

Introduction

The *Adjusted Estimates of National Expenditure 2006* 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 2006/07 financial year.

The *Adjusted Estimates* sets out the revised expenditure estimates of national departments for 2006/07, 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 section 16 of the PFMA
- 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 section 42 of the PFMA
- 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 section 43 of the PFMA
- the roll-over of unspent funds from the preceding financial year.

Summary of the adjustments for 2006/07

In addition to appropriations in the 2006/07 budget, provision was made for a contingency reserve of R2,5 billion and other unallocated funds of R0,6 billion.

The adjusted estimates for 2006/07 include the following additional allocations:

- | | |
|--|--------------|
| - approved roll-overs | R3,4 billion |
| - additional allocations for unforeseeable and unavoidable expenditure | R1,0 billion |
| - unallocated amounts announced in the 2006 Budget | R3,0 billion |
| - emergency funds (section 16, PFMA) | R0,1 billion |
| - self-financing expenditure | R0,7 billion |

Against this, declared savings and under-spending of R4,2 billion are anticipated. Together with an increase of R0,5 billion in projected state debt costs, these adjustments bring the revised expenditure level to R474,2 billion.

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Table 1: Summary of the 2006/07 Revised National Budget

R'thousand	Summary tables	Main Appropriation (ENE)	Additional Appropriation	Adjusted Appropriation
Appropriation by vote		260 025 664	8 244 053	268 269 717
Main appropriation		260 025 664	(28 432)	259 997 232
Total adjustments			8 272 485	8 272 485
Roll-overs	3		3 388 812	3 388 812
Unforeseeable and unavoidable expenditure	4		1 007 647	1 007 647
Unallocated			3 025 732	3 025 732
World Cup 2010 - Stadiums			600 000	600 000
Government Employees Medical Scheme			70 000	70 000
Recapitalisation - State owned enterprises			2 355 732	2 355 732
Emergency funds - PFMA Section 16			110 546	110 546
Self-financing	5		739 748	739 748
Direct charges against the National Revenue Fund		209 575 926	567 512	210 143 438
State debt cost		52 049 000	539 080	52 588 080
Provincial equitable share		150 752 930		150 752 930
Skills development fund		5 500 000		5 500 000
Other		1 273 996	28 432	1 302 428
Subtotal		469 601 590	8 811 565	478 413 155
Standing appropriations		23 320	-	23 320
Unallocated funds		600 000	(600 000)	-
Contingency reserve		2 500 000	(2 500 000)	-
Projected underspending		-	(2 100 000)	(2 100 000)
Declared savings	6	-	(2 106 553)	(2 106 553)
Total Estimated Expenditure Level		472 724 910	1 505 012	474 229 922

Table 2: Adjusted appropriations per vote and revised estimates of direct charges against the National Revenue Fund - 2006/07

