

# Overview

## Introduction

The *2005 Adjusted Estimates of National Expenditure* accompanies the Adjustments Appropriation Bill, tabled in the National Assembly by the Minister of Finance. Through this Bill, the Executive seeks Parliament's approval and adoption of its revised spending plans for the 2005/06 financial year.

The *Adjusted Estimates* sets out the revised expenditure ceilings of national departments for 2005/06, including amounts provided for in the main Appropriation Act and the adjustments budget.

In terms of section 30(2) of the Public Finance Management Act of 1999 (PFMA), expenditure provided for in the Adjustments Appropriation Bill includes:

- adjustments required due to significant unforeseeable economic and financial events affecting the fiscal targets set by the annual budget
- unforeseeable and unavoidable expenditure recommended by the national executive or any committee of Cabinet to whom this task has been assigned
- any funds required for emergency situations, in terms of the PFMA, section 16
- money to be appropriated for expenditure already announced by the minister during the tabling of the annual budget
- the shifting of funds between and within votes, or to follow the transfer of functions, in terms of the PFMA, section 42
- the utilisation of savings under a main division of a vote for defraying excess expenditure under another main division of the same vote, in terms of the PFMA, section 43
- the roll-over of unspent funds from the preceding financial year.

## Summary of the adjustments for 2005/06

In addition to appropriations of R415,3 billion in the main budget, provision was made for a contingency reserve of R2 billion and other unallocated funds of R0,5 billion.

The adjusted estimates for 2005/06 include the following additional allocations:

- |  |               |
|--|---------------|
| • approved roll-overs  | R1,4 billion  |
| • additional allocations for unforeseeable and unavoidable expenditure | R1,1 billion  |
| • infrastructure investment projects announced in the main budget      | R1,1 billion  |
| • self-financing expenditure   | R0,7 billion. |

Against this, savings and under-spending of R2,5 billion are anticipated. Together with a reduction of R1,3 million in projected state debt costs, these adjustments bring the revised expenditure level to R415,7 billion.

## Explanatory notes

The chapter for each of the adjusted votes contains information under the following headings.

### Vote

A vote is one of the main segments into which an Appropriation Act is divided and specifies the total amount appropriated per department in that Act. Each vote follows the same format. Votes are arranged into the following functional groupings:

- Central Government Administration
- Financial and Administrative Services
- Social Services
- Justice and Protection Services
- Economic Services and Infrastructure.

This facilitates analysis of interdepartmental initiatives and service delivery. It should be noted that the functional groupings are informal and not consistent with the more rigorous functional classification of expenditure reported in the medium term expenditure framework.

### **Amount to be appropriated**

The amount to be appropriated by a vote reflects the adjusted rand amount to be voted for 2005/06. Revised estimates of statutory expenditure are also indicated.

### **Accountability information**

Information on the responsible minister, accounting officer and administering department is provided here to enhance accountability.

### **Aim**

The aim of the vote reflects the social and economic outcomes or objectives that the department wishes to achieve, or the administrative functions it fulfils.

### **Changes to programme purposes and measurable objectives**

Changes to programme purposes and measurable objectives are included to maintain the link between the department's strategic plan and its adjusted budget. Measurable objectives are defined as quantifiable results that can be achieved within a foreseeable time period. *Programme 1: Administration* is the only programme that does not publish its measurable objective in addition to its purpose.

### **Adjusted Estimates of National Expenditure 2005**

In this table, adjusted expenditure is set out by programme and economic classification.

**The main appropriation** shows the total amount appropriated per programme to each vote in the Appropriation Act of 2005.

**The additional appropriation** consists of a variety of categories:

- **Roll-overs** are funds appropriated in 2004/05 but not spent, which are included for reappropriation in the 2005/06 financial year.
- **Unforeseeable and unavoidable expenditure** is expenditure that could not be anticipated at the time of finalising the inputs for the Estimates of National Expenditure.
- **Virements** consist of savings generated under one main division of a vote that are used to defray excess expenditure under another main division of the same vote.
- **Other adjustments** include: expenditure already announced in the budget speech of the Minister of Finance but not allocated at that stage; adjustments due to significant and unforeseeable economic and financial events such as higher than anticipated inflation; funds shifted between votes or to follow the transfer of functions, in terms of the PFMA, section 42; and self-financing expenditure from unforeseen departmental revenue paid into the National Revenue Fund.

