Vote 8

National Treasury

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**R13 941 731 000**	**R14 021 916 000**		**R80 185 000**
Statutory appropriations	**R210 403 402 000**	**R213 700 402 000**		**R3 297 000 000**
Responsible minister	Minister of Finance			
Administering department	National Treasury			
Accounting Officer	Director-General of the National Treasury			

Aim

The aim of the National Treasury is to promote economic development, governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable public finances.

Changes to programme purpose and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 8.1: National Treasury

Programme R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
1 Administration	101 879	25 938	–	16 250	(469)	41 719	143 598
2 Economic Planning and Budget Management	140 207	–	–	9 932	–	9 932	150 139
3 Asset and Liability Management	42 271	7 680	–	3 925	–	11 605	53 876
4 Financial Management and Systems	352 455	–	–	–	–	–	352 455
5 Financial Accounting and Reporting	66 182	–	–	–	(1 002)	(1 002)	65 180
6 Provincial and Local Government Transfers	3 889 260	45 000	–	–	–	45 000	3 934 260
7 Civil and Military Pensions, Contributions to Funds and Other Benefits	2 163 966	–	–	(30 107)	(69 893)	(100 000)	2 063 966
8 Fiscal Transfers	7 185 511	88 500	–	–	(15 569)	72 931	7 258 442
Total	**13 941 731**	**167 118**	**–**	**–**	**(86 933)**	**80 185**	**14 021 916**
Direct charge on the National Revenue Fund	**210 403 402**	**–**	**4 112 000**	**–**	**(815 000)**	**3 297 000**	**213 700 402**
Provinces Equitable Share	159 971 402	–	4 112 000	–	–	4 112 000	164 083 402
State Debt Costs	50 432 000	–	–	–	(815 000)	(815 000)	49 617 000
Total	**224 345 133**	**167 118**	**4 112 000**	**–**	**(901 933)**	**3 377 185**	**227 722 318**

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
Economic classification							
Current payments	**52 606 158**	**24 645**	**–**	**(46 880)**	**(886 364)**	**(908 599)**	**51 697 559**
Compensation of employees	1 705 076	–	–	(79 367)	(69 893)	(149 260)	1 555 816
Goods and services	469 082	24 645	–	32 487	(1 471)	55 661	524 743
Interest and rent on land	50 432 000	–	–	–	(815 000)	(815 000)	49 617 000
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies	**171 726 958**	**133 500**	**4 112 000**	**34 506**	**(15 569)**	**4 264 437**	**175 991 395**
Provinces and municipalities	163 861 143	45 000	4 112 000	91	–	4 157 091	168 018 234
Departmental agencies and accounts	6 775 489	–	–	6 890	–	6 890	6 782 379
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	391 590	88 500	–	(2 475)	(15 569)	70 456	462 046
Public corporations and private enterprises	40 001	–	–	–	–	–	40 001
Non-profit institutions	55	–	–	–	–	–	55
Households	658 680	–	–	30 000	–	30 000	688 680
Payments for capital assets	**12 017**	**8 973**	**–**	**12 374**	**–**	**21 347**	**33 364**
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	12 017	8 973	–	(150)	–	8 823	20 840
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	12 524	–	12 524	12 524
Land and subsoil assets	–	–	–	–	–	–	–
Total	**224 345 133**	**167 118**	**4 112 000**	**–**	**(901 933)**	**3 377 185**	**227 722 318**

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R167,118 million

Programme 1: Administration

Roll-overs of R25,938 million will be used for the refurbishment of four vacant floors at the 240 Vermeulen Street building and some minor maintenance at 40 Church Square (R5,973 million) and the refurbishment of offices that Treasury occupies in the SITA building (R19,965 million).

Programme 3: Asset and Liability Management

Roll-overs of R7,680 million will be used for the review of treasury operations in state-owned entities (R5 million) and debt management systems (R2,680 million).

Programme 6: Provincial and Local Government Transfers

R45 million has been rolled over for a multi-year contractual obligation which is part of the agreement with the Mangaung municipality in terms of the restructuring conditional grant.

Programme 8: Fiscal Transfers

Roll-overs of R88,500 million will be used for the transfer payment to Swaziland in terms of the multilateral monetary agreement to fund smaller members of the Common Monetary Area (CMA) for the amount of rands circulating in their territories. This amount includes R19,500 million for 2003/04 and R69 million for 2004/05.