Vote number and title		Additional appropriation				Total additional appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
Central Government Administration							
1 The Presidency	255 923	-	-	(41)	(17 017)	(17 058)	238 865
2 Parliament	782 133	-	-	-	-	-	782 133
3 Foreign Affairs	3 042 149	-	-	-	-	-	3 042 149
4 Home Affairs	2 800 405	-	-	-	-	-	2 800 405
5 Provincial and Local Government	24 903 440	-	479 397	-	9 451	488 848	25 392 288
6 Public Works	3 080 181	36 581	-	-	-	36 581	3 116 762
Financial and Administrative Services							
7 Government Communication and Information System	288 037	4 422	-	-	2 121	6 543	294 580
8 National Treasury	15 547 945	963 457	361 946	-	(143 767)	1 181 636	16 729 581
9 Public Enterprises	683 457	4 136	2 030	-	2 180 300	2 186 466	2 869 923
10 Public Service and Administration	325 610	13 000	18 399	-	85 417	116 816	442 426
11 Public Service Commission	96 328	675	-	-	-	675	97 003
12 SA Management Development Institute	58 918	-	-	-	-	-	58 918
13 Statistics South Africa	1 074 483	87 298	-	-	-	87 298	1 161 781
Social Services							
14 Arts and Culture	1 318 476	11 663	-	-	-	11 663	1 330 139
15 Education	14 129 233	169 943	-	-	-	169 943	14 299 176
16 Health	11 269 996	147 497	-	-	36 500	183 997	11 453 993
17 Labour	1 512 749	3 322	-	-	(22 576)	(19 254)	1 493 495
18 Social Development	62 005 460	376 965	-	-	-	376 965	62 382 425
19 Sport and Recreation South Africa	352 153	7 793	-	-	600 000	607 793	959 946
Justice and Protection Services							
20 Correctional Services	10 630 712	-	-	-	(799 200)	(799 200)	9 831 512
21 Defence	23 830 105	-	-	-	72 799	72 799	23 902 904
22 Independent Complaints Directorate	65 906	-	-	-	-	-	65 906
23 Justice and Constitutional Development	6 269 880	238 158	-	(28 391)	(1 000)	208 767	6 478 647
24 Safety and Security	32 557 731	-	-	-	(36 500)	(36 500)	32 521 231
Economic Services and Infrastructure							
25 Agriculture	1 957 648	230 925	75 219	-	103 838	409 982	2 367 630
26 Communications	1 280 194	3 673	-	-	38 439	42 112	1 322 306
27 Environmental Affairs and Tourism	2 018 053	41 951	1 800	-	-	43 751	2 061 804
28 Housing	6 860 883	372 000	16 206	-	84 637	472 843	7 333 726
29 Land Affairs	4 852 196	-	-	-	(1 122 000)	(1 122 000)	3 730 196
30 Minerals and Energy	2 548 272	11 529	-	-	75 299	86 828	2 635 100
31 Science and Technology	2 614 093	3 000	-	-	-	3 000	2 617 093
32 Trade and Industry	3 665 912	276 116	-	-	-	276 116	3 942 028
33 Transport	12 870 458	211 500	45 100	-	619 732	876 332	13 746 790
34 Water Affairs and Forestry	4 476 545	173 208	7 550	-	3 000	183 758	4 660 303
Total appropriation by vote	260 025 664	3 388 812	1 007 647	(28 432)	1 769 473 ¹	6 137 500	266 163 164
Plus:							
Total direct charges against the National Revenue Fund	209 575 926	-	-	28 432	539 080	567 512	210 143 438
State debt cost (National Treasury)	52 049 000	-	-	-	539 080	539 080	52 588 080
Provincial equitable share (National Treasury)	150 752 930	-	-	-	-	-	150 752 930
Skills development programme (Labour)	5 500 000	-	-	-	-	-	5 500 000
Judges and Magistrates salaries (Justice and Constitutional Development)	1 042 665	-	-	28 391	-	28 391	1 071 056
Members remuneration (Parliament)	229 218	-	-	-	-	-	229 218
President and Deputy President salaries (The Presidency)	2 113	-	-	41	-	41	2 154
Total	469 601 590	3 388 812	1 007 647	-	2 308 553	6 705 012	476 306 602
Standing appropriations	23 320					-	23 320
Unallocated	600 000				(600 000)	(600 000)	-
Contingency reserve	2 500 000				(2 500 000)	(2 500 000)	-
Projected underspending	-				(2 100 000)	(2 100 000)	(2 100 000)
Total	472 724 910	3 388 812	1 007 647	-	(2 891 447)	1 505 012	474 229 922

¹ Other adjustments of R1,769 billion includes savings declared by departments to the amount of R2,106 billion

Table 2 (continued): Adjusted appropriations per vote and revised estimates of direct charges against the National Revenue Fund - 2006/07

