

# Vote 12

## Department of Economic Development and Tourism

	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>R 498 047 000</b>	<b>R 510 296 000</b>		<b>R 12 249 000</b>
Statutory appropriations				
Responsible MEC	Provincial Minister of Agriculture and Economic Development and Tourism			
Administering department	Department of Economic Development and Tourism			
Accounting officer	Head of Department, Economic Development and Tourism			

### Aim

The Department of Economic Development and Tourism will provide qualitative leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities.

The Department will also act as a catalyst for the transformation of the economy and respond to the challenges and opportunities of its economic citizens, in order to support the government's goal of creation of opportunities for businesses and citizens to grow the economy and employment.

Lastly, it will contribute to the provision of a predictable, competitive, equitable and responsible environment for investment, enterprise and trade.

### Changes to programme purposes, objectives and measures

No changes were made to programme purposes, objectives and measures.

### Adjusted Estimates of Provincial Expenditure 2014

**Table 12.1: Payments and estimates per programme and per economic classification**

2014/15							
Programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	40 101			( 5 800)	1 045	( 4 755)	35 346
2. Integrated Economic Development Services	60 324			( 3 200)		( 3 200)	57 124
3. Trade and Sector Development	229 500			7 350		7 350	236 850
4. Business Regulation and Governance	43 889				5 304	5 304	49 193
5. Economic Planning	39 941			( 4 150)	5 900	1 750	41 691
6. Tourism, Arts and Entertainment	45 002						45 002
7. Skills Development and Innovation	39 290			5 800		5 800	45 090
<b>Total</b>	498 047				12 249	12 249	510 296

**Table 12.1: Payments and estimates per programme and per economic classification (continued)**

2014/15							
Economic classification	Main appropriation R'000	Additional appropriation				Adjusted appropriation R'000	
		Roll-overs R'000	Unforeseeable/ unavoidable R'000	Virement and shifts R'000	Other adjustments R'000		Total additional R'000
Current payments	217 501			( 21 266)	6 945	( 14 321)	203 180
Compensation of employees	100 120			( 5 066)	1 045	( 4 021)	96 099
Goods and services	117 381			( 16 200)	5 900	( 10 300)	107 081
Interest and rent on land							
Transfers and subsidies to	278 751			19 607	5 304	24 911	303 662
Provinces and municipalities	500						500
Departmental agencies and accounts	105 762			3 000	5 304	8 304	114 066
Higher education institutions	2 000			2 610		2 610	4 610
Foreign governments and international organisations							
Public corporations and private enterprises	7 850			( 2 140)		( 2 140)	5 710
Non-profit institutions	161 589			7 808		7 808	169 397
Households	1 050			8 329		8 329	9 379
Payments for Capital Assets	1 795			1 627		1 627	3 422
Buildings and other fixed structures							
Machinery and equipment	1 795			1 627		1 627	3 422
Heritage assets							
Specialised military assets							
Biological assets							
Land and subsoil assets							
Software and other intangible assets							
Of which: "Capitalised Compensation" included in Payments for capital assets							
Of which: "Capitalised Goods and services" included in Payments for capital assets							
Payments for financial assets				32		32	32
Total	498 047				12 249	12 249	510 296

# Details of adjustments to the Estimates of Provincial Expenditure 2014

## Virements and shifts of funds within vote/programme

**Table 12.2: Virements and Shifting of funds**

Programmes					
1. Administration					
2. Integrated Economic Development Services					
3. Trade and Sector Development					
4. Business Regulation and Governance					
5. Economic Planning					
6. Tourism, Arts and Entertainment					
7. Skills Development and Innovation					
FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
VIREMENT					
None.					
SHIFTING OF FUNDS					
Programme 1		( 7 933)	Programme 1		2 133
			Programme 7		5 800
Total		( 7 933)	Total		7 933
Sub-programme 1.1: Office of the HOD			Sub-programme 1.1: Office of the HOD		
Goods and services	Savings due to reprioritisation.	( 10)	Transfers and subsidies	Shift in Economic Classification to cover the shortfall as a result of a leave pay-out for an official that has resigned.	10
Sub-programme 1.2: Financial Management			Sub-programme 1.2: Financial Management		
Goods and services	Savings due to reprioritisation.	( 13)	Transfers and subsidies	Shift in Economic Classification to cover the shortfall as a result of a leave pay-out for an official that has resigned.	13
Sub-programme 1.2: Financial Management			Sub-programme 1.2: Financial Management		
Goods and services	Savings due to reprioritisation.	( 2 110)	Payments for Capital Assets	To purchase additional motor vehicles due to additional demand (R941 000) and payment of finance leases (R1 169 000).	2 110
Sub-programme 1.1: Office of the HOD			Sub-programme 7.2: Workforce Development		
Compensation of employees	Savings due to reprioritisation.	( 678)	Goods and Service	To fund additional skills projects such as the School of skills artisan development project. The pilot programme aims to have all Schools of Skill accredited in order to certify learners exiting the system with an Occupational Certificate that is directly linked to a relevant Trade. This will be a semi-skilled entrance route which will exit into the Work and Skills programme or other FET programmes.	5 800
Goods and services	Savings due to reprioritisation.	( 94)			
Payments for Capital Assets	Savings due to reprioritisation.	( 16)			
Sub-programme 1.2: Financial Management					
Compensation of employees	Savings due to reprioritisation.	( 1 509)			
Goods and services	Savings due to reprioritisation.	( 1 000)			
Payments for Capital Assets	Savings due to reprioritisation.	( 269)			
Sub-programme 1.3: Corporate Services					
Compensation of employees	Savings due to reprioritisation.	( 960)			
Goods and services	Savings due to reprioritisation.	( 1 229)			
Payments for Capital Assets	Savings due to reprioritisation.	( 45)			

FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>SHIFTING OF FUNDS</b>					
Programme 2		( 3 997)	Programme 2		797
			Programme 3		3 200
Total		( 3 997)	Total		3 997
<b>Sub-programme 2.1: Enterprise Development</b>			<b>Sub-programme 2.1: Enterprise Development</b>		
Goods and services	Shift in Economic Classification to fund Entrepreneurial Awareness interventions.	( 240)	Transfers and Subsidies	To provide additional funding for the annual Premiers Entrepreneurship Recognition Awards (R140 000) as well as to support the 2014 Vision to Reality awards (R100 000) which are interventions both aimed at increasing entrepreneurial awareness and fostering an entrepreneurial culture within the Western Cape.	240
Goods and services	Shift in Economic Classification to defray over expenditure.	( 14)	Thefts and Losses	Thefts and Losses.	14
<b>Sub-programme 2.1: Enterprise Development</b>			<b>Sub-programme 2.5: Management</b>		
Payments for Capital Assets	Savings due to reprioritisation.	( 2)	Payments for Capital Assets	Due to the purchasing of additional capital to meet the operational requirements of the unit.	2
<b>Sub-programme 2.1: Enterprise Development</b>			<b>Sub-programme 2.2: Regional and Local Economic Development</b>		
Payments for Capital Assets	Savings due to reprioritisation.	( 2)	Payments for Capital Assets	Due to the purchasing of additional capital to meet the operational requirements of the unit.	2
<b>Sub-programme 2.1: Enterprise Development</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Transfers and Subsidies	Savings due to reprioritisation.	( 1 600)	Transfers and Subsidies	Transfer to Wesgro to fund the Cape Health Technology Park (CHTP) which aims to be a world class innovation facility which will culminate in the co-location of innovative firms, government and academia. This kind of collaboration is intended to spawn health related technological innovations that lead not only to new firms, Intellectual Property (IP), products and services, but also to capacity, economic growth, increased regional and country competitiveness.	1 600
Transfers and Subsidies	Savings due to reprioritisation.	( 200)	Transfers and Subsidies	Funds to be utilised for the SEBO Project (Broadband Opportunities Foundation).	200

FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>Sub-programme 2.2: Regional and Local Economic Development</b>			<b>Sub-programme 2.1: Enterprise Development</b>		
Compensation of employees	Savings due to reprioritisation.	( 736)	Compensation of employees	Due to a staffing shortfall, officials were required to act in higher positions to ensure the continuity of projects. Thus funds were shifted to accommodate the acting allowances.	336
			<b>Sub-programme 3.3: Strategic Initiatives</b>		
			Transfers and Subsidies	Transfer to Wesgro to fund the Cape Health Technology Park (CHTP) which aims to be a world class innovation facility which will culminate in the co-location of innovative firms, government and academia. This kind of collaboration is intended to spawn health related technological innovations that lead not only to new firms, Intellectual Property (IP), products and services, but also to capacity, economic growth, increased regional and country competitiveness.	400
<b>Sub-programme 2.3: Economic Empowerment</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of employees	Savings due to reprioritisation.	( 250)	Transfers and Subsidies	Transfer to Wesgro to fund the Cape Health Technology Park (CHTP) which aims to be a world class innovation facility which will culminate in the co-location of innovative firms, government and academia. This kind of collaboration is intended to spawn health related technological innovations that lead not only to new firms, Intellectual Property (IP), products and services, but also to capacity, economic growth, increased regional and country competitiveness.	250
<b>Sub-programme 2.4: Red Tape</b>			<b>Sub-programme 2.1: Enterprise Development</b>		
Goods and services	Shift in Economic Classification to fund Entrepreneurial Access to Finance based interventions.	( 100)	Transfers and subsidies	To support the Western Cape Funding Fair which is an intervention aimed at enabling the "Access to Finance" environment for businesses in the Western Cape.	100
<b>Sub-programme 2.4: Red Tape</b>			<b>Sub-programme 2.5: Management</b>		
Goods and services	Savings due to reprioritisation.	( 100)	Goods and Services	To defray over expenditure within the unit.	100
<b>Sub-programme 2.4: Red Tape</b>			<b>Sub-programme 2.4: Red Tape</b>		
Goods and services	Savings due to reprioritisation.	( 3)	Transfers and Subsidies	Shift in Economic Classification to cover the shortfall as a result of a leave pay-out for an official that has resigned.	3

FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>Sub-programme 2.4: Red Tape</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of employees	Savings due to the delay in filling of posts.	( 400)	Transfers and Subsidies	Transfer to Wesgro to fund the Cape Health Technology Park (CHTP) which aims to be a world class innovation facility which will culminate in the co-location of innovative firms, government and academia. This kind of collaboration is intended to spawn health related technological innovations that lead not only to new firms, Intellectual Property (IP), products and services, but also to capacity, economic growth, increased regional and country competitiveness.	400
<b>Sub-programme 2.5: Management</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of employees	Savings due to reprioritisation.	( 350)	Transfers and Subsidies	Transfer to Wesgro to fund the Cape Health Technology Park (CHTP) which aims to be a world class innovation facility which will culminate in the co-location of innovative firms, government and academia. This kind of collaboration is intended to spawn health related technological innovations that lead not only to new firms, Intellectual Property (IP), products and services, but also to capacity, economic growth, increased regional and country competitiveness.	350
<b>SHIFTING OF FUNDS</b>					
<b>Programme 3</b>		<b>( 4 696)</b>	<b>Programme 3</b>		<b>4 696</b>
<b>Total</b>		<b>( 4 696)</b>	<b>Total</b>		<b>4 696</b>
<b>Sub-programme 3.2: Sector Development</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of Employees	Savings due to the delay in filling of posts.	( 472)	Transfers and Subsidies	Shift in Economic Classification to provide funding to the Cape Craft and Design Institute for the development of the Design Park.	472
Goods and Services	Savings due to reprioritisation.	( 755)	Transfers and Subsidies	Shift in Economic Classification to provide funding to the Cape Craft and Design Institute (R527 000) for the development of the Design Park and (R228 000) to the Genesis IT Initiative for the setup of the Interactive Community Access Network (ICAN) Centre.	755
Payments to capital assets	Savings due to reprioritisation.	( 14)	Transfers and Subsidies	Shift in Economic Classification for the establishment of the Broadband Opportunities Foundation.	14

FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>Sub-programme 3.2: Sector Development</b>			<b>Sub-programme 3.4: Management: Trade and Sector Development</b>		
Payments to capital assets	Savings due to reprioritisation.	( 37)	Payments to capital assets	Due to the purchasing of additional capital to meet the operational requirements of the unit.	37
<b>Sub-programme 3.2: Sector Development</b>			<b>Sub-programme 3.2: Sector Development</b>		
Goods and Services	Savings due to reprioritisation.	( 87)	Transfers and Subsidies	Shift in Economic Classification to fund the Western Cape Fine Food Initiative for an export promotion mission in the USA.	87
<b>Sub-programme 3.3: Strategic Initiatives</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of Employees	Savings due to the delay in filling of posts.	( 333)	Transfers and Subsidies	Shift in Economic Classification to provide funding to the Genesis IT Initiative for the setup of the Interactive Community Access Network Centre (ICAN).	333
Goods and Services	Savings due to reprioritisation of Catalytic projects.	( 1 089)	Transfers and Subsidies	Shift in Economic Classification to provide funding to the Genesis IT Initiative for the setup of the Interactive Community Access Network Centre (ICAN).	1 000
				Shift in Economic Classification for the establishment of the Broadband Opportunities Foundation.	89
Transfers and Subsidies	Savings due to reprioritisation of Catalytic projects.	( 1 200)	Transfers and Subsidies	To provide funding to the Genesis IT Initiative for the setup of the Interactive Community Access Network Centre (ICAN).	1 200
Payments to capital assets	Savings due to reprioritisation.	( 62)	Transfers and Subsidies	Shift in Economic Classification for the establishment of the Broadband Opportunities Foundation.	62
<b>Sub-programme 3.4: Management: Trade and Sector Development</b>			<b>Sub-programme 3.3: Strategic Initiatives</b>		
Compensation of Employees	Savings due to the delay in filling of posts.	( 464)	Transfers and Subsidies	To provide funding to the Genesis IT Initiative for the setup of the Interactive Community Access Network Centre (ICAN).	464
Goods and Services	Savings due to reprioritisation.	( 171)		Shift in Economic Classification for the establishment of the Broadband Opportunities Foundation.	171
<b>Sub-programme 3.4: Management: Trade and Sector Development</b>			<b>Sub-programme 3.4: Management: Trade and Sector Development</b>		
Goods and Services	Savings due to reprioritisation.	( 12)	Transfers and Subsidies	To provide funding towards the 2 <sup>nd</sup> Stellenbosch innovation District Conference.	10
				Households: Leave Gratuity.	2

FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>SHIFTING OF FUNDS</b>					
Programme 5		( 6 876)	Programme 5		2 726
			Programme 3		4 150
Total		( 6 876)	Total		6 876
<b>Sub-programme 5.1: Policy and Planning</b>			<b>Sub-programme 3.2: Sector Development</b>		
Goods and Services	Savings due to reprioritisation.	( 4 150)	Goods and Services	To provide funding for Liquefied Natural Gas (LNG) priority projects.	3 750
			<b>Sub-programme 3.2: Sector Development</b>		
			Transfers and Subsidies	To provide for the funding of GreenCape for the Bio-fuels project.	400
<b>Sub-programme 5.1: Policy and Planning</b>			<b>Sub-programme 5.1: Policy and Planning</b>		
Goods and Services	Shift in Economic Classification.	( 1 200)	Transfers and Subsidies	Funding provided to Green Cape for the Finance Support Facility.	1 200
<b>Sub-programme 5.2: Research and Development</b>			<b>Sub-programme 5.2: Research and Development</b>		
Goods and Services	Savings due to reprioritisation.	( 8)	Transfers and Subsidies	Shift in Economic Classification to cover the shortfall as a result of a leave pay-out for an official that has resigned.	8
<b>Sub-programme 5.2: Research and Development</b>			<b>Sub-programme 5.2: Research and Development</b>		
Goods and Services	Savings due to reprioritisation.	( 18)	Thefts and Losses	Thefts and Losses.	18
<b>Sub-programme 5.4: Monitoring and Evaluation</b>			<b>Sub-programme 5.1: Policy and Planning</b>		
Goods and Services	Savings due to reprioritisation of Monitoring and Evaluation projects.	( 1 500)	Goods and Services	To fund appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.	1 500
<b>SHIFTING OF FUNDS</b>					
Programme 6		( 1 095)	Programme 6		1 095
Total		( 1 095)	Total		1 095
<b>Sub-programme 6.2: Tourism Growth and Development</b>			<b>Sub-programme 6.1: Tourism Planning</b>		
Goods and services	Savings due to reprioritisation.	( 182)	Compensation of employees	Due to a staffing shortfall, officials were required to act in higher positions to ensure the continuity of projects within the unit. Thus funds were shifted to accommodate the acting allowances.	96
			Goods and services	To defray over expenditure within Goods and Services.	86
<b>Sub-programme 6.3: Tourism Sector Transformation</b>			<b>Sub-programme 6.3: Tourism Sector Transformation</b>		
Goods and services	Savings due to reprioritisation.	( 437)	Compensation of employees	Due to a staffing shortfall, officials were required to act in higher positions to ensure the continuity of projects within the unit. Thus funds were shifted to accommodate the acting allowances.	437
<b>Sub-programme 6.5: Commercial Arts and Entertainment</b>			<b>Sub-programme 6.2: Tourism Growth and Development</b>		
Compensation of employees	Savings due to reprioritisation.	( 429)	Compensation of employees	Due to a staffing shortfall, officials were required to act in higher positions to ensure the continuity of projects within the unit. Thus funds were shifted to accommodate the acting allowances.	476
Goods and services	Savings due to reprioritisation.	( 47)			



FROM:			TO:		
Programme/ sub-programme by economic classification	Motivation	R'000	Programme/ sub-programme by economic classification	Motivation	R'000
<b>SHIFTING OF FUNDS</b>					
Programme 7		( 13 403)	Programme 7		13 403
Total		( 13 403)	Total		13 403
<b>Sub-programme 7.1: Provincial Skills Co-ordination</b>			<b>Sub-programme 7.2: Workforce Development</b>		
Goods and Services	Savings due to a change in project implementation which resulted in the payments of stipends being done in-house.	( 3 862)	Transfers and Subsidies	To fund the stipend payments of the Work and Skills Programme. It was decided that the roll out of the stipend payments will be done in-house rather than being outsourced to a service provider.	3 862
<b>Sub-programme 7.1: Provincial Skills Co-ordination</b>			<b>Sub-programme 7.1: Provincial Skills Co-ordination</b>		
Goods and Services	Savings due to reprioritisation.	( 54)	Compensation of Employees	To accommodate the shortfall within COE as the annual cost of living increases were higher than initially budgeted.	41
			Payments to capital assets	Due to the purchasing of additional capital to meet the operational requirements of the unit.	13
<b>Sub-programme 7.1: Provincial Skills Co-ordination</b>			<b>Sub-programme 7.4: Management: Skills Development and Innovation</b>		
Goods and Services	Savings due to reprioritisation.	( 239)	Goods and Services	To defray over expenditure within Goods and Services.	110
			Compensation of Employees	To accommodate the shortfall within COE as the annual cost of living increases were higher than initially budgeted.	129
<b>Sub-programme 7.2: Workforce Development</b>			<b>Sub-programme 7.4: Management: Skills Development and Innovation</b>		
Compensation of Employees	Savings due to the delay in filling of posts.	( 316)	Compensation of Employees	To accommodate the shortfall within COE.	231
			<b>Sub-programme 7.3: Innovation</b>		
			Compensation of Employees	To accommodate the shortfall within COE as a result of staff receiving performance bonuses.	85
<b>Sub-programme 7.2: Workforce Development</b>			<b>Sub-programme 7.2: Workforce Development</b>		
Goods and Services	Shift in Economic Classification.	( 8 802)	Transfers and Subsidies	Due to funds being transferred to the South African Oil and Gas Alliance (SAOGA) as they were identified as the best placed partner agency within the sector to implement the Artisan Development Programme (R4 621 000), which aims to equip 200 learners with as well as to fund the stipend payments of the Work and Skills Programme (R4 181 000). It was decided that the roll out of the stipend payments be done in-house rather than being outsourced to a service provider.	8 912
Payments to capital assets	Savings due to reprioritisation.	( 110)			
<b>Sub-programme 7.3: Innovation</b>			<b>Sub-programme 7.3: Innovation</b>		
Goods and Services	Savings due to reprioritisation.	( 20)	Payments to capital assets	To defray over expenditure within Capital as a result of additional equipment being procured in order to ensure the efficient operations within the unit.	20

### ***Funds that become available - R12 249 000***

#### ***Increased own revenue 2014/15 - R5 304 000***

R1 804 000 to fund the Western Cape Liquor Authority (WCLA) for 2013/14 commitments.

R3 500 000 to fund the Western Cape Liquor Authority (WCLA) for office accommodation and IT infrastructure.

#### ***Shifting of funds between votes - R6 945 000***

R900 000 shifted from Vote 1: Department of the Premier for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R1 500 000 shifted from Vote 9: Department of Environmental Affairs and Development Planning for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R1 500 000 shifted from Vote 11: Department of Agriculture for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R1 045 000 shifted from Vote 3: Provincial Treasury for the Internal Control component (Transversal Projects).

R1 500 000 shifted from Vote 10: Department of Transport and Public Works for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R500 000 shifted from Vote 8: Human Settlements for Green Economy: Better Living Challenge.

## Actual payments and revised spending projections for the remainder of the financial year

**Table 12.3: Actual payments and revised spending projections**

2014/15 Preliminary expenditure						
	Adjusted appropriation	Actual payments April 2014 - September 2014		Projected payments October 2014 - March 2015		Total Preliminary expenditure
	R'000	R'000	% of budget	R'000	% of budget	R'000
1. Administration	35 346	16 203	45.84	19 143	54.16	35 346
2. Integrated Economic Development Services	57 124	24 969	43.71	32 155	56.29	57 124
3. Trade and Sector Development	236 850	157 231	66.38	79 619	33.62	236 850
4. Business Regulation and Governance	49 193	22 119	44.96	27 074	55.04	49 193
5. Economic Planning	41 691	16 263	39.01	25 428	60.99	41 691
6. Tourism, Arts and Entertainment	45 002	27 331	60.73	17 671	39.27	45 002
7. Skills Development and Innovation	45 090	10 462	23.20	34 628	76.80	45 090
<b>Total</b>	<b>510 296</b>	<b>274 578</b>	<b>53.81</b>	<b>235 718</b>	<b>46.19</b>	<b>510 296</b>

  

2014/15 Preliminary expenditure						
	Adjusted appropriation	Actual payments April 2014 - September 2014		Projected payments October 2014 - March 2015		Total Preliminary expenditure
	R'000	R'000	% of budget	R'000	% of budget	R'000
<b>Current payments</b>	203 180	81 183	39.96	121 997	60.04	203 180
Compensation of employees	96 099	47 273	49.19	48 826	50.81	96 099
Goods and services	107 081	33 910	31.67	73 171	68.33	107 081
Interest and rent on land						
<b>Transfers and subsidies to</b>	303 662	192 331	63.34	111 331	36.66	303 662
Provinces and municipalities	500			500	100.00	500
Departmental agencies and accounts	114 066	72 692	63.73	41 374	36.27	114 066
Higher education institutions	4 610	2 288	49.63	2 322	50.37	4 610
Foreign governments and international organisations						
Public corporations and private enterprises	5 710	2 100	36.78	3 610	63.22	5 710
Non-profit institutions	169 397	113 971	67.28	55 426	32.72	169 397
Households	9 379	1 280	13.65	8 099	86.35	9 379
<b>Payments for Capital Assets</b>	3 422	1 032	29.05	2 390	70.95	3 422
Buildings and other fixed structures						
Machinery and equipment	3 422	994	29.05	2 428	70.95	3 422
Heritage assets						
Specialised military assets						
Biological assets						
Land and subsoil assets						
Software and other intangible assets		38		( 38)		
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>						
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>						
<b>Payments for financial assets</b>	32	32	100			32
<b>Total</b>	<b>510 296</b>	<b>274 578</b>	<b>53.81</b>	<b>235 718</b>	<b>46.19</b>	<b>510 296</b>

## Actual payments for the financial year 2013/14

**Table 12.4: Actual payments**

2013/14							
Actual expenditure							
		Adjusted appropriation	Actual payments April 2013 - September 2013		Actual payments October 2013 - March 2014		Total Actual expenditure
		R'000	R'000	% of budget	R'000	% of budget	R'000
1.	Administration	32 472	14 556	44.83	18 693	57.57	33 249
2.	Integrated Economic Development Services	49 994	18 504	37.01	31 503	63.01	50 007
3.	Trade and Sector Development	129 828	44 261	34.09	79 979	61.60	124 240
4.	Business Regulation and Governance	41 481	21 899	52.79	19 582	47.21	41 481
5.	Economic Planning	35 851	11 394	31.78	23 296	64.98	34 690
6.	Tourism, Arts and Entertainment	47 560	23 436	49.28	24 118	50.71	47 554
7.	Skills Development and Innovation	35 787	6 781	18.95	29 377	82.09	36 158
<b>Total</b>		372 973	140 831	37.76	226 548	60.74	367 379

2013/14 Actual expenditure						
	Adjusted appropriation  R'000	Actual payments April 2013 - September 2013  R'000                      % of budget		Actual payments October 2013 - March 2014  R'000                      % of budget		Total Actual expenditure  R'000
<b>Current payments</b>	186 793	61 362	32.85	108 273	57.96	169 635
Compensation of employees	89 915	43 044	47.87	47 747	53.10	90 791
Goods and services	96 878	18 318	18.91	60 526	62.48	78 844
Interest and rent on land						
<b>Transfers and subsidies to</b>	183 772	78 445	42.69	115 035	62.60	193 480
Provinces and municipalities	5 150			5 150	100.00	5 150
Departmental agencies and accounts	90 010	41 819	46.46	51 246	56.93	93 065
Universities and technikons	650			800	123.08	800
Foreign governments and international organisations						
Public corporations and private enterprises	11 326	3 626	32.01	3 350	29.58	6 976
Non-profit institutions	74 841	32 598	43.56	52 990	70.80	85 588
Households	1 795	402	22.40	1 499	83.51	1 901
<b>Payments for Capital Assets</b>	2 393	1 024	42.79	3 204	133.89	4 228
Buildings and other fixed structures						
Machinery and equipment	2 393	1 024	42.79	3 143	131.34	4 167
Heritage assets						
Specialised military assets						
Biological assets						
Land and subsoil assets						
Software and other intangible assets				61		61
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>						
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>						
<b>Payments for financial assets</b>	15			36	240.00	36
<b>Total</b>	372 973	140 831	37.76	226 548	60.74	367 379

## **Expenditure trends**

### **Per Programme**

#### **Programme 1: Administration**

Programme 1: Administration has spent 40.41 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 45.53 per cent in the previous financial year for the same period.

#### **Programme 2: Integrated Economic Development Services**

Programme 2: Integrated Economic Development Services has spent 41.39 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 38.05 per cent in the previous financial year for the same period. Expenditure increased in the first half of the 2014/15 financial year due to the fact that projects with partner agencies were instituted earlier than in the 2013/14 financial year (re-alignment of transfers).

#### **Programme 3: Trade and Sector Development**

Programme 3: Trade and Sector Development has spent 68.51 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 30.46 per cent in the previous financial year for the same period, due to the fact that all transfer payments to the Sector Development Agencies (SDAs) were on track and in accordance within original cash flow projections.

#### **Programme 4: Business Regulation and Governance**

Programme 4: Business Regulation and Governance has spent 50.40 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 51.87 per cent in the previous financial year for the same period.

#### **Programme 5: Economic Planning**

Programme 5: Economic Planning has spent 40.72 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 33.36 per cent in the previous financial year for the same period. Expenditure will increase in the second half of the financial year due to the payments for Strategic expression to Provincial Strategic Goal 1 and the Green Economy Initiatives that have been undertaken in the current year.

#### **Programme 6: Tourism, Arts and Entertainment**

Programme 6: Tourism, Arts and Entertainment has spent 60.73 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 47.65 per cent in the previous financial year for the same period. This is due to various projects being initiated earlier.

#### **Programme 7: Skills Development and Innovation**

Programme 7: Skills Development and Innovation has spent 26.63 per cent of its adjusted budget during the first half of the 2014/15 financial year compared to 17.85 per cent in the previous financial year for the same period. This is due to the process of paying stipends to learners on the Work and Skills Programme as this was done in-house, on a monthly basis.

## ***Per Economic classification***

### **Current payments**

Current payments reflect a spending of R81.183 million or 39.95 per cent of the Adjusted Budget for the first six months of the 2014/15 financial year. In comparison to 2013/14 for the same period, spending amounted to R61.362 million or 32.85 per cent which shows an increase of R19.821 million. The increase relates mainly to cost of living adjustments.

### **Transfers and Subsidies**

Transfers and subsidies reflects expenditure of R192.331 million or 63.34 per cent for the first half of the 2014/15 financial year. For the same period of the 2013/14 financial year, expenditure was recorded as 42.69 per cent or R78.445 million. Reasons for this increase is due to various transfers being brought forward and increased tranche payments being made to entities to improve the governance oversight of these.

### **Payments for Payments for Capital Assets**

Payments for Capital Assets has remained fairly consistent when comparing the 2014/15 financial year to the 2013/14 financial year. It is anticipated that capital expenditure will be higher in the second half of the financial year due to the planning and acquisition cycle of the Department.

## Summary of receipts

**Table 12.5: Summary of receipts**

2014/15									
Receipts	Main Budget	Additional appropriation							Adjusted Budget
		Provincial Equitable Share	Conditional grants	Roll-overs	In-year own revenue	Shifting of funds between votes	Financing	Total	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Equitable share	442 251					4 945		4 945	447 196
Conditional grants									
Financing	30 526						1 500	1 500	32 026
Asset Finance Reserve									
Provincial Revenue Fund	30 526						1 500	1 500	32 026
Departmental receipts	25 270				5 804			5 804	31 074
Tax receipts	25 000								25 000
Sales of goods and services other than capital assets	270								270
Transfers received					500			500	500
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities					5 304			5 304	5 304
<b>Total receipts</b>	<b>498 047</b>				<b>5 804</b>	<b>4 945</b>	<b>1 500</b>	<b>12 249</b>	<b>510 296</b>

### Details of revenue source

#### Increased own revenue 2014/15: R5 804 000

R500 000 deposited by Vote 8: Human Settlements for the Green Economy: Better Living Challenge.

R3 500 000 to fund the Western Cape Liquor Authority (WCLA) for office accommodation and IT infrastructure from surpluses surrendered.

R1 804 000 to fund the Western Cape Liquor Authority (WCLA) for 2013/14 commitments from surpluses surrendered.

#### Shifting of funds between votes: R4 945 000

R1 045 000 shifted from Vote 3: Provincial Treasury for the Internal Control component (Transversal Projects).

R1 500 000 shifted from Vote 11: Department of Agriculture for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R1 500 000 shifted from Vote 9: Department of Environmental Affairs and Development Planning for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

R900 000 shifted from Vote 1: Department of the Premier for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

#### Financing - R1 500 000

R1 500 000 from Vote 10: Department of Transport and Public Works 2013/14 revenue retention for the appointment of a service provider for the Provincial Strategic Goal (PSG) 1 Project.

## Summary of changes to transfers and subsidies, and conditional grants

Table 12.6: Summary of transfers and subsidies per programme

		2014/15					
Programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration				23		23	23
Households				23		23	23
2. Integrated Economic Development Services	25 400			( 1 457)		( 1 457)	23 943
Departmental agencies and accounts	2 000						2 000
Higher education institutions	1 000			1 150		1 150	2 150
Public Corporations and private enterprises	6 650			( 951)		( 951)	5 699
Non-profit institutions	15 300			( 1 800)		( 1 800)	13 500
Households	450			144		144	594
3. Trade and Sector Development	175 159			7 059		7 059	182 218
Provinces and municipalities	500						500
Departmental agencies and accounts	47 326			3 000		3 000	50 326
Higher education institutions	1 000						1 000
Public Corporations and private enterprises	1 200			( 1 190)		( 1 190)	10
Non-profit institutions	125 133			5 247		5 247	130 380
Households				2		2	2
4. Business Regulation and Governance	32 936				5 304	5 304	38 240
Departmental agencies and accounts	32 936				5 304	5 304	38 240
5. Economic Planning	16 196			1 208		1 208	17 404
Non-profit institutions	16 196			1 200		1 200	17 396
Households				8		8	8
6. Tourism, Arts and Entertainment	27 600						27 600
Departmental agencies and accounts	23 500						23 500
Non-profit institutions	3 500						3 500
Households	600						600
7. Skills Development and Innovation	1 460			12 774		12 774	14 234
Higher education institutions				1 460		1 460	1 460
Non-profit institutions	1 460			3 161		3 161	4 621
Households				8 153		8 153	8 153
Total	278 751			19 607	5 304	24 911	303 662



## Payments and estimates per sub-programme and economic classification

Table 12.7: Payments and estimates per sub-programme and economic classification

Table 12.7.1: Administration

2014/15							
Sub-programme	Main appropriation R'000	Additional appropriation					Adjusted appropriation R'000
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
		R'000	R'000	R'000	R'000	R'000	
1. Office of the HOD	3 080			( 788)		( 788)	2 292
2. Financial Management	26 182			( 2 778)	1 045	( 1 733)	24 449
3. Corporate Services	10 839			( 2 234)		( 2 234)	8 605
<b>Total</b>	<b>40 101</b>			<b>( 5 800)</b>	<b>1 045</b>	<b>( 4 755)</b>	<b>35 346</b>

  

2014/15							
Economic classification	Main appropriation R'000	Additional appropriation					Adjusted appropriation R'000
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
		R'000	R'000	R'000	R'000	R'000	
<b>Current payments</b>	39 431			( 7 603)	1 045	( 6 558)	32 873
Compensation of employees	21 956			( 3 147)	1 045	( 2 102)	19 854
Goods and services	17 475			( 4 456)		( 4 456)	13 019
<b>Transfers and subsidies to</b>				23		23	23
Households				23		23	23
<b>Payments for capital assets</b>	670			1 780		1 780	2 450
Machinery and equipment	670			1 780		1 780	2 450
<b>Total</b>	<b>40 101</b>			<b>( 5 800)</b>	<b>1 045</b>	<b>( 4 755)</b>	<b>35 346</b>

Table 12.7.2: Integrated Economic Development Services

Sub-programme	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Enterprise Development	37 044			( 1 366)		( 1 366)	35 678
2. Regional and Local Economic Development	9 218			( 734)		( 734)	8 484
3. Economic Empowerment	4 196			( 250)		( 250)	3 946
4. Red Tape	7 540			( 600)		( 600)	6 940
5. Management: Integrated Economic Development Services	2 326			( 250)		( 250)	2 076
<b>Total</b>	<b>60 324</b>			<b>( 3 200)</b>		<b>( 3 200)</b>	<b>57 124</b>

Economic classification	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>34 574</b>			( 1 757)		( 1 757)	32 817
Compensation of employees	20 953			( 1 400)		( 1 400)	19 553
Goods and services	13 621			( 357)		( 357)	13 264
<b>Transfers and subsidies to</b>	<b>25 400</b>			( 1 457)		( 1 457)	23 943
Departmental agencies and accounts	2 000						2 000
Higher education institutions	1 000			1 150		1 150	2 150
Public corporations and private enterprises	6 650			( 950)		( 950)	5 700
Non-profit institutions	15 300			( 1 800)		( 1 800)	13 500
Households	450			143		143	593
<b>Payments for capital assets</b>	<b>350</b>						350
Machinery and equipment	350						350
<b>Payments for financial assets</b>				14		14	14
<b>Total</b>	<b>60 324</b>			<b>( 3 200)</b>		<b>( 3 200)</b>	<b>57 124</b>

Table 12.7.3: Trade and Sector Development

Sub-programme	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Trade and Investment Promotion	19 235						19 235
2. Sector Development	49 179			2 872		2 872	52 051
3. Strategic Initiatives	159 399			5 076		5 076	164 475
4. Management: Trade and Sector Development	1 687			( 598)		( 598)	1 089
<b>Total</b>	229 500			7 350		7 350	236 850

  

Economic classification	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Current payments</b>	54 141			367		367	54 508
Compensation of employees	20 036			( 1 269)		( 1 269)	18 767
Goods and services	34 105			1 636		1 636	35 741
<b>Transfers and subsidies to</b>	175 159			7 059		7 059	182 218
Provinces and municipalities	500						500
Departmental agencies and accounts	47 326			3 000		3 000	50 326
Higher education institutions	1 000						1 000
Public corporations and private enterprises	1 200			( 1 190)		( 1 190)	10
Non-profit institutions	125 133			5 247		5 247	130 380
Households				2		2	2
<b>Payments for capital assets</b>	200			( 76)		( 76)	124
Machinery and equipment	200			( 76)		( 76)	124
<b>Total</b>	229 500			7 350		7 350	236 850

Table 12.7.4: Business Regulation and Governance

Sub-programme	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Consumer Protection	10 283						10 283
2. Liquor Board	33 606				5 304	5 304	38 910
<b>Total</b>	43 889				5 304	5 304	49 193

Economic classification	2014/15						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Current payments</b>	10 906						10 906
Compensation of employees	8 153						8 153
Goods and services	2 753						2 753
<b>Transfers and subsidies to</b>	32 936				5 304	5 304	38 240
Departmental agencies and accounts	32 936				5 304	5 304	38 240
<b>Payments for capital assets</b>	47						47
Machinery and equipment	47						47
<b>Total</b>	43 889				5 304	5 304	49 193

Table 12.7.5: Economic Planning

2014/15							
Sub-programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Policy and Planning	16 949			( 2 650)	5 900	3 250	20 199
<i>Policy and Planning</i>	1 885			1 500	5 400	6 900	8 785
<i>Economic Development Integration</i>	15 064			( 4 150)	500	( 3 650)	11 414
2. Research and Development	5 310						5 310
3. Knowledge Management	2 818						2 818
4. Monitoring and Evaluation	5 968			( 1 500)		( 1 500)	4 468
5. Management	8 896						8 896
<b>Total</b>	39 941			( 4 150)	5 900	1 750	41 691

Economic classification	2014/15						
	Main appropriation  R'000	Additional appropriation				Adjusted appropriation  R'000	
		Roll-overs  R'000	Unforeseeable/ unavoidable  R'000	Virement and shifts  R'000	Other adjustments  R'000		Total additional appropriation  R'000
Current payments	23 590			( 5 376)	5 900	524	24 114
Compensation of employees	8 668						8 668
Goods and services	14 922			( 5 376)	5 900	524	15 446
Transfers and subsidies to	16 196			1 208		1 208	17 404
Non-profit institutions	16 196			1 200		1 200	17 396
Households				8		8	8
Payments for capital assets	155						155
Machinery and equipment	155						155
Payments for financial assets				18		18	18
Total	39 941			( 4 150)	5 900	1 750	41 691

Table 12.7.6: Tourism, Arts and Entertainment

2014/15							
Sub-programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Tourism Planning	3 895			182		182	4 077
2. Tourism Growth and Development	3 843			294		294	4 137
3. Tourism Sector Transformation	9 092						9 092
4. Destination Marketing Organisation	21 000						21 000
5. Commercial Arts and Entertainment	7 172			( 476)		( 476)	6 696
<b>Total</b>	45 002						45 002

2014/15							
Economic classification	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Current payments</b>	17 213						17 213
Compensation of employees	12 524			580		580	13 104
Goods and services	4 689			( 580)		( 580)	4 109
<b>Transfers and subsidies to</b>	27 600						27 600
Departmental agencies and accounts	23 500						23 500
Non-profit institutions	3 500						3 500
Households	600						600
<b>Payments for capital assets</b>	189						189
Machinery and equipment	189						189
<b>Total</b>	45 002						45 002

Table 12.7.7: Skills Development and Innovation

2014/15							
Sub-programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
		R'000	R'000	R'000	R'000	R'000	
1. Provincial Skills Co-ordination	9 477			( 4 101)		( 4 101)	5 376
2. Workforce Development	27 077			9 346		9 346	36 423
3. Innovation	966			85		85	1 051
4. Management: Skills Development	1 770			470		470	2 240
<b>Total</b>	<b>39 290</b>			<b>5 800</b>		<b>5 800</b>	<b>45 090</b>

  

2014/15							
Economic classification	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Other adjustments	Total additional appropriation	
		R'000	R'000	R'000	R'000	R'000	
<b>Current payments</b>	<b>37 646</b>			( 6 897)		( 6 897)	30 749
Compensation of employees	7 830			170		170	8 000
Goods and services	29 816			( 7 067)		( 7 067)	22 749
<b>Transfers and subsidies to</b>	<b>1 460</b>			12 774		12 774	14 234
Higher education institutions				1 460		1 460	1 460
Non-profit institutions	1 460			3 161		3 161	4 621
Households				8 153		8 153	8 153
<b>Payments for capital assets</b>	<b>184</b>			( 77)		( 77)	107
Machinery and equipment	184			( 77)		( 77)	107
<b>Total</b>	<b>39 290</b>			<b>5 800</b>		<b>5 800</b>	<b>45 090</b>