Virement

Table 8.2: National Treasury

From programme R thousand	Amount	To programme	Amount
7 Civil and Military Pensions, Contributions to Funds and Other Benefits	30 107	1 Administration	16 250
		2 Economic Planning and Budget Management	9 932
		3 Asset and Liability Management	3 925

Details of savings realised on the above programmes

Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

Savings of R30,107 million are due to fewer than expected claims from medical aid schemes for retired civil servants.

Utilisation of savings to augment the above programmes

Programme 1: Administration

R10 million will be used for the new document management system, R2 million for internet charges, R1,500 million for software licences, and R2,750 million for increases in data lines and audit fees.

Programme 2: Economic Planning and Budget Management

R9,932 million will be used to fund the rollout of the infrastructure delivery management programme under the Intergovernmental Relations subprogramme.

Programme 3: Asset and Liability Management

R3,925 million will be used to review the mandates of the development finance institutions (DFIs).

Funds shifted within a programme

Programme 2: Economic Planning and Budget Management

R7,427 million, resulting from vacancies not filled, will be used to fund a new unit, Governance Framework Review (R2,872 million), under the Budget Office subprogramme, and an increase in consulting fees (R4,555 million), under goods and services.

Programme 3: Asset and Liability Management

R2,833 million, resulting from vacancies not filled, will contribute towards the funding to review the mandates of the DFIs.

Programme 5: Financial Accounting and Reporting

Savings under goods and services for consultants’ fees (R5,655 million) and on the transfer to the Accounting Standards Board (R3,630 million) because of a surplus last year, will mainly be used to fund the shortfall on audit fees for municipalities (R8,045 million) in the Audit Statutory Bodies subprogramme. The savings will also fund an increase in compensation of employees (R685 000) for the filling of vacancies, and the purchase of capital equipment (R555 000).

Programme 8: Fiscal Transfers

Savings of R2,475 million on the transfer to the Highly Indebted Poor Countries initiative (HIPC), due to the exchange rate, will be shifted to the transfer to the Financial and Fiscal Commission to address additional budget pressures due to the demand on the commission to address a wider range of intergovernmental fiscal issues.

Other adjustments – R86,933 million

Shifting of funds between votes

R469 000 will be transferred to the Department of Public Works for additional parking in the 240 Vermeulen Street and Hallmark buildings.

Savings

Savings of R86,464 million will be surrendered to the National Revenue Fund. These savings resulted mainly from fewer claims received from medical schemes for retired civil servants (R69,893 million), less funds transferred for the HIPC, Lesotho and Namibia, and the Commonwealth Fund for Technical Assistance (R15,569 million), and less spent on goods and services under the Financial Management Improvement subprogramme of *Programme 5: Financial Accounting and Reporting* (R1,002 million).

Amounts forming a direct charge on the National Revenue Fund – (R3,297 billion)

Unforeseeable and unavoidable expenditure

R4,112 billion will be distributed to provinces to provide for the shortfall in social development budgets due to higher than anticipated growth in grant beneficiary numbers (R3,265 billion) and, on the basis of proportional shares of personnel budgets, for an adjustment that takes account of the final outcome of salary negotiations (R847 million).

State debt costs

It is estimated that state debt costs will be R815 million less than originally budgeted, mainly due to lower interest rates and exchange rates.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 8.3: National Treasury