2006/07

Economic classification		Additional appropriation					Adjusted appropriation
		Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
R thousand							
Current payments							
Compensation of employees	54 080 725	141 180	10 560	(567 335)	(630 613)	(1 046 208)	53 034 517
Goods and services	28 616 064	360 357	32 640	500 011	(155 335)	737 673	29 353 737
Interest and rent on land	52 050 749	-	-	-	539 080	539 080	52 589 829
Financial transactions in assets and liabilities	-	3 673	-	30	-	3 703	3 703
Total current payments	134 747 538	505 210	43 200	(67 294)	(246 868)	234 248	134 981 786
Transfers and subsidies to:							
Provinces and municipalities	204 414 189	1 366 336	644 644	10 794	747 046	2 768 820	207 183 009
Departmental agencies and accounts	36 891 901	636 938	1 800	496 080	146 016	1 280 834	38 172 735
Universities and technikons	10 840 705	160 081	-	21 817	-	181 898	11 022 603
Foreign governments and international organisations	976 430	121 797	-	(133 652)	(963)	(12 818)	963 612
Public corporations and private enterprises	11 063 442	58 184	303 408	(101 672)	2 980 770	3 240 690	14 304 132
Non-profit institutions	1 005 831	-	-	(35 643)	-	(35 643)	970 188
Households	63 685 529	312 480	14 595	(214 755)	(1 121 071)	(1 008 751)	62 676 778
Total transfers and subsidies	328 878 027	2 655 816	964 447	42 969	2 751 798	6 415 030	335 293 057
Payments for capital assets							
Buildings and other fixed structures	3 317 020	16 005	-	(11 132)	(197 000)	(192 127)	3 124 893
Machinery and equipment	2 610 929	209 483	-	(161 214)	623	48 892	2 659 821
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	47 926	2 298	-	79 821	-	82 119	130 045
Land and subsoil assets	150	-	-	116 850	-	116 850	117 000
Total payments for capital assets	5 976 025	227 786	-	24 325	(196 377)	55 734	6 031 759
Total	469 601 590	3 388 812	1 007 647	-	2 308 553	6 705 012	476 306 602
Standing appropriations	23 320					0	23 320
Unallocated	600 000				(600 000)	(600 000)	-
Contingency reserve	2 500 000				(2 500 000)	(2 500 000)	-
Projected underspending					(2 100 000)	(2 100 000)	(2 100 000)
Total	472 724 910	3 388 812	1 007 647	-	(2 891 447)	1 505 012	474 229 922

Table 3: Funds rolled over from 2005/06 to 2006/07

Vote / description of expenditure	R thousand
Central Government Administration	
6 Public Works	
R32,5 million for the expanded public works programme's learnership scheme. R4,081 million for improving the transport system for members of Parliament and sessional officials	36 581
Financial and Administrative Services	
7 Government Communication and Information System	
For printing and distributing Vuk'uzenzele magazine.	4 422
8 National Treasury	
R746,66 million for the provincial infrastructure grant. R95 million for the restructuring grants: municipalities. R121,797 million to contribute to replenishment of the World Bank's International Development Association as part of the Multilateral Debt Relief Initiative.	963 457
9 Public Enterprises	
R800 000 to complete the renovations to the department's accommodation. R3,152 million for the Diabo Trust. R184 000 for Alexkor.	4 136
10 Public Service and Administration	
For hosting the Global Forum V on Fighting Corruption and Safeguarding Integrity, and the Africa Anti-Corruption meeting.	13 000
11 Public Service Commission	
R503 000 for the audit of monitoring and evaluation systems. R172 000 for printing a school district management guide and a report on procuring and distributing learner support material.	675
13 Statistics South Africa	
R2,5 million for consultancy services. R4,598 million for the income and expenditure survey. R79 million for the community survey. R1,2 million for upgrading information security.	87 298
Social Services	
14 Arts and Culture	
R10,493 million for the construction of the new national library building. R1,17 million for the Khoisan legacy project.	11 663
15 Education	
R2,056 million for computer equipment. R2,721 million for translating the national curriculum statement. R3,342 million for additional story books. R3,192 million for scanning pre-electronic examination results. R1,051 million for training volunteer food handlers and for workshops for school governing bodies and school management teams. R157,081 million for the merger of North West Technikon, Technikon Northern Gauteng and Pretoria Technikon into the Tshwane University of Technology and for restructuring the University of Zululand and the University of Venda. R500 000 for books for disadvantaged schools.	169 943
16 Health	
R49 million to increase the HIV and AIDS conditional grant. R87,676 million for the hospital revitalisation conditional grant. R5,221 million for specialised forensic chemistry laboratory equipment. R5,6 million for the WHO study on ageing and adult health.	147 497
17 Labour	
To settle claims from the Department of Public Works for repair and maintenance projects: R24 000 for head office, R2,067 million for provincial offices and labour centers, R1,231 million for Indlela.	3 322
18 Social Development	
R55,772 million for the first phase of the management and information system for social security, reflected as a transfer to the South African Social Security Agency (SASSA). R51,5 million for social security legal costs. R269,7 million for SASSA litigation costs from 2005/06 and 2006/07, improving financial management systems, and relocating social grants personnel in provinces to SASSA regional offices.	376 965
19 Sport and Recreation South Africa	
For relocating the department.	7 793

