

# **Adjusted Estimates of National Expenditure**

**2011**

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To obtain copies please contact:

Communications Directorate  
National Treasury  
Private Bag X115  
Pretoria  
0001  
South Africa  
Tel: +27 12 395 6697  
Fax: +27 12 315 5126

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## **2011**

**National Treasury**

**Republic of South Africa**

October 2011



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# Introduction

## The annual budget process

The main budget announces government spending for three years going forward: that is, the years of the medium-term expenditure framework (MTEF). Through an accompanying Appropriation Bill, the executive seeks Parliament's approval and adoption of its spending plans for the new financial year. Amounts allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the Appropriation Act, once approved by the President. The main budget also provides for a contingency reserve for expenditure related to unexpected circumstances.

Appropriation acts are divided into votes. Generally, a vote specifies the total amount appropriated per department. In some cases a vote may contain more than one department.

**February:** Minister of Finance tables main national budget and Appropriation Bill in National Assembly.

**April:** Start of new financial year.

**October:** Minister of Finance tables adjusted national budget and Adjustments Appropriation Bill in National Assembly.

In the middle of each year, the adjustments process provides an opportunity to revise the main budget in response to changes that have affected planned government spending for that year. The adjustments budget may allocate unused funds, mainly from the contingency reserve, and additional amounts that have been approved for particular types of spending. The adjusted budget includes the amount allocated in the main Appropriation Act as well as the effects of the adjustments. The adjusted budget is also tabled in the National Assembly by the Minister of Finance and is accompanied by an Adjustments Appropriation Bill. A Division of Revenue Amendment Bill is also tabled that sets out how the adjustments affect the Division of Revenue Act.

The *Estimates of National Expenditure (ENE)* describes in detail the planned spending of all national government votes over the MTEF period. The *Adjusted Estimates of National Expenditure (AENE)* describes in detail the revised spending plans for the first year of the MTEF period, that is the current financial year.

## The adjustments

The Public Finance Management Act (1999) (PFMA)<sup>1</sup> specifies the type of spending the adjustments budget may provide for. The Treasury Regulations, issued by National Treasury in terms of the PFMA,<sup>2</sup> are instructions about how to comply with the PFMA.

The adjustments budget makes provision for:

- **Roll-overs:** Unspent funds from the preceding financial year may be rolled over when activities planned to be completed by the end of that year have not been completed but are close to completion. The Treasury Regulations<sup>3</sup> restrict roll-overs as follows: compensation of employees funding may not be rolled over; a maximum of 5 per cent of a department's budget for goods and services may be rolled over; transfers and subsidies funding may not be rolled over for any purpose other than what the funds were originally allocated for; and unspent funds on payments for capital assets may only be rolled over to finalise projects or assets acquisitions already in progress.
- **Unforeseeable and unavoidable expenditure:** Unforeseeable and unavoidable expenditure is spending that could not be anticipated at the time of the main budget. The Treasury Regulations<sup>4</sup> specify that the following cannot be regarded as unforeseeable and unavoidable expenditure: spending that was known

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<sup>1</sup> Section 30(2)

<sup>2</sup> Section 76

<sup>3</sup> Section 6.4

<sup>4</sup> Section 6.6

when finalising the main budget but could not be accommodated in the allocations then; spending increases due to tariff adjustments and price increases; and spending to extend existing services or create new services that are not unforeseeable and unavoidable. Spending made necessary by adverse weather conditions is an example of unforeseeable and unavoidable expenditure.

- **Virements** are the utilisation of savings or underspending from amounts appropriated under one main division (programme) towards the defrayment of increased expenditure under another main division within the same vote. Legislation<sup>5</sup> and the Treasury Regulations<sup>6</sup> set parameters within which virements can take place.
- **Shifts** are the utilisation of savings or underspending towards the defrayment of increased expenditure within a main division (programme) of a vote between different segments (subprogramme and economic classification) of the main division. Shifts include the reallocation of funds which may have incorrectly been allocated during the ENE process.
- **Function shifts:**<sup>7</sup> When functions are shifted to another vote or institution in terms of legislation and/or following the reassignment of responsibility for the functions, the associated assets and liabilities also need to be shifted. Such shifts can also happen between main divisions (programmes) within a vote.
- **Unallocated amounts announced in the main budget:** In certain instances, an amount to be allocated for the three years of the MTEF period for a specific purpose will be announced by the Minister of Finance when the main budget is tabled, but the details of the annual allocations are to be decided later. This is usually when plans have not been finalised in time to decide on the specific allocation amounts for the main budget.
- **Adjustments due to significant and unforeseeable economic and financial events:** When unforeseeable economic and financial events affect the fiscal targets set by the main budget, adjustments may need to be made. Significantly higher inflation than anticipated in budget projections over the MTEF period is an example of such an event.
- **Emergencies:**<sup>8</sup> The Minister of Finance can approve the use of unappropriated funds for spending of an exceptional nature. This happens if postponing the spending to a future parliamentary appropriation would seriously prejudice the public interest. The Minister of Finance must subsequently provide a report to Parliament.
- **Self-financing expenditure** is spending financed from revenue derived from a vote's specific activities. The revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote.
- **Declared savings** are unspent amounts that departments explicitly indicate they will not reallocate to fund their other spending. In many instances this would be because a virement of the funds is not possible in terms of the PFMA.<sup>9</sup>
- **Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval, such as expenditure on state debt costs.
- **Gifts, donations and sponsorships** from the vote are also included in the adjustments budget.

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<sup>5</sup> Section 43 of the PFMA and section 5 of the Appropriation Act (2011)

<sup>6</sup> Section 6.3

<sup>7</sup> Section 42 of the PFMA

<sup>8</sup> Section 16 of the PFMA

<sup>9</sup> Section 43



## Summary of the adjustments for 2011/12

The adjustments budget makes provision for an additional R10.296 billion in vote allocations for 2011/12, comprised as follows:

• roll-overs	R3.737 billion
• unforeseeable and unavoidable expenditure	R1.031 billion
• higher than expected personnel remuneration adjustment costs	R4.405 billion
• self-financing expenditure	R838.138 million
• state debt costs	R285.327 million

A contingency reserve of R4.090 billion was set aside in the main budget. Budget spending projections also make provision for about R7.071 billion in underspending at the national level (including declared savings) in addition to the R40 million that was unallocated. Offsetting this R11.201 billion available on the main budget against the R10.296 billion in the adjustments budget, the total estimated level of spending decreases by R905.053 million, from a budgeted R888.923 billion to a revised R888.018 billion.

