

Adjusted Estimates of National Expenditure

2007

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2007

Republic of South Africa

National Treasury



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Introduction

The *Adjusted Estimates of National Expenditure 2007* 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 2007/08 financial year.

The *Adjusted Estimates* sets out the revised expenditure estimates of national departments for 2007/08, including amounts provided for in the main Appropriation Act, Special Adjustments Appropriation Act and the adjustments budget.

In terms of section 30(2) of the Public Finance Management Act, (Act No 1 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 the 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 2007/08

In addition to appropriations in the 2007/08 Budget, the Minister of Finance tabled a Special Adjustments Appropriation Bill on 5 September 2007 that recommended additional spending to the value of R5.2 billion. Of this amount, R2.4 billion was appropriated in terms of section 30(2)(d) of the PFMA of 1999 (supplementary allocations announced in the budget). The remaining R2.8 billion, comprising of R222 million for Denel, R700 million for the Land Bank and R1.9 billion for World Cup stadiums, was appropriated in terms of Section 30(2)(b) of the PFMA (unforeseeable and unavoidable expenditure) - after approval by Cabinet on 5 September 2007.

The Adjustments Appropriation Bill, makes provision for an additional R11.5 billion of spending. The adjusted estimates for 2007/08 are comprised of the following additional allocations:

- | | |
|--|--------------|
| • approved roll-overs | R4.1 billion |
| • additional allocations for unforeseeable and unavoidable expenditure | R3.8 billion |
| • unallocated amounts announced in the 2007 Budget | R0.7 billion |
| • self-financing expenditure | R0.2 billion |
| • higher skills development levy revenue | R0.8 billion |
| • higher costs of the 2007 public service salary agreement | R1.9 billion |

A contingency reserve of R3 billion was set aside in the Budget, the revised budget framework also makes provision for about R5.2 billion in under spending at a national level (including declared savings). The total estimated level of spending rises by R8.5 billion, from a budgeted R533.9 billion to a revised R542.4 billion.

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Table 1: Summary of the 2007/08 Revised National Budget

	Summary tables	Main Appropriation (ENE)	Special Adjustments Appropriation	Additional Appropriation (AENE)	Adjusted Appropriation
R'thousand					
Appropriation by vote		299 177 741	5 195 273	9 110 867	313 483 881
Main appropriation		299 177 741			299 177 741
Total adjustments			5 195 273	9 110 867	14 306 140
Roll-overs	3			4 060 308	4 060 308
Unforeseeable and unavoidable expenditure	4		2 827 000	3 433 434	6 260 434
Salary Adjustment (National)				728 494	728 494
Section 30(2)d items			2 368 273	706 700	3 074 973
Alexkor			44 700	28 000	72 700
PBMR			1 823 573	678 700	2 502 273
Infraco			-	-	-
Sentech			500 000	-	500 000
Self-financing	5			181 931	181 931
Direct charges against the National Revenue Fund		231 695 510	-	2 414 108	234 109 618
State debt cost		52 916 000		21 000	52 937 000
Provincial equitable share		171 271 393		1 590 108	172 861 501
- Unforeseeable and unavoidable expenditure	4			404 676	
- Salary Adjustment				1 185 432	
Skills development program		6 000 000		800 000	6 800 000
Remuneration of public office bearers		1 508 117		3 000	1 511 117
- Salary Adjustment				3 000	
Subtotal		530 873 251	5 195 273	11 524 975	547 593 499
Contingency reserve		3 000 000		(3 000 000)	-
Projected underspending	5			(5 000 000)	(5 000 000)
Declared savings	6			(219 811)	(219 811)
Total Estimated Expenditure Level		533 873 251	5 195 273	3 305 164	542 373 688

Table 2: Adjusted appropriations per vote and revised estimates of direct charges against the National Revenue Fund - 2007/08