Table 3 (continued): Funds rolled over from 2005/06 to 2006/07

Vote / description of expenditure		R thousand
Justice and Protection Services		
23 Justice and Constitutional Development		
R41,8 million for the digital nervous system. R35 million for x-ray machines and metal detectors at courts. R114,858 million for court recording equipment. R46,5 million for outstanding claims from Imperial Car Rental.		238 158
Economic Services and Infrastructure		
25 Agriculture		
R176,657million for combating classical swine fever (CSF) in the Eastern Cape. R8,958 million for transfers to beneficiaries for compensation under CSF. R45,310 million to compensate farmers.		230 925
26 Communications		
To write off Capital Radio's debt		3 673
27 Environmental Affairs and Tourism		
R6,951 million for the Marion Island base. R35 million for patrol and research vessels.		41 951
28 Housing		
For the N2 Gateway project in Cape Town.		372 000
30 Minerals and Energy		
R1,314 million for outstanding order payments. R4,5 million for subsidies to renewable energy generators. R5,715 million for the power purchase agreement.		11 529
31 Science and Technology		
For the research and development management information system.		3 000
32 Trade and Industry		
R8,469 million for PPP commitments. R50 million to meet capacity-building commitments in the South African Micro Apex Fund (SAMAF). R151,647 million for the National Empowerment Fund. R16 million for the Richards Bay industrial development zone to upgrade the John Ross highway. R50 million has been rolled over for the critical infrastructure programme.		276 116
33 Transport		
R3 million for academic institutions. R3,3 million for oil pollution prevention services. R1,2 million for the integrated rural mobility access project. R54 million for service providers on the taxi recapitalisation programme, and for the provinces to finalise the permit conversion process. R150 million for scrapping old taxi vehicles.		211 500
34 Water Affairs and Forestry		
R72,962 million for personnel related costs linked to the transfer of some of the department's functions to other institutions. R26,6 million for disaster management projects. R2,298 million for data acquisition and information management equipment. R3,048 million for constructing new gauging stations. R1,8 million for geophysical equipment to improve the strike rate of boreholes. R3,5 million for the Inkomati Catchment Management Agency. R13 million to write-off loans in respect of Impala Irrigation Board. R50 million for commercial forestry in Bushbuckridge, Mpumalanga.		173 208
TOTAL		3 388 812

Table 4: Unforeseeable and unavoidable expenditure

Vote and description of expenditure	R thousands
5 Provincial and Local Government	479 397
Municipal infrastructure grant (MIG)	
<i>Flood disaster western Cape region</i>	114 123
<i>Flood disaster eastern Cape region</i>	339 551
<i>Flood disaster northern Cape region</i>	25 723
8 National Treasury	361 946
DBSA loan - Disaster Command Centre	258 308
Provincial infrastructure grant	
<i>Flood disaster western Cape region</i>	101 650
<i>Flood disaster Cape Nature</i>	1 988
9 Public Enterprises	2 030
Court settlement (Lebowa government)	2 030
10 Public Service and Administration	18 399
African Peer Review Mechanism	18 399
25 Agriculture	75 219
Control of foot and mouth disease in Limpopo	16 900
Control of avian influenza in Western Cape	12 916
Agricultural disaster management grant	
<i>Flood disaster western Cape region</i>	33 000
<i>Flood disaster eastern Cape region</i>	12 403
27 Environmental Affairs and Tourism	1 800
Flood disaster Karoo National Park	1 800
28 Housing	16 206
Flood disaster: southern, eastern and northern Cape regions	16 206
33 Transport	45 100
Additional bus subsidy allocation to cover increases in the fuel price	45 100
34 Water Affairs and Forestry	7 550
Flood disaster: southern, eastern and northern Cape regions	7 550
Total	1 007 647

