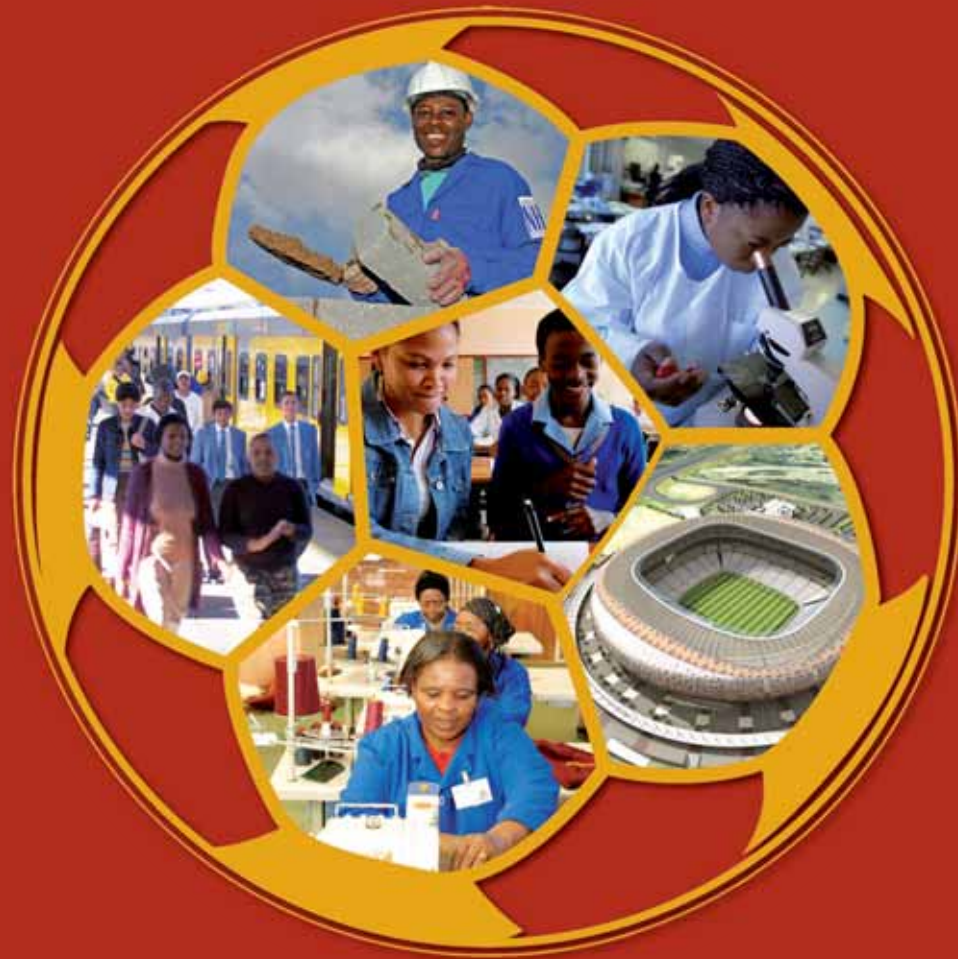


Vote 32

# Rural Development and Land Reform



## Estimates of National Expenditure 2010



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure**

## **2010**

**National Treasury**

**Republic of South Africa**

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on [www.treasury.gov.za](http://www.treasury.gov.za)

# Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



**Lesetja Kganyago**

**Director-General: National Treasury**



# Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

## Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

<b>Newly created vote</b>	<b>Department/s from which all or some functions have been shifted</b>
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

## Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget<sup>1</sup>, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

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1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.



About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

## Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

### Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

**National Treasury** receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

### Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

**Social Development's** gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

### **Justice, crime prevention and security**

**Police** is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

**Correctional Services** is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

### **Economic services and infrastructure**

**Human Settlements** is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

**Energy** receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

**Cooperative Governance and Traditional Affairs** has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

**Transport's** R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

## **Overview of expenditure**

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.



## Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

**Table 1. Main budget framework 2006/07 to 2012/13**

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
<b>Total revenue</b>	<b>481 197.0</b>	<b>559 773.8</b>	<b>608 795.7</b>	<b>571 492.1</b>	<b>643 239.0</b>	<b>721 749.2</b>	<b>807 896.4</b>
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
<b>Expenditure</b>							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments <sup>1</sup>	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets <sup>1</sup>	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
<b>Total expenditure</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
<b>Budget deficit<sup>2</sup></b>	<b>11 004.5</b>	<b>18 278.1</b>	<b>-27 267.7</b>	<b>-177 324.3</b>	<b>-174 904.0</b>	<b>-166 588.4</b>	<b>-156 417.4</b>
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

**Table 2. Additional allocation to national votes 2010/11 to 2012/13<sup>1</sup>**

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
<b>Central Government Administration</b>	<b>1 882.8</b>	<b>3 072.3</b>	<b>7 510.5</b>	<b>12 465.6</b>
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
<b>Financial and Administrative Services</b>	<b>1 826.9</b>	<b>1 837.5</b>	<b>1 381.0</b>	<b>5 045.4</b>
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
<b>Social Services</b>	<b>5 143.8</b>	<b>8 479.1</b>	<b>13 507.1</b>	<b>27 130.0</b>
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
<b>Justice, Crime Prevention and Security</b>	<b>3 899.4</b>	<b>4 730.2</b>	<b>6 437.0</b>	<b>15 066.6</b>
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
<b>Economic Services and Infrastructure</b>	<b>4 296.7</b>	<b>5 684.4</b>	<b>8 184.8</b>	<b>18 166.0</b>
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
<b>Total</b>	<b>17 049.6</b>	<b>23 803.6</b>	<b>37 020.3</b>	<b>77 873.6</b>

*1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.*

**Table 3. Expenditure by national vote 2006/07 to 2012/13**

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
<b>Central Government Administration</b>				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
<b>Financial and Administrative Services</b>				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
<b>Social Services</b>				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
<b>Justice, Crime Prevention and Security</b>				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
<b>Economic Services and Infrastructure</b>				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
<b>Total appropriation by vote</b>	<b>262 101.6</b>	<b>309 853.1</b>	<b>370 678.0</b>	<b>442 049.4</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
<b>Total direct charges against the National Revenue Fund</b>	<b>208 090.9</b>	<b>231 642.6</b>	<b>265 385.4</b>	<b>313 473.5</b>
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>



Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				<b>Central Government Administration</b>
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				<b>Financial and Administrative Services</b>
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				<b>Social Services</b>
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				<b>Justice, Crime Prevention and Security</b>
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				<b>Economic Services and Infrastructure</b>
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
<b>437 736.1</b>	<b>461 517.9</b>	<b>486 987.8</b>	<b>520 261.0</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
<b>311 080.3</b>	<b>350 625.0</b>	<b>389 349.8</b>	<b>420 052.9</b>	<b>Total direct charges against the National Revenue Fund</b>
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>	<b>Total</b>

**Table 4. Expenditure by economic classification 2006/07 to 2012/13**

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
<b>Current payments</b>				
<b>Compensation of employees</b>	<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
<b>Goods and services</b>	<b>28 335.8</b>	<b>32 354.3</b>	<b>38 587.4</b>	<b>44 065.4</b>
<b>Interest and rent on land</b>	<b>52 193.7</b>	<b>52 879.3</b>	<b>54 396.1</b>	<b>59 995.8</b>
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
<b>Total current payments</b>	<b>130 103.7</b>	<b>141 476.8</b>	<b>157 956.9</b>	<b>180 454.0</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	<b>205 438.3</b>	<b>243 233.9</b>	<b>289 397.3</b>	<b>345 879.0</b>
<b>Provinces</b>	<b>178 867.2</b>	<b>205 829.6</b>	<b>245 302.3</b>	<b>295 353.2</b>
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
<b>Municipalities</b>	<b>26 571.1</b>	<b>37 404.3</b>	<b>44 095.1</b>	<b>50 525.8</b>
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
<b>Departmental agencies and accounts</b>	<b>38 102.1</b>	<b>44 531.2</b>	<b>53 572.4</b>	<b>58 512.9</b>
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
<b>Universities and technikons</b>	<b>11 056.0</b>	<b>12 003.8</b>	<b>13 897.7</b>	<b>15 437.4</b>
<b>Foreign governments and international organisations</b>	<b>919.3</b>	<b>936.0</b>	<b>1 010.6</b>	<b>1 266.8</b>
<b>Public corporations and private enterprises</b>	<b>13 424.4</b>	<b>18 764.3</b>	<b>20 170.1</b>	<b>20 061.4</b>
<b>Public corporations</b>	<b>9 872.3</b>	<b>14 155.2</b>	<b>14 694.3</b>	<b>17 851.2</b>
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
<b>Private enterprises</b>	<b>3 552.1</b>	<b>4 609.0</b>	<b>5 475.8</b>	<b>2 210.2</b>
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
<b>Non-profit institutions</b>	<b>882.1</b>	<b>1 002.8</b>	<b>1 220.2</b>	<b>1 225.3</b>
<b>Households</b>	<b>62 862.9</b>	<b>70 551.4</b>	<b>79 084.5</b>	<b>91 029.5</b>
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
<b>Total transfers and subsidies</b>	<b>332 685.1</b>	<b>391 023.5</b>	<b>458 352.8</b>	<b>533 412.3</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	<b>2 481.5</b>	<b>3 838.2</b>	<b>5 566.8</b>	<b>5 961.3</b>
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
<b>Machinery and equipment</b>	<b>3 322.8</b>	<b>3 210.7</b>	<b>2 965.0</b>	<b>2 741.0</b>
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
<b>Total payments for capital assets</b>	<b>6 067.8</b>	<b>7 182.9</b>	<b>8 780.8</b>	<b>8 898.3</b>
<b>Payments for financial assets</b>	<b>1 335.8</b>	<b>1 812.5</b>	<b>10 972.9</b>	<b>32 758.3</b>
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>755 522.9</b>
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
<b>76 008.7</b>	<b>84 093.2</b>	<b>90 167.3</b>	<b>95 232.5</b>	<b>Current payments</b>
				<b>Compensation of employees</b>
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
<b>43 205.8</b>	<b>46 843.3</b>	<b>51 466.9</b>	<b>53 656.0</b>	<b>Goods and services</b>
<b>57 601.0</b>	<b>71 359.6</b>	<b>88 465.0</b>	<b>104 024.5</b>	<b>Interest and rent on land</b>
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
<b>176 815.6</b>	<b>202 296.0</b>	<b>230 099.3</b>	<b>252 913.0</b>	<b>Total current payments</b>
				<b>Transfers and subsidies to:</b>
				Provinces and municipalities
<b>345 167.9</b>	<b>381 726.9</b>	<b>417 237.3</b>	<b>442 587.4</b>	<b>Provinces</b>
<b>294 968.2</b>	<b>322 858.2</b>	<b>350 547.1</b>	<b>369 348.4</b>	<b>Provincial revenue funds</b>
294 968.2	322 858.2	350 547.1	369 348.4	
<b>50 199.7</b>	<b>58 868.7</b>	<b>66 690.2</b>	<b>73 239.0</b>	<b>Municipalities</b>
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
<b>57 114.3</b>	<b>58 456.5</b>	<b>65 123.0</b>	<b>68 388.7</b>	<b>Departmental agencies and accounts</b>
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
<b>15 437.4</b>	<b>17 532.0</b>	<b>19 318.5</b>	<b>20 669.2</b>	<b>Universities and technikons</b>
<b>1 260.9</b>	<b>1 313.9</b>	<b>1 288.8</b>	<b>1 380.3</b>	<b>Foreign governments and international organisations</b>
<b>19 725.2</b>	<b>20 129.1</b>	<b>20 700.1</b>	<b>21 489.8</b>	<b>Public corporations and private enterprises</b>
<b>17 555.0</b>	<b>16 988.4</b>	<b>17 034.7</b>	<b>17 355.7</b>	<b>Public corporations</b>
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
<b>2 170.1</b>	<b>3 140.7</b>	<b>3 665.4</b>	<b>4 134.1</b>	<b>Private enterprises</b>
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
<b>1 225.1</b>	<b>2 275.2</b>	<b>2 339.0</b>	<b>1 894.0</b>	<b>Non-profit institutions</b>
<b>90 622.4</b>	<b>98 234.2</b>	<b>108 805.0</b>	<b>117 648.6</b>	<b>Households</b>
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
<b>530 553.1</b>	<b>579 667.8</b>	<b>634 811.7</b>	<b>674 058.0</b>	<b>Total transfers and subsidies</b>
				<b>Payments for capital assets</b>
<b>5 862.9</b>	<b>5 994.9</b>	<b>7 237.3</b>	<b>9 660.6</b>	<b>Buildings and other fixed structures</b>
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
<b>2 735.2</b>	<b>3 236.9</b>	<b>3 381.4</b>	<b>3 525.6</b>	<b>Machinery and equipment</b>
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
<b>8 687.9</b>	<b>9 290.5</b>	<b>10 676.6</b>	<b>13 342.9</b>	<b>Total payments for capital assets</b>
<b>32 760.0</b>	<b>20 888.6</b>	<b>750.0</b>	<b>0.0</b>	<b>Payments for financial assets</b>
<b>748 816.5</b>	<b>812 142.9</b>	<b>876 337.6</b>	<b>940 313.8</b>	<b>Total</b>
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>	<b>Total</b>

**Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11**

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease <sup>1</sup>	
R million	2009/10	2010/11						
<b>Central Government Administration</b>								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
<b>Financial and Administrative Services</b>								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
<b>Social Services</b>								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
<b>Justice, Crime Prevention and Security</b>								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
<b>Economic Services and Infrastructure</b>								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
<b>Total</b>	<b>732 562.8</b>	<b>202 296.0</b>	<b>579 667.8</b>	<b>9 290.5</b>	<b>20 888.6</b>	<b>812 142.9</b>	<b>79 580.2</b>	

1. A positive number reflects an increase and a negative number a decrease.

**Table 6a. Conditional grants to provinces 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Central Government Administration</b>								
3	–	–	29.7	–	–	–	–	–
6	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
<b>Financial and Administrative Services</b>								
9	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
<b>Social Services</b>								
13	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
<b>Economic Services and Infrastructure</b>								
25	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	8.0	–	–	–	–	–	–	–
35	58.2	–	–	–	–	–	–	–
36	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
<b>Total</b>	<b>29 621.6</b>	<b>34 775.9</b>	<b>43 506.6</b>	<b>58 475.4</b>	<b>58 090.4</b>	<b>61 884.5</b>	<b>69 858.4</b>	<b>74 568.4</b>

1. Detail provided in the Division of Revenue Act (2010).

**Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Central Government Administration</b>								
3	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
<b>Financial and Administrative Services</b>								
9	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
<b>Social Services</b>								
19	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
<b>Economic Services and Infrastructure</b>								
28	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
<b>Total</b>	<b>8 443.1</b>	<b>16 645.0</b>	<b>18 477.3</b>	<b>19 316.2</b>	<b>18 990.1</b>	<b>21 111.1</b>	<b>24 169.1</b>	<b>26 994.8</b>

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
<b>Central Government Administration</b>								
1	The Presidency	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	Parliament	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	Cooperative Governance and Traditional Affairs	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	Home Affairs	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	International Relations and Cooperation	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	Public Works	12.8	15.2	22.0	26.1	27.5	28.5	29.9
<b>Financial and Administrative Services</b>								
8	Government Communication and Information System	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	National Treasury	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	Public Enterprises	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	Public Service and Administration	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	Statistics South Africa	7.7	11.9	14.0	21.2	45.1	42.1	40.0
<b>Social Services</b>								
13	Arts and Culture	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	Basic Education	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	Health	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	Higher Education and Training	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	Labour	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	Social Development	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	Sport and Recreation South Africa	0.5	0.9	0.9	1.1	1.1	1.1	1.1
<b>Justice, Crime Prevention and Security</b>								
20	Correctional Services	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	Defence and Military Veterans	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	Independent Complaints Directorate	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	Justice and Constitutional Development	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	Police	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
<b>Economic Services and Infrastructure</b>								
25	Agriculture, Forestry and Fisheries	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	Communications	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	Economic Development	-	-	-	-	0.1	0.2	0.2
28	Energy	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	Environmental Affairs	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	Human Settlements	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	Mineral Resources	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	Rural Development and Land Reform	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	Science and Technology	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	Tourism	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	Trade and Industry	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	Transport	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	Water Affairs	37.0	38.9	40.8	63.1	65.7	67.3	70.7
<b>Total</b>		<b>1 223.1</b>	<b>1 424.2</b>	<b>1 604.9</b>	<b>1 616.8</b>	<b>2 016.3</b>	<b>2 133.7</b>	<b>2 237.8</b>

**Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Central Government Administration</b>							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
<b>Financial and Administrative Services</b>							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
<b>Social Services</b>							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
<b>Justice, Crime Prevention and Security</b>							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
<b>Economic Services and Infrastructure</b>							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
<b>Total</b>	<b>24 304.4</b>	<b>41 988.0</b>	<b>47 205.2</b>	<b>54 408.3</b>	<b>61 099.7</b>	<b>68 813.1</b>	<b>76 057.9</b>

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

**Table 9. Personnel expenditure per vote 2006/07 to 2012/13**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
<b>Financial and Administrative Services</b>									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
<b>Social Services</b>									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
<b>Justice, Crime Prevention and Security</b>									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
<b>Economic Services and Infrastructure</b>									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
<b>Total</b>		<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>	<b>76 008.7</b>	<b>84 093.2</b>	<b>90 167.3</b>	<b>95 232.5</b>



Table 10. Departmental receipts per vote 2006/07 to 2012/13 <sup>1</sup>

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
<b>Financial and Administrative Services</b>									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
<b>Social Services</b>									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
<b>Justice, Crime Prevention and Security</b>									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
<b>Economic Services and Infrastructure</b>									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
<b>Total departmental receipts as per Budget Review</b>		<b>10 843.3</b>	<b>12 692.6</b>	<b>12 616.2</b>	<b>9 825.0</b>	<b>8 982.6</b>	<b>10 380.3</b>	<b>11 483.2</b>	<b>12 379.4</b>

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.



# Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

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, crime prevention and security
- economic services and infrastructure.

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.

The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

## Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

*Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.*

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

**Current payments** are payments made by the department for its operational requirements.

**Transfers and subsidies** are payments made by the department for which the department does not directly receive anything in return.

**Payments for capital assets** 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.

**Payments for financial assets** 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 departments 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 estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

**Direct charges against the National Revenue Fund** are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.*

## Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

## Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

## Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

## Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity'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 programme associated with it.

## Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
Direct charge against the National Revenue Fund								
Item								
Item								
<b>Total</b>								
Change to 2009 Budget estimate								

### Economic classification

<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>			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

**Audited outcomes** are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

**Adjusted appropriation** includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

**Direct charges against the National Revenue Fund** are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

## Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

## Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
<b>Total</b>								

## Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

## Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

## Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

## Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
<b>Total</b>							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	R million	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<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>							

## Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

## Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

## Additional tables

Additional tables appear at the end of the vote. These include:

### Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.



### Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

**Personnel numbers** refers to the physical number (head count) of people employed by the department.

### Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

**Number of posts on approved establishment** refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

**Number of funded posts** refers to the number of departmental employment positions which are provided within the budget.

**Number of posts additional to the establishment** typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

### Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

### Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

### Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

**Unitary fee** refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

**Projects in preparation** are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

**Project monitoring costs** are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

**Advisory fees** are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

**Revenue generated** is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

### **Summary of donor funding**

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

### **Summary of expenditure on infrastructure**

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

**Infrastructure transfers to other spheres, agencies and departments** refers to transfers and grants to other government components for expenditure on infrastructure.

**Fixed installations transferred to households** shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

**Maintenance on infrastructure** refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

**In all tables a dash ( - ) indicates that information is unavailable or zero.**

# **Rural Development and Land Reform**

**National Treasury  
Republic of South Africa**



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# Vote 32

## Rural Development and Land Reform

### Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	577 811	555 782	12 309	9 720	602 083	634 489
Geospatial and Cadastral Services	283 550	261 050	13 593	8 907	303 027	318 972
Rural Development	256 229	255 747	–	482	293 331	293 023
Restitution	1 568 596	395 614	1 172 982	–	2 069 910	2 173 570
Land Reform	4 083 369	409 949	3 672 719	700	4 704 590	4 940 024
<b>Total expenditure estimates</b>	<b>6 769 555</b>	<b>1 878 142</b>	<b>4 871 603</b>	<b>19 809</b>	<b>7 972 941</b>	<b>8 360 078</b>
Executive authority	Minister of Rural Development and Land Reform					
Accounting officer	Director-General of Rural Development and Land Reform					
Website address	<a href="http://www.ruraldevelopment.gov.za">www.ruraldevelopment.gov.za</a>					

*The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.*

### Aim

*The aim of the Department of Rural Development and Land Reform is to create and maintain an equitable and sustainable land dispensation and act as a catalyst for rural development that ensures rural livelihoods, decent work and continued social and economic advancement for all South Africans.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Strategic and logistical support in the form of executive and corporate services, and the acquisition of vehicles for departmental use, oversee departmental capital works, and make a nominal contribution to the Public Sector Education and Training Authority.

