

Vote 06

Economic Development, Environment and Tourism

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 332 930	1 350 120	(55 564)	72 754
<i>of which:</i>				
Current payments	784 189	728 625	(55 564)	-
Transfers and Subsidies	448 512	518 293	-	69 781
Payments for Capital Assets	100 229	103 202	-	2 973
Payments for Financial Assets	-	-	-	-
Direct charge against the Provincial Revenue Fund	1 902	1 902	-	-
Executive authority	MEC for Economic Development, Environment and Tourism			
Accounting officer	Deputy Director General			

Vote purpose

To create and facilitate the development of a competitive economy, sustainable environment and tourism growth.

Adjusted Estimates of Provincial Expenditure 2016

Programme Summary

Table 6.1: Adjusted estimates

R thousand	2016/17 Adjustments appropriation							Total adjustments appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments		
Programme									
1. Administration	346 117	-	-	8 252	-	-	-	8 252	354 369
2. Economic Development	477 147	434	-	13 787	-	-	25 000	39 221	516 368
3. Environmental Affairs	371 279	-	-	(11 902)	-	-	-	(11 902)	359 377
4. Tourism	136 485	-	-	(10 137)	-	-	(8 244)	(18 381)	118 104
Total	1 331 028	434	-	-	-	(8 244)	25 000	17 190	1 348 218
Direct charge against the Provincial Revenue Fund									
Statutory	1 902	-	-	-	-	-	-	-	1 902
Total	1 332 930	434	-	-	-	(8 244)	25 000	17 190	1 350 120
Economic classification.									
Current Payments	784 189	-	-	(16 591)	(38 973)	-	-	(55 564)	728 625
Compensation of employees	506 600	-	-	2 000	(17 099)	-	-	(15 099)	491 501
Goods and services	277 152	-	-	(18 591)	(21 874)	-	-	(40 465)	236 687
Interest and rent on land	437	-	-	-	-	-	-	-	437
Transfer and subsidies to:	448 512	-	-	13 618	39 407	(8 244)	25 000	69 781	518 293
Provinces and Municipalities	3 154	-	-	(1 299)	-	-	-	(1 299)	1 855
Departmental Agencies and accounts	435 825	-	-	14 238	39 407	(8 244)	25 000	70 401	506 226
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-Profit making institutions	-	-	-	679	-	-	-	679	679
Households	9 533	-	-	-	-	-	-	-	9 533
Payment for capital assets	100 229	434	-	2 973	(434)	-	-	2 973	103 202
Buildings and other fixed structures	43 233	-	-	(8 946)	-	-	-	(8 946)	34 287
Machinery and equipment	56 996	434	-	11 919	(434)	-	-	11 919	68 915
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 332 930	434	-	-	-	(8 244)	25 000	17 190	1 350 120

Departmental budget have increased by a rollover of R0.434 million for Information Communication Technology (ICT) laptops and an additional R25.000 million for transfer to Great North Transport for acquisition of new buses. An amount of R8.244 million has been realised as a savings due to organisational re-design at Limpopo Tourism Agency. Department have transferred the Information Communication Technology (ICT) directorate to Limpopo Economic Development Agency (LEDA) at the beginning of financial year after 2016/17 budget was appropriated hence the function shift of R39.407 million to be transferred to public entity.

Programme 1: Administration

Table 6.1.1: Adjusted estimates

Administration		2016/17							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation		
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Subprogramme									
1. Office of the MEC	7 836	-	-	249	-	-	-	249	8 085
2. Office of the HOD	8 590	-	-	264	-	-	-	264	8 854
3. Financial Management	66 015	-	-	(128)	-	-	-	(128)	65 887
4. Corporate Services	265 578	-	-	7 867	-	-	-	7 867	273 445
Total	348 019	-	-	8 252	-	-	-	8 252	356 271
Economic classification.									
Current Payments	306 080	-	-	515	-	-	-	515	306 595
Compensation of employees	167 549	-	-	-	-	-	-	-	167 549
Goods and services	138 531	-	-	515	-	-	-	515	139 046
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies to:	8 332	-	-	(270)	-	-	-	(270)	8 062
Provinces and municipalities	1 875	-	-	(620)	-	-	-	(620)	1 255
Departmental agencies and accounts	37	-	-	38	-	-	-	38	75
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-	-
Households	6 420	-	-	312	-	-	-	312	6 732
Payment for capital assets	33 607	-	-	8 007	-	-	-	8 007	41 614
Buildings and other fixed structures	-	-	-	120	-	-	-	120	120
Machinery and equipment	33 607	-	-	7 887	-	-	-	7 887	41 494
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	348 019	-	-	8 252	-	-	-	8 252	356 271