Table 5: Details of self-financing expenditure

Vote and description of expenditure		R thousands
7 Government Communication and Information		2 121
From the sale of advertising space in the Vuku'zenzele magazine, for printing and distributing more copies.		1 821
From sponsorships from the SABC, Mercury Media and Standard Bank (R100 000 each), for the annual Government Communicators Awards ceremony.		300
9 Public Enterprises		444 300
Changes in the VAT Act:		
<i>Pebble Bed Modular Reactor</i>		162 400
<i>Denel</i>		280 000
<i>Alexkor</i>		1 900
10 Public Service Administration		1 400
From the Department of Foreign Affairs from the Renaissance Fund, for the census project in the DRC.		1 400
20 Correctional Services		929
From hiring out offender labour. 33% reallocated to the department to supplement the budget for offender gratuities.		929
21 Defence		72 799
From the sale of equipment procured through the General Defence Account, refunded to the department.		16 621
From the sale of equipment procured through the Special Defence Account, refunded to the department.		56 178
25 Agriculture		103 838
Changes in the VAT Act: Agricultural Research Council.		103 838
26 Communications		38 439
Changes in the VAT Act: South African Post Office.		38 439
28 Housing		623
From the transferring minister's assets, for new cars for the present minister.		623
30 Minerals and Energy		75 299
Changes in the VAT Act:		
<i>NECSA allocations for 2005/06</i>		35 951
<i>NECSA allocations for 2006/07</i>		39 348
Total		739 748

Table 6: Details of projected savings and underspending

Vote and description of saving		R thousands
Declared savings		
1	The Presidency	3 000
	Transfer payment to the Development Bank of South Africa towards the World Disabled Congress, which is no longer taking place.	3 000
8	National Treasury	158 848
	Savings on maintenance and upgrade of transversal systems, and due to delays in the integrated financial management systems project.	130 401
	Savings due to regularisation of pre-1992 medical aid benefits of retired civil servants.	28 447
17	Labour	22 576
	Savings mainly due to reduced internal filling of vacancies and staff retention.	1 557
	R14 million because the National Qualifications Framework was not finalised on time. R7,019 million due to the overestimation of the 2% administration provision on the National Skills Fund levies.	21 019
20	Correctional services	800 129
	Savings due to vacant posts and the realignment of the department's performance assessment cycle, which has delayed the payment of performance bonuses.	603 129
	Savings due to delays in the department's capital works building programme.	197 000
29	Land Affairs	1 122 000
	Savings due to: protracted negotiations with landowners; community and traditional leadership disputes; high staff turnover; and development planning taking longer than the settlement process.	1 122 000
Projected underspending		2 100 000
Total		4 206 553