Vote number and title			Additional appropriation				Total additional appropriation	Adjusted appropriation
	Main appropriation	Special adjustments appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Central Government Administration								
1 The Presidency	254 741	–	17 360	–	–	–	17 360	272 101
2 Parliament	835 714	–	–	–	–	–	–	835 714
3 Foreign Affairs	3 856 363	–	262 700	–	–	–	262 700	4 119 063
4 Home Affairs	3 314 589	–	206 309	–	–	–	206 309	3 520 898
5 Provincial and Local Government	28 844 175	–	817 740	387 836	–	(13 000)	1 192 576	30 036 751
6 Public Works	3 693 120	–	66 594	–	–	(250)	66 344	3 759 464
Financial and Administrative Services								
7 Government Communication and Information System	375 812	–	1 400	–	–	6 800	8 200	384 012
8 National Treasury	19 708 178	–	–	250 000	–	(209 811)	40 189	19 748 367
9 Public Service and Administration	357 283	–	12 585	13 898	–	297	26 780	384 063
10 Public Service Commission	105 357	–	2 807	–	–	–	2 807	108 164
11 SA Management Development Institute	71 126	–	60 000	–	–	–	60 000	131 126
12 Statistics South Africa	1 100 289	–	56 997	–	–	–	56 997	1 157 286
Social Services								
13 Arts and Culture	1 608 019	–	–	–	–	(250)	(250)	1 607 769
14 Education	16 000 923	–	195 829	200 000	–	(10 000)	385 829	16 386 752
15 Health	12 655 132	–	385 004	50 000	–	1 000	436 004	13 091 136
16 Labour	2 032 865	–	5 000	–	–	–	5 000	2 037 865
17 Social Development	67 232 108	–	–	–	–	(3 000)	(3 000)	67 229 108
18 Sport and Recreation South Africa	3 157 222	1 905 000	4 985	–	–	–	4 985	5 062 207
Justice and Protection Services								
19 Correctional Services	10 742 331	–	512 924	–	–	129 154	642 078	11 384 409
20 Defence	25 922 255	–	83 007	45 680	–	240 843	369 530	26 291 785
21 Independent Complaints Directorate	80 891	–	–	–	–	–	–	80 891
22 Justice and Constitutional Development	7 277 770	–	261 897	–	–	(1 000)	260 897	7 538 667
23 Safety and Security	35 917 470	–	–	–	–	468 635	468 635	36 386 105
Economic Services and Infrastructure								
24 Agriculture	2 281 166	700 000	88 687	400 000	–	(250)	488 437	3 469 603
25 Communications	1 423 533	500 000	–	–	–	950	950	1 924 483
26 Environmental Affairs and Tourism	2 590 771	–	200 000	–	–	(250)	199 750	2 790 521
27 Housing	8 877 608	–	–	105 000	–	(250)	104 750	8 982 358
28 Land Affairs	5 678 519	–	–	250 000	–	(250)	249 750	5 928 269
29 Minerals and Energy	2 966 113	–	9 074	–	–	(250)	8 824	2 974 937
30 Public Enterprises	1 063 966	2 090 273	–	744 400	–	706 450	1 450 850	4 605 089
31 Science and Technology	3 142 479	–	–	–	–	1 750	1 750	3 144 229
32 Trade and Industry	4 845 583	–	109 400	524 700	–	(250)	633 850	5 479 433
33 Transport	15 857 923	–	386 009	300 000	–	–	686 009	16 543 932
34 Water Affairs and Forestry	5 306 347	–	314 000	161 920	–	80 246	556 166	5 862 513
Total appropriation by vote	299 177 741	5 195 273	4 060 308	3 433 434	–	1 397 314¹	8 891 056	313 264 070
Plus:								
Total direct charges against the National Revenue Fund	231 695 510	–	–	404 676	–	2 009 432	2 414 108	234 109 618
State debt cost (National Treasury)	52 916 000	–	–	–	–	21 000	21 000	52 937 000
Provincial equitable share (National Treasury)	171 271 393	–	–	404 676	–	1 185 432	1 590 108	172 861 501
Skills development programme (Labour)	6 000 000	–	–	–	–	800 000	800 000	6 800 000
Judges and Magistrates salaries (Justice and Constitutional Development)	1 263 518	–	–	–	–	3 000	3 000	1 266 518
Members remuneration (Parliament)	242 380	–	–	–	–	–	–	242 380
President and Deputy President salaries (The Presidency)	2 219	–	–	–	–	–	–	2 219
Total	530 873 251	5 195 273	4 060 308	3 838 110	–	3 406 746	11 305 164	547 373 688
Contingency reserve	3 000 000	–	–	–	–	(3 000 000)	(3 000 000)	–
Projected underspending	–	–	–	–	–	(5 000 000)	(5 000 000)	(5 000 000)
Total	533 873 251	5 195 273	4 060 308	3 838 110	–	(4 593 254)	3 305 164	542 373 688