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Table 8: Expenditure outcome 2010/11 and preliminary expenditure 2011/12

Table 9: Adjusted departmental receipts

**Table 1: 2011/12 adjusted national budget**

	Main appropriation (ENE)	Adjustments appropriation (AENE)	Adjusted appropriation (AENE)
R thousand			
<b>Adjusted appropriation by vote</b>	<b>499 480 936</b>	<b>6 769 315</b>	<b>506 250 251</b>
Main appropriation	499 480 936		499 480 936
<b>Total adjustments</b>	<b>–</b>	<b>6 769 315</b>	<b>6 769 315</b>
Roll-overs	–	3 737 197	3 737 197
Unforeseeable and unavoidable expenditure	–	1 030 502	1 030 502
National government salary adjustment	–	1 162 505	1 162 505
Shifting of funds from direct charges	–	973	973
Self-financing	–	838 138	838 138
<b>Direct charges against the National Revenue Fund</b>	<b>385 311 972</b>	<b>3 527 032</b>	<b>388 839 004</b>
State debt costs	76 578 687	285 327	76 864 014
Provincial equitable share (Salary adjustment)	288 492 831	3 242 678	291 735 509
Skills levy and SETAS	9 148 712	–	9 148 712
Remuneration of public office bearers	2 518 612	(973)	2 517 639
General fuel levy sharing with metropolitan municipalities	8 573 130	–	8 573 130
<b>Subtotal</b>	<b>884 792 908</b>	<b>10 296 347</b>	<b>895 089 255</b>
Unallocated funds	40 000	(40 000)	–
Contingency reserve	4 090 400	(4 090 400)	–
Projected underspending	–	(6 000 000)	(6 000 000)
Declared savings	–	(1 071 000)	(1 071 000)
<b>Total Estimated Expenditure Level</b>	<b>888 923 308</b>	<b>(905 053)</b>	<b>888 018 255</b>
<b>Main budget revenue</b>	<b>729 857 638</b>	<b>(11 315 488)</b>	<b>718 542 150</b>
Tax revenue	741 620 000	(13 027 600)	728 592 400
Non-tax revenue	10 000 877	1 712 112	11 712 989
Less: Estimate of SACU payments	(21 763 239)	–	(21 763 239)
<b>Budget balance</b>	<b>(159 065 670)</b>	<b>(10 410 435)</b>	<b>(169 476 105)</b>

**Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund**

Vote number and title		2011/12					Total adjustments appropriation	Adjusted appropriation
		Additional appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
<b>Central Government Administration</b>								
1	The Presidency	814 983	–	37 500	–	78 427	115 927	930 910
2	Parliament	1 265 262	–	–	–	7 628	7 628	1 272 890
3	Cooperative Governance and Traditional Affairs	47 933 580	5 600	266 317	–	(835)	271 082	48 204 662
4	Home Affairs	5 464 134	–	40 598	–	346 082	386 680	5 850 814
5	International Relations and Cooperation	4 796 768	66 621	10 000	–	280 000	356 621	5 153 389
6	Performance Monitoring and Evaluation	75 790	–	16 254	–	4 158	20 412	96 202
7	Public Works	7 819 256	–	–	–	10 488	10 488	7 829 744
8	Women, Children and People with Disabilities	117 943	25 000	–	–	204	25 204	143 147
<b>Financial and Administrative Services</b>								
9	Government Communication and Information System	496 393	6 500	–	–	(60 950)	(54 450)	441 943
10	National Treasury	22 598 191	1 852 039	–	–	(610 759)	1 241 280	23 839 471
11	Public Enterprises	230 231	3 378	116 255	–	3 478	123 111	353 342
12	Public Service and Administration	690 069	–	–	–	84	84	690 153
13	Statistics South Africa	3 240 909	486 994	–	–	2 224	489 218	3 730 127
<b>Social Services</b>								
14	Arts and Culture	2 468 577	65 798	–	–	2 558	68 356	2 536 933
15	Basic Education	13 868 134	29 886	–	–	182 446	212 332	14 080 466
16	Health	25 731 554	231 314	2 606	–	2 497	236 417	25 967 971
17	Higher Education and Training	28 228 589	18 241	–	–	52 684	70 925	28 299 514
18	Labour	1 981 458	2 943	26 500	–	6 482	35 925	2 017 383
19	Social Development	104 732 697	–	–	–	(448 810)	(448 810)	104 283 887
20	Sport and Recreation South Africa	802 690	16 661	–	–	1 529	18 190	820 880
<b>Justice, Crime Prevention and Security</b>								
21	Correctional Services	16 559 196	–	–	–	127 729	127 729	16 686 925
22	Defence and Military Veterans	34 604 965	–	81 437	–	(337 315)	(255 878)	34 349 087
23	Independent Complaints Directorate	151 600	1 424	–	–	510	1 934	153 534
24	Justice and Constitutional Development	11 413 491	97 400	10 000	–	60 808	168 208	11 581 699
25	Police	58 061 537	–	–	–	489 000	489 000	58 550 537
<b>Economic Services and Infrastructure</b>								
26	Agriculture, Forestry and Fisheries	4 719 741	37 511	193 843	–	13 354	244 708	4 964 449
27	Communications	1 889 112	112 213	–	–	1 540	113 753	2 002 865
28	Economic Development	594 540	3 300	–	–	519	3 819	598 359
29	Energy	6 089 902	88 216	21 192	–	1 599	111 007	6 200 909
30	Environmental Affairs	2 846 063	282 846	–	–	1 072 707	1 355 553	4 201 616
31	Human Settlements	22 578 495	64 639	–	–	182 407	247 046	22 825 541
32	Mineral Resources	1 036 212	–	–	–	2 753	2 753	1 038 965
33	Rural Development and Land Reform	8 124 246	–	–	–	12 451	12 451	8 136 697
34	Science and Technology	4 404 618	–	–	–	2 385	2 385	4 407 003
35	Tourism	1 242 876	19 422	–	–	2 687	22 109	1 264 985
36	Trade and Industry	6 786 896	50 448	–	–	39 169	89 617	6 876 513
37	Transport	35 084 013	22 975	–	–	660 432	683 407	35 767 420
38	Water Affairs	9 936 225	145 828	208 000	–	(1 261 734)	(907 906)	9 028 319
<b>Total</b>		<b>499 480 936</b>	<b>3 737 197</b>	<b>1 030 502</b>	<b>–</b>	<b>930 616</b>	<b>5 698 315</b>	<b>505 179 251</b>

**Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund (continued)**

R thousand	2011/12						Adjusted appropriation
	Main appropriation	Additional appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Plus:</b>							
<b>Total direct charges against the National Revenue Fund</b>	<b>385 311 972</b>	–	–	–	<b>3 527 032</b>	<b>3 527 032</b>	<b>388 839 004</b>
President and Deputy President salary (The Presidency)	4 810	–	–	–	(973)	(973)	3 837
Members' remuneration (Parliament)	409 640	–	–	–	–	–	409 640
State debt costs (National Treasury)	76 578 687	–	–	–	285 327	285 327	76 864 014
Provincial equitable share (National Treasury)	288 492 831	–	–	–	3 242 678	3 242 678	291 735 509
General fuel levy sharing with metropolitan municipalities (National Treasury)	8 573 130	–	–	–	–	–	8 573 130
Skills levy and Setas (Higher Education and Training)	9 148 712	–	–	–	–	–	9 148 712
Judges' and magistrates' salaries (Justice and Constitutional Development)	2 104 162	–	–	–	–	–	2 104 162
<b>Total</b>	<b>884 792 908</b>	<b>3 737 197</b>	<b>1 030 502</b>	<b>–</b>	<b>4 457 648</b>	<b>9 225 347</b>	<b>894 018 255</b>
Unallocated funds	40 000				(40 000)	(40 000)	–
Contingency reserve	4 090 400				(4 090 400)	(4 090 400)	–
Projected underspending					(6 000 000)	(6 000 000)	(6 000 000)
<b>Total</b>	<b>888 923 308</b>	<b>3 737 197</b>	<b>1 030 502</b>	<b>–</b>	<b>5 672 752</b>	<b>(905 053)</b>	<b>888 018 255</b>