Table 7: Expenditure outcome 2005/06 and preliminary expenditure 2006/07

Vote number and title	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sept
R thousand							
Central Government Administration							
1 The Presidency	216 463	87 612	193 399	89,3	238 865	99 483	13,5
2 Parliament	672 412	253 445	597 934	88,9	782 133	300 998	18,8
3 Foreign Affairs	2 737 130	1 019 693	2 688 734	98,2	3 042 149	1 230 317	20,7
4 Home Affairs	3 119 074	1 285 587	3 174 134	101,8	2 800 405	1 095 531	(14,8)
5 Provincial and Local Government	15 978 993	5 989 601	15 976 780	100,0	25 392 288	8 496 062	41,8
6 Public Works	2 358 871	734 880	2 363 517	100,2	3 116 762	1 688 038	129,7
Financial and Administrative Services							
7 Government Communication and Information	258 276	112 800	253 896	98,3	294 580	162 730	44,3
8 National Treasury	14 194 467	6 360 413	13 079 728	92,1	16 729 581	6 653 497	4,6
9 Public Enterprises	2 675 908	47 085	2 671 800	99,8	2 869 923	623 996	1225,3
10 Public Service and Administration	188 433	61 809	187 764	99,6	442 426	201 633	226,2
11 Public Service Commission	92 435	43 393	91 272	98,7	97 003	44 424	2,4
12 SA Management Development Institute	57 047	23 800	55 723	97,7	58 918	28 040	17,8
13 Statistics South Africa	741 357	225 671	644 726	87,0	1 161 781	409 774	81,6
Social Services							
14 Arts and Culture	1 133 020	458 379	1 121 296	99,0	1 330 139	648 041	41,4
15 Education	12 629 916	9 328 378	12 437 365	98,5	14 299 176	10 313 965	10,6
16 Health	10 039 399	4 643 880	9 937 912	99,0	11 453 993	5 491 865	18,3
17 Labour	1 382 305	611 274	1 297 381	93,9	1 493 495	637 499	4,3
18 Social Development	56 151 745	29 833 166	55 068 117	98,1	62 382 425	33 961 941	13,8
19 Sport and Recreation South Africa	458 912	72 868	436 881	95,2	959 946	147 273	102,1
Justice and Protection Services							
20 Correctional Services	9 888 887	4 044 937	9 622 401	97,3	9 831 512	4 116 449	1,8
21 Defence	23 516 178	9 825 540	23 492 788	99,9	23 902 904	9 504 240	(3,3)
22 Independent Complaints Directorate	54 791	26 471	54 673	99,8	65 906	30 113	13,8
23 Justice and Constitutional Development	5 456 030	2 287 680	5 153 195	94,4	6 478 647	2 581 595	12,8
24 Safety and Security	29 361 276	13 229 707	29 360 686	100,0	32 521 231	14 826 768	12,1
Economic Services and Infrastructure							
25 Agriculture	1 996 592	826 719	1 906 041	95,5	2 367 630	948 209	14,7
26 Communications	1 046 828	447 450	1 045 662	99,9	1 322 306	434 126	(3,0)
27 Environmental Affairs and Tourism	1 782 839	910 823	1 776 351	99,6	2 061 804	1 242 989	36,5
28 Housing	5 272 509	2 719 474	5 248 973	99,6	7 333 726	3 494 761	28,5
29 Land Affairs	3 927 132	1 090 833	2 877 424	73,3	3 730 196	1 191 928	9,3
30 Minerals and Energy	2 271 580	1 072 580	2 192 218	96,5	2 635 100	1 066 113	(0,6)
31 Science and Technology	2 044 455	850 526	2 041 360	99,8	2 617 093	1 181 463	38,9
32 Trade and Industry	3 332 556	1 271 165	3 056 615	91,7	3 942 028	1 440 616	13,3
33 Transport	10 741 005	3 282 759	10 410 280	96,9	13 746 790	4 229 520	28,8
34 Water Affairs and Forestry	4 022 512	1 656 323	3 804 597	94,6	4 660 303	1 706 900	3,1
Total expenditure by vote	229 801 333	104 736 721	224 321 623	97,6	266 163 164	120 230 897	14,8
Plus:							
Total direct charges against the National Revenue Fund	193 139 751	98 812 632	192 340 790	99,6	210 143 438	107 359 517	8,6
Slate debt cost (National Treasury)	51 849 000	25 459 770	50 911 999	98,2	52 588 080	25 768 700	1,2
Provincial equitable share (National Treasury)	135 291 632	70 339 940	135 291 632	100,0	150 752 930	78 391 523	11,4
Skills development programme (Labour)	4 934 000	2 381 405	4 883 330	99,0	5 500 000	2 543 681	6,8
Judges and Magistrates salaries (Justice and Constitutional Development)	849 977	524 872	1 040 098	122,4	1 071 056	539 950	2,9
Members remuneration (Parliament)	213 149	105 696	211 719	99,3	229 218	114 612	8,4
President and Deputy President salaries (The Presidency)	1 993	949	2 012	101,0	2 154	1 051	10,7
Total	422 941 084	203 549 353	416 662 413	98,5	476 306 602	227 590 414	11,8

Table 7 (continued): Expenditure outcome 2005/06 and preliminary expenditure 2006/07