Programme		Preliminary expenditure outcome		Projected expenditure	
R thousand	Adjusted appropriation	April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
1 Administration	143 598	45 194	31,5	98 404	68,5
2 Economic Planning and Budget Management	150 139	67 002	44,6	83 137	55,4
3 Asset and Liability Management	53 876	12 201	22,6	41 675	77,4
4 Financial Management and Systems	352 455	108 697	30,8	243 758	69,2
5 Financial Accounting and Reporting	65 180	13 505	20,7	51 675	79,3
6 Provincial and Local Government Transfers	3 934 260	1 704 183	43,3	2 230 077	56,7
7 Civil and Military Pensions, Contributions to Funds and Other Benefits	2 063 966	929 795	45,0	1 134 171	55,0
8 Fiscal Transfers	7 258 442	3 209 756	44,2	4 048 686	55,8
Special Programme: Thefts and Losses	–	3	–	(3)	–
Total	**14 021 916**	**6 090 336**	**43,4**	**7 931 580**	**56,6**
Direct charge on the National Revenue Fund	**213 700 402**	**107 603 941**	**50,4**	**106 096 461**	**49,6**
Provinces Equitable Share	164 083 402	83 185 122	50,7	80 898 280	49,3
State Debt Costs	49 617 000	24 418 819	49,2	25 198 181	50,8
Total	**227 722 318**	**113 694 277**	**49,9**	**114 028 041**	**50,1**
Economic classification					
Current payments	**51 697 559**	**25 241 047**	**48,8**	**26 456 512**	**51,2**
Compensation of employees	1 555 816	665 228	42,8	890 588	57,2
Goods and services	524 743	156 551	29,8	368 192	70,2
Interest and rent on land	49 617 000	24 418 819	49,2	25 198 181	50,8
Financial transactions in assets and liabilities	–	449	–	(449)	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	**175 991 395**	**88 449 750**	**50,3**	**87 541 645**	**49,7**
Provinces and municipalities	168 018 234	84 889 550	50,5	83 128 684	49,5
Departmental agencies and accounts	6 782 379	3 125 580	46,1	3 656 799	53,9
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	462 046	90 784	19,6	371 262	80,4
Public corporations and private enterprises	40 001	–	-	40 001	100,0
Non-profit institutions	55	–	-	55	100,0
Households	688 680	343 836	49,9	344 844	50,1
Payments for capital assets	**33 364**	**3 480**	**10,4**	**29 884**	**89,6**
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	20 840	3 104	14,9	17 736	85,1
Cultivated assets	–	–	–	–	–
Software and other intangible assets	12 524	376	3,0	12 148	97,0
Land and subsoil assets	–	–	–	–	–
Total	**227 722 318**	**113 694 277**	**49,9**	**114 028 041**	**50,1**

Table 8.4: Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
1 Administration	**287**	**–**	**–**	**(16)**	**–**	**(16)**	**271**
Provinces and municipalities							
Municipalities							
Current	**147**	**–**	**–**	**(16)**	**–**	**(16)**	**131**
Regional Services Council levies	147	–	–	(16)	–	(16)	131
Departmental agencies and accounts							
Entities							
Current	**140**	**–**	**–**	**–**	**–**	**–**	**140**
Finance, Accounting, Management, Consulting and other Financial Services (Fasset) Sector Education and Training Authority	140	–	–	–	–	–	140
2 Economic Planning and Budget Management	**6 168**	**–**	**–**	**73**	**–**	**73**	**6 241**
Provinces and municipalities							
Municipalities							
Current	**168**	**–**	**–**	**73**	**–**	**73**	**241**
Regional Services Council levies	168	–	–	73	–	73	241
Departmental agencies and accounts							
Entities							
Current	**6 000**	**–**	**–**	**–**	**–**	**–**	**6 000**
PDF trading account	6 000	–	–	–	–	–	6 000

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
3 Asset and Liability Management	**36**	**–**	**–**	**6**	**–**	**6**	**42**
Provinces and municipalities							
Municipalities							
Current	**36**	**–**	**–**	**6**	**–**	**6**	**42**
Regional Services Council levies	36	–	–	6	–	6	42
4 Financial Management and Systems	**62**	**–**	**–**	**47**	**–**	**47**	**109**
Provinces and municipalities							
Municipalities							
Current	**62**	**–**	**–**	**47**	**–**	**47**	**109**
Regional Services Council levies	62	–	–	47	–	47	109
5 Financial Accounting and Reporting	**12 591**	**–**	**–**	**4 396**	**–**	**4 396**	**16 987**
Provinces and municipalities							
Municipalities							
Current	**68**	**–**	**–**	**(19)**	**–**	**(19)**	**49**
Regional Services Council levies	68	–	–	(19)	–	(19)	49
Departmental agencies and accounts							
Entities							
Current	**12 523**	**–**	**–**	**4 415**	**–**	**4 415**	**16 938**
Accounting Standards Board	3 900	–	–	(3 630)	–	(3 630)	270
Institute for Public Finance and Auditing	–	–	–	–	–	–	–
Audit (Auditor-General)	8 623	–	–	8 045	–	8 045	16 668

