



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY

**MEDIA STATEMENT – For immediate release**

### **ADJUSTED ESTIMATES OF PROVINCIAL EXPENDITURE 2007/2008**

Limpopo Provincial Treasury has released the adjusted estimates for the Limpopo Provincial expenditure.

In an address to the legislature MEC for Provincial Treasury, Sa'ad Cachalia, indicated that the province had to effect some adjustments that would ensure that the budget that is in the hands of the Limpopo Provincial Government (LPG) gets expended fittingly. He cited a number of reasons for this need, most importantly amongst which, was the overdraft that the LPG has been having since the 1999/2000 financial year to date. If the overdraft is left unaddressed, that will result in a decline on the provincial revenue interest.

The LPG registered an improved actual expenditure for the period up to the 30<sup>th</sup> of September 2007. LPG's main appropriation was R25.312bn whilst the total payments made stand at R24.961bn along with the adjusted appropriations standing at R26bn. Therefore, surplus and surrenders/rollovers are R706.078m

LPG has expended 46.53% as compared to the 44.48% over a comparable period last year. The projected overspending by the provincial government departments is currently at R562.8m, with the health sector at R352.9m, the education sector at R197.2m, social development at R37m and agriculture at R8.3m.

Revenue collection, mainly due to the Departments of Health and Transport, stands at R216.1m or 46.1%. Provincial Treasury will under-collect by R32, 8m due to the estimated interest income not being realized as a result of the overdraft position in the Province.

Some of the key adjustments include the following

- The 2006/07 under-spending on equitable share savings will be used to fund the overdraft except for the R24.2m for the Premier's Infrastructure Grant set aside for Moutse. This

amount will be rolled over to the department of Local Government and Housing to finalise existing projects.

- The province stands with an amount of R246.4m towards the 'no work no pay' principle as a result of the Workers' industrial action in June 2007. The deduction from the department of Education will be reallocated to fund the overtime of teachers who worked during the school holidays and other related costs. The remaining R34m savings on 'no work no pay' will be used to fund the R32.2m under collection in revenue by treasury.
- The Agriculture Infrastructure Grant will be adjusted by R18.3m and allocated to cover the R146m Education Infrastructure shortfall.
- The Economic Development budget will be adjusted by R81.2m as surrender for the International Convention Centre (ICC) to Provincial Treasury.
- The province received an additional R154.8m from National Treasury to cover the higher than anticipated wage agreement of 1.5 percent.
- An amount of R28.8m was put aside for MDR and XDR TB from the Equitable Share and R29.3 m for Conditional Grants roll-overs.

Some strict measures have also been taken. They are mainly in areas such as the filling of all non-core posts and management of expenses telephony, vehicle running costs, catering, marketing paraphernalia, overnight accommodation, consultant fees and certain events.

MEC Cachalia emphasized, though, that "...these adjustments have been crafted to address the resultant negative impact owing to this overdraft whilst not compromising the core delivery of services to the citizens."

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