**Table 2.1: Adjusted appropriations per economic classification**

Economic classification	2011/12						Adjusted appropriation
	Main appropriation	Additional appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Current payments</b>							
Compensation of employees	94 788 446	4 973	20 386	935 270	1 100 757	2 061 386	96 849 832
Goods and services	52 944 155	1 121 373	366 414	(186 599)	55 235	1 356 423	54 300 578
Interest and rent on land	76 606 433	–	–	173 111	285 327	458 438	77 064 871
<b>Total current payments</b>	<b>224 339 034</b>	<b>1 126 346</b>	<b>386 800</b>	<b>921 782</b>	<b>1 441 319</b>	<b>3 876 247</b>	<b>228 215 281</b>
<b>Transfers and subsidies</b>							
Provinces and municipalities	428 131 536	1 229 441	152 166	(19 415)	3 881 000	5 243 192	433 374 728
Departmental agencies and accounts	68 241 869	147 202	108 964	(1 327 032)	(1 145 757)	(2 216 623)	66 025 246
Universities and technikons	19 365 408	3 436	–	18 312	–	21 748	19 387 156
Foreign governments and international organisations	1 463 413	16 661	–	14 657	(4 300)	27 018	1 490 431
Public corporations and private enterprises	23 642 942	160 839	116 255	(138 778)	11 285	149 601	23 792 543
Non-profit institutions	1 500 427	–	–	1 798	–	1 798	1 502 225
Households	106 151 307	676 330	266 317	1 123	255 127	1 198 897	107 350 204
<b>Total transfers and subsidies</b>	<b>648 496 902</b>	<b>2 233 909</b>	<b>643 702</b>	<b>(1 449 335)</b>	<b>2 997 355</b>	<b>4 425 631</b>	<b>652 922 533</b>
<b>Payments for capital assets</b>							
Buildings and other fixed structures	7 844 958	165 282	–	292 008	16 784	474 074	8 319 032
Machinery and equipment	3 302 716	211 660	–	217 034	2 190	430 884	3 733 600
Specialised military assets	20 652	–	–	–	–	–	20 652
Biological and cultivated assets	235	–	–	–	–	–	235
Software and other intangible assets	38 311	–	–	18 096	–	18 096	56 407
<b>Total payments for capital assets</b>	<b>11 206 872</b>	<b>376 942</b>	<b>–</b>	<b>527 138</b>	<b>18 974</b>	<b>923 054</b>	<b>12 129 926</b>
<b>Total payments for financial assets</b>	<b>750 100</b>	<b>–</b>	<b>–</b>	<b>415</b>	<b>–</b>	<b>415</b>	<b>750 515</b>
<b>Total</b>	<b>884 792 908</b>	<b>3 737 197</b>	<b>1 030 502</b>	<b>–</b>	<b>4 457 648</b>	<b>9 225 347</b>	<b>894 018 255</b>
Unallocated	40 000				(40 000)	(40 000)	–
Contingency reserve	4 090 400				(4 090 400)	(4 090 400)	–
Projected underspending					(6 000 000)	(6 000 000)	(6 000 000)
<b>Total</b>	<b>888 923 308</b>	<b>3 737 197</b>	<b>1 030 502</b>	<b>–</b>	<b>(5 672 752)</b>	<b>(905 053)</b>	<b>888 018 255</b>

**Table 3: Roll-overs**

Vote and description of expenditure	R thousand
<b>3 Cooperative Governance and Traditional Affairs</b> Community work programme to finalise the establishment of employment creation sites	5 600
<b>5 International Relations and Cooperation</b> R51.328 million for the refurbishment of the chancery and official residence in Washington; R2.793 million for the refurbishment of elevators at South Africa House in London; R12.500 million for the chancery and official residence in Abuja	66 621
<b>8 Women, Children and People with Disabilities</b> R5.775 million for IT infrastructure; R1.500 million for furniture and fittings; R8 million for advocacy events to address violence against women and children; R2.425 million for the rural women's development strategy; R800 000 for the Disability Universal Accessibility campaign; R1 million for the Sanitary Towel Dignity campaign; R2 million for the National Women's Day event; R1 million for the International Day for Disabled People event; R1 million for the African Decade for Disabled People event; R1.500 million for the African Union's African Women's Decade Campaign	25 000
<b>9 Government Communication and Information System</b> Relocation of the department to a new building	6 500
<b>10 National Treasury</b> R15.253 million to deploy long-term technical assistants and roll out programmes to support sustainable institutionalisation of the infrastructure delivery improvement programme system in the provinces; R1.090 billion for the infrastructure grant to provinces; R111 million for funds payable to the South African Reserve Bank for increased bank charges and for the administration of the voluntary disclosure programme; R636.103 million for pension payments	1 852 039
<b>11 Public Enterprises</b> R1.836 million to provide financial modelling support to South African Airways and South African Express Airways; R1.542 million for a performance audit	3 378
<b>13 Statistics South Africa</b> Census 2011: R42.385 million for machinery and equipment; R50.487 million for leasing of satellite offices; R21.108 million for compensation of 6 000 fieldwork coordinators; R173.014 million for furniture, office equipment, printing, marketing material and agency outsourced services; R200 million to amend the methodology for conducting Census 2011	486 994
<b>14 Arts and Culture</b> R32.127 million for Investing in Culture Project payments; R26.514 million for the community library services grant; R3.657 million for the hosting of community conversations that lead to social cohesion; R3.500 million for hosting the national reporting summit on geographical names	65 798
<b>15 Basic Education</b> R1.530 million for courier services rendered for the mass literacy campaign; R8.906 million for verifying and capturing the marks of grades 3, 6 and 9 in respect of the national assessments; R6.995 million for specialised computer services for the learner records project; R1.937 million for the national school nutrition programme baseline study; R10.518 million for the technical secondary schools recapitalisation grant	29 886
<b>16 Health</b> R5.500 million for IT systems in the Civitas building; R7.500 million for advertising services for the Khomanani project; R30 million for rent owing to the Department of Public Works for office accommodation in the Civitas building; R84.500 million for the hospital revitalisation grant; R3.814 million for the tuberculosis prevalence survey; R100 million to improve infrastructure planning and for the procurement of health facilities	231 314
<b>17 Higher Education and Training</b> R4 million to install a security system; R2.330 million for services rendered by the State Information and Technology Agency; R1.436 million for task teams appointed to complete the development of a model to establish new universities and to finalise the review of the position of Medunsa Hospital at the University of Limpopo; R1.973 million for the remuneration of examiners and moderators; R8.502 million to establish the Quality Council for Trades and Occupations	18 241