¹ Other adjustments of R1.397 billion includes savings declared by departments to the amount of R219.811 million

Table 2: Adjusted appropriations per vote and revised estimates of direct charges against the National Revenue Fund - 2007/08 (continued)

Economic classification			Additional appropriation				Total additional appropriation	Adjusted appropriation
	Main appropriation	Special adjustments appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand								
Current payments								
Compensation of employees	57 809 353	–	70 526	39 358	(108 217)	662 596	664 263	58 473 616
Goods and services	33 602 709	–	497 582	282 140	(312 780)	16 252	483 194	34 085 903
Interest and rent on land	52 916 768	–	–	–	–	21 000	21 000	52 937 768
Financial transactions in assets and liabilities	–	–	–	–	14	–	14	14
Total current payments	144 328 830	–	568 108	321 498	(420 983)	699 848	1 168 471	145 497 301
Transfers and subsidies to:								
Provinces and municipalities	237 950 010	1 905 000	1 293 976	1 597 512	167 384	1 075 621	4 134 493	243 989 503
Departmental agencies and accounts	43 901 750	–	340 719	–	137 177	925 423	1 403 319	45 305 069
Universities and technikons	11 967 790	–	–	–	7 539	–	7 539	11 975 329
Public corporations and private enterprises	14 860 577	3 290 273	97 683	1 569 100	18 304	706 700	2 391 787	20 542 637
Foreign governments and international organisations	941 847	–	22 269	–	82 734	–	105 003	1 046 850
Non-profit institutions	1 393 594	–	1 485	–	(88 017)	–	(86 532)	1 307 062
Households	68 881 857	–	611 687	350 000	(484 033)	1 154	478 808	69 360 665
Total transfers and subsidies	379 897 425	5 195 273	2 367 819	3 516 612	(158 912)	2 708 898	8 434 417	393 527 115
Payments for capital assets								
Buildings and other fixed structures	3 319 412	–	1 052 922	–	496 914	(2 000)	1 547 836	4 867 248
Machinery and equipment	2 465 522	–	71 459	–	(103 791)	–	(32 332)	2 433 190
Cultivated assets	500	–	–	–	540	–	540	1 040
Software and other intangible assets	524 509	–	–	–	(325 777)	–	(325 777)	198 732
Land and subsoil assets	337 053	–	–	–	512 009	–	512 009	849 062
Total payments for capital assets	6 646 996	–	1 124 381	–	579 895	(2 000)	1 702 276	8 349 272
Total	530 873 251	5 195 273	4 060 308	3 838 110	–	3 406 746	11 305 164	547 373 688
Contingency reserve	3 000 000	–	–	–	–	(3 000 000)	(3 000 000)	–
Projected underspending	–	–	–	–	–	(5 000 000)	(5 000 000)	(5 000 000)
Total	533 873 251	5 195 273	4 060 308	3 838 110	–	(4 593 254)	3 305 164	542 373 688