Vote number and title	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sept
R thousand							
Current payments							
Compensation of employees	47 100 165	21 830 229	45 283 549	96,1	53 034 517	24 148 800	10,6
Goods and services	25 332 844	10 064 180	24 876 678	98,2	29 353 737	11 890 199	18,1
Interest and rent on land	51 850 650	25 465 160	50 929 917	98,2	52 589 829	25 769 247	1,2
Financial transactions in assets and liabilities	101 843	73 033	331 215	325,2	3 703	28 214	(61,4)
Total current payments	124 385 502	57 432 602	121 421 359	97,6	134 981 786	61 836 461	7,7
Transfers and subsidies to:							
Provinces and municipalities	228 853 090	116 049 113	226 893 336	99,1	207 183 009	98 595 938	(15,0)
Departmental agencies and accounts	34 314 630	14 456 568	34 017 419	99,1	38 172 735	17 060 055	18,0
Universities and technikons	9 940 876	7 957 419	9 787 672	98,5	11 022 603	8 565 345	7,6
Foreign governments and international organisations	919 957	168 563	833 276	90,6	963 612	296 861	76,1
Public corporations and private enterprises	11 905 363	4 330 187	12 238 272	102,8	14 304 132	5 828 558	34,6
Non-profit institutions	696 590	201 209	871 683	125,1	970 188	206 670	2,7
Households	5 329 449	1 464 948	3 892 153	73,0	62 676 778	33 787 811	2206,4
Total transfers and subsidies	291 959 955	144 628 007	288 533 811	98,8	335 293 057	164 341 238	13,6
Payments for capital assets							
Buildings and other fixed structures	2 886 897	819 645	2 560 711	88,7	3 124 893	615 398	(24,9)
Machinery and equipment	3 372 404	601 870	3 862 820	114,5	2 659 821	746 489	24,0
Cultivated assets	25	462	317	1268,0	-	317	(31,4)
Software and other intangible assets	336 301	66 766	283 395	84,3	130 045	50 512	(24,3)
Land and subsoil assets	-	-	-	-	117 000	-	-
Total payments for capital assets	6 595 627	1 488 744	6 707 243	101,7	6 031 759	1 412 715	(5,1)
Total	422 941 084	203 549 353	416 662 413	98,5	476 306 602	227 590 414	11,8

Information contained in each chapter

Each chapter reflects a single 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**, to facilitate analysis of interdepartmental initiatives and service delivery:

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

Note: These functional groupings are informal and are not consistent with the more rigorous functional classification of expenditure reported in the medium term expenditure framework.

Opening table

The amount to be appropriated by a vote reflects the adjusted rand amount to be voted for 2006/07. Revised estimates of statutory expenditure are also indicated.

Accountability information on the executive authority and accounting officer is provided here.

Aim

The aim of the vote reflects the department's social and economic objectives or its administrative functions.

Changes to programme purposes and measurable objectives

Noting any changes to programme purposes and measurable objectives maintains 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 period. *Administration* is the only programme that does not publish its measurable objective in addition to its purpose.

Table: Adjusted Estimates of National Expenditure 2006

Adjusted expenditure is set out by programme and economic classification.

The main appropriation shows the total amount appropriated per programme in the Appropriation Act of 2006.

The additional appropriation consists of a variety of categories:

- **Roll-overs** are funds appropriated in 2005/06 but not spent, and are included for reappropriation in the 2006/07 financial year.
- **Unforeseeable and unavoidable expenditure** could not be anticipated at the time of finalising the inputs for the *Estimates of National Expenditure 2006*.
- **Virements** are 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, expenditure in terms of section 16 of the PFMA; and self-financing expenditure from unforeseen departmental revenue paid into the National Revenue Fund.

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

The adjusted appropriation is the total rand amount available per vote for 2006/07. Spending is divided into three broad categories: current payments, transfers and subsidies, and payments for capital assets.

Details of adjustments to the Estimates of National Expenditure 2006

Explanations are given for the additional appropriations.

Table: Expenditure 2005/06 and preliminary expenditure 2006/07

The expenditure outcomes for the 2005/06 financial year per programme and economic classification are reflected in rand value (with adjustments for structural changes) and as a percentage of the 2005 adjusted appropriation. Preliminary expenditure for the first six months of the 2006/07 financial year is 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 2006/07 financial year

Explanations are given for significant changes in expenditure compared to the 2005/06 financial year.

Tables: Summary of changes to transfers and subsidies, and conditional grants

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