**Table 3: Roll-overs (continued)**

Vote and description of expenditure		R thousand
18	<b>Labour</b> Evaluation study of the national skills development strategy II	2 943
20	<b>Sport and Recreation South Africa</b> VAT refund payable to FIFA for 2010 FIFA World Cup ticket sales	16 661
23	<b>Independent Complaints Directorate</b> Software licences and specialised services	1 424
24	<b>Justice and Constitutional Development</b> Special Investigation Unit for a budget shortfall	97 400
26	<b>Agriculture, Forestry and Fisheries</b> R2.926 million to construct a border fence between South Africa and Lesotho; R19.509 million for a project to register all smallholder farmers in South Africa; R5 million for the Lima/Letsema project grant; R10.076 million for the comprehensive agricultural support programme grant	37 511
27	<b>Communications</b> R109.900 million to Sentech to roll out digital terrestrial television infrastructure; R1.133 million for the automation of business processes; R1.180 million for the service deployment component of the e-Cadre programme	112 213
28	<b>Economic Development</b> R2 million for transfers to the University of the Witwatersrand for providing an economic development capacity course; R1.300 million for legal services provided in the Walmart / Massmart case	3 300
29	<b>Energy</b> R20.191 million to the Central Energy Fund to conduct the feasibility study for the Upington solar park and for the Vaal Dam hydroelectric project; R57 million for the installation of solar water heaters; R1.063 million for auditing the compliance of oil companies with the South African Petroleum and Liquid Fuels Charter and Empowerment Framework; R9.962 million for membership fees for the International Atomic Energy Agency	88 216
30	<b>Environmental Affairs</b> R5.280 million to purchase air quality monitoring stations and equipment; R80.004 million for projected foreign exchange rate losses; R41.300 million for operational expenditure for the South African National Biodiversity Institute; R50.769 million to cover the projected shortfall on the final instalment for the South African Agulhas II; R105.493 million to cover the costs of South Africa's participation in the 17th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 17)	282 846
31	<b>Human Settlements</b> R31.135 million for the accelerated community infrastructure programme; R26.008 million for the rural household infrastructure grant; R3.196 million for the department's turnaround strategy; R4.300 million for specialised services provided by the State Information Technology Agency	64 639
35	<b>Tourism</b> Purchase of capital assets for the new head office building	19 422
36	<b>Trade and Industry</b> R30.748 million for the automotive production and development programme; R19.700 million to host the Second Tripartite Summit	50 448
37	<b>Transport</b> R3.569 million for office accommodation; R1.790 million for establishing interim rail economic regulatory capacity; R3.476 million for the King Sabatha Dalindyebo integrated sustainable rural development and transport plan; R4.785 million to manage the implementation of automated fare collection, regulations and data structures; R1.451 million for the implementation of accessible public transport corridors; R7.904 million for the implementation of the public transport operations grant	22 975
38	<b>Water Affairs</b> R26 million for the construction of new boreholes; R10.592 million for the regional bulk infrastructure grant; R3.150 million for the operation and maintenance of water schemes; R2 million for the supply and installation of two sewerage effluent pumps; R7 million to the Industrial Development Trust for rain water harvesting tanks; R12.922 million for fleet management services; R9.933 million for drought relief in the Ndlambe municipality; R74.231 million for the Masimbambane III project	145 828
<b>Total</b>		<b>3 737 197</b>

**Table 4: Unforeseeable and unavoidable expenditure**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>1 The Presidency</b>	<b>37 500</b>
Litigation costs	20 000
Official state funerals	1 500
Office of the President: Support for international conflict resolution	5 000
Presidential review committee on state owned enterprises for extension of the engagement period	11 000
<b>3 Cooperative Governance and Traditional Affairs</b>	<b>266 317</b>
Gratuity payment for non-returning councillors	266 317
<b>4 Home Affairs</b>	<b>40 598</b>
Costs incurred due to requirements for the Electoral Commission to extend its services for the casting of special votes in the local government elections	40 598
<b>5 International Relations and Cooperation</b>	<b>10 000</b>
South Africa's increased mediation/facilitation role in the management of conflicts in Africa, particularly in Libya, Sudan, Burundi and Côte d'Ivoire	10 000
<b>6 Performance Monitoring and Evaluation</b>	<b>16 254</b>
Payments due to service providers for the Presidential Hotline	16 254
<b>11 Public Enterprises</b>	<b>116 255</b>
Claim by Denel Saab Aerostructures under the indemnity agreement provided by government in respect of A400M aircraft contracts	116 255
<b>16 Health</b>	<b>2 606</b>
Repair of flood damaged health infrastructure (19 clinics) in the Eastern Cape, KwaZulu-Natal, North West, Free State, Northern Cape, Limpopo, Gauteng and Mpumalanga provinces	2 606
<b>18 Labour</b>	<b>26 500</b>
For the Compensation Fund for the costs of administering the claims by public servants for injuries, diseases or illnesses contracted while on duty	26 500
<b>22 Defence and Military Veterans</b>	<b>81 437</b>
Deployment of resources to counter piracy in the Mozambican Channel in conjunction with the Mozambican Defence Force	81 437
<b>24 Justice and Constitutional Development</b>	<b>10 000</b>
Additional human resource capacity for the Public Protector South Africa	10 000
<b>26 Agriculture, Forestry and Fisheries</b>	<b>193 843</b>
Replacement of damaged hydro-acoustic survey equipment	10 674
Combating the foot-and-mouth disease outbreak in KwaZulu-Natal	26 609
Repair and replacement of flood damaged agricultural resources	149 560
Combating the highly pathogenic avian influenza outbreak in the Western Cape	7 000
<b>29 Energy</b>	<b>21 192</b>
Operational expenditure for the National Nuclear Regulator	21 192
<b>38 Water Affairs</b>	<b>208 000</b>
Management of acid mine drainage in the Witwatersrand area	208 000
<b>Total</b>	<b>1 030 502</b>

**Table 5: Adjustments due to significant and unforeseeable economic and financial events**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>National government</b>	<b>1 113 183</b>
5 International Relations and Cooperation	80 000
21 Correctional Services	127 000
22 Defence and Military Veterans	200 000
25 Police	489 000
Other National Departments	217 183
<b>Provincial government</b>	<b>3 292 000</b>
<b>10 National Treasury</b>	
Provincial equitable share	3 242 678
<b>17 Higher Education and Training</b>	
Further education and training colleges grant	49 322
<b>Total</b>	<b>4 405 183</b>

**Table 6: Self-financing expenditure**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>4 Home Affairs</b>	<b>327 000</b>
Revenue generated from the issuing of passports to be used to defray expenditure incurred in issuing passports	
<b>12 Public Service and Administration</b>	<b>84</b>
Donation received from Systems Applications Products (SAP South Africa (Pty) Ltd) to be used for expenditure relating to the annual departmental budget vote speech	
<b>21 Correctional Services</b>	<b>729</b>
Departmental revenue of R2.187 million is projected to be collected from hiring out offender labour; R729 000, or one third, will be used to supplement the budget for offender gratuities	
<b>22 Defence and Military Veterans</b>	<b>62 685</b>
Departmental revenue from selling equipment and spares procured through the Special Defence Account and the General Defence Account will be used for special defence activities	
<b>36 Trade and Industry</b>	<b>30 000</b>
Departmental revenue from various public entities for unitary payment commitments for the department's public-private partnership campus accommodation will be used to pay the total unitary amount due in relation to the public-private partnership agreement	
<b>37 Transport</b>	<b>417 640</b>
Departmental revenue from transaction fees for vehicle registrations will be used for the maintenance and upgrading of the electronic national transport information system	
<b>Total</b>	<b>838 138</b>

**Table 7: Declared savings and projected underspending**

<b>Vote and description of saving</b>	<b>R thousand</b>
<b>Declared savings</b>	
<b>3 Cooperative Governance and Traditional Affairs</b>	
Underspending on computer services	3 000
<b>10 National Treasury</b>	
Local government financial management grant funds have not been committed to municipalities for the internship programme for infrastructure delivery in local government	11 000
<b>19 Social Development</b>	
Fewer applications received for social assistance grants than anticipated	457 000
<b>22 Defence and Military Veterans</b>	
Delays in the strategic defence procurement programme	600 000
<b>Total declared savings</b>	<b>1 071 000</b>
<b>Projected underspending</b>	<b>6 000 000</b>
<b>Total</b>	<b>7 071 000</b>