Table 3: Funds rolled over from 2006/07 to 2007/08

Vote / description of expenditure	R thousand
Central Government Administration	
1 Presidency	17 360
R8.9 million for relocation costs to additional accommodation. R8.5 million for outstanding commitments for administrative costs.	
3 Foreign Affairs	262 700
R245.7 million for: the maintenance of foreign properties in Lilongwe, Sao Paulo, Windhoek and Brussels (R11 million); partially funding the acquisition of the Brussels chancery and refurbishing a building for the UN (R34.7 million); and the early works agreement for the head office campus (R200 million). R17 million for humanitarian aid in the Republic of Guinea (R15 million) and Djibouti (R2 million).	
4 Home Affairs	206 309
R156.3 million for the repair and maintenance programme (RAMP) for the department's offices (R59 million), for paying outstanding claims to the Department of Foreign Affairs for foreign missions (R50.3 million), and for quick win projects as part of the department's turnaround strategy (R47 million). R50 million has been rolled over for HANIS technology rehabilitation.	
5 Provincial and Local Government	817 740
R817.7 million for municipal infrastructure projects.	
6 Public Works	66 594
R12.7 million for service providers on the project to decide on appropriate head office accommodation for departments in Tshwane. R28.3 million to complete projects to acquire land and buildings. R25.6 million for prestige projects that are being finalised.	
Financial and Administrative Services	
7 Government Communication and Information System	1 400
R1.4 million for the employer's contribution to non-statutory forces pensions for former employees.	
9 Public Service and Administration	12 585
R4.5 million to maintain and deploy the CabEnet system. R149 million for the Global Forum V on Fighting Corruption and Safeguarding Integrity. R2 million for the second phase of the All Africa Public Sector Innovation Awards. R826 000 for the SADC governance workshop and the African Public Service Charter workshop. R410 000 for hosting the African Association for Public Administration and Management national chapter workshop. R3.7 million for completing the impact appraisal of the national anti-corruption framework project.	
10 Public Service Commission	2 807
R2.3 million for recognition of pensionable service in the former non-statutory forces in the Government Employees Pension Fund. R327 000 to install a centralised backup library system. R200 000 for consultancy fees for evaluating government's poverty reduction programme.	
11 South African Management Development Institute	60 000
R32 million for SAMDI to adapt its new building. R28 million for the massification of the induction and orientation programmes.	
12 Statistics South Africa	56 997
R1.9 million to pay the recruitment agency for appointing fieldworkers for the community survey. R14.6 million to settle outstanding invoices for vehicle hire for the community survey. R3.4 million for spatial analysis and map production, and R4.6 million for the dwelling frame project. R4.5 million for consultancy services for GPS point capture systems, and R6.5 million for hand-held devices for survey fieldworkers. R21.5 million to complete the development of an end-to-end statistical data management facility.	
Social Services	
14 Education	195 829
R5 million for the education management information system enhancement project. R1 million for the national early childhood development integrated plan, R1.9 million for the national curriculum statement documents, and R8.7 million for the HIV and Aids conditional grant. R69.2million for the national senior certificate examinations, R2.5 million for the printing and distribution of the life orientation curriculum and mathematics, science and technology documents, R1.2 million earmarked for the recapitalisation of further education and training colleges and R35.5 million for the FET colleges recapitalisation conditional grant (for provinces). R4.6 million for security in schools and R66.4 million for the national school nutrition programme conditional grant.	

Table 3: Funds rolled over from 2006/07 to 2007/08 (continued)