**The total additional appropriation** is the aggregate of all additional funds to be voted.

**The adjusted appropriation** is the total rand amount available per vote for 2005/06. The economic classification section of the table is according to the new reporting format. Spending is divided into three broad categories: current payments, transfers and subsidies and payments for capital assets. This new reporting format was introduced in the 2004 Estimates of National Expenditure process and replaces the old 'standard item' classification. For detailed definitions of the new reporting format please refer to Annexure A of the *Estimates of National Expenditure 2005*.

## **Details of adjustments to the Estimates of National Expenditure 2005**

Explanations are provided of the amounts reflected as additional appropriations.

## **Expenditure 2004/05 and preliminary expenditure 2005/06**

In this table, the expenditure outcomes for the 2004/05 financial year are reflected in rand value and as a percentage of the 2004 adjusted appropriation per programme and economic classification. Actual expenditure for the first six months of the financial year are reflected in rand value and as percentage change on the first six months of the previous financial year.

## **Selected expenditure trends for first half of 2005/06 financial year**

An explanation is given for significant changes in expenditure compared to the 2004/05 financial year.

## **Summary of transfers and subsidies and conditional grants**

Details of changes to transfers and subsidies per programme and changes to conditional grants are set out in tables.

## **Summary tables**

Table 1: Summary of the 2005/06 revised national budget

Table 2: Adjusted appropriations and revised estimates of statutory expenditure per vote

Table 3: Funds rolled over from 2004/05 to 2005/06

Table 4: Unforeseeable and unavoidable expenditure

Table 5: Details of self-financing expenditure

Table 6: Details of projected savings and under-spending

Table 7: Expenditure outcome 2004/05 and preliminary expenditure 2005/06

Table 1: Summary of the 2005/06 Revised National Budget

R'thousand	Main Appropriation (ENE)	Additional Appropriation	Adjusted Appropriation
<b>Statutory expenditure</b>	<b>193 891 467</b>	<b>( 1 337 152 )</b>	<b>192 554 315</b>
State debt cost	53 125 000	( 1 276 000 )	51 849 000
Provincial equitable share	134 706 191	-	134 706 191
Sectoral education and training authorities and National Skills Fund	5 000 000	( 66 000 )	4 934 000
Other	1 060 276	4 848	1 065 124
<b>Appropriation by vote</b> (see Table 2)	<b>221 405 759</b>	<b>4 256 245</b>	<b>225 662 004</b>
Main appropriation	221 405 759	( 4 848 )	221 400 911
Roll-overs (see Table 3)	-	1 446 394	1 446 394
		2 114 575	2 114 575
Unforeseeable and unavoidable expenditure (1)		1 051 365	1 051 365
Infrastructure investment projects		1 063 210	1 063 210
Self-financing (3)		700 124	700 124
<b>Standing Appropriations</b>	<b>22 000</b>	<b>-</b>	<b>22 000</b>
<b>Subtotal</b>	<b>415 319 226</b>	<b>2 919 093</b>	<b>418 238 319</b>
Contingency Reserve and other unallocated amounts	2 500 000	( 2 500 000 )	-
Less: Projected savings and under-spending		( 2 505 239 )	( 2 505 239 )
<b>Total Estimated Expenditure Level</b>	<b>417 819 226</b>	<b>( 2 086 146 )</b>	<b>415 733 080</b>

**1. Unforeseeable and unavoidable expenditure including  
conditional grants** (see Table 4)

National Departments 1 051 365

**3. Self-financing expenditure** (see Table 5)

700 124

**4 Projected savings and under-spending** (see Table 6)

**Declared savings** ( 5 239 )

Labour ( 5 239 )