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
6 Provincial and Local Government Transfers	**3 889 260**	**45 000**	**–**	**–**	**–**	**45 000**	**3 934 260**
Provinces and municipalities							
Provincial Revenue Funds							
Capital	**3 348 362**	**–**	**–**	**–**	**–**	**–**	**3 348 362**
Provincial infrastucture	3 348 362	–	–	–	–	–	3 348 362
Municipalities							
Current	**540 898**	**45 000**	**–**	**–**	**–**	**45 000**	**585 898**
Local government restructuring	342 900	45 000	–	–	–	45 000	387 900
Financial management: Municipalities	129 000	–	–	–	–	–	129 000
Financial management: Development Bank of Southern Africa	68 998	–	–	–	–	–	68 998
7 Civil and Military Pensions, Contributions to Funds and Other Benefits	**661 641**	**–**	**–**	**30 000**	**–**	**30 000**	**691 641**
Foreign governments and international organisations							
Current	**2 906**	**–**	**–**	**–**	**–**	**–**	**2 906**
United Kingdom tax	2 906	–	–	–	–	–	2 906
Non-profit institutions							
Current	**55**	**–**	**–**	**–**	**–**	**–**	**55**
SA Legion	55	–	–	–	–	–	55
Households							
Households (Social benefits)							
Current	**658 680**	**–**	**–**	**30 000**	**–**	**30 000**	**688 680**
Civil pensions	535 638	–	–	15 000	–	15 000	550 638
Military pensions	123 042	–	–	15 000	–	15 000	138 042

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
8 Fiscal Transfers	**7 185 511**	**88 500**	**–**	**–**	**(15 569)**	**72 931**	**7 258 442**
Departmental agencies and accounts							
Entities							
Current	**5 716 327**	**–**	**–**	**2 475**	**–**	**2 475**	**5 718 802**
South African Revenue Services	4 113 559	–	–	–	–	–	4 113 559
Secret Services	1 569 324	–	–	–	–	–	1 569 324
Financial Intelligence Centre	18 050	–	–	–	–	–	18 050
Financial and Fiscal Commission	15 394	–	–	2 475	–	2 475	17 869
Capital	**1 040 499**	**–**	**–**	**–**	**–**	**–**	**1 040 499**
South African Revenue Services	488 950	–	–	–	–	–	488 950
Secret Services	547 733	–	–	–	–	–	547 733
Financial Intelligence Centre	3 816	–	–	–	–	–	3 816
Foreign governments and international organisations							
Current	**234 367**	**88 500**	**–**	**(2 475)**	**(15 569)**	**70 456**	**304 823**
Lesotho and Namibia	176 367	88 500	–	–	(1 839)	86 661	263 028
Highly Indebted Poor Countries Initiative (HIPC)	55 000	–	–	(2 475)	(13 020)	(15 495)	39 505
Commonwealth Fund for Technical Co-operation	3 000	–	–	–	(710)	(710)	2 290
Capital	**154 317**	**–**	**–**	**–**	**–**	**–**	**154 317**
African Development Bank	154 316	–	–	–	–	–	154 316
World Bank	1	–	–	–	–	–	1

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	**40 001**	**–**	**–**	**–**	**–**	**–**	**40 001**
South African Revenue Services	–	–	–	–	–	–	–
Secret Services	–	–	–	–	–	–	–
Financial Intelligence Centre	–	–	–	–	–	–	–
Financial and Fiscal Commission	–	–	–	–	–	–	–
Development Bank of Southern Africa	40 001	–	–	–	–	–	40 001
STATUTORY AMOUNTS	**159 971 402**	**–**	**4 112 000**	**–**	**–**	**4 112 000**	**164 083 402**
Provinces and municipalities							
Provincial Revenue Funds							
Current	**159 971 402**	**–**	**4 112 000**	**–**	**–**	**4 112 000**	**164 083 402**
Provinces equitable share	159 971 402	–	4 112 000	–	–	4 112 000	164 083 402
Total	**171 726 958**	**133 500**	**4 112 000**	**34 506**	**(15 569)**	**4 264 437**	**175 991 395**

Table 8.5: Summary of conditional grants to provinces [1]

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
6 Provincial and Local Government Transfers							
Infrastructure Grant							
Infrastructure grant	3 348 362	–	–	–	–	–	3 348 362
Total	**3 348 362**	**–**	**–**	**–**	**–**	**–**	**3 348 362**

1 Main appropriation detail provided in the Division of Revenue Act, 2004

Table 8.6: Summary of conditional grants to local government (municipalities) [1]

R thousand	Main appropriation	Additional appropriation: Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
6 Provincial and Local Government Transfers							
Local Government Restructuring							
Local government restructuring	342 900	45 000	–	–	–	45 000	387 900
6 Provincial and Local Government Transfers							
Financial Management							
Financial management	129 000	–	–	–	–	–	129 000
6 Provincial and Local Government Transfers							
Financial Management							
Financial management	68 998	–	–	–	–	–	68 998
Total	**540 898**	**45 000**	**–**	**–**	**–**	**45 000**	**585 898**