Table 8: Expenditure outcome 2010/11 and preliminary expenditure 2011/12

Vote number and title		2010/11 Expenditure outcome				2011/12 Preliminary expenditure			
		Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
R thousand									
<b>Central Government Administration</b>									
1	The Presidency	807 463	410 834	50.9	835 891	103.5	930 910	410 520	44.1
2	Parliament	1 201 621	520 246	43.3	1 198 937	99.8	1 272 890	561 358	44.1
3	Cooperative Governance and Traditional Affairs	44 573 119	18 718 071	42.0	44 456 410	99.7	48 204 662	19 052 704	39.5
4	Home Affairs	5 834 390	2 064 809	35.4	6 521 694	111.8	5 850 814	2 851 487	48.7
5	International Relations and Cooperation	4 715 818	1 775 088	37.6	4 417 183	93.7	5 153 389	1 759 365	34.1
6	Performance Monitoring and Evaluation	–	–	–	–	–	96 202	27 608	28.7
7	Public Works	7 364 797	2 779 744	37.7	6 615 083	89.8	7 829 744	3 187 147	40.7
8	Women, Children and People with Disabilities	106 190	52 505	49.4	109 918	103.5	143 147	26 809	18.7
<b>Financial and Administrative Services</b>									
9	Government Communication and Information System	550 184	272 947	49.6	522 329	94.9	441 943	232 531	52.6
10	National Treasury	50 209 414	23 739 360	47.3	47 260 386	94.1	23 839 471	9 686 621	40.6
11	Public Enterprises	555 549	204 452	36.8	540 001	97.2	353 342	120 250	34.0
12	Public Service and Administration	658 653	261 893	39.8	628 165	95.4	690 153	293 199	42.5
13	Statistics South Africa	2 101 379	638 769	30.4	1 694 866	80.7	3 730 127	1 151 512	30.9
<b>Social Services</b>									
14	Arts and Culture	2 441 245	1 081 437	44.3	2 248 819	92.1	2 536 933	1 032 972	40.7
15	Basic Education	6 171 999	2 833 659	45.9	5 515 077	89.4	14 080 466	6 425 682	45.6
16	Health	21 661 512	10 599 053	48.9	20 918 579	96.6	25 967 971	13 023 818	50.2
17	Higher Education and Training	23 776 202	17 292 382	72.7	23 752 354	99.9	28 299 514	20 876 996	73.8
18	Labour	1 835 823	850 904	46.4	1 826 310	99.5	2 017 383	911 013	45.2
19	Social Development	95 941 061	49 608 738	51.7	94 031 030	98.0	104 283 887	51 853 882	49.7
20	Sport and Recreation South Africa	1 255 489	908 026	72.3	1 252 026	99.7	820 880	399 517	48.7
<b>Justice, Crime Prevention and Security</b>									
21	Correctional Services	15 427 465	6 504 118	42.2	14 698 843	95.3	16 686 925	7 347 976	44.0
22	Defence and Military Veterans	30 442 591	14 262 794	46.9	30 442 371	100.0	34 349 087	15 770 685	45.9
23	Independent Complaints Directorate	131 435	48 117	36.6	128 444	97.7	153 534	62 139	40.5
24	Justice and Constitutional Development	10 787 345	4 632 107	42.9	10 684 930	99.1	11 581 699	5 832 075	50.4
25	Police	53 529 740	24 751 578	46.2	53 529 700	100.0	58 550 537	27 502 699	47.0
<b>Economic Services and Infrastructure</b>									
26	Agriculture, Forestry and Fisheries	3 953 854	1 894 445	47.9	3 850 664	97.4	4 964 449	2 119 041	42.7
27	Communications	2 138 001	560 502	26.2	1 426 477	66.7	2 002 865	563 695	28.1
28	Economic Development	449 840	171 003	38.0	400 674	89.1	598 359	265 871	44.4
29	Energy	5 648 664	2 089 265	37.0	5 505 386	97.5	6 200 909	2 887 912	46.6
30	Environmental Affairs	2 488 514	1 155 503	46.4	2 390 023	96.0	4 201 616	1 700 566	40.5
31	Human Settlements	16 291 759	7 798 291	47.9	16 091 953	98.8	22 825 541	10 594 412	46.4
32	Mineral Resources	995 842	453 709	45.6	994 697	99.9	1 038 965	519 091	50.0
33	Rural Development and Land Reform	7 293 382	2 773 150	38.0	7 122 856	97.7	8 136 697	3 375 250	41.5
34	Science and Technology	4 127 983	1 684 564	40.8	4 051 902	98.2	4 407 003	2 488 069	56.5
35	Tourism	1 183 816	696 080	58.8	1 143 476	96.6	1 264 985	557 078	44.0
36	Trade and Industry	6 194 208	2 278 010	36.8	5 796 741	93.6	6 876 513	3 445 927	50.1
37	Transport	25 289 083	14 002 989	55.4	25 075 045	99.2	35 767 420	17 805 441	49.8
38	Water Affairs	8 203 193	3 091 220	37.7	7 913 137	96.5	9 028 319	2 733 828	30.3
<b>Total</b>		<b>466 338 623</b>	<b>223 460 362</b>	<b>47.9</b>	<b>455 592 377</b>	<b>97.7</b>	<b>505 179 251</b>	<b>239 456 746</b>	<b>47.4</b>

Table 8: Expenditure outcome 2010/11 and preliminary expenditure 2011/12 (continued)