**Projected under-spending** ( 2 500 000 )

**Table 2: Adjusted appropriations and revised estimates of statutory expenditure per vote - 2005/06**

Vote number and title	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>CENTRAL GOVERNMENT ADMINISTRATION</b>							
1 The Presidency	213 463	3 000	-	-	-	3 000	216 463
2 Parliament	677 255	-	-	(4 843)	-	(4 843)	672 412
3 Foreign Affairs	2 595 071	73 045	38 650	-	(13 000)	98 695	2 693 766
4 Home Affairs	2 972 711	-	-	-	59 750	59 750	3 032 461
5 Provincial and Local Government	15 580 777	345	353 650	-	25 655	379 650	15 960 427
6 Public Works	5 554 051	48 847	-	-	41 338	90 185	5 644 236
<b>FINANCIAL AND ADMINISTRATIVE SERVICES</b>							
7 Government Communication and	249 130	-	-	-	-	-	249 130
8 National Treasury	13 990 708	181 837	-	-	250	182 087	14 172 795
9 Public Enterprises	91 983	900	-	-	(230)	670	92 653
10 Public Service and Administration	167 726	10 715	-	-	8 830	19 545	187 271
11 Public Service Commission	82 050	4 056	-	-	-	4 056	86 106
12 SA Management Development Institute	57 047	-	-	-	-	-	57 047
13 Statistics South Africa	691 257	35 279	-	-	(9 112)	26 167	717 424
<b>SOCIAL SERVICES</b>							
14 Arts and Culture	1 082 699	26 245	-	-	-	26 245	1 108 944
15 Education	12 397 064	215 626	-	-	500	216 126	12 613 190
16 Health	9 825 237	171 624	-	-	(44 000)	127 624	9 952 861
17 Labour	1 313 977	-	-	-	(5 239)	(5 239)	1 308 738
18 Social Development	56 549 127	58 906	32 000	-	-	90 906	56 640 033
19 Sport and Recreation South Africa	203 628	12 660	-	-	241 500	254 160	457 788
<b>JUSTICE AND PROTECTION SERVICES</b>							
20 Correctional Services	9 234 085	89 000	-	-	1 135	90 135	9 324 220
21 Defence	22 459 432	-	21 439	-	189 611	211 050	22 670 482
22 Independent Complaints Directorate	49 522	-	-	-	-	-	49 522
23 Justice and Constitutional Development	5 072 061	45 652	57 000	-	11 020	113 672	5 185 733
24 Safety and Security	28 456 995	-	-	-	23 509	23 509	28 480 504
<b>ECONOMIC SERVICES AND INFRASTRUCTURE</b>							
25 Agriculture	1 684 738	10 359	280 400	-	(7 729)	283 030	1 967 768
26 Communications	1 017 503	14 180	-	-	-	14 180	1 031 683
27 Environmental Affairs and Tourism	1 723 111	16 786	-	-	13 410	30 196	1 753 307
28 Housing	5 191 712	4 000	30 000	-	39 960	73 960	5 265 672
29 Land Affairs	3 881 513	12 126	-	-	3 478	15 604	3 897 117
30 Minerals and Energy	2 117 585	78 286	56 500	-	-	134 786	2 252 371
31 Science and Technology	1 986 639	-	20 000	-	35 297	55 297	2 041 936
32 Trade and Industry	3 076 331	246 838	-	-	584 251	831 089	3 907 420
33 Transport	7 602 159	39 934	19 230	-	368 331	427 495	8 029 654
34 Water Affairs and Forestry	3 557 412	46 148	142 496	-	189 580	378 224	3 935 636
<b>Total appropriation by vote</b>	<b>221 405 759</b>	<b>1 446 394</b>	<b>1 051 365</b>	<b>(4 843)</b>	<b>1 758 095<sup>1</sup></b>	<b>4 251 011</b>	<b>225 656 770</b>
Plus:							
<b>Total direct charges on the National Revenue Fund</b>	<b>193 891 467</b>	-	-	4 843	(1 342 000)	(1 337 157)	<b>192 554 310</b>
State debt cost	53 125 000	-	-	-	(1 276 000)	(1 276 000)	51 849 000
Provincial equitable share	134 706 191	-	-	-	-	-	134 706 191
Skills development programme	5 000 000	-	-	-	(66 000)	(66 000)	4 934 000
Judges and Magistrates salaries	849 977	-	-	-	-	-	849 977
Members remuneration (Parliament)	208 306	-	-	4 843	-	4 843	213 149
President and Deputy President salaries	1 993	-	-	-	-	-	1 993
<b>Total</b>	<b>415 297 226</b>	<b>1 446 394</b>	<b>1 051 365</b>	<b>-</b>	<b>416 095</b>	<b>2 913 854</b>	<b>418 211 080</b>
Standing appropriations	22 000	-	-	-	-	-	22 000
Contingency reserve and other unallocated amounts	2 500 000	-	-	-	(2 500 000)	(2 500 000)	-
Projected underspending	-	-	-	-	(2 500 000)	(2 500 000)	(2 500 000)
<b>Total</b>	<b>417 819 226</b>	<b>1 446 394</b>	<b>1 051 365</b>	<b>-</b>	<b>(4 583 905)</b>	<b>(2 086 146)</b>	<b>415 733 080</b>

<sup>1</sup> Other adjustments of R1,758 billion includes savings declared by the Department of Labour in the amount of R5,239 million

**Table 2 (cont): Adjusted appropriations and revised estimates of statutory expenditure per economic classification - 2005/06**