An amount of R7.794 million have been shifted from Programme 3: Environmental Affairs to this programme to fund the budget pressures on Transfers and subsidies for payment of leave gratuities; and Payment for capital assets – to acquire office furniture and equipment; and motor vehicle to replace the old fleet. These savings were identified within the earmarked funds for construction of holding facility, construction has not started and the process is at evaluation stage. The department have procured 52 Government Garage vehicles to reduce the backlog of old fleet.

Funds were shifted from Programme 4: Tourism to this programme on goods and services to fund the budget pressures and reprioritisation within the programme was done to fund the budget pressures.

Programme 2: Economic Development

Table 6.1.2: Adjusted estimates

Economic Development	2016/17								
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds			Other adjustments
R thousand									
Subprogramme									
1. Integrated Economic Development Services	340 197	434	-	14 247	-	-	25 000	39 681	379 878
2. Trade and Sector Development	20 571	-	-	(251)	-	-	-	(251)	20 320
3. Business Regulation and Governance	103 719	-	-	400	-	-	-	400	104 119
4. Economic Planning	12 660	-	-	(609)	-	-	-	(609)	12 051
Total	477 147	434	-	13 787	-	-	25 000	39 221	516 368
Economic classification.									
Current Payments	136 362	-	-	1 274	(38 973)	-	-	(37 699)	98 663
Compensation of employees	85 622	-	-	-	(17 099)	-	-	(17 099)	68 523
Goods and services	50 740	-	-	1 274	(21 874)	-	-	(20 600)	30 140
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies to:	338 552	-	-	14 497	39 407	-	25 000	78 904	417 456
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	338 282	-	-	14 200	39 407	-	25 000	78 607	416 889
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-	-
Households	270	-	-	297	-	-	-	297	567
Payment for capital assets	2 233	434	-	(1 984)	(434)	-	-	(1 984)	249
Buildings and other fixed structures	2 233	-	-	(1 984)	-	-	-	(1 984)	249
Machinery and equipment	-	434	-	-	(434)	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	477 147	434	-	13 787	-	-	25 000	39 221	516 368

The budget allocated to LEDA has increased to an amount of R 78.607 million of which R25.000 million is for the Great North Transport, R39.407 million is for Information Communication Technology function shift and R14.200 million for Marula Industry Development Programme, Marula Festival and the African Ivory Route whereby the amount of R13.787 million was shifted from Programme 4: Tourism. An amount of R1.984 million which was allocated for construction of Market stalls has been shifted to goods and services to conduct a survey to establish the necessity of building the market stalls within communities. The construction of market stalls has been put on hold until the beginning of the 2017/18 financial year as a results of the community's disputes and survey to be conducted.

Programme 3: Environmental Affairs

Table 6.1.3: Adjusted estimates

Environmental Affairs	2016/17								
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds			Other adjustments
R thousand									
Subprogramme									
1. Environmental Trade and Protection	99 417	-	-	(11 417)	-	-	-	(11 417)	88 000
2. Biodiversity and Natural Resources Management	183 774	-	-	(794)	-	-	-	(794)	182 980
3. Environmental Empowerment Services	21 628	-	-	309	-	-	-	309	21 937
4. Limpopo Wildlife Resorts	66 460	-	-	-	-	-	-	-	66 460
Total	371 279	-	-	(11 902)	-	-	-	(11 902)	359 377
Economic classification.									
Current Payments	302 768	-	-	(8 236)	-	-	-	(8 236)	294 532
Compensation of employees	241 812	-	-	-	-	-	-	-	241 812
Goods and services	60 519	-	-	(8 236)	-	-	-	(8 236)	52 283
Interest and rent on land	437	-	-	-	-	-	-	-	437
Transfer and subsidies to:	4 122	-	-	(616)	-	-	-	(616)	3 506
Provinces and municipalities	1 279	-	-	(679)	-	-	-	(679)	600
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	679	-	-	-	679	679
Households	2 843	-	-	(616)	-	-	-	(616)	2 227
Payment for capital assets	64 389	-	-	(3 050)	-	-	-	(3 050)	61 339
Buildings and other fixed structures	41 000	-	-	(7 082)	-	-	-	(7 082)	33 918
Machinery and equipment	23 389	-	-	4 032	-	-	-	4 032	27 421
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	371 279	-	-	(11 902)	-	-	-	(11 902)	359 377

An amount of R7.082 million has been shifted to Programme 1: Administration for acquisition of GG vehicles. Goods and Services decreased by R8.236 million of which R4.032 million is shifted to machinery and equipment and R4.000 million to Programme 4: Tourism for Marula

festival. The budget allocated for Marula festival increased by an amount of R 4.000 million which is shifted from this programme.