#### Programme 2: Geospatial and Cadastral Services

**Purpose:** Geospatial, cadastral surveys and spatial planning information as well as technical services in support of sustainable land development.

#### Programme 3: Rural Development

**Purpose:** Initiate, facilitate, coordinate and catalyse the implementation of a comprehensive rural development programme that leads to sustainable and vibrant rural communities.

#### Programme 4: Restitution

**Purpose:** Settlement of land restitution claims under the Restitution of Land Rights Act (Act 22 of 1994) and provide settlement support to beneficiaries.

## **Programme 5: Land Reform**

**Purpose:** Sustainable land reform programmes in South Africa.

### **Strategic overview: 2006/07 – 2012/13**

In 2009/10, the Department of Rural Development and Land Reform (called the Department of Land Affairs until June 2009) substantially amended its previous targets in the areas of land restitution and land reform. The new department's mandate has also been expanded to include the development and implementation of the comprehensive rural development programme, which is one of the key priorities of government's 2009 – 2014 medium term strategic framework. Its aim is to alleviate poverty and food insecurity by maximising the use and management of natural resources to create vibrant and sustainable rural communities.

#### **New structure**

The change has necessitated the revision of the department's strategic plan (2009–2014) as well as the restructuring of programmes to align both human and financial resources to the new mandate. A new programme dealing specifically with rural development was added while other programmes were combined, reducing the total number of programmes from seven to five.

#### *Rural development*

The *Rural Development* programme will pursue the following strategic goals: establishing business initiatives, agro-businesses, cooperatives, cultural initiatives and vibrant local markets in rural areas; empowering rural people and communities, especially women and youth, facilitating strong organisational and institutional capabilities; training rural people in technical skills; fighting hunger; and creating new economic, social, and communication infrastructure and public facilities in rural areas.

Government's comprehensive rural development programme needs the participation of all stakeholders, which include government departments and entities, communities and non-governmental organisations. Through coordinating with other government departments, a number of projects in this programme started in 2009, including building houses, providing water for rural communities, renovating schools, building ablution facilities and fencing agricultural land for food production.

#### *Land reform, redistribution and land use*

In 2009, the department revised downwards the national land redistribution targets of delivering white owned agricultural land to land reform beneficiaries, to align them with the actual budget allocation. The department has also recognised that in order to move forward decisively with the land redistribution programme, significant changes will have to be made to the willing-buyer willing-seller model of land redistribution. The department will focus on investigating alternative less costly methods of land acquisition, by engaging with all stakeholders within the agricultural sector. For the medium term, the redistribution targets for the programme have been adjusted from 721 700 to 283 592 hectares in 2010/11, from 794 070 to 303 615 hectares in 2011/12 and the new target for 2012/13 is 321 122 hectares.

The Land Use Management Bill, which was drafted to improve spatial planning and information, was not tabled in Parliament in 2009 as planned, due to opposition to aspects of the proposed bill, including the role of national legislation in relation to provincial legislation, the powers of local government and what the new planning instruments for driving economic growth in cities will be. A priority of the department is to undertake the necessary consultations and review of the bill and to return it to Parliament in 2010.

### Land restitution

Under the *Restitution* programme, by October 2009, the department had settled 95 per cent of the 79 696 land claims lodged since 1994. The outstanding claims are all rural, of a complex nature and will require higher budget allocations to settle with the claimants. The department is now projecting that it will take another 10 years to settle the outstanding claims.

The Land Claims Commission, which falls under the *Restitution* programme and is fully funded by the department, will now focus on finalising all outstanding research, verification and strategic gazetting for the outstanding claims. Valuations and further negotiations for the settlement of claims will be done as per the revised budget allocation in line with the availability of funds. An estimated 120 claims on state land will be negotiated and settled. The remaining 4 222 claims are projected to be settled at an average of 603 claims per year and to be completed by 2020. The commission is expected to clear its current commitments by 2012/13 and will, in further negotiations, reconsider the prices it pays for land and review its policy to ensure the best value for money. The commission also plans to consider buying small pieces of land in the future that are more affordable and more conducive to settlement.

### Savings and cost effective service delivery

Savings of R105.4 million from goods and services across all programmes have been identified over the MTEF period: R30 million in 2010/11, R42.5 million in 2011/12 and R33 million in 2012/13. The savings identified are mostly from non-core items in goods and services in the *Geospatial and Cadastral Services* programme and will not compromise service delivery.

### Selected performance indicators

Table 32.1 Rural Development and Land Reform

Indicator	Programme	Past			Current 2009/10	Projections		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Number of additional square kilometres of earth imagery at 0.5m ground sample distance acquired	Geospatial and Cadastral Services	191 502	200 000	216 000	280 000	310 000	310 000	310 000
Number of new maps of the national map series of South Africa produced	Geospatial and Cadastral Services	1 620	1 562	1 746	1 650	1 650	1 650	1 650
Number of days for processing all requests for information	Geospatial and Cadastral Services	5	5	5	5	4	4	4
Total number of provinces in which a surveyor-general's office is operational	Geospatial and Cadastral Services	5	6	7	8	8	8	9
Number of land claims settled per year*	Restitution	13 582	2 772	1 305	120	120	120	603
Total number of hectares of land redistributed to land reform beneficiaries	Land Reform	258 890	258 890	647 125	479 229	436 245	482 987	501 841

\*The numbers fluctuate because some claims take longer than others and the budget is not always adequate

### Expenditure estimates

Table 32.2 Rural Development and Land Reform

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
1. Administration	343 541	423 504	455 698	698 884	698 884	577 811	602 083	634 489
2. Geospatial and Cadastral Services	183 177	256 970	277 251	361 351	361 351	283 550	303 027	318 972
3. Rural Development	4 116	3 500	9 104	262 637	262 637	256 229	293 331	293 023
4. Restitution	2 339 314	3 640 968	3 122 148	2 107 435	2 107 435	1 568 596	2 069 910	2 173 570
5. Land Reform	854 457	1 571 703	2 799 539	2 971 081	2 971 081	4 083 369	4 704 590	4 940 024
<b>Total</b>	<b>3 724 605</b>	<b>5 896 645</b>	<b>6 663 740</b>	<b>6 401 388</b>	<b>6 401 388</b>	<b>6 769 555</b>	<b>7 972 941</b>	<b>8 360 078</b>
Change to 2009 Budget estimate				294 645	294 645	276 353	311 585	325 248

Table 32.2 Rural Development and Land Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Economic classification</b>								
<b>Current payments</b>	<b>866 209</b>	<b>1 143 696</b>	<b>1 251 545</b>	<b>2 046 088</b>	<b>2 046 088</b>	<b>1 878 142</b>	<b>1 996 300</b>	<b>2 083 906</b>
Compensation of employees	406 046	476 379	614 191	954 808	954 808	1 072 249	1 141 481	1 199 778
Goods and services	460 163	667 317	637 348	1 091 280	1 091 280	805 893	854 819	884 128
<i>of which:</i>								
<i>Administrative fees</i>	22 937	28 834	38 023	275 405	275 405	230 019	272 067	270 491
<i>Advertising</i>	17 698	13 683	15 302	19 552	19 552	7 453	8 202	8 614
<i>Assets less than the capitalisation threshold</i>	7 782	9 746	8 322	12 635	12 635	6 600	7 879	8 274
<i>Audit cost: External</i>	4 321	6 559	7 736	18 296	18 296	4 500	5 000	5 255
<i>Bursaries: Employees</i>	2 415	2 071	1 466	706	706	1 882	2 800	2 943
<i>Catering: Departmental activities</i>	3 320	3 212	4 535	11 390	11 390	3 253	3 519	3 696
<i>Communication</i>	29 947	33 063	35 948	29 839	29 839	25 684	26 347	27 671
<i>Computer services</i>	55 390	69 085	65 962	76 849	76 849	102 204	108 049	113 540
<i>Consultants and professional services: Business and advisory services</i>	60 133	134 134	82 357	293 770	293 770	149 384	136 991	143 879
<i>Consultants and professional services: Infrastructure and planning</i>	24 915	18 664	15 927	11 874	11 874	10 755	11 637	12 219
<i>Consultants and professional services: Legal costs</i>	12 300	21 442	25 373	19 749	19 749	13 447	13 978	14 678
<i>Contractors</i>	14 209	17 417	12 858	(1 496)	(1 496)	4 808	4 607	4 840
<i>Agency and support / outsourced services</i>	17 793	37 223	48 219	81 010	81 010	35 395	35 870	37 670
<i>Entertainment</i>	8	15	25	1 697	1 697	1 045	1 203	1 264
<i>Fleet services (including government motor transport)</i>	–	–	–	175	175	161	203	213
<i>Inventory: Food and food supplies</i>	419	529	496	2 296	2 296	919	1 114	1 171
<i>Inventory: Fuel, oil and gas</i>	33	32	31	135	135	524	542	570
<i>Inventory: Learner and teacher support material</i>	161	135	353	202	202	17	58	62
<i>Inventory: Materials and supplies</i>	231	234	417	(1 580)	(1 580)	1 153	1 411	1 482
<i>Inventory: Medical supplies</i>	1	89	272	40	40	7	9	9
<i>Inventory: Other consumables</i>	1 114	683	1 340	3 796	3 796	2 862	3 853	4 046
<i>Inventory: Stationery and printing</i>	11 416	14 690	18 991	21 625	21 625	16 217	17 469	18 346
<i>Lease payments</i>	34 924	44 021	46 987	59 277	59 277	57 321	64 137	67 392
<i>Property payments</i>	23 425	33 907	31 188	37 877	37 877	18 893	20 267	21 295
<i>Transport provided: Departmental activity</i>	338	1 494	2 034	946	946	2 347	2 752	2 889
<i>Travel and subsistence</i>	84 480	132 526	126 479	76 858	76 858	71 047	66 370	71 194
<i>Training and development</i>	8 328	7 866	10 189	5 824	5 824	5 501	5 731	6 019
<i>Operating expenditure</i>	6 361	9 458	8 391	15 771	15 771	13 215	13 473	14 155
<i>Venues and facilities</i>	15 764	26 505	28 125	16 762	16 762	19 280	19 281	20 251
Interest and rent on land	–	–	6	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>2 773 831</b>	<b>4 654 548</b>	<b>5 354 233</b>	<b>4 323 697</b>	<b>4 323 697</b>	<b>4 871 603</b>	<b>5 957 070</b>	<b>6 255 451</b>
Provinces and municipalities	8 271	76	23	19	19	34	34	34
Departmental agencies and accounts	310 703	824 101	1 518 209	1 101 316	1 101 316	1 160 069	1 233 975	1 295 876
Foreign governments and international organisations	–	1 026	1 125	1 230	1 230	1 306	1 365	1 450
Non-profit institutions	–	–	1 546	2 288	2 288	2 425	2 571	2 700
Households	2 454 857	3 829 345	3 833 330	3 218 844	3 218 844	3 707 769	4 719 125	4 955 391
<b>Payments for capital assets</b>	<b>82 954</b>	<b>94 569</b>	<b>55 599</b>	<b>31 602</b>	<b>31 602</b>	<b>19 809</b>	<b>19 570</b>	<b>20 720</b>
Buildings and other fixed structures	–	2 442	–	–	–	–	–	–
Machinery and equipment	48 450	63 120	41 624	30 322	30 322	19 200	18 001	19 223
Biological assets	–	9 491	–	–	–	–	–	–
Land and sub-soil assets	31 278	11 083	13 975	–	–	–	–	–
Software and other intangible assets	3 226	8 433	–	1 280	1 280	609	1 569	1 497
<b>Payments for financial assets</b>	<b>1 611</b>	<b>3 832</b>	<b>2 363</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>3 724 605</b>	<b>5 896 645</b>	<b>6 663 740</b>	<b>6 401 388</b>	<b>6 401 388</b>	<b>6 769 555</b>	<b>7 972 941</b>	<b>8 360 078</b>



## Expenditure trends

Expenditure increased from R3.7 billion in 2006/07 to R6.4 billion in 2009/10, at an average annual rate of 19.8 per cent due to the increase in land reform grants.