Economic classification	Additional appropriation					Total additional appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
<b>Current payments</b>							
Compensation of employees	48 884 112	26 708	91 936	(387 308)	(109 678)	(378 342)	48 505 770
Goods and services	23 280 282	349 029	169 167	565 856	32 884	1 116 936	24 397 218
Interest and rent on land	53 131 683	-	-	(5 033)	(1 276 000)	(1 281 033)	51 850 650
Financial transactions in assets and liabilities	-	-	-	1 229	-	1 229	1 229
<b>Total current payments</b>	<b>125 296 077</b>	<b>375 737</b>	<b>261 103</b>	<b>174 744</b>	<b>(1 352 794)</b>	<b>(541 210)</b>	<b>124 754 867</b>
<b>Transfers and subsidies to:</b>							
Provinces and municipalities	227 634 642	391 541	471 800	(47 241)	241 702	1 057 802	228 692 444
Departmental agencies and accounts	31 575 374	300 479	31 950	(442 783)	524 470	414 116	31 989 490
Universities and technikons	9 906 175	-	-	27 136	-	27 136	9 933 311
Foreign governments and international organisations	872 649	28 000	140 000	(8 195)	(13 000)	146 805	1 019 454
Public corporations and private enterprises	7 940 806	165 436	75 730	402 369	948 156	1 591 691	9 532 497
Non-profit institutions	543 028	-	20 000	37 879	4 000	61 879	604 907
Households	5 373 264	12 485	49 782	(151 734)	1 081	(88 386)	5 284 878
<b>Total transfers and subsidies</b>	<b>283 845 938</b>	<b>897 941</b>	<b>789 262</b>	<b>(182 569)</b>	<b>1 706 409</b>	<b>3 211 043</b>	<b>287 056 981</b>
<b>Payments for capital assets</b>							
Buildings and other fixed structures	3 566 569	79 168	-	69 743	44 000	192 911	3 759 480
Machinery and equipment	2 404 370	93 548	1 000	(96 510)	18 480	16 518	2 420 888
Cultivated assets	92	-	-	(67)	-	(67)	25
Software and other intangible assets	184 155	-	-	34 684	-	34 684	218 839
Land and subsoil assets	25	-	-	(25)	-	(25)	-
<b>Total payments for capital assets</b>	<b>6 155 211</b>	<b>172 716</b>	<b>1 000</b>	<b>7 825</b>	<b>62 480</b>	<b>244 021</b>	<b>6 399 232</b>
<b>Total</b>	<b>415 297 226</b>	<b>1 446 394</b>	<b>1 051 365</b>	<b>-</b>	<b>416 095</b>	<b>2 913 854</b>	<b>418 211 080</b>
Standing appropriations	22000				0	0	22000
Contingency reserve and other unallocated amounts	2 500 000				(2 500 000)	(2 500 000)	-
Projected underspending	-				(2 500 000)	(2 500 000)	(2 500 000)
<b>Total</b>	<b>417 819 226</b>	<b>1 446 394</b>	<b>1 051 365</b>	<b>-</b>	<b>(4 583 905)</b>	<b>(2 086 146)</b>	<b>415 733 080</b>

