoices due to disputes with suppliers.

Programme 3: Trade and Sector Development

The program has spent 99 per cent of the budget due to transfer to the Entities. The under spending was due to vacant funded position within the programme which was not filled.

Programme 4: Business regulation and Governance

The under spending resulted from delays in procurement of tools of trade for the Gauteng Liquor Board.

Programme 5: Economic Planning

The programme has underspent due the department making a decision not to outsource some of the projects but managed them in-house and however the programme's performance targets were still achieved.

Expenditure trends for the first half of 2014/15

The department spent R531 million or 50 per cent of the allocation by the end of the second quarter of the 2014/15 financial year. A significant amount of this budget is allocated to departmental agencies which provide support in fulfilling the mandate of the department.

Programme 1: Administration

In providing the overall support and direction to the strategic mandate of the department, this programme spent R98 million during the first six months of the 2014/15 financial year. The expenditure for Corporate Services expenditure is high as a result of the payments of lease and provision of ICT support to the department. When comparing the expenditure for 2013/14 and 2014/15, the expenditure for the 2013/14 financial year was R103 million whilst an amount of R98 million was spent in the first half of the 2014/15 financial year. The decrease is due to the stringent cost containment measures that the department has implemented by cutting the non-core items such as: as hiring of venues, travelling cost, overseas trips and appointment of consultants. An amount to the tune of R3.1 million has been spent under capex as at the end of the second quarter.

Programme 2: Integrated Economic Development Services

The expenditure incurred under this programme for the mid-year amounts to R95 million or 36 per cent against the programme budget of R268 million. This programme expenditure is expected to increase significantly given this programmes contribution to driving Township Economy Revitalisation Programme.

Programme 3: Trade and Sector Development

The expenditure under this programme is mostly directed to agencies with an actual expenditure of R313 million or 61 per cent of the allocated budget for the first six month of the 2014/15 financial year. When comparing the 2014/15 expenditure to the preceding year's expenditure 2013/14 financial year, an increase of 18 per cent is noted for the current year. The increase is due to Trade and Sector Development unit within the department which was not previously capacitated. During the current financial year, senior officials have been appointed since June 2014.

Programme 4: Business Regulation and Governance

The expenditure for this programme is due to the activities such as Consumer Education, Consumer Awareness, Liquor abuse and awareness programmes and increasing number of inspection programmes to enforce compliance. The midyear expenditure of 2013/14 financial year amounts to R17 million whilst for the 2014/15 midyear expenditure amounts to R19 million. The increase in expenditure is due to the increase in compliance activities being implemented in this department.

Programme 5: Economic Planning

The budget for this programme is R24 million with an actual expenditure of R5 million or 12 per cent for the midyear. The budget allocation for the last financial year was R21 million with an actual expenditure of R6 million for the first half of the financial year. This programme incurred an underspending at the end of the 2013/14 financial year due to the research work that was budgeted for but was conducted in-house such as Impact Assessment of cooperatives that are supported by Gauteng Department and Gauteng manufacturing survey and skills for the economy. The expenditure at the end of the 2014/15 second quarter is low; the sub programmes that are affected is Policy and planning and Knowledge Management where all the research project is done internally instead of it being outsourced. The saving is directed towards the Township Revitalisation Programme.

6. Departmental receipts

TABLE 3.13: DEPARTMENTAL RECEIPTS

Department	2013/14 Audited Outcome				2014/15 Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% change 13/14-14/15 Apr-Sept
R thousand							
Tax receipts	708 573	308 622	753 404	2%	758 506	394 323	
Casino taxes	622 371	293 614	715 672	115%	666 229	375 389	28%
Horse racing taxes	86 202	15 012	37 732	44%	92 277	18 934	26%
Liquor licenses							
Motor vehicle licenses		(4)					
Sales of goods and services other than capital assets		1504	48			10 507	599%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	1878	1842	5177	276%	1991	1518	(18%)
Sales of capital assets							
Financial transactions in assets and liabilities	250	74	5 293	2 117%	265	692	835 %
Total receipts	710 701	312 042	763 922	26 %	760 762	407 040	14 %

Revenue trends for the first half of the 2014/15 financial year

The table above shows the contribution of each revenue source towards the total revenue generated from April 2014 to September 2014. The highest collection comes from casino taxes which amounts to R375.4 million followed by horse raising taxes which amounts to R18.9 million .

The budget under sales of goods and services other than capital assets is not provided for; due to the fact that the department offsets the payment of commission to Gauteng Gambling Board (GGB) against this revenue item. The sources consist of the following i.e. book markers licenses, parking fees, rental parking cover, waste paper, garnishee and payment to GGB.

Financial transactions in assets and liabilities contributed R692 000 to date. Over collection is attributable to the Receipts recovered from miscellaneous receipt such as stale cheque not paid to suppliers or recovery of over payment made to suppliers which is sent back to DED revenue account.

When comparing the mid-year contribution of 2013/14 and 2014/15, the department has improved its collection for revenue in the second quarter. The improvement is due to the economic outlook/ activities in the province such as people coming to Gauteng Province for holidays, tourism data to determine the projected revenue collection and number of gamblers flocking into the province.

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

TABLE 3.14: CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 1					100				100	100
Households					100				100	100
Programme 2	129 291				74				74	129 365
Households					74				74	74
Departmental Agencies	129 291									129 291
Programme 3	499 961									499 961
Departmental Agencies	499 961									499 961
Programme 4	30 255									30 255
Departmental Agencies	30 255									30 255
Total changes in conditional Name of transfer payments	659 507				174				174	659 681

Transfers and subsidies is augmented by an amount of R174 000 which results to an adjusted budget of R659.7 million, these funds will make provision for leave gratuity and injury on duty payments.

Changes to transfers to trading entities

TABLE 3.15 CHANGES TO TRANSFERS TO TRADING ENTITIES

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Cradle of Humankind	53 442				2 141					55 583
2. Dinokeng	37 736				(2 141)					35 595
3. Gauteng Liquor Board	30 255									30 255
Total changes of transfer payments	121 433									121 433

An amount of R2.1 million has been shifted from Dinokeng to Cradle of Humankind to correct the misallocation. The adjusted budget for Dinokeng decreases to R35.6 million while the budget for Cradle of Humankind increases to R55.6 million.

7.2 Changes to conditional grants

Not applicable

7.3 Changes to infrastructure

Not applicable