Vote / description of expenditure	R thousand
15 Health R4.7 million for upgrading the Johannesburg Chemistry Laboratory's electrical infrastructure. R4.7 million for specialised laboratory equipment for the forensic laboratories. R9.9 million to make the transfer payment to the National Health Laboratory Service, which could not be done before the end of 2006/07. R121 million for the forensic pathology services conditional grant and for the upgrading and construction of capital projects, and R10.6 million for the HIV and AIDS conditional grant. R234 million for the hospital revitalisation conditional grant to continue work on projects that are on site.	385 004
16 Labour R5 million for promotional items and a generic advertising campaign.	5 000
18 Sport and Recreation South Africa R2 million for preparing athletes for the All Africa Games, and R1.1 million for amateur boxing, the world gymnastarada and korfbal. R400 000 to offset costs for the ITU Triathlon World Cup and R1.5 million for the motocross world championship.	4 985
Justice and Protection Services	
19 Correctional Services R512.9 million for capital costs for the Kimberley correctional centre.	512 924
20 Defence R58.1 million for repairing and maintaining facilities and R24.9 million for upgrading and constructing buildings.	83 007
22 Justice and Constitutional Development R261.9 million for upgrading infrastructure projects to improve access to justice facilities for people with disabilities and for refurbishing office accommodation for the National Prosecuting Authority.	261 897
Economic Services and Infrastructure	
24 Agriculture R88.7 million for combating classical swine fever.	88 687
26 Environmental Affairs and Tourism R200 million for projects in the expanded public works programme.	200 000
29 Minerals and Energy R7.3 million for rehabilitation projects and mine environmental management projects. R1.1 million for projects investigating fuel and gas retail margins and fuel price smoothing techniques. R683 000 for finalising the subsidised renewable energy project, Bethlehem Hydro.	9 074
32 Trade and Industry R8 million for computer equipment and related software for the disaster recovery system. R7 million for payments of approved incentive scheme claims in respect of the Small and Medium Enterprise Development Programme. R70 million to pay approved grants in respect of the Business Process Outsourcing Programme. R20 million for a once-off subsidy to the grain milling industry to buy equipment to enrich grain products as part of the Staple Food Fortification Programme. R4.4 million for a payment to the Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank) to facilitate access for South African companies to World Bank funds for feasibility studies and export promotions.	109 400
33 Transport R869 000 for the annual membership fee to the International Maritime Organisation. R2.1 million for consultants for the development of the National Land Transport Bill. R2.2 million to alleviate the freight congestion in the Port of Durban precinct and to determine the future of Durban International Airport after its decommissioning. R25 million for marketing and communications for the taxi recapitalisation project. R252 million for the operations of the Taxi Scrapping Agency, R87 million for the scrapping allowance . R14 million for the Road Accident Fund Amendment Act regulations and communications programme and the strategy to restructure the Road Accident Fund.	386 009
34 Water Affairs and Forestry R14 million for transferring staff to municipalities and water user associations. R260 million for the construction of the De Hoop Dam (Olifants River Water Resource Development). R40 million for the dam safety rehabilitation programme.	314 000
TOTAL	4 060 308

Table 4: Unforeseeable and unavoidable expenditure

Vote and description of expenditure	R thousands
5 Provincial and Local Government	387 836
For municipalities in KwaZulu-Natal following storms and tidal surges	180 923
To West Coast District Municipality area for flood damage	6 913
For eradicating bucket toilets	200 000
8 National Treasury	654 676
For rehabilitation of infrastructure following flood damage in the West Coast District Municipality area	4 676
For an unexpected increase in the number of patients with multiple drug resistant tuberculosis	400 000
For budgetary pressures in the North West province	250 000
9 Public Service and Administration	13 898
R10.4 million for media that kept the public informed on the strike and the progress of the salary negotiations. R3.5 million for a post strike survey	13 898
14 Education	200 000
For the national recovery plan to address the loss of teacher-learner contact time and the disruption of examinations and tests following the unexpected labour action by teachers	200 000
15 Health	50 000
For the higher than projected take-up in the HIV and AIDS treatment programme (Western Cape province)	50 000
20 Defence	45 680
To the South African National Defence Force for overtime allowances to medical health practitioners and general assistants and for fuel used to provide essential health services to provincial departments of health during the national public service strike in June 2007	45 680
24 Agriculture	400 000
For agricultural disasters	300 000
For combating classical swine fever	100 000
27 Housing	105 000
For emergency housing in the North West province	105 000
28 Land Affairs	250 000
To settle the Richtersveld land claim	250 000
30 Public Enterprises	744 400
To South African Airways for costs associated with restructuring (R653 million plus R91.4 million VAT)	744 400
32 Trade and Industry	524 700
For infrastructure at the Coega industrial development zone in accordance with investment agreements, including R119.7 million to compensate for earlier reductions in capital amounts, owing to the then new VAT legislation	215 700
For claims received in respect of the Small and Medium Enterprise Development Programme incentive scheme	309 000
33 Transport	300 000
For bus subsidies to cover increases for the growing demand for and use of public transport	300 000
34 Water Affairs and Forestry	161 920
For remedial works in the Usutu River	6 000
For flood damage repairs in a number of catchments	8 000
To the Working for Water programme	32 000
For floods in the West Coast District Municipality area	1 050
For drought relief	114 870
Total	3 838 110