**Table 3: Funds rolled over from 2004/05 to 2005/06**

Vote / description of expenditure	R thousand
<b>1 Presidency</b> R3m to fund expenditure relating to the Spousal Support programme ( including the SAWID conference)	3 000
<b>3 Foreign Affairs</b> R31,845m for capital expenditure-Foreign missions, R13m SA Government Tsunami Fund, R6m Transaction Advisor team, R8m Construction of a library in Mali, and R14,6 for Progressive Governance Summit	73 045
<b>5 Provincial and Local Government</b> R345 000 for accommodation in the SALU building for the Commission on Traditional Leadership Disputes and Claims	345
<b>6 Public Works</b> R14,7m for the Expanded Public Works Programme (PWP) unit, R34,147m for the additional responsibility for lift maintenance	48 847
<b>8 National Treasury</b> R6,5m Infrastructure Delivery Improvement Programme, R10m Apex Fund, R5m consultants and systems for review of mandates of the Development Financial Institutions, R1,337m consultants for Economic Impact Study and Foreign Ownership of SA Banks Study, R142m implementation of Non-Statutory Force dispensation and severance packages, R10m for Crime Intelligence division building for SAPS and R7m for the Vaccine Fund	181 837
<b>9 Public Enterprises</b> R900 000 for the revamping of the Department's Cape Town offices	900
<b>10 Public Service and Administration</b> R900 000 for the finalisation of the Senior Management Services programmes, R500 000 for the recruitment and retention of scarce skills in the Public Service, R1m for the intervention in the DRC, R1,8m review of institutions established, R915 000 implementation of the Management Policy and Procedure on Incapacity Leave, and R5,6m for African Peer Review Mechanism	10 715
<b>11 Public Service Commission</b> R387 000 for the Policy framework on HIV/AIDS in Public Service, R1,063m for the Citizen Satisfaction Survey, R2,993m for KwaZulu-Natal intervention programme	4 056
<b>13 Statistics South Africa</b> R5,279m for the Disaster Recovery System and R30m for the Income and Expenditure Survey (IES)	35 279
<b>14 Arts and Culture</b> R21,804m Freedom Park Capital works, R2,736m Ten Year Celebrations , R601 000 Capital Works, and R1,104m Khoi-San Project	26 245
<b>15 Education</b> R3,5m National Consultative Conference, R2,069m RRNCS. Curriculum, R2,342m Curriculum writing, R1,063m Computer equipment , R5,171m Examination paper distribution system, R200m Conditional grant National School Nutrition Programme, Vehicles for the National School Nutrition Programme R1,481m	215 626
<b>16 Health</b> R10m Condoms, R3,737m Goods and Services, R11m Inventory management and tracking system, R1,881m MBOD building upgrade, R47,506m Medico Legal mortuaries, R4,5m TB Reference laboratories, R15m HIV and AIDS conditional grant and R78m Hospital Revitalisation grant	171 624
<b>18 Social Development</b> Roll out of MIS system for Social Security Function (R58,906m)	58 906

Table 3 (cont): Funds rolled over from 2004/05 to 2005/06

Vote / description of expenditure	R thousand
<b>19 Sport and Recreation South Africa</b> R1,029m Mass Participation Programme, R731 000 research and archiving non-racial sports history, R2,3m MIG programme-facilities plan, R8,6m relocation and refurbishment of new office accommodation	12 660
<b>20 Correctional Services</b> Upgrading of security at Correctional Centers R89m	89 000
<b>23 Justice and Constitutional Development</b> National Prosecuting Authority R32m, R9,8m refurbishment and procurement of equipment for the Child Justice Centre's, R3,811m for mobile offices for the Community Courts	45 652
<b>25 Agriculture</b> R1,2m GIS software product assurance, R9,159m Foot and Mouth eradication campaign	10 359
<b>26 Communications</b> R4,105m Feasibility study into the development of a PPP framework for the implementation of the Regional Television Services, R10,075m Community Radio Stations Infrastructure	14 180
<b>27 Environmental Affairs and Tourism</b> R11,7m for the Greening Campaign, R5,086m for the Marion base building project	16 786
<b>28 Housing</b> R2m for the refurbishment of offices, R1m for the bulk filing system for archives, R1m for the Housing Sector Performance: SITA services	4 000
<b>29 Land Affairs</b> R11,381m for the land reform projects, R745 000 for an Integrated Topographic Information System	12 126
<b>30 Minerals and Energy</b> R55,132m for the National Electrification Programme, R3,154m for mine safety and health, and R20m New Generation Capacity Project	78 286
<b>32 Trade and Industry</b> R87,563m for Coega Development Corporation, R58,1m for Small Enterprise Development Agency, R6,2m for the Aichi Exposition, and R90m for Small Medium Enterprise development programme	246 838
<b>33 Transport</b> R1,884m for the Development of Aviation and Maritime Policies, R5,9m for the African Ministers of Transport and Aviation Conference, R8m for Oil Pollution and Prevention and IMO Council office in London; R19,937m for Road Safety Awareness and Education (Arrive Alive), R4,123 million for overload control facilities	39 934
<b>34 Water Affairs and Forestry</b> Drought relief activities R12,9m, Drought related components of the Bohlabela Municipality-transfer scheme R13m, Continuation of the Olifants River Project R4m, Continued transfer of staff and assets of schemes to Municipalities R16,248m	46 148
<b>TOTAL</b>	<b>1 446 394</b>