Programme 4: Tourism

Table 6.1.4: Adjusted estimates

R thousand	Main appropriation	2016/17 Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement and shifts	Function shifts	Declared unspent funds			Other adjustments
Subprogramme									
Tourism Planning and Development	136 485	-	-	(10 137)	-	(8 244)	-	(18 381)	118 104
Total	136 485	-	-	(10 137)	-	(8 244)	-	(18 381)	118 104
Economic classification.									
Current Payments	38 979	-	-	(10 144)	-	-	-	(10 144)	28 835
Compensation of employees	11 617	-	-	2 000	-	-	-	2 000	13 617
Goods and services	27 362	-	-	(12 144)	-	-	-	(12 144)	15 218
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies to:	97 506	-	-	7	-	(8 244)	-	(8 237)	89 269
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	97 506	-	-	-	-	(8 244)	-	(8 244)	89 262
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit making institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	7	-	-	-	7	7
Payment for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	136 485	-	-	(10 137)	-	(8 244)	-	(18 381)	118 104

An amount of R10.137 million on goods and services is transferred to Limpopo Economic Development Agency under Programme 2: Economic Development for the Marula Industry Development project to be used for purchases of land to develop Marula products (R 2.437 million); and R 7.700 million for the Marula festival. The budget under Transfers & Subsidies decreased by R8.244 million as a result of a saving declared by Limpopo Tourism Agency on compensation of employees. The increase of R 2.000 million under compensation of employees is for tourism learnership.

Details of adjustments to Estimates of Provincial Expenditure 2016

Roll-overs – R0.434 million

Programme 2: Economic Development

An amount of R0.434 million has been rolled over for purchases of laptops for the Information Communication Technology staff members who are shifted to Limpopo Economic Development Agency from the 1st April 2016.

Virements and shifts

Table 6.2 : Details on virements per programme and economic classification

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(12 098)	Programme 1		7 482
Payment of Capital Assets	The project for the construction of holding facility will take 8 months but the department has just recently appointed a supplier and there is a saving this financial year.	(7 082)	Payment of Capital Assets	Additional budget to augment the allocation to purchase 52 GG vehicles	7 482
Payment of Capital Assets	The quoted amount on the order is less than the allocated budget. The savings will as such be shifted to another earmarked funds under Motor Vehicles.	(400)			
Transfers and subsidies : Household Leave gratuity	Savings realised after taking into account all the retirements that were applied for and approved in the department up to March 2017	(616)	Programme 1		312
			Transfers and subsidies : Household Leave gratuity	For the payment of leave gratuity for employees who have left the department	312
			Programme 2		297
			Transfers and subsidies : Household Leave gratuity	For the payment of leave gratuity for employees who have left the department	297
			Programme 4		4 007
			Transfers and subsidies : Household Leave gratuity	For the payment of leave gratuity for employees who have left the department	7
Goods & Services	DEA changed the Policy which affected the scope of the project for earmarked funds for Development of Vhembe and Mopani District Environmental Management Frameworks	(4 000)	Goods & Services	Additional funds allocated for Marula Festival	4 000
Shifts within programme as a percentage of programme budget		0%			
Virements to other programmes as percentage of programme budget		3,2%			
Programme 4		(14 200)	Programme 2		14 200
Goods & Services	For Marula Industry Development Program to be implemented through LEDA	(5 000)	Transfers and subsidies : LEDA	For LEDA to purchase land for Marula Products Development	5 000
	Additional allocation to LEDA for Marula Festival	(7 700)		Additional allocation to LEDA for Marula Festival	7 700
	Transfer to African Ivory route through LEDA	(1 500)		Transfer to African Ivory route through LEDA	1 500
Shifts within programme as a percentage of programme budget		0%			
Virements to other programmes as percentage of programme budget		10,4%			
Programme 2		(710)	Programme 1		458
Goods & Services	Budget surrendered from different items within the programme during the budget bilateral with the programmes.	(710)	Good & Services	Additional funds allocated during budget bilateral	458
			Programme 3		196
			Good & Services	Additional funds allocated during budget bilateral	196
			Programme 4		56
			Good & Services	Additional funds allocated during budget bilateral	56
Shifts within programme as a percentage of programme budget		0%			
Virements to other programmes as percentage of programme budget		0,1%			
Total for Vote		(27 008)	27 008		

Other Adjustments – R 25.000 million

The department received an additional budget of R25.000 million for Great North Transport for acquisition of buses which is allocated within the public entity of Limpopo Economic Development Agency.