R thousand	2010/11 Expenditure outcome				2011/12 Preliminary expenditure			
	Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>351 040 015</b>	<b>170 975 186</b>	<b>48.7</b>	<b>349 548 131</b>	<b>99.6</b>	<b>388 839 004</b>	<b>189 754 542</b>	<b>48.8</b>
President and Deputy President salary (The Presidency)	4 550	1 954	42.9	3 950	86.8	3 837	2 501	65.2
Members' remuneration (Parliament)	392 679	165 362	42.1	346 040	88.1	409 640	168 446	41.1
State debt costs (National Treasury)	67 606 879	32 987 713	48.8	66 226 844	98.0	76 864 014	37 399 178	48.7
Provincial equitable share (National Treasury)	265 139 448	130 486 890	49.2	265 139 448	100.0	291 735 509	144 246 430	49.4
General fuel levy sharing with metropolitan municipalities (National Treasury)	7 542 361	2 514 120	33.3	7 542 361	100.0	8 573 130	2 857 710	33.3
Skills levy and Setas (Higher Education and Training)	8 424 228	3 884 267	46.1	8 379 259	99.5	9 148 712	4 091 201	44.7
Judges' and magistrates' salaries (Justice and Constitutional Development)	1 929 870	934 880	48.4	1 910 229	99.0	2 104 162	989 076	47.0
<b>Total</b>	<b>817 378 638</b>	<b>394 435 548</b>	<b>48.3</b>	<b>805 140 508</b>	<b>98.5</b>	<b>894 018 255</b>	<b>429 211 288</b>	<b>48.0</b>
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees	88 748 570	41 361 447	46.6	86 923 476	97.9	96 849 832	46 548 005	48.1
Goods and services	48 271 533	17 983 578	37.3	44 141 786	91.4	54 300 578	20 407 314	37.6
Interest and rent on land	67 615 628	32 992 604	48.8	66 586 115	98.5	77 064 871	37 414 964	48.5
<b>Total current payments</b>	<b>204 635 731</b>	<b>92 337 629</b>	<b>45.1</b>	<b>197 651 377</b>	<b>96.6</b>	<b>228 215 281</b>	<b>104 370 283</b>	<b>45.7</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	386 897 088	187 286 316	48.4	383 779 777	99.2	433 374 728	207 554 434	47.9
Departmental agencies and accounts	57 897 703	27 429 252	47.4	55 614 061	96.1	66 025 246	34 492 897	52.2
Universities and technikons	17 576 587	13 611 192	77.4	17 726 527	100.9	19 387 156	14 947 927	77.1
Foreign governments and international organisations	1 357 447	325 133	24.0	1 247 512	91.9	1 490 431	332 916	22.3
Public corporations and private enterprises	19 058 875	9 994 598	52.4	20 053 282	105.2	23 792 543	11 191 002	47.0
Non-profit institutions	1 471 819	395 796	26.9	1 046 630	71.1	1 502 225	551 391	36.7
Households	98 287 478	50 113 221	51.0	95 581 549	97.2	107 350 204	51 990 895	48.4
<b>Total transfers and subsidies</b>	<b>582 546 997</b>	<b>289 155 508</b>	<b>49.6</b>	<b>575 049 338</b>	<b>98.7</b>	<b>652 922 533</b>	<b>321 061 462</b>	<b>49.2</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	5 938 030	1 804 346	30.4	5 486 814	92.4	8 319 032	2 023 501	24.3
Machinery and equipment	3 308 298	907 742	27.4	4 659 252	140.8	3 733 600	1 269 095	34.0
Heritage assets	—	43	—	—	—	—	36	—
Specialised military assets	19 005	34 213	180.0	66 760	351.3	20 652	16 726	81.0
Biological and cultivated assets	2 093	324	15.5	2 070	98.9	235	1 790	761.7
Land and subsoil assets	—	—	—	772 438	—	—	13 243	—
Software and other intangible assets	39 145	24 173	61.8	247 173	631.4	56 407	28 262	50.1
<b>Total payments for capital assets</b>	<b>9 306 571</b>	<b>2 770 841</b>	<b>29.8</b>	<b>11 234 507</b>	<b>120.7</b>	<b>12 129 926</b>	<b>3 352 653</b>	<b>27.6</b>
<b>Total payments for financial assets</b>	<b>20 889 339</b>	<b>10 171 570</b>	<b>48.7</b>	<b>21 205 286</b>	<b>101.5</b>	<b>750 515</b>	<b>426 890</b>	<b>56.9</b>
<b>Total</b>	<b>817 378 638</b>	<b>394 435 548</b>	<b>48.3</b>	<b>805 140 508</b>	<b>98.5</b>	<b>894 018 255</b>	<b>429 211 288</b>	<b>48.0</b>

**Table 9: Adjusted departmental receipts**

Vote number and title	2010/11					2011/12			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
R thousand									
<b>Central Government Administration</b>									
1 The Presidency	451	322	71.4	586	129.9	331	258	180	69.8
2 Parliament	15 500	15 149	97.7	32 702	211.0	11 940	24 234	16 150	66.6
3 Cooperative Governance and Traditional Affairs	627	110	17.5	241	38.4	633	633	291	46.0
4 Home Affairs	455 256	124 007	27.2	644 752	141.6	482 575	482 575	233 265	48.3
5 International Relations and Cooperation	21 994	12 451	56.6	38 817	176.5	22 884	22 884	10 206	44.6
6 Performance Monitoring and Evaluation	-	-	-	-	-	-	104	104	100
7 Public Works	30 946	17 666	57.1	40 042	129.4	38 658	38 658	18 717	48.4
8 Women, Children and People with Disabilities	-	-	-	2	-	-	3	3	100.0
<b>Financial and Administrative Services</b>									
9 Government Communication and Information System	2 954	1 312	44.4	1 558	52.7	2 549	839	515	61.4
10 National Treasury	3 204 202	1 404 617	43.8	3 340 611	104.3	1 233 233	2 445 287	870 952	35.6
11 Public Enterprises	1 214	1 184	107.3	266	24.1	88	99	69	76.7
12 Public Service and Administration	666	736	110.5	2 098	315.0	740	740	184	24.9
13 Statistics SA	2 239	952	42.5	2 647	118.2	2 380	2 742	1 797	65.5
<b>Social Services</b>									
14 Arts and Culture	846	846	100.0	2 087	246.7	785	1 040	844	81.2
15 Basic Education	1 170	690	59.0	1 660	141.9	1 026	9 253	8 526	92.1
16 Health	31 457	12 547	39.9	27 248	86.6	32 776	47 859	31 374	65.6
17 Higher Education and Training	7 894	4 350	55.1	8 902	112.8	7 928	8 649	3 622	41.9
18 Labour	16 113	6 120	38.0	9 036	56.1	22 419	10 801	6 735	62.4
19 Social Development	218 251	283	0.1	10 508	4.8	10 070	10 080	82	0.8
20 Sport and Recreation SA	346	214	61.8	271	78.3	363	363	239	65.8
<b>Justice, Crime Prevention and Security</b>									
21 Correctional Services	143 402	59 064	41.2	115 418	80.5	126 136	132 135	69 080	52.3
22 Defence and Military Veterans	902 466	454 150	50.3	689 688	76.4	803 542	563 279	259 897	46.1
23 Independent Complaints Directorate	165	93	56.4	168	101.8	146	123	61	49.6
24 Justice and Constitutional Development	377 649	170 391	45.1	414 242	109.7	399 761	374 267	164 346	43.9
25 Police	272 942	151 455	55.5	287 737	105.4	263 902	272 055	139 780	51.4
<b>Economic Services and Infrastructure</b>									
26 Agriculture, Forestry and Fisheries	119 293	77 074	64.6	156 961	131.6	121 484	122 011	69 329	56.8
27 Communications	1 398 742	709 188	50.7	1 528 347	109.3	913 439	1 424 527	1 338 193	93.9
28 Economic Development	230 000	67 659	29.4	547 237	237.9	243 800	243 800	204 906	84.0
29 Energy	3 684	1 262	34.3	3 920	106.4	3 867	3 867	1 279	33.1
30 Environmental Affairs	4 056	3 147	77.6	8 511	209.8	2 800	5 673	3 709	65.4
31 Human Settlements	1 184	956	80.7	2 826	238.7	540	1 319	441	33.4
32 Mineral Resources	99 033	44 565	45.0	30 302	30.6	27 605	46 424	28 851	62.1
33 Rural Development and Land Reform	41 679	19 798	47.5	48 802	117.1	68 951	49 947	20 355	40.8
34 Science and Technology	385	385	100.0	468	121.6	112	350	291	83.1
35 Tourism	1 485	1 485	100.0	1 521	102.4	-	1 730	1 730	100.0
36 Trade and Industry	108 260	20 340	18.8	35 630	32.9	115 011	113 021	20 086	17.8
37 Transport	266 657	131 913	49.5	408 844	153.3	137 425	362 611	131 473	36.3
38 Water Affairs	42 070	26 750	63.6	33 119	78.7	22 918	22 983	15 003	65.3
<b>Total departmental receipts as per Adjusted Estimates of National Expenditure</b>	<b>8 025 278</b>	<b>3 543 231</b>	<b>44.2</b>	<b>8 477 775</b>	<b>105.6</b>	<b>5 122 817</b>	<b>6 847 223</b>	<b>3 672 665</b>	<b>53.6</b>
Less: Parliament (retained departmental receipts)	15 500	15 149	97.7	32 702	211.0	11 940	24 234	16 150	66.6
Plus: SA Revenue Services	4 255 000	2 221 897	52.2	635 076	14.9	4 890 000	4 890 000	2 384 793	48.8
<b>Total departmental receipts as per Medium Term Budget Policy Statement</b>	<b>12 264 778</b>	<b>5 749 979</b>	<b>46.9</b>	<b>9 080 149</b>	<b>74.0</b>	<b>10 000 877</b>	<b>11 712 989</b>	<b>6 041 308</b>	<b>51.6</b>