**Table 4: Unforeseeable and unavoidable expenditure**

Vote and description of expenditure	R thousands
<b>3 Foreign Affairs</b>	
Engagement in the Cote d' Ivoire	38 650
<b>5 Provincial and Local Government</b>	
Funds requested for disaster related incidents that occurred since late November 2004:	
- Tsunami disaster (Council for Geoscience, Contribution towards Indian Ocean Tsunami Warning System IOTWS)	1 950
- Infrastructure damage (Western Cape R24,5m, Eastern Cape R16,2m)	40 700
- Drought Mitigation: To fund municipalities	311 000
<b>18 Social Development</b>	
Additional funding for the Disaster Relief Fund	32 000
<b>21 Defence</b>	
Peace support operation - Operation Pristine - Côte d'Ivoire	21 439
<b>23 Justice and Constitutional Development</b>	
Unforeseeable and unavoidable expenditure relating to the Khampepe Commission of Inquiry into the mandate and location of the Directorate of Special Operations	7 000
Unforeseeable and unavoidable expenditure relating to the National Prosecuting Authority:	
- Imperial accounts	30 000
- Cost of high profile cases	20 000
<b>25 Agriculture</b>	
South African contribution to the World Food Programme's appeal for July 2005 - June 2006 for relief of food insecurity in seven SADC countries including, Zimbabwe	140 000
Additional funds to assist farmers who have been affected by drought in Mpumalanga, Western Cape, Northern Cape, Free State, Limpopo and Eastern Cape provinces	120 000
Control of Classical Swine Fever outbreaks in the Western and Eastern Cape provinces	20 400
<b>28 Housing</b>	
A draft Framework for Fast Tracking a Housing Solution for People living in Areas of Stress by using the Emergency Housing Circumstances Programme	30 000
<b>30 Minerals and Energy</b>	
Additional funding for Necsa for the current financial year 2005/06	56 500
<b>31 Science and Technology</b>	
Preserving the fluoro-chemical expertise presently housed at NECSA	20 000
<b>33 Transport</b>	
Additional bus subsidy allocation for the 2005/06 financial year:	
- Shortfall on interim, negotiated and tendered contracts due to increases in cost factors	19 230
<b>34 Water Affairs and Forestry</b>	
area)	46 000
Additional funds for the transfer of forestry, water services and water resources functions to entities outside the public service	66 496
Drought Mitigation:	
- Damage to water infrastructure	10 000
- To fund National Projects	20 000
<b>Total</b>	<b>1 051 365</b>

Table 5: Details of self-financing expenditure

Vote and description of expenditure	R thousands
<b>4 Home Affairs</b>	<b>60 000</b>
Changes in the VAT Act: Independent Electoral Commission	60 000
<b>10 Public Service Administration</b>	<b>8 830</b>
Oracle South Africa sponsored a cocktail event as part of the Budget Vote event held on 17 May 2005	80
Amount received from The African Renaissance Fund for the DRC project. The funds will be utilized for the roll-out of the census project in the Bandundu Province	1 000
The Centre for Public Service innovation (CPSI) was incorporated into the DPSA. The Remaining balance in the Centre for Public Service innovation's (CPSI) bank account to be transferred to the Department	7 750
<b>15 Education</b>	<b>500</b>
The Investec Private Trust donated an amount of R0,5 million during the 2005/06 financial year. The funds will be utilised for the support and the provision of books and teaching materials to disadvantaged schools	500
<b>21 Correctional Services</b>	<b>1 135</b>
Monies collected for the hiring out of prisoner labour at a rate prescribed by the Departmental Tariff Policy and approved by National Treasury	1 081
Funds received from private companies to train 40 offenders in Hydroponic Farming	39
Funds received from Grade Four Property Trust for the Executive Committee strategic session	15
<b>22 Defence</b>	<b>189 611</b>
Sale of equipment procured through the General Defence Account	23 684
Amount received from the sale of armaments	121 776
Changes in the VAT Act: Armscor	44 151
<b>23 Justice and Constitutional Development</b>	<b>20</b>
Donation received from the Impumelelo Award for the Child Justice and Special Programme directorate. The donation will be utilised to award six individuals or projects valued at R2 800 each for the attendance at local conference or relevant training course, and the remaining balance of R3 200 will be spent on having plaques/trophies made	20
<b>27 Environmental Affairs and Tourism</b>	<b>9 764</b>
Changes in the VAT Act: South African Tourism (SATOUR)	9 764
<b>28 Housing</b>	<b>39 960</b>
Changes in the VAT Act:	
Thubelisha Homes	36 000
Social Housing Foundation (SHF)	2 460
The National Urban Reconstruction and Housing Agency (NURCHA)	1 500
<b>31 Science and Technology</b>	<b>35 297</b>
Changes in the VAT Act:	
Human Science Research Council (HSRC)	12 335
National Research Foundation (NRF)	22 508
Africa Institute of South Africa (AISA)	454
<b>33 Transport</b>	<b>146 621</b>
Changes in the VAT Act: South African Rail Commuter Corporation (SARCC)	146 621
<b>34 Water Affairs and Forestry</b>	<b>208 386</b>
Funds received from World Bank for Health River Programme (R76 700) and R71 520 for Water Week Programme	148
Changes in the VAT Act: Water Trading Account	208 238
<b>Total</b>	<b>700 124</b>