Over the MTEF period, expenditure is expected to increase to R8.4 billion, at an average annual rate of 9.3 per cent. This is due to the implementation of the new *Rural Development* programme and the revision of national land redistribution targets to increase land reform grants from R1.5 billion in 2009/10 to R3.2 billion in 2012/2013. In 2011/12, expenditure in the *Restitution* programme is expected to grow to enable the department to pay out an increased number of claims.

From 2006/07 to 2009/10, the number of personnel decreased from 3 159 to 3 108, a decrease of 1.6 per cent. However, in 2008/09, the number of posts increased significantly to 4 129 from 3 480 in 2007/08, in line with the new organisational structure aimed at improving service delivery. Due to the long recruitment process, high staff turnover and budget constraints, the posts were again reduced in 2009/10 to 3 108. Over the medium term, the number of personnel will increase from 3 108 to 4 129, at an average annual rate of 10 per cent, to provide for the implementation of the comprehensive rural development programme.

## Departmental receipts

Since 2008/09, no dividends have been declared from the deeds trading account. This is due to the decline in the property market caused by the economic recession. In addition, revenue received from interest is projected to decrease in 2010/2011 due to lower interest rates. Departmental receipts are not expected to increase over the MTEF period.

Table 32.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Departmental receipts</b>	<b>158 836</b>	<b>176 380</b>	<b>64 170</b>	<b>231 217</b>	<b>61 091</b>	<b>68 420</b>	<b>68 951</b>	<b>64 467</b>
Sales of goods and services produced by department	23 362	23 200	20 941	23 042	20 591	21 620	22 701	23 836
Sales of scrap, waste, arms and other used current goods	-	-	29	-	-	-	-	-
Transfers received	-	41	49	-	-	-	-	-
Interest, dividends and rent on land	131 755	145 461	33 438	197 092	36 000	42 600	41 840	36 000
Sales of capital assets	1 124	2 468	963	83	500	-	-	-
Transactions in financial assets and liabilities	2 595	5 210	8 750	11 000	4 000	4 200	4 410	4 631
<b>Total</b>	<b>158 836</b>	<b>176 380</b>	<b>64 170</b>	<b>231 217</b>	<b>61 091</b>	<b>68 420</b>	<b>68 951</b>	<b>64 467</b>

## Programme 1: Administration

### Expenditure estimates

Table 32.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister <sup>1</sup>	–	–	–	1 725	1 816	1 916	2 012
Deputy Minister <sup>1</sup>	–	–	–	1 420	1 496	1 578	1 657
Management	29 192	38 232	34 066	76 668	83 570	88 224	66 203
Corporate Services	267 681	327 111	374 686	479 338	421 392	435 762	459 455
Office Accommodation	33 016	51 905	44 564	130 129	50 697	54 818	58 938
Government Motor Transport	4 949	2 982	–	–	3 446	3 653	3 836
Sector Education and Training Authority	–	–	–	1	1	1	1
Capital Works	8 703	3 274	2 382	9 603	15 393	16 131	42 387
<b>Total</b>	<b>343 541</b>	<b>423 504</b>	<b>455 698</b>	<b>698 884</b>	<b>577 811</b>	<b>602 083</b>	<b>634 489</b>
Change to 2009 Budget estimate				200 572	23 194	15 171	27 963

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included.

Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

#### Economic classification

	307 862	396 406	423 988	675 997	555 782	578 959	610 261
<b>Current payments</b>							
Compensation of employees	98 822	103 611	134 281	260 706	276 114	298 616	314 095
Goods and services	209 040	292 795	289 707	415 291	279 668	280 343	296 166
<i>of which:</i>							
Administrative fees	7 931	10 904	30 744	202 265	19 065	20 016	21 037
Advertising	5 227	4 342	7 186	1 756	1 276	1 352	1 421
Assets less than the capitalisation threshold	3 023	1 863	1 939	723	1 649	2 106	2 213
Audit cost: External	4 321	4 849	7 736	6 000	4 500	5 000	5 255
Bursaries: Employees	2 415	2 066	1 466	706	1 874	2 800	2 943
Catering: Departmental activities	1 125	526	845	896	861	876	921
Communication	6 608	7 847	12 298	3 830	6 253	5 913	6 215
Computer services	47 596	54 713	55 156	51 684	83 391	87 935	92 420
Consultants and professional services: Business and advisory services	28 372	57 539	16 725	18 659	32 829	26 961	28 331
Consultants and professional services: Infrastructure and planning	190	129	158	–	5	5	5
Consultants and professional services: Legal costs	1 692	2 980	8 861	1 011	1 356	1 454	1 528
Contractors	5 691	2 281	3 870	2 176	2 025	2 170	2 281
Agency and support / outsourced services	10 703	26 441	29 751	39 597	6 064	7 242	7 611
Entertainment	3	3	4	272	308	347	365
Inventory: Food and food supplies	204	321	180	885	462	489	514
Inventory: Fuel, oil and gas	–	18	1	12	42	55	58
Inventory: Learner and teacher support material	53	31	9	53	5	10	11
Inventory: Materials and supplies	61	34	148	(552)	223	266	280
Inventory: Medical supplies	–	88	271	1	–	–	–
Inventory: Other consumables	482	556	455	1 179	675	729	766
Inventory: Stationery and printing	2 862	2 726	6 548	5 416	2 495	2 741	2 881
Lease payments	29 795	38 238	39 661	40 119	44 263	48 204	50 662
Property payments	15 961	21 357	12 634	15 505	14 343	14 958	15 721
Transport provided: Departmental activity	50	8	–	(10)	80	100	105
Travel and subsistence	17 104	26 612	26 925	14 784	39 348	32 109	35 275
Training and development	6 898	6 590	9 299	1 500	2 345	2 633	2 767
Operating expenditure	5 081	6 968	6 116	3 049	7 948	7 470	7 851
Venues and facilities	5 592	12 765	10 721	3 775	5 983	6 402	6 729

Table 32.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
Transfers and subsidies	4 007	7 253	12 984	13 715	12 309	12 925	13 571
Provinces and municipalities	63	17	8	–	14	14	14
Departmental agencies and accounts	–	–	–	1	1	1	1
Non-profit institutions	–	–	2	–	–	–	–
Households	3 944	7 236	12 974	13 714	12 294	12 910	13 556
Payments for capital assets	31 435	19 407	18 677	9 172	9 720	10 199	10 657
Machinery and equipment	30 593	11 224	18 677	9 113	9 663	10 139	10 594
Software and other intangible assets	842	8 183	–	59	57	60	63
Payments for financial assets	237	438	49	–	–	–	–
<b>Total</b>	<b>343 541</b>	<b>423 504</b>	<b>455 698</b>	<b>698 884</b>	<b>577 811</b>	<b>602 083</b>	<b>634 489</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	63	17	8	–	14	14	14
Regional Services Council levies	63	–	–	–	–	–	–
Vehicle licensing	–	17	8	–	14	14	14
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	–	–	–	1	1	1	1
Public Sector Education and Training Authority	–	–	–	1	1	1	1
<b>Non-profit institutions</b>							
Current	–	–	2	–	–	–	–
Non Profit Institutions: Donations and Gifts	–	–	2	–	–	–	–
<b>Households</b>							
<b>Social benefits</b>							
Current	56	1 283	12 974	13 533	12 294	12 910	13 556
Employer Social Benefits	56	1 283	11 720	4	4	4	4
Bursaries non-employees	–	–	1 254	13 529	12 290	12 906	13 552
<b>Households</b>							
<b>Other transfers to households</b>							
Current	3 888	5 953	–	181	–	–	–
Employer Social Benefits	3 888	5 953	–	181	–	–	–

## Expenditure trends

Expenditure increased from R343.5 million in 2006/07 to R698.9 million in 2009/10, at an average annual rate of 26.7 per cent. This was because a new organisational structure with provincial offices was adopted to improve the administration of the department's programmes. The increase in expenditure in 2009/10 is attributed to a virement of R178 million to this programme in the 2009 adjustments budget to mitigate the projected deficits in the *Property Management* and *Corporate Services* subprogrammes, as a result of the additional compensation and office accommodation required for new employees in these sections.

Expenditure is projected to decrease to R634.4 million over the MTEF period, at an average annual rate of 3.2 per cent. The decrease in expenditure to R577.8 in 2010/11 is a result of the once-off R178 million virement received in 2009/10.

## Programme 2: Geospatial and Cadastral Services

- *Cadastral Surveys* is responsible for: examining and approving all surveys for the registration of land and real rights that are intended to be registered in the deeds office; maintaining records; compiling, maintaining

and revising maps of property boundaries; and providing cadastral advisory services to other government institutions. Funding in this subprogramme will mainly be used for compensation of employees and goods and services.

- *National Geospatial Information* promotes and controls all matters related to geodetic and topographical surveying, and geospatial information services. Funding in this subprogramme will mainly be used for compensation of employees and goods and services.
- *Spatial Planning* provides for national land use management, spatial planning and spatial information systems. Funding in this subprogramme will mainly be used for compensation of employees and goods and services.
- *Registration of Deeds Trading Account* provides for the growth of trading capital and the procurement of capital equipment for the deeds registration chief directorate. Funds in this subprogramme will be used to augment any deficit that may occur in the trading account, compensation of employees, and goods and services.
- *South African Council for Planners* provides transfers to the South African Council for Planners in line with the Planning Professions Act (2002). Funding in this subprogramme will mainly support the South African Council for Planners, a non-profit organisation dealing with the registration and activities of the city planning profession.

## Objectives and measures

- Provide fundamental geospatial information as a national asset in accordance with user needs by:
  - maintaining 1 055 reference beacons of the national control survey network by March 2011
  - acquiring earth imagery of South Africa at 0.5 ground sample distance covering 310 000 km<sup>2</sup> by March 2011
  - producing 1 680 maps of South Africa in the national map series by March 2011
  - recording on maps to annually monitor changes in actual land use due to land development
  - completing the update of the integrated database of fundamental geospatial information by March 2012.
- Enhance effective spatial planning by ensuring that spatial planning and information services provided from the already operational 4 provinces are extended to all 9 provinces in 2011/12.
- Improve the efficiency of cadastral information services by:
  - reducing the time for maintaining and archiving cadastral documents from 15 days in 2009/10 to 14 days by 2012/13
  - reducing the turnaround time for supplying cadastral documents from 5 days in 2009/10 to 3 days by 2012/13.
- Undertake research on rural development and land reform by 2011/12 to find innovative ways in which technology can contribute towards the reduction of vulnerability and poverty.

## Service delivery focus

In 2009/10, the *Geospatial and Cadastral Surveys* programme achieved its target turnaround time of 14 working days for examining and approving diagrams, general plans and sectional titles that were 100 per cent registerable with no returns from deeds offices. By November 2009/10, 8 610 lodgements (projects) were processed, creating 196 932 new land parcels, which are pieces of land that can be registered with a deed attached. The provincial cadastral spatial database for creating base maps was maintained in 2009/10 and updated within the targeted 15 working days. Due to the introduction of an automatic emailing system in 2009/10, the department managed to convey this information to the public, government departments and private professional land surveyors within 4 days instead of the targeted 5 days. Improvements to the Eastern Cape information centre continued in 2009/10 with 14 more administration officials employed. Pupil survey officers' training in all surveyors-general offices was at its final stage in 2009/10.

The amended version of the Land Use Management Bill was approved by the parliamentary portfolio committee on agriculture and land affairs in 2009, but has not yet been tabled in Parliament as planned in 2009. A draft report on a review of the functions of the South African Council for Planners was completed in 2009/10. The spatial metadata discovery portal was established in 2009 and the project was tested to be deployed to all provinces in the same year. The portal is part of the national spatial information framework, which is a directorate under the chief directorate for spatial planning and information, and is a national initiative to coordinate the development of infrastructure required to support the use of spatial information in decision making. The building of a spatial data infrastructure includes policies, institutional arrangements, developing human resources and standards for geographic information.

## Expenditure estimates

Table 32.5 Geospatial and Cadastral Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Cadastral Surveys	90 199	137 728	116 306	140 824	140 980	150 582	158 509
National Geospatial Information	78 431	103 111	81 781	105 496	108 010	114 950	120 864
Spatial Planning	14 547	16 131	22 806	55 150	23 319	24 518	25 770
Registration of Deeds Trading Account	–	–	54 814	57 593	8 816	10 406	11 129
South African Council For Planners	–	–	1 544	2 288	2 425	2 571	2 700
<b>Total</b>	<b>183 177</b>	<b>256 970</b>	<b>277 251</b>	<b>361 351</b>	<b>283 550</b>	<b>303 027</b>	<b>318 972</b>
Change to 2009 Budget estimate				119 817	32 302	36 001	38 457

### Economic classification

<b>Current payments</b>	<b>167 407</b>	<b>221 957</b>	<b>207 757</b>	<b>290 676</b>	<b>261 050</b>	<b>279 269</b>	<b>293 546</b>
Compensation of employees	111 085	128 158	140 417	186 127	194 521	209 392	220 197
Goods and services	56 322	93 799	67 334	104 549	66 529	69 877	73 349
<i>of which:</i>							
<i>Administrative fees</i>	<i>480</i>	<i>468</i>	<i>1 409</i>	<i>33 126</i>	<i>3 058</i>	<i>3 913</i>	<i>4 109</i>
<i>Advertising</i>	<i>1 371</i>	<i>530</i>	<i>773</i>	<i>683</i>	<i>1 252</i>	<i>1 302</i>	<i>1 367</i>
<i>Assets less than the capitalisation threshold</i>	<i>2 224</i>	<i>1 344</i>	<i>1 584</i>	<i>2 090</i>	<i>1 651</i>	<i>1 848</i>	<i>1 940</i>
<i>Bursaries: Employees</i>	<i>–</i>	<i>5</i>	<i>–</i>	<i>–</i>	<i>8</i>	<i>–</i>	<i>–</i>
<i>Catering: Departmental activities</i>	<i>159</i>	<i>154</i>	<i>144</i>	<i>268</i>	<i>236</i>	<i>277</i>	<i>291</i>
<i>Communication</i>	<i>4 270</i>	<i>3 806</i>	<i>3 188</i>	<i>2 323</i>	<i>2 335</i>	<i>2 540</i>	<i>2 667</i>
<i>Computer services</i>	<i>4 800</i>	<i>8 386</i>	<i>6 253</i>	<i>6 394</i>	<i>3 563</i>	<i>3 944</i>	<i>4 141</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>2 849</i>	<i>4 314</i>	<i>692</i>	<i>3 910</i>	<i>3 181</i>	<i>2 741</i>	<i>2 878</i>
<i>Consultants and professional services: Infrastructure and planning</i>	<i>9 581</i>	<i>9 066</i>	<i>8 270</i>	<i>5 738</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Consultants and professional services: Legal costs</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>11</i>	<i>142</i>	<i>10</i>	<i>11</i>
<i>Contractors</i>	<i>7 524</i>	<i>12 781</i>	<i>5 818</i>	<i>(5 080)</i>	<i>461</i>	<i>505</i>	<i>530</i>
<i>Agency and support / outsourced services</i>	<i>109</i>	<i>1 649</i>	<i>498</i>	<i>21 367</i>	<i>20 472</i>	<i>19 458</i>	<i>20 431</i>
<i>Entertainment</i>	<i>3</i>	<i>7</i>	<i>10</i>	<i>25</i>	<i>101</i>	<i>120</i>	<i>126</i>
<i>Fleet services (including government motor transport)</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>175</i>	<i>161</i>	<i>203</i>	<i>213</i>
<i>Inventory: Food and food supplies</i>	<i>166</i>	<i>162</i>	<i>152</i>	<i>159</i>	<i>29</i>	<i>35</i>	<i>37</i>
<i>Inventory: Fuel, oil and gas</i>	<i>32</i>	<i>5</i>	<i>26</i>	<i>54</i>	<i>22</i>	<i>22</i>	<i>23</i>
<i>Inventory: Learner and teacher support material</i>	<i>103</i>	<i>104</i>	<i>118</i>	<i>149</i>	<i>12</i>	<i>13</i>	<i>14</i>
<i>Inventory: Materials and supplies</i>	<i>150</i>	<i>146</i>	<i>206</i>	<i>(627)</i>	<i>854</i>	<i>1 056</i>	<i>1 109</i>
<i>Inventory: Medical supplies</i>	<i>1</i>	<i>–</i>	<i>–</i>	<i>7</i>	<i>7</i>	<i>9</i>	<i>9</i>
<i>Inventory: Other consumables</i>	<i>109</i>	<i>43</i>	<i>166</i>	<i>1 382</i>	<i>1 080</i>	<i>1 767</i>	<i>1 855</i>
<i>Inventory: Stationery and printing</i>	<i>4 497</i>	<i>6 038</i>	<i>5 945</i>	<i>4 490</i>	<i>5 989</i>	<i>6 153</i>	<i>6 461</i>
<i>Lease payments</i>	<i>1 183</i>	<i>1 058</i>	<i>1 111</i>	<i>2 477</i>	<i>1 621</i>	<i>3 216</i>	<i>3 377</i>
<i>Property payments</i>	<i>1 732</i>	<i>3 176</i>	<i>3 285</i>	<i>4 718</i>	<i>1 114</i>	<i>1 198</i>	<i>1 258</i>

Table 32.5 Geospatial and Cadastral Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>167 407</b>	<b>221 957</b>	<b>207 757</b>	<b>290 676</b>	<b>261 050</b>	<b>279 269</b>	<b>293 546</b>
<i>Transport provided: Departmental activity</i>	-	-	-	153	476	498	523
<i>Travel and subsistence</i>	12 360	37 369	23 230	13 380	6 411	7 343	7 688
<i>Training and development</i>	593	614	680	798	1 221	1 204	1 264
<i>Operating expenditure</i>	358	392	571	1 443	3 481	3 874	4 068
<i>Venues and facilities</i>	1 668	2 182	3 205	4 936	7 591	6 628	6 959
Interest and rent on land	-	-	6	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 630</b>	<b>5 832</b>	<b>59 040</b>	<b>62 168</b>	<b>13 593</b>	<b>15 937</b>	<b>17 263</b>
Provinces and municipalities	63	4	1	4	4	4	4
Departmental agencies and accounts	9	-	54 814	57 593	8 816	10 406	11 129
Foreign governments and international organisations	-	1 026	1 125	1 230	1 306	1 365	1 450
Non-profit institutions	-	-	1 544	2 288	2 425	2 571	2 700
Households	2 558	4 802	1 556	1 053	1 042	1 591	1 980
<b>Payments for capital assets</b>	<b>13 100</b>	<b>28 920</b>	<b>10 253</b>	<b>8 507</b>	<b>8 907</b>	<b>7 821</b>	<b>8 163</b>
Machinery and equipment	10 971	28 920	10 253	7 286	8 355	6 312	6 729
Software and other intangible assets	2 129	-	-	1 221	552	1 509	1 434
<b>Payments for financial assets</b>	<b>40</b>	<b>261</b>	<b>201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>183 177</b>	<b>256 970</b>	<b>277 251</b>	<b>361 351</b>	<b>283 550</b>	<b>303 027</b>	<b>318 972</b>

**Details of transfers and subsidies**

<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>63</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Regional Services Council levies	61	-	-	-	-	-	-
Vehicle licensing	2	4	1	4	4	4	4
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>9</b>	<b>-</b>	<b>54 814</b>	<b>57 593</b>	<b>8 816</b>	<b>10 406</b>	<b>11 129</b>
Subscription fees	9	-	-	-	-	-	-
Registration of Deeds Trading Account	-	-	54 814	57 593	8 816	10 406	11 129
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>-</b>	<b>1 026</b>	<b>1 125</b>	<b>1 230</b>	<b>1 306</b>	<b>1 365</b>	<b>1 450</b>
Regional Centre for Mapping of Resources for Development	-	1 026	-	1 230	1 306	1 365	1 450
Subscription fees	-	-	1 125	-	-	-	-
<b>Non-profit institutions</b>							
<b>Current</b>	<b>-</b>	<b>-</b>	<b>1 544</b>	<b>2 288</b>	<b>2 425</b>	<b>2 571</b>	<b>2 700</b>
South African Council for Planners	-	-	1 544	2 288	2 425	2 571	2 700
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>202</b>	<b>2 954</b>	<b>626</b>	<b>443</b>	<b>496</b>	<b>943</b>	<b>1 300</b>
Employer Social Benefits	202	2 954	543	443	496	943	1 300
Bursaries non-employees	-	-	83	-	-	-	-
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>2 356</b>	<b>1 848</b>	<b>930</b>	<b>610</b>	<b>546</b>	<b>648</b>	<b>680</b>
Employer Social Benefits	2 356	1 848	930	-	-	-	-
Bursaries non-employees	-	-	-	610	546	648	680

**Expenditure trends**

Expenditure in the *Geospatial and Cadastral Services* programme increased from R183.2 million in 2006/07 to R361.4 million in 2009/10, at an average annual rate of 25.4 per cent. The increase in expenditure is attributed

to a virement of R108 million to this programme in the 2009 adjustment budget to mitigate projected deficits in the *Registration of Deeds Trading Account* subprogramme from reduced revenue from property registrations, and in the *Spatial Planning*, and *Cadastral Surveys* subprogrammes for additional compensation and office accommodation required for new employees in these sections.

Expenditure is projected to decrease over the MTEF period to R319 million, at an average annual rate of 4.1 per cent due to the once-off virement in 2009/10. The spending focus over the medium term will be on mapping, registration of deeds and developing new plans for new settlements.

## Trading account

### Registration of deeds trading account

#### Strategic overview: 2006/07 – 2012/13

Deeds registries are established in terms of the Deeds Registries Act (1937). Their primary purpose is to register rights in land and thus provide security of title. They also maintain public registers of land. The registration of deeds trading account is a trading entity established in terms of the Public Finance Management Act (1999). It generates revenue by selling information and levying fees as legislated.

#### Savings and cost effective service delivery

Since 2008/09, the deeds trading account's revenues have been decreasing, due to the slump in the property market caused by the economic recession. The decrease in revenues has resulted in projected deficits being mitigated by transfers from the department. Due to the projected deficits, the trading account could not identify savings.

#### Selected performance indicators

Table 32.6 Registration of deeds trading account

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Number of days from lodgement until examination is completed	Examination of deed applications	6	6	6	6	6	6	6
Number of days to deliver deeds and other documents after registration	Delivery of registered documents	30	30	14	7	7	7	7

#### Service delivery focus

The e-cadastre system was introduced in 2009/10 to reduce deeds registration turnaround times over the MTEF period. A phased approach is being followed in the Pretoria and North West offices in 2009/10, and the Cape Town and Kimberley offices in 2010/11 through implementing an enterprise architecture that will result in consolidating cadastral and deeds data stores; and back scanning of all the paper and microfilm records for digitising the archives. The server storage capacity will also be upgraded in 2010/11 to accommodate an increase in records as a result of back scanning.

#### Expenditure estimates

Table 32.7 Registration of deeds trading account: Programme information

R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Registration of Deeds	2 031	1 452	184	195	206	219	232
Computer Services	36 487	49 709	35 723	52 370	62 241	65 635	60 388
Consultants, Contractors and Special Services	32 696	53 335	60 602	23 929	52 821	53 380	59 186
E-Cadastry	–	–	–	42 976	42 976	106 809	215 124
Depreciation	21 608	17 016	21 167	16 150	23 209	24 601	26 078
Other programmes	230 053	232 217	250 192	276 852	299 597	317 418	341 518
<b>Total expense</b>	<b>322 875</b>	<b>353 729</b>	<b>367 868</b>	<b>412 472</b>	<b>481 050</b>	<b>568 062</b>	<b>702 526</b>

Table 32.8 Registration of deeds trading account: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>440 178</b>	<b>433 572</b>	<b>314 805</b>	<b>354 879</b>	<b>472 434</b>	<b>557 656</b>	<b>691 397</b>
Sale of goods and services other than capital assets <i>of which:</i>	423 477	418 989	309 779	345 084	467 565	552 466	685 895
Registration of deeds and sale of information	423 477	418 989	309 779	345 084	467 565	552 466	685 895
Other non-tax revenue	16 701	14 583	5 026	9 795	4 869	5 190	5 502
<b>Transfers received</b>	<b>-</b>	<b>-</b>	<b>53 063</b>	<b>57 593</b>	<b>8 816</b>	<b>10 406</b>	<b>11 129</b>
<b>Total revenue</b>	<b>440 178</b>	<b>433 572</b>	<b>367 868</b>	<b>412 472</b>	<b>481 250</b>	<b>568 062</b>	<b>702 526</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>322 875</b>	<b>353 729</b>	<b>367 868</b>	<b>412 472</b>	<b>481 050</b>	<b>568 062</b>	<b>702 526</b>
Compensation of employees	207 370	195 267	204 949	250 592	265 874	280 763	297 609
Goods and services	91 866	139 994	141 568	139 248	191 760	262 479	378 607
Depreciation	21 608	17 016	21 167	22 437	23 209	24 601	26 078
Interest, dividends and rent on land	2 031	1 452	184	195	207	219	232
<b>Total expenses</b>	<b>322 875</b>	<b>353 729</b>	<b>367 868</b>	<b>412 472</b>	<b>481 050</b>	<b>568 062</b>	<b>702 526</b>
<b>Surplus / (Deficit)</b>	<b>117 303</b>	<b>79 843</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	97 766	121 690	135 606	127 893	144 005	155 186	165 710
<i>of which: Acquisition of assets</i>	28 887	42 001	49 044	14 727	39 321	35 782	36 602
Inventory	1 139	1 200	924	2 146	2 275	2 412	2 556
Receivables and prepayments	72 038	62 070	60 201	63 813	67 642	71 700	76 002
Cash and cash equivalents	94 079	53 279	32 644	34 603	36 679	38 880	41 212
<b>Total assets</b>	<b>265 022</b>	<b>238 239</b>	<b>229 375</b>	<b>228 455</b>	<b>250 601</b>	<b>268 178</b>	<b>285 480</b>
Accumulated surplus/deficit	47 068	126 911	126 911	126 911	133 273	142 597	151 153
Borrowings	2 289	1 710	1 138	645	684	724	768
Trade and other payables	13 364	25 760	13 492	14 302	41 842	44 353	47 014
Provisions	24 833	25 604	27 829	28 341	30 042	31 845	33 755
Managed funds	177 468	58 254	58 254	58 256	44 760	48 659	52 790
Liabilities not classified elsewhere	-	-	1 751	-	-	-	-
<b>Total equity and liabilities</b>	<b>265 022</b>	<b>238 239</b>	<b>229 375</b>	<b>228 455</b>	<b>250 601</b>	<b>268 178</b>	<b>285 480</b>

### Expenditure trends

Expenditure increased at an average annual rate of 8.5 per cent, from R323 million in 2006/07 to R412 million in 2009/10. This was due to increases in salaries and wages, which is attributable to the project undertaken to adopt a new organisational structure aimed at improving service delivery. It involved the appointment of more officials and the promotion of others to higher salary levels. 43 appointments have been made to date and were upgraded from level 6 to level 7 in 2009/10.

The trading account declared a reduced surplus of R79.8 million in 2007/08 as a result of a 15.2 per cent decrease in revenue and higher expenditure. This trend is set to continue due to the slump in the property market and increased expenditure on compensation of employees from 2009/10. From 2008/09, the account will record a deficit. Transfers of R53 million for 2008/09 and R58 million for 2009/10 have been provided to augment the trading account. The schedule of fees was reviewed and it is expected that the projected revenue will cover operational costs from 2010/11.

Expenditure is expected to increase to R703 million over the MTEF period, at an average annual rate of 19.4 per cent. This is due to an increase in compensation of employees, which rose by 22.3 per cent in 2008/09 and again by 6.5 per cent in 2009/10.



## Programme 3: Rural Development

- *Rural Development National Office* is responsible for formulating policies and introducing products and services for the effective implementation of the comprehensive rural development programme.
- *Rural Development Provincial Offices* provides support services for effectively implementing the comprehensive rural development programme.

### Objectives and measures

- Ensure that social, environmental and economic development is realised by rural communities through:
  - training and skills development over the MTEF period
  - establishing cooperatives and enterprises over the MTEF period
  - establishing community organisations over the MTEF period
  - facilitating integrated infrastructure delivery for socioeconomic growth over the MTEF period
  - revitalising and revamping old ICT infrastructure and developing new infrastructure over the MTEF period
  - investing strategically in public amenities in rural areas and improving access in 2010/11.

### Service delivery focus

Launched in 2009 in Free State, Eastern Cape, North West, Mpumalanga, Limpopo and Northern Cape, the comprehensive rural development programme focuses on providing education and skills, small farmer development, water resources management, and promoting cooperatives. Agricultural skills training and infrastructure development such as clinics, schools, houses, irrigation systems and fencing are under way.

In August 2009, a pilot project was launched in Muyexe, Limpopo, with the purpose of ensuring that rural areas have access to improved social and economic infrastructure such as schools, clinics, a pump house, storage facilities, 230 houses, boreholes and reticulation systems. Since the launch, housing and social profiling has been completed, a number of cooperatives are being established and agricultural and infrastructure projects have been started.

### Expenditure estimates

Table 32.9 Rural Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Rural Development National Office	4 116	3 500	9 104	262 637	230 729	266 403	264 749
Rural Development Provincial Offices	–	–	–	–	25 500	26 928	28 274
<b>Total</b>	<b>4 116</b>	<b>3 500</b>	<b>9 104</b>	<b>262 637</b>	<b>256 229</b>	<b>293 331</b>	<b>293 023</b>
Change to 2009 Budget estimate				254 952	253 229	293 331	293 023
<b>Economic classification</b>							
Current payments	4 090	3 450	9 104	262 637	255 747	292 781	292 223
Compensation of employees	2 482	2 774	3 640	3 759	66 414	70 474	74 000
Goods and services	1 608	676	5 464	258 878	189 333	222 307	218 223
<i>of which:</i>							
<i>Administrative fees</i>	–	–	–	–	185 141	220 965	216 813
<i>Advertising</i>	1	–	–	7 000	–	–	–
<i>Assets less than the capitalisation threshold</i>	9	1	2	4 005	6	6	6
<i>Catering: Departmental activities</i>	17	10	16	6 020	21	24	25
<i>Communication</i>	51	40	70	10 081	86	97	102
<i>Computer services</i>	14	–	3	12 000	–	–	–
<i>Consultants and professional services:</i>	752	189	4 581	198 070	3 403	453	475
<i>Business and advisory services</i>							
<i>Agency and support / outsourced services</i>	–	–	62	1 000	–	–	–

Table 32.9 Rural Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>							
<i>Entertainment</i>	1	-	-	1 004	4	5	5
<i>Inventory: Food and food supplies</i>	-	-	-	601	2	2	2
<i>Inventory: Stationery and printing</i>	27	2	80	1 023	23	25	26
<i>Lease payments</i>	1	4	1	2 000	-	-	-
<i>Travel and subsistence</i>	688	242	569	7 550	520	587	620
<i>Training and development</i>	8	86	6	1 010	10	11	11
<i>Operating expenditure</i>	25	19	14	6 004	2	2	2
<i>Venues and facilities</i>	14	83	60	1 510	115	130	136
<b>Transfers and subsidies</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	1	-	-	-	-	-	-
Households	25	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>482</b>	<b>550</b>	<b>800</b>
Machinery and equipment	-	50	-	-	482	550	800
<b>Total</b>	<b>4 116</b>	<b>3 500</b>	<b>9 104</b>	<b>262 637</b>	<b>256 229</b>	<b>293 331</b>	<b>293 023</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	1	-	-	-	-	-	-
Regional Services Council levies	1	-	-	-	-	-	-
<b>Households</b>							
<b>Social benefits</b>							
Current	25	-	-	-	-	-	-
Employer Social Benefits	25	-	-	-	-	-	-

## Expenditure trends

The 2009 adjusted budget allocated R255 million to this new programme. This included R5 million transferred from the previous Department of Provincial and Local Government. Over the MTEF period, expenditure is projected to increase at an average annual rate of 3.7 per cent, from R262.6 million to R293 million. This is due to increased social, environmental and economic development expenditure directed towards rural communities.

## Programme 4: Restitution

- *Restitution National Office* provides administrative and professional support to the Commission on the Restitution of Land Rights for processing and investigating restitution claims. The subprogramme also develops and coordinates restitution policy and oversees court cases. Funding in this subprogramme will mainly be used for compensation of employees and related costs.
- *Restitution Regional Offices* negotiates restitution agreements and provides administrative support services to regional land claims commissioners. Funding in this subprogramme will mainly be used for compensation of employees and related costs.
- *Restitution Grants* makes grants to restore land and provides alternative land to land reform beneficiaries. The subprogramme provides for payment of compensation and alternative relief, settlement planning and facilitation assistance, and contributes to costs of resettling communities. Funding in this subprogramme will mainly be used for grants paid out to beneficiaries and administration of these transactions.

## Objectives and measures

- Settle restitution claims by finalising outstanding research and verification for 4 222 outstanding claims and do the strategic gazetting of the claims.

## Service delivery focus

By the end of October 2009, 95 per cent (75 758 of 79 696) of claims lodged were settled, benefiting 324 154 households and 1.5 million individuals with a total cost of R21.5 billion. 87 per cent of settled claims were urban and 13 per cent rural, with most rural claimants opting for land restoration. No valuations and no negotiations will be done during 2010/2011. It is estimated that 120 claims on state land will be negotiated and settled where there are no financial implications.

Between 2006/07 and 2009/10, the Commission on the Restitution of Land Rights has settled 3 829 rural claims, which have benefited 124 389 households and 572 476 individuals. The total land committed for restoration during this period was 1.5 million hectares, at a total cost of R15.4 billion. Between April 2009 and October 2009, the commission settled 74 rural claims against a target of 1 695. The settlements benefited 8 721 households and 23 845 individuals. The total rural land approved for restoration in this period was 144 799 ha, at a total cost of R1.2 billion.

## Expenditure estimates

Table 32.10 Restitution

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
Restitution National Office	18 836	29 003	31 185	44 569	46 392	50 205	52 898
Restitution Regional Offices	227 938	278 387	307 298	352 120	349 437	358 977	376 908
Restitution Grants	2 092 540	3 333 578	2 783 665	1 710 746	1 172 767	1 660 728	1 743 764
<b>Total</b>	<b>2 339 314</b>	<b>3 640 968</b>	<b>3 122 148</b>	<b>2 107 435</b>	<b>1 568 596</b>	<b>2 069 910</b>	<b>2 173 570</b>
Change to 2009 Budget estimate				203 151	(16 105)	(16 538)	(17 200)

### Economic classification

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Current payments</b>	<b>211 224</b>	<b>288 443</b>	<b>317 209</b>	<b>395 033</b>	<b>395 614</b>	<b>408 955</b>	<b>429 568</b>
Compensation of employees	97 384	127 501	185 533	226 666	233 975	242 919	255 211
Goods and services	113 840	160 942	131 676	168 367	161 639	166 036	174 357
<i>of which:</i>							
<i>Administrative fees</i>	12 933	13 421	3 525	3 762	1 730	2 201	2 311
<i>Advertising</i>	5 512	7 126	4 770	5 874	3 535	3 831	4 023
<i>Assets less than the capitalisation threshold</i>	1 273	1 729	1 707	3 645	1 478	1 778	1 867
<i>Audit cost: External</i>	–	1 710	–	3 200	–	–	–
<i>Catering: Departmental activities</i>	1 257	1 575	953	840	710	780	819
<i>Communication</i>	9 954	11 301	10 443	8 353	8 415	8 635	9 067
<i>Computer services</i>	137	516	625	404	570	420	441
<i>Consultants and professional services: Business and advisory services</i>	20 428	38 055	24 989	46 396	92 694	91 855	96 465
<i>Consultants and professional services: Infrastructure and planning</i>	111	522	843	307	450	512	538
<i>Consultants and professional services: Legal costs</i>	10 168	17 477	15 832	17 233	8 580	8 868	9 311
<i>Contractors</i>	569	1 072	472	927	1 662	1 202	1 262
<i>Agency and support / outsourced services</i>	6 565	8 634	11 856	17 517	7 865	8 209	8 619
<i>Entertainment</i>	–	4	8	184	225	277	291
<i>Inventory: Food and food supplies</i>	35	16	84	453	157	157	165
<i>Inventory: Fuel, oil and gas</i>	1	–	1	64	450	450	473
<i>Inventory: Learner and teacher support material</i>	5	–	226	–	–	35	37
<i>Inventory: Materials and supplies</i>	4	34	35	84	42	42	44
<i>Inventory: Medical supplies</i>	–	–	–	32	–	–	–
<i>Inventory: Other consumables</i>	16	17	87	345	283	310	326

Table 32.10 Restitution (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>							
<i>Inventory: Stationery and printing</i>	2 258	3 469	3 134	5 912	3 470	4 052	4 255
<i>Lease payments</i>	2 305	2 952	2 428	10 060	5 198	5 896	6 191
<i>Property payments</i>	3 108	4 621	5 399	11 190	2 332	2 845	2 987
<i>Transport provided: Departmental activity</i>	159	1 088	1 684	658	1 569	1 926	2 022
<i>Travel and subsistence</i>	31 066	38 196	38 472	23 543	16 595	17 264	18 127
<i>Training and development</i>	517	362	93	1 320	203	208	218
<i>Operating expenditure</i>	572	1 415	925	3 747	1 741	2 071	2 175
<i>Venues and facilities</i>	4 887	5 630	3 085	2 317	1 685	2 212	2 323
<b>Transfers and subsidies</b>	<b>2 092 615</b>	<b>3 333 594</b>	<b>2 783 671</b>	<b>1 710 748</b>	<b>1 172 982</b>	<b>1 660 955</b>	<b>1 744 002</b>
Provinces and municipalities	75	16	6	2	8	8	8
Households	2 092 540	3 333 578	2 783 665	1 710 746	1 172 974	1 660 947	1 743 994
<b>Payments for capital assets</b>	<b>34 527</b>	<b>16 428</b>	<b>20 410</b>	<b>1 654</b>	-	-	-
Machinery and equipment	3 249	5 345	6 435	1 654	-	-	-
Land and sub-soil assets	31 278	11 083	13 975	-	-	-	-
<b>Payments for financial assets</b>	<b>948</b>	<b>2 503</b>	<b>858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 339 314</b>	<b>3 640 968</b>	<b>3 122 148</b>	<b>2 107 435</b>	<b>1 568 596</b>	<b>2 069 910</b>	<b>2 173 570</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>75</b>	<b>16</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>8</b>	<b>8</b>
Regional Services Council levies	70	-	-	-	-	-	-
Municipal rates and taxes	1	-	6	-	-	-	-
Vehicle licensing	4	16	-	2	8	8	8
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>219</b>	<b>230</b>
Employer Social Benefits	-	-	-	-	207	219	230
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Capital</b>	<b>2 092 540</b>	<b>3 333 578</b>	<b>2 783 665</b>	<b>1 710 746</b>	<b>1 172 767</b>	<b>1 660 728</b>	<b>1 743 764</b>
Restitution grants	2 092 540	3 333 578	2 783 665	1 710 746	1 172 767	1 660 728	1 743 764

## Expenditure trends

Expenditure decreased from R2.3 billion in 2006/07 to R2.1 billion in 2009/10, at an average annual rate of 3.4 per cent. This was as a result of the additional funds received to enable the department to finalise all land restitution claims by March 2008. However, the department has not been able to settle all claims, and outstanding ones will be settled over the next 10 years.

Over the MTEF period, expenditure is projected to increase to R2.2 billion, at an average annual rate of 1 per cent. The lower annual increase is due to the reduction in restitution grants from R1.7 billion in 2009/10 to R1.2 billion in 2010/11 as a result of budget constraints. The restitution grants are then set to increase again in 2011/12 to R1.7 billion, and remain unchanged in 2012/13. Most of these funds have already been previously committed and the Commission on the Restitution of Land Rights is expected to clear its outstanding commitments by 2012/13, which will allow it to negotiate the other outstanding claims.

## Programme 5: Land Reform

- *Land Reform National Office* is responsible for developing and coordinating land reform products and facilitating the implementation of land reform programmes and projects. It also provides support services to provincial offices. Funding in this subprogramme will mainly be used for compensation of employees and related costs.
- *Land Reform Provincial Offices* provides support services for implementing land reform programmes and projects and for administering state land in each province. Funding in this subprogramme will mainly be used for compensation of employees and related costs.
- *Land Reform Grants* makes grants for project and programme planning, land acquisition and settlement, and allows the department to maintain, plan, develop or improve property. Funding in this subprogramme will mainly be used for grants to households and compensation of employees and related costs.
- *KwaZulu-Natal Ingonyama Trust Board* makes grants for administering Ingonyama Trust land. Funding in this subprogramme will mainly be used for support to the organisation and estate management services delivered.
- *Land Reform Empowerment Facility* makes transfers to the revolving credit loan facility established by the department to finance land acquisition and equity in commercial farming ventures. It is located in Khula Enterprises Finance, which was contracted to administer the funds on behalf of the department. Funding in this subprogramme will mainly be used to make transfers to Khula Enterprises Finance.
- *Communal Land Rights Programme* provides management and support to facilitate the legal security of tenure by transferring communal land, including Ingonyama Trust land to communities or by awarding comparable redress. Funding in this subprogramme will mainly be used for compensation of employees and related costs.
- *Agricultural Land Holding Account* provides transfers to the agricultural land holding account in terms of the Provision of Land and Assistance Act (1993).

### Objectives and measures

- Ensure that the sustainable benefits of economic growth accrue to previously disadvantaged communities, groups and individuals by delivering 321 122ha of agricultural land by 2012/13.

### Service delivery focus

From 1994 to the end of 2008/09, the programme had delivered approximately 2.9 million hectares of white owned agricultural land to land reform beneficiaries. The programme's 2 subprogrammes, *Redistribution* and *Tenure Reform*, transferred 501 projects to 14 457 beneficiaries with a total of 443 600ha of land in 2008/09.

A review of the land redistribution for agricultural development projects indicated that only 49 per cent of the projects are sustainable for agricultural production and beneficiaries' livelihoods. The department implemented immediate interventions to save these projects by amending the Provision of Land and Assistance Act (1993) in January 2009 and placed a hold on purchasing moveable assets and game farms, putting lease agreements in place to manage moveable assets, and contracting strategic partners and mentors to assist and transfer skills to the lessees. The implementation of the amendments to the proactive land acquisition strategy allowed the state to provide potential beneficiaries with access to land by means of lease or caretaker agreements.

In 2008/09, the department progressed with the process of finalising disposal plans for those that have the potential to farm. 3 137 parcels of state land were submitted for confirmation of vesting. In 2009/10, the department requested a 25 per cent (R254 million) virement of the proactive land acquisition strategy capital budget to be allocated to operations to ensure that challenges associated with the strategy will be dealt with effectively. As a development grant, R254.5 million was transferred to households to provide for beneficiaries' project development needs.

## Expenditure estimates

Table 32.11 Land Reform

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Land Reform National Office	47 242	56 363	51 330	89 721	60 975	64 870	69 289
Land Reform Provincial Offices	140 229	203 903	230 242	331 098	325 784	345 409	361 699
Land Reform Grants	355 790	483 085	1 035 135	1 493 331	2 521 459	3 043 677	3 195 861
KwaZulu-Natal Ingonyama Trust Board	2 230	2 351	2 492	2 606	2 772	2 939	3 086
Land Reform Empowerment Facility	–	–	–	1	1	1	1
Communal Land Rights Programme	502	4 251	19 436	13 208	23 898	27 065	28 428
Agricultural Land Holding Account	308 464	821 750	1 460 904	1 041 116	1 148 480	1 220 629	1 281 660
<b>Total</b>	<b>854 457</b>	<b>1 571 703</b>	<b>2 799 539</b>	<b>2 971 081</b>	<b>4 083 369</b>	<b>4 704 590</b>	<b>4 940 024</b>
Change to 2009 Budget estimate				(483 847)	(16 267)	(16 380)	(16 995)

## Economic classification

Current payments	175 626	233 440	293 487	421 745	409 949	436 336	458 308
Compensation of employees	96 273	114 335	150 320	277 550	301 225	320 080	336 275
Goods and services	79 353	119 105	143 167	144 195	108 724	116 256	122 033
<i>of which:</i>							
<i>Administrative fees</i>	1 593	4 041	2 345	36 252	21 025	24 972	26 221
<i>Advertising</i>	5 587	1 685	2 573	4 239	1 390	1 717	1 803
<i>Assets less than the capitalisation threshold</i>	1 253	4 809	3 090	2 172	1 816	2 141	2 248
<i>Audit cost: External</i>	–	–	–	9 096	–	–	–
<i>Catering: Departmental activities</i>	762	947	2 577	3 366	1 425	1 562	1 640
<i>Communication</i>	9 064	10 069	9 949	5 252	8 595	9 162	9 620
<i>Computer services</i>	2 843	5 470	3 925	6 367	14 680	15 750	16 538
<i>Consultants and professional services: Business and advisory services</i>	7 732	34 037	35 370	26 735	17 277	14 981	15 730
<i>Consultants and professional services: Infrastructure and planning</i>	15 033	8 947	6 656	5 829	10 300	11 120	11 676
<i>Consultants and professional services: Legal costs</i>	440	985	680	1 494	3 369	3 646	3 828
<i>Contractors</i>	425	1 283	2 698	481	660	730	767
<i>Agency and support / outsourced services</i>	416	499	6 052	1 529	994	961	1 009
<i>Entertainment</i>	1	1	3	212	407	454	477
<i>Inventory: Food and food supplies</i>	14	30	82	198	269	431	453
<i>Inventory: Fuel, oil and gas</i>	–	9	3	5	10	15	16
<i>Inventory: Materials and supplies</i>	16	20	28	(485)	34	47	49
<i>Inventory: Medical supplies</i>	–	1	1	–	–	–	–
<i>Inventory: Other consumables</i>	507	67	632	890	824	1 047	1 099
<i>Inventory: Stationery and printing</i>	1 772	2 455	3 284	4 784	4 240	4 498	4 723
<i>Lease payments</i>	1 640	1 769	3 786	4 621	6 239	6 821	7 162
<i>Property payments</i>	2 624	4 753	9 870	6 464	1 104	1 266	1 329
<i>Transport provided: Departmental activity</i>	129	398	350	145	222	228	239
<i>Travel and subsistence</i>	23 262	30 107	37 283	17 601	8 173	9 067	9 484
<i>Training and development</i>	312	214	111	1 196	1 722	1 675	1 759
<i>Operating expenditure</i>	325	664	765	1 528	43	56	59
<i>Venues and facilities</i>	3 603	5 845	11 054	4 224	3 906	3 909	4 104
<b>Transfers and subsidies</b>	<b>674 553</b>	<b>1 307 869</b>	<b>2 498 538</b>	<b>2 537 066</b>	<b>3 672 719</b>	<b>4 267 253</b>	<b>4 480 615</b>
Provinces and municipalities	8 069	39	8	13	8	8	8
Departmental agencies and accounts	310 694	824 101	1 463 395	1 043 722	1 151 252	1 223 568	1 284 746
Households	355 790	483 729	1 035 135	1 493 331	2 521 459	3 043 677	3 195 861

Table 32.11 Land Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>							
Payments for capital assets	3 892	29 764	6 259	12 269	700	1 000	1 100
Buildings and other fixed structures	–	2 442	–	–	–	–	–
Machinery and equipment	3 637	17 581	6 259	12 269	700	1 000	1 100
Biological assets	–	9 491	–	–	–	–	–
Software and other intangible assets	255	250	–	–	–	–	–
Payments for financial assets	386	630	1 255	1	1	1	1
<b>Total</b>	<b>854 457</b>	<b>1 571 703</b>	<b>2 799 539</b>	<b>2 971 081</b>	<b>4 083 369</b>	<b>4 704 590</b>	<b>4 940 024</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
Capital	8 000	–	–	–	–	–	–
Land distribution: Alexandra urban renewal project grant	8 000	–	–	–	–	–	–
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	69	39	8	13	8	8	8
Regional Services Council levies	68	–	8	–	–	–	–
Vehicle licensing	1	39	–	13	8	8	8
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	310 694	824 101	1 463 395	1 043 722	1 151 252	1 223 568	1 284 746
KwaZulu-Natal Ingonyama Trust Board	2 230	2 351	2 492	2 606	2 772	2 939	3 086
Agricultural Land Holding Account	308 464	821 750	1 460 903	1 041 116	1 148 480	1 220 629	1 281 660
<b>Households</b>							
<b>Social benefits</b>							
Current	131	643	–	–	–	–	–
Employer Social Benefits	131	643	–	–	–	–	–
<b>Households</b>							
<b>Other transfers to households</b>							
Capital	355 659	483 086	1 035 135	1 493 331	2 521 459	3 043 677	3 195 861
Land Reform grants	355 659	483 086	1 035 135	1 493 331	2 521 459	3 043 677	3 195 861

## Expenditure trends

Expenditure increased from R854.5 million in 2006/07 to R2.971 billion in 2009/10, at an average annual rate of 52 per cent. This was due to the acquisition and redistribution of land through the proactive land acquisition strategy. Funds for the land reform grants were shifted to the agriculture land holding account to implement the proactive land acquisition strategy. At the same time, additional funds were allocated for land reform grants to cater for the increased cost of land.

Expenditure over the MTEF period is expected to increase to R4.9 billion, at an average annual rate of 18.5 per cent. The increase in expenditure is mainly due to an increase in land reform grants from R1.5 billion in 2009/10 to R3.2 billion in 2012/13. The focus over the medium term will be on continuing the land reform process.

## Public entity

### KwaZulu-Natal Ingonyama Trust Board

#### Strategic overview: 2006/07 – 2012/13

The Ingonyama Trust was created in terms of the KwaZulu-Natal Ingonyama Trust Act (1994) as a repository for Zulu communal land, with the Zulu king as sole trustee. The KwaZulu-Natal Ingonyama Trust Amendment Act (1997) established the KwaZulu-Natal Ingonyama Trust Board, which was appointed by the then Minister of Agriculture and Land Affairs following a consultative process with the KwaZulu-Natal premier and the chairperson of the KwaZulu-Natal House of Traditional Leaders. The king remains the sole trustee and he (or his nominee) chairs the board. In addition, the amendment act excluded the application of private trust legislation to the Ingonyama Trust.

The board is a land management agency that provides support to communities on communal land and estate management services to the Minister of Rural Development and Land Reform. The board's mandate requires it to ensure that any commercial activity on communal land is developmental and benefits local communities. Commercial contracts must contain provisions which require benefits to flow to the local communities.

The Communal Land Rights Act (2004) mandates the KwaZulu-Natal