Funds shifted within a vote following a function shift- R39.407 million

Programme 2: Economic Development

An amount of R 39.407 million has been shifted to transfers and subsidies within Programme 2: Economic Development following the function shift of the Information Communication and Technology (ICT) to Limpopo Economic Development Agency.

Gifts, donations and sponsorship- R2.031 million

The department received donor funding as follows:

- Standard Bank of SA Limited - R 0.650 million. An amount of R0.250 million is allocated for special projects to support Unarine Day Care Centre for children with mental disabilities and R0.400 million for the SAGE project.
- Department of Public Services and Administration - R1.381 million for implementation of Biodiversity Information Management System (BIMS).

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Table 6.3: Expenditure trends

R thousand	2015/16					2016/17		
	Adjusted appropriation	Apr 2015-Sept 2015	Apr 15-Sept 15 % of adjusted appropriation	Apr 2015-Mar 2016	Apr 15-Mar 16. % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sept 2016	Apr 16-Sept 16 % of adjusted appropriation
Programme								
1. Administration	302 465	159 872	52.9%	307 804	101.8%	356 271	164 409	46.1%
2. Economic Development	435 983	211 494	48.5%	424 688	97.4%	516 368	232 297	45.0%
3. Environmental Affairs	237 751	116 970	49.2%	234 698	98.7%	359 377	131 797	36.7%
4. Tourism	183 985	90 860	49.4%	186 253	101.2%	118 104	60 687	51.4%
Total	1 160 184	579 196	49.9%	1 153 443	99.4%	1 350 120	589 190	43.6%
Economic classification								
Current payments	653 478	327 522	50.1%	646 408	98.9%	728 625	334 243	45.9%
Compensation of employees	461 951	228 097	49.4%	452 225	97.9%	491 501	239 457	48.7%
Goods and services	191 125	99 023	51.8%	193 796	101.4%	236 687	94 786	40.0%
Interest and rent on land	402	402		387		437	-	
Transfer and subsidies to:	490 492	250 479	51.1%	493 748	100.7%	518 293	248 346	47.9%
Provinces and municipalities	3 912	1 014	25.9%	2 685	68.6%	1 855	927	50.0%
Departmental agencies and accounts	476 939	239 931	50.3%	476 924	100.0%	506 226	241 790	47.8%
Universities and technikons	-	-	0.0%	-	0.0%	-	-	0.0%
Public corporations and private enterprises	135	-	0.0%	135	0.0%	-	-	0.0%
Non-profit institutions	-	-	0.0%	-	0.0%	679	-	0.0%
Households	9 506	9 534	100.3%	14 004	147.3%	9 533	5 629	59.0%
Payments for capital assets	15 859	1 195	7.5%	12 932	81.5%	103 202	5 608	5.4%
Buildings and other fixed structures	2 372	168	7.1%	1 711	72.1%	34 287	871	2.5%
Machinery and equipments	13 487	1 027	7.6%	11 221	83.2%	68 915	4 737	6.9%
Biological assets	-	-	0.0%	-	0.0%	-	-	0.0%
Software & other intangible assets	-	-	0.0%	-	0.0%	-	-	0.0%
Land and subsoil assets	-	-	0.0%	-	0.0%	-	-	0.0%
Payments for financial assets	355			355			993	
Total	1 160 184	579 196	49.9%	1 153 443	99.4%	1 350 120	589 190	43.6%

The department spent 43 percent of the adjusted budget of R1.350 billion as at the end of September as compared to 50 percent in the 2015/16 financial year. The underspending is mainly on the R63.600 million earmarked for upgrading of infrastructure in the nature reserves and R75.000 million earmarked for Limpopo Development Priority Projects on both Goods and Services; and Payment of Capital Assets. An infrastructure coordinator was appointed to support the infrastructure projects.