**Table 6: Details of projected savings and under spending**

<b>Vote and description of saving</b>	<b>R thousands</b>
<b>Declared savings</b>	
<b>17 Labour</b>	
Saving on Compensation of Employees due to re-calculations of their establishment	( 5 239 )
<b>Projected under spending</b>	( 2 500 000 )
<b>Total</b>	<b>( 2 505 239 )</b>

Table 7: Expenditure outcome 2004/05 and preliminary expenditure 2005/06

Vote number and title	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
R thousand							
<b>CENTRAL GOVERNMENT ADMINISTRATION</b>							
1 The Presidency	175 852	72 949	167 694	95,4	216 463	87 613	20,1
2 Parliament	576 144	205 753	499 025	86,6	672 412	210 665	2,4
3 Foreign Affairs	2 546 649	457 558	2 353 556	92,4	2 693 766	997 421	118,0
4 Home Affairs	2 377 615	925 336	1 989 233	83,7	3 032 461	1 241 251	34,1
5 Provincial and Local Government	13 137 381	4 832 507	13 121 077	99,9	15 960 427	5 979 993	23,7
6 Public Works	5 513 909	2 434 702	5 304 916	96,2	5 644 236	2 370 557	(2,6)
<b>FINANCIAL AND ADMINISTRATIVE SERVICES</b>							
7 Government Communication and Information	203 149	109 787	202 841	99,8	249 130	108 065	(1,6)
8 National Treasury	14 021 916	6 090 336	13 489 903	96,2	14 172 795	6 349 284	4,3
9 Public Enterprises	77 377	37 000	75 669	97,8	92 653	45 299	22,4
10 Public Service and Administration	144 296	48 524	127 457	88,3	187 271	61 210	26,1
11 Public Service Commission	73 081	32 744	71 126	97,3	86 106	40 120	22,5
12 SA Management Development Institute	40 887	14 258	34 387	84,1	57 047	23 599	65,5
13 Statistics South Africa	500 190	165 174	349 117	69,8	717 424	228 783	38,5
<b>SOCIAL SERVICES</b>							
14 Arts and Culture	1 176 097	398 465	1 091 466	92,8	1 108 944	445 865	11,9
15 Education	11 405 095	8 382 572	11 324 921	99,3	12 613 190	9 319 736	11,2
16 Health	8 818 400	4 198 116	8 387 213	95,1	9 952 861	4 608 416	9,8
17 Labour	1 228 697	517 240	1 095 348	89,1	1 308 738	573 753	10,9
18 Social Development	4 598 575	1 785 081	4 513 361	98,1	56 640 033	30 147 527	1588,9
19 Sport and Recreation South Africa	294 213	94 917	281 491	95,7	457 788	72 287	(23,8)
<b>JUSTICE AND PROTECTION SERVICES</b>							
20 Correctional Services	8 457 492	3 702 559	8 301 533	98,2	9 324 220	3 769 074	1,8
21 Defence	19 411 819	10 194 263	19 410 812	100,0	22 670 482	9 411 569	(7,7)
22 Independent Complaints Directorate	42 114	17 325	42 113	100,0	49 522	23 837	37,6
23 Justice and Constitutional Development	5 054 417	2 268 065	5 005 642	99,0	5 185 733	2 152 703	(5,1)
24 Safety and Security	24 572 904	11 052 447	24 572 903	100,0	28 480 504	12 782 287	15,7
<b>ECONOMIC SERVICES AND INFRASTRUCTURE</b>							
25 Agriculture	1 449 391	583 222	1 386 841	95,7	1 967 768	813 040	39,4
26 Communications	1 679 917	393 044	1 649 939	98,2	1 031 683	439 617	11,8
27 Environmental Affairs and Tourism	1 652 268	794 258	1 633 144	98,8	1 753 307	895 723	12,8
28 Housing	4 826 781	2 391 743	4 802 103	99,5	5 265 672	2 695 605	12,7
29 Land Affairs	2 031 882	994 715	1 990 899	98,0	3 897 117	1 075 561	8,1
30 Minerals and Energy	1 945 143	719 721	1 858 668	95,6	2 252 371	1 062 673	47,7
31 Science and Technology	1 282 412	491 860	1 282 224	100,0	2 041 936	850 526	72,9
32 Trade and Industry	3 623 291	1 200 768	3 463 097	95,6	3 907 420	1 268 512	5,6
33 Transport	6 769 171	3 336 683	6 669 379	98,5	8 029 654	3 276 246	(1,8)
34 Water Affairs and Forestry	3 823 112	1 535 995	3 776 946	98,8	3 935 636	1 612 568	5,0
<b>Total expenditure by vote</b>	<b>153 531 637</b>	<b>70 479 687</b>	<b>150 326 044</b>	<b>97,9</b>	<b>225 656 770</b>	<b>105 040 985</b>	<b>49,0</b>
<b>Plus:</b>							
<b>Total direct charges on the National Revenue Fund</b>	<b>218 388 324</b>	<b>110 195 445</b>	<b>218 108 359</b>	<b>99,9</b>	<b>192 554 310</b>	<b>98 519 910</b>	<b>(10,6)</b>
State debt costs	49 617 000	24 418 819	48 851 192	98,5	51 849 000	25 459 770	4,3
Provincial equitable share	164 083 774	83 185 122	164 083 774	100,0	134 706 191	70 047 219	(15,8)
Skills development programme	4 300 000	2 408 192	4 725 396	109,9	4 934 000	2 381 403	(1,1)
Judges and Magistrates salaries	177 083	85 298	242 093	136,7	849 977	524 872	515,3
Members remuneration (Parliament)	208 527	97 035	203 903	97,8	213 149	105 696	8,9
President and Deputy President salaries	1 940	979	2 001	103,1	1 993	950	(3,0)
<b>Total</b>	<b>371 919 961</b>	<b>180 675 132</b>	<b>368 434 403</b>	<b>99,1</b>	<b>418 211 080</b>	<b>203 560 895</b>	<b>12,7</b>