**Table 9: Adjusted departmental receipts (continued)**

	2010/11					2011/12			
	Audited outcome					Actual receipts			
	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
<b>Departmental receipts</b>									
Sales of goods and services other than capital assets	1 969 090	718 690	36.5	2 342 214	118.9	1 557 066	2 040 996	1 206 577	59.1
Transfers received	195 773	162 063	82.8	250 895	128.2	172 353	172 013	86 980	50.6
Fines, penalties and forfeits	507 575	225 432	44.4	857 050	168.9	526 859	513 690	363 338	70.7
Interest, dividends and rent on land	4 120 264	2 065 866	50.1	3 779 484	91.7	1 910 012	3 353 184	1 726 334	51.5
Sales of capital assets	59 070	39 170	66.3	47 436	80.3	62 177	41 750	8 402	20.1
Financial transactions in assets and liabilities	1 173 506	332 010	28.3	1 200 696	102.3	894 350	725 590	281 034	38.7
<b>Total departmental receipts</b>	<b>8 025 278</b>	<b>3 543 231</b>	<b>44.2</b>	<b>8 477 775</b>	<b>105.6</b>	<b>5 122 817</b>	<b>6 847 223</b>	<b>3 672 665</b>	<b>53.6</b>

# Information in each chapter

The *Adjusted Estimates of National Expenditure* provides detailed information for each vote in the Adjustments Appropriation Bill, following the layout shown below. Votes are organised into functional groupings for analysis of interdepartmental initiatives and service delivery. These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions; nor are they the same as the functional groupings used in government's medium-term expenditure framework (MTEF) budget allocation decision process. The groupings are as follows:

- Central Government Administration
- Financial and Administrative Services
- Social Services
- Justice, Crime Prevention and Security
- Economic Services and Infrastructure.

## Adjusted budget summary

R thousand	2011/12			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>				
<b>of which:</b>				
Current payments				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
<b>Direct charge against the National Revenue Fund</b>				
Executive authority				
Accounting officer				
Website address				

This table summarises the adjustments to the main budget by main economic classification of payments.

<p><b>Main appropriation</b> shows the total amount voted for the current financial year in the main budget.</p> <p><b>Adjusted appropriation</b> shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment.</p> <p><b>Decrease and Increase</b> show the amount of the adjustment itself.</p> <p><b>Current payments</b> are payments made by a department for its operational requirements.</p> <p><b>Transfers and subsidies</b> are payments made by a department for which the department does not directly receive anything in return.</p> <p><b>Payments for capital assets</b> are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.</p> <p><b>Payments for financial assets</b> mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure table.</p> <p><b>Direct charges against the National Revenue Fund</b> may also be adjusted. These are amounts spent in terms of statutes and do not require parliamentary approval. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.</p> <p>The last lines of the table give accountability information: the vote's executive authority, accounting officer and website address.</p>
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## Aim

The aim of the vote captures a department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Adjustments Appropriation Bill.

## Changes to programme purposes, objectives and measures

To maintain the link between a department's strategic and annual performance plans, its voted budget and its adjusted budget, any changes to programme purposes, objectives and measures are noted.

## Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			

Managing, monitoring and measuring performance are integral to improving service delivery. The table shows what a department has achieved in the first six months of the current financial year compared to what it projected for the year.<sup>10</sup>

An **indicator** is a numerical measure that tracks a department's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

**Projected for 2011/12 as published in the 2011 ENE** shows what the department projected it would achieve for the current financial year.

**Achieved in the first six months of 2011/12** shows what the department has actually achieved in the first half of the current financial year.

**Changed estimate for 2011/12** shows any change to the estimate originally published in the ENE. Estimates will typically change in cases where the funding provided for a particular programme has been amended in the Adjustments Appropriation Bill.

### Changes to indicators and targets published in the 2011 ENE

Any significant deviations from any specific performance estimates for the current financial year are briefly explained below the table, as well as any changes to the indicators themselves. Changes to indicators are typically the result of significant policy or mandate changes, or budget programme structure changes; they can also be caused by the adjustments to a vote's estimates of expenditure.

### Mid-year process

A brief discussion is then provided on the department's mid-year progress towards achieving the targets that were set.

<sup>10</sup> This table is not intended to give a comprehensive analysis of a department's performance as it shows only a selection of a department's indicators, as published in the ENE.

## Adjusted Estimates of National Expenditure 2011

Programme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
<b>Total</b>							
<b>Economic classification</b>							
<b>Current payments</b>							
Economic classification item							
<b>Transfers and subsidies</b>							
Economic classification item							
<b>Payments for capital assets</b>							
Economic classification item							
<b>Payments for financial assets</b>							
<b>Total</b>							

In this table, a vote's adjusted estimates of expenditure are set out by the type of expenditure adjustment, and by vote programme and by economic classification (current payments, transfers and subsidies, payments for capital assets and payments for financial assets).

**Main appropriation** shows the total amount voted for the current financial year in the main budget.

**Adjustments appropriation** shows the amounts of the adjustment for each of the types of expenditure adjustment by programme and by economic classification.

**Roll-overs** shows unspent funds from the preceding financial year reallocated to the current financial year to finalise activities close to completion.

**Unforeseeable/unavoidable** shows spending that could not be anticipated at the time of finalising the main budget.

### **Virements and shifts:**

**Virements** are the utilisation of savings or underspending from amounts appropriated under one main division (programme) towards the defrayment of increased expenditure under another main division within the same vote.

**Shifts** are the utilisation of savings or underspending towards the defrayment of increased expenditure within a main division (programme) of a vote between different segments (subprogramme and economic classification) of the main division. Shifts include the reallocation of funds incorrectly allocated during the ENE process.

**Other adjustments** include: function shifts; unallocated amounts announced in the main budget; adjustments due to significant unforeseeable economic and financial events; emergency funding; self-financing expenditure; and declared savings.

**Total adjustments appropriation** shows the sum of all the expenditure adjustments by programme and by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of that programme or economic classification.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment.

Similar tables are then shown for each programme which has adjustments to appropriations.

## Details of adjustments to the Estimates of National Expenditure 2011

This section gives explanations by programme for:

- Roll-overs
- Unforeseeable and unavoidable expenditure
- Virements and shifts

### Virements and shifts

Programmes					
1. Programme name					
2. Programme name					
3. Programme name					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme number			Programme number		
Economic classification item			Economic classification item		
Percentage of programme budget		per cent			
Programme number			Programme number		
Economic classification item			Economic classification item		
			Programme number		
			Economic classification item		
Percentage of programme budget		per cent			
<b>Total</b>					

**FROM:** shows where funding reductions have been effected, by programme and by economic classification item. The percentage by which the programme budget is being changed is also shown.

It should be noted that funds may be shifted within the same programme and that in such instances, the percentage by which the programme budget is effectively reduced is less than the percentage indicated.

**TO:** shows where increased spending has been offset by these reductions, by programme and per economic classification item.

**Motivation** explains how the funding reductions occurred on the one hand, and on the other what they will be spent on.

**R thousand** shows the monetary amounts.

Certain types of virements and shifts require either legislative approval or approval from National Treasury before they can be effected. All virements and shifts which have National Treasury's approval or which can only be approved by the legislature are footnoted in this table. In terms of the PFMA,<sup>11</sup> the Treasury Regulations,<sup>12</sup> and the Appropriation Act (2011),<sup>13</sup> the following virements and shifts require approval from National Treasury:

- Virements and shifts which will increase the funds appropriated for compensation of employees
- Virements and shifts which will increase the funds appropriated for transfers and subsidies to other institutions
- Virements and shifts which introduce a new transfer to other institution
- Virements and shifts which utilise funds that were treasury earmarked for a specific purpose

<sup>11</sup> Section 43

<sup>12</sup> Section 6.3

<sup>13</sup> Section 5



- Virements and shifts which utilise funds appropriated for payments for capital assets for the payment of current assets
- Virements and shifts which utilise savings of funds appropriated as transfers and subsidies for payment to another institution.

The following virements and shifts can only be approved by the legislature:<sup>14</sup>

- Virements and shifts that utilise savings on funds appropriated for items specifically and exclusively earmarked in an Appropriation Act
- Virements and shifts which utilise savings of more than 8 per cent of the amount appropriated for that programme
- Shifts between different segments within a programme do not affect the overall amount appropriated for a programme, only virements from a programme effectively reduce the programme budget.

After the virements and shifts table, the remaining explanations are given:

- Other adjustments: function shifts: between votes and within a vote; unallocated amounts announced in the main budget; adjustments due to significant and unforeseeable economic and financial events; emergency funding; self-financing expenditure; and declared savings
- Gifts, donations and sponsorships
- Direct charges against the National Revenue Fund (these are not linked to a programme on a vote).

## Expenditure 2010/11 and preliminary expenditure 2011/12

Programme	2010/11					2011/12		
	Adjusted appropriation	Expenditure outcome		Preliminary expenditure		Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
Apr 10 - Sep 10		% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation				
R thousand								
Programme name								
Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Total</b>								
<b>Economic classification</b>								
<b>Current payments</b>								
Economic classification item								
Economic classification item								
<b>Transfers and subsidies</b>								
Economic classification item								
Economic classification item								
<b>Payments for capital assets</b>								
Economic classification item								
Economic classification item								
<b>Payments for financial assets</b>								
<b>Total</b>								

<sup>14</sup> Section 43 of the PFMA read in conjunction with Section 5 of the Appropriation Act (2011)

This table shows the expenditure outcome for the last financial year and preliminary expenditure for the first six months of the current financial year, by programme and per economic classification.

**2010/11 Expenditure outcome** shows the outcome for the previous financial year.

**Adjusted appropriation** shows the adjusted total amount voted for the previous financial year.

**Apr 10 to Sep 10** shows the expenditure outcome for the first six months of the previous financial year.

**Apr 10 to Sep 10 % of adjusted appropriation** shows the expenditure outcome for the first six months of the previous financial year as a percentage of the adjusted appropriation for that year.

**Apr 10 to Mar 11** shows the expenditure outcome for the whole of the previous financial year.

**Apr 10 to Mar 11 % of adjusted appropriation** shows the expenditure outcome for the whole of the previous financial year as a percentage of the adjusted appropriation for that year.

**2011/12 Preliminary expenditure** shows the preliminary expenditure for the current financial year.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year.

**Apr 11 to Sep 11** shows the preliminary expenditure for the first six months of the current financial year.

**Apr 11 to Sep 11 % of adjusted appropriation** shows the preliminary expenditure for the first six months of the current financial year as a percentage of the adjusted appropriation for the year.

### Main expenditure trends for the first half of 2011/12

Expenditure trends show whether actual expenditure is in line with the budget. Mid-year preliminary expenditure for the current financial year is compared to mid-year expenditure for the previous year. Explanations are given for significant changes in expenditure compared to the previous financial year.

Where functions have shifted between votes or new votes have been created, subsequent to the publication of the 2010 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with that published last year.

### Departmental receipts

	2010/11					2011/12			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
R thousand									
<b>Departmental receipts</b>									
Economic classification item									
Economic classification item									
<b>Total</b>									

This table shows projected departmental revenue for the current financial year.

**2010/11 Audited outcome** shows the departmental receipts outcome for the previous financial year.

**Adjusted estimate** shows the adjusted total amount of receipts anticipated in the previous year's adjustments budget.

**Apr 10 to Sep 10** shows the receipts outcome for the first six months of the previous financial year.

**Apr 10 to Sep 10 % of adjusted estimate** shows the receipts outcome for the first six months of the previous financial year as a percentage of the adjusted estimate for that year.

**Apr 10 to Mar 11** shows the receipts outcome for the whole of the previous financial year.

**Apr 10 to Mar 11 % of adjusted estimate** shows the receipts outcome for the whole of the previous financial year as a percentage of the adjusted estimate for that year.

**2011/12 Actual receipts** shows the preliminary receipts outcome for the current financial year.

**Budget estimate** shows the total amount of receipts anticipated for the current financial year in the main budget.

**Adjusted estimate** shows the adjusted total amount of receipts anticipated in the adjustments budget for the current financial year.

**Apr 11 to Sep 11** shows the preliminary receipts outcome for the first six months of the current financial year.

**Apr 11 to Sep 11 % of adjusted estimate** shows the preliminary receipts outcome for the first six months of the current financial year as a percentage of the adjusted estimate for the year.

## Main departmental revenue trends for the first half of 2011/12

Any differences from the information published in the ENE for the current financial year are explained in the text that follows the table.

Where functions have shifted between votes or new votes have been created, subsequent to the publication of the 2010 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with that published last year.

## Changes to transfers and subsidies, including conditional grants

### Summary of changes to transfers and subsidies per programme

		2011/12					
		Adjustments appropriation				Total	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	adjustments appropriation	
<b>Programme name</b>							
<b>Economic sphere</b>							
<b>Current</b>							
Economic classification item							
<b>Programme number. name</b>							
<b>Economic sphere</b>							
<b>Capital</b>							
Economic classification item							

**Summary of changes to conditional grants: Provinces**

		2011/12					
		Adjustments appropriation					Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
<b>Programme name</b>							
Conditional grant name							

**Summary of changes to conditional grants: Local government**

		2011/12					
		Adjustments appropriation					Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
<b>Programme name</b>							
Conditional grant name							

These tables show changes to transfers and subsidies and to conditional grants (provinces and local government), by programme and per economic classification item.

**Main appropriation** shows the total amount voted for the current financial year in the main budget.

**Adjustments appropriation** shows the amounts of the adjustment for each of the types of expenditure adjustment, by programme and per economic classification.

**Roll-overs** shows unspent funds from the preceding financial year reallocated to the current financial year to finalise activities close to completion.

**Unforeseeable/unavoidable** shows spending that could not be anticipated at the time of the main budget.

**Virements and shifts**

**Virements** are the utilisation of savings or underspending from amounts appropriated under one main division (programme) towards the defrayment of increased expenditure under another main division within the same vote.

**Shifts** are the utilisation of savings or underspending towards the defrayment of increased expenditure within a main division (programme) of a vote between different segments (subprogramme and economic classification) of the main division. Shifts include the reallocation of funds incorrectly allocated during the ENE process.

**Other adjustments** include: function shifts; unallocated amounts announced in the main budget; adjustments due to significant unforeseeable economic and financial events; emergency funding; self-financing expenditure; and declared savings.

**Total adjustments appropriation** shows the sum of all the expenditure adjustments by programme and by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of that programme or economic classification.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment.