Table 5: Details of self-financing expenditure

Vote and description of expenditure	R thousands
7 Government Communication and Information System	2 000
R150 000 from the South African Broadcasting Corporation (SABC) and R50 000 from Standard Bank for the annual Government Communicators Awards ceremony	200
From the sale of advertising space in Vuk'uzenzele magazine. Will be used for printing and distributing more copies	1 800
9 Public Service Administration	297
From the Commonwealth for the 4th African meeting of heads of public service (Pan African Ministers of Public Services)	297
19 Correctional Services	1 154
R3.5 million collected from hiring out offender labour. 33% or R1.2 million reallocated to the department to supplement the budget for offender gratuities	1 154
20 Defence	132 223
From the sale of equipment procured through the General Defence Account	6 800
From the sale of equipment procured through the Special Defence Account	125 423
25 Communications	1 200
From Information System Electronics Telecommunication Technologies-Sector Education Training Authority for an internship programme	1 200
34 Water Affairs and Forestry	45 057
Donation from Anglo Alpha for 20/20 vision in Limpopo region	160
Following the closure of the industrial plantation trading account, forestry revenue is paid into the National Revenue Fund	44 897
Total	181 931

Table 6: Details of projected savings and under spending

Vote and description of saving	R thousands
Declared savings	
8 National Treasury	209 811
Transfer payment for the neighbourhood development partnership grant	109 811
Regularisation of the pre-1992 medical aid benefits of retired civil servants	100 000
14 Education	10 000
The Information Communication Technology project	10 000
Projected under spending	5 000 000
Total	5 219 811

Table 7: Expenditure outcome 2006/07 and preliminary expenditure 2007/08

Vote number and title	2006/07				2007/08		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
R thousand							
Central Government Administration							
1 The Presidency	238 865	99 483	236 274	98.9	272 101	109 731	10.3
2 Parliament	782 133	300 998	755 069	96.5	835 714	325 823	8.2
3 Foreign Affairs	3 042 149	1 230 314	2 944 680	96.8	4 119 063	1 543 061	25.4
4 Home Affairs	2 800 405	1 095 532	2 546 915	90.9	3 520 898	1 167 697	6.6
5 Provincial and Local Government	25 392 288	8 496 062	24 575 672	96.8	30 036 751	10 702 202	26.0
6 Public Works	3 116 762	1 688 037	3 025 788	97.1	3 759 464	1 970 196	16.7
Financial and Administrative Services							
7 Government Communication and Information	294 580	162 730	293 108	99.5	384 012	185 682	14.1
8 National Treasury	16 784 976	6 653 498	16 171 018	96.3	19 748 367	8 956 972	34.6
9 Public Service and Administration	442 426	201 633	429 354	97.0	384 063	161 148	(20.1)
10 Public Service Commission	97 003	44 424	96 068	99.0	108 164	49 331	11.0
11 SA Management Development Institute	58 918	28 041	58 268	98.9	131 126	36 652	30.7
12 Statistics South Africa	1 161 781	409 774	1 060 470	91.3	1 157 286	418 877	2.2
Social Services							
13 Arts and Culture	1 330 139	648 046	1 329 934	100.0	1 607 769	830 956	28.2
14 Education	14 299 176	10 313 965	14 249 805	99.7	16 386 752	11 670 595	13.2
15 Health	11 453 993	5 491 865	11 338 048	99.0	13 091 136	6 187 213	12.7
16 Labour	1 493 495	637 497	1 453 540	97.3	2 037 865	876 157	37.4
17 Social Development	62 382 425	33 947 619	61 676 087	98.9	67 229 108	35 082 859	3.3
18 Sport and Recreation South Africa	959 946	147 273	886 547	92.4	5 067 207	1 581 455	973.8
Justice and Protection Services							
19 Correctional Services	9 831 512	4 116 449	9 251 186	94.1	11 384 409	4 856 371	18.0
20 Defence	23 902 904	9 504 241	23 817 584	99.6	26 291 785	10 456 009	10.0
21 Independent Complaints Directorate	65 906	30 114	65 271	99.0	80 891	35 223	17.0
22 Justice and Constitutional Development	6 478 647	2 581 197	6 005 216	92.7	7 538 667	3 084 782	19.5
23 Safety and Security	32 521 231	14 826 768	32 521 230	100.0	36 386 105	16 584 380	11.9
Economic Services and Infrastructure							
24 Agriculture	2 367 630	948 209	2 218 894	93.7	3 469 603	968 270	2.1
25 Communications	1 322 306	434 125	1 319 597	99.8	1 924 483	624 680	43.9
26 Environmental Affairs and Tourism	2 061 804	1 242 988	2 059 664	99.9	2 790 521	1 571 460	26.4
27 Housing	7 333 726	3 494 729	7 165 962	97.7	8 982 358	3 814 747	9.2
28 Land Affairs	3 730 196	1 191 928	3 725 551	99.9	5 928 269	2 780 269	133.3
29 Minerals and Energy	2 635 100	1 066 113	2 607 675	99.0	2 974 937	1 521 729	42.7
30 Public Enterprises	2 869 923	623 998	2 589 835	90.2	4 605 089	985 327	57.9
31 Science and Technology	2 617 093	1 181 462	2 612 999	99.8	3 144 229	1 531 287	29.6
32 Trade and Industry	3 942 028	1 440 616	3 804 718	96.5	5 479 433	2 467 415	71.3
33 Transport	13 746 790	4 229 519	13 360 442	97.2	16 543 932	6 659 586	57.5
34 Water Affairs and Forestry	4 660 303	1 706 900	4 305 651	92.4	5 862 513	2 174 305	27.4
Total expenditure by vote	266 218 559	120 216 147	260 558 120	97.9	313 264 070	141 972 447	18.1
Plus:							
Total direct charges against the National Revenue Fund	209 971 865	107 369 795	209 598 215	99.8	234 109 618	119 173 614	11.0
State debt cost (National Treasury)	52 588 080	25 778 976	52 192 159	99.2	52 937 000	26 722 842	3.7
Provincial equitable share (National Treasury)	150 752 930	78 391 523	150 752 930	100.0	172 861 501	89 061 126	13.6
Skills development programme (Labour)	5 328 427	2 543 681	5 328 427	100.0	6 800 000	2 696 306	6.0
Judges and Magistrates salaries (Justice and Constitutional Development)	1 071 056	539 952	1 099 289	102.6	1 266 518	571 070	5.8
Members remuneration (Parliament)	229 218	114 612	223 256	97.4	242 380	121 192	5.7
President and Deputy President salaries (The Presidency)	2 154	1 051	2 154	100.0	2 219	1 078	2.6
Total	476 190 424	227 585 942	470 156 335	98.7	547 373 688	261 146 061	14.7

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

Vote number and title	2006/07				2007/08		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
Current payments							
Compensation of employees	52 812 624	24 145 832	50 827 484	96.2	58 473 616	27 389 202	13.4
Goods and services	29 405 822	11 811 796	28 185 220	95.8	34 085 903	12 969 685	9.8
Interest and rent on land	52 589 829	25 779 523	52 193 045	99.2	52 937 768	26 723 812	3.7
Financial transactions in assets and liabilities	9 573	44 211	152 291	1 590.8	14	18 431	(58.3)
Total current payments	134 817 848	61 781 363	131 358 041	97.4	145 497 301	67 101 131	8.6
Transfers and subsidies to:							
Provinces and municipalities	206 802 812	98 598 761	205 468 848	99.4	243 989 503	117 324 690	19.0
Departmental agencies and accounts	38 091 483	17 151 881	37 813 387	99.3	45 305 069	20 497 457	19.5
Universities and technikons	11 028 603	8 565 345	11 056 035	100.2	11 975 329	9 316 080	8.8
Public corporations & private enterprises	14 679 811	5 753 006	14 675 110	100.0	1 046 850	7 809 758	35.8
Foreign governments & international organisations	1 011 047	336 513	914 602	90.5	20 542 637	277 368	(17.6)
Non-profit institutions	990 572	206 597	844 652	85.3	1 307 062	406 311	96.7
Households	62 670 745	33 799 543	61 700 085	98.5	69 360 665	36 224 965	7.2
Total transfers and subsidies	335 275 073	164 411 647	332 472 720	99.2	393 527 115	191 856 628	16.7
Payments for capital assets							
Buildings and other fixed structures	3 133 302	605 241	2 466 024	78.7	4 867 248	1 017 491	68.1
Machinery and equipment	2 678 254	735 971	3 286 769	122.7	2 433 190	824 031	12.0
Cultivated assets	-	317	676	-	1 040	1 050	231.2
Software and other intangible assets	168 947	51 404	232 136	137.4	198 732	47 953	(6.7)
Land and subsoil assets	117 000	-	339 970	290.6	849 062	297 777	(100.0)
Total payments for capital assets	6 097 503	1 392 932	6 325 574	103.7	8 349 272	2 188 302	57.1
Total	476 190 424	227 585 942	470 156 335	98.7	547 373 688	261 146 061	14.7

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 it specifies the total amount appropriated per department in that Act.

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.

The discussion of each vote follows the same format, explained below.

Opening table

The amount to be appropriated by a vote reflects the adjusted rand amount to be voted for 2007/08. 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.

Adjusted Estimates of National Expenditure 2007

Table: Adjusted estimates

Adjusted expenditure is set out by programme and economic classification.

The main appropriation shows the total amount appropriated per programme in the Appropriation Act, 2007 (Act No. 7 of 2007)

Special Adjustments Appropriation indicates the amounts appropriated in the Special Adjustments Appropriation Act (2007/08 Financial Year), 2007 (Act No. 16 of 2007).

The additional appropriation consists of a variety of categories:

- **Roll-overs** are funds appropriated in 2006/07 but not spent, and are included for reappropriation in the 2007/08 financial year.
- **Unforeseeable and unavoidable expenditure** could not be anticipated at the time of finalising the inputs for the *Estimates of National Expenditure 2007*.
- **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 2007/08. 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 2007

Explanations are given for the additional appropriations for roll-overs and unforeseeable and unavoidable expenditure.

Virements

Table: Details on virements per programme and economic classification

Details on virements are set out.

Other adjustments

Explanations are given for savings, salary adjustments, shifting of funds, self-financing expenditure and amounts announced in the main Budget but not yet allocated.

Amounts forming a direct charge against the National Revenue Fund

Explanations are provided for any changes in these.

Expenditure 2006/07 and preliminary expenditure 2007/08

Table: Expenditure trends

The expenditure outcomes for the 2006/07 financial year per programme and economic classification are reflected in rand value (with adjustments for structural changes) and as a percentage of the 2006 adjusted appropriation. Preliminary expenditure for the first six months of the 2007/08 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 the first half of 2007/08

Expenditure trends are stated. Explanations are given for significant changes in expenditure compared to the 2006/07 financial year.

Changes to transfers and subsidies and conditional grants

Tables: Summary of changes to transfers and subsidies per programme

Summary of changes to conditional grants: Provinces

Summary of changes to conditional grants: Local Government (Municipalities)

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