**Table 7 (cont): Expenditure outcome 2004/05 and preliminary expenditure 2005/06**

Vote number and title	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
<b>Current payments</b>							
Compensation of employees	42 738 612	19 372 762	41 019 351	96,0	48 505 770	21 843 861	12,8
Goods and services	21 977 064	9 245 411	21 850 491	99,4	24 397 218	10 017 188	8,3
Interest and rent on land	49 623 350	24 419 396	48 852 119	98,4	51 850 650	25 465 162	4,3
Financial transactions in assets and liabilities	40 641	14 731	610 619	1502,5	1 229	29 983	103,5
<b>Total current payments</b>	<b>114 379 667</b>	<b>53 052 300</b>	<b>112 332 580</b>	<b>98,2</b>	<b>124 754 867</b>	<b>57 356 194</b>	<b>8,1</b>
<b>Transfers and subsidies to:</b>							
Provinces and municipalities	201 693 755	98 455 283	199 753 999	99,0	228 692 444	116 103 612	17,9
Departmental agencies and accounts	27 396 097	15 060 960	28 416 902	103,7	31 989 490	14 632 169	(2,8)
Universities and technikons	9 308 610	7 294 663	9 328 396	100,2	9 933 311	7 957 419	9,1
Foreign governments & international organisatio	835 198	176 660	665 484	79,7	1 019 454	175 961	(0,4)
Public corporations & private enterprises	8 821 784	3 679 313	9 272 607	105,1	9 532 497	4 096 264	11,3
Non-profit institutions	490 051	159 282	545 778	111,4	604 907	211 626	32,9
Households	3 379 338	1 455 263	3 162 292	93,6	5 284 878	1 506 437	3,5
<b>Total transfers and subsidies</b>	<b>251 924 833</b>	<b>126 281 424</b>	<b>251 145 458</b>	<b>99,7</b>	<b>287 056 981</b>	<b>144 683 488</b>	<b>14,6</b>
<b>Payments for capital assets</b>							
Buildings and other fixed structures	3 432 263	815 573	2 666 000	77,7	3 759 480	864 657	6,0
Machinery and equipment	2 000 301	508 284	2 222 746	111,1	2 420 888	601 905	18,4
Cultivated assets	223	900	1 072	480,7	25	461	(48,8)
Software and other intangible assets	181 406	16 651	66 547	36,7	218 839	54 189	225,4
Land and subsoil assets	1 268	-	-	-	-	-	-
<b>Total payments for capital assets</b>	<b>5 615 461</b>	<b>1 341 408</b>	<b>4 956 365</b>	<b>88,3</b>	<b>6 399 232</b>	<b>1 521 213</b>	<b>13,4</b>
<b>Total</b>	<b>371 919 961</b>	<b>180 675 132</b>	<b>368 434 403</b>	<b>99,1</b>	<b>418 211 080</b>	<b>203 560 895</b>	<b>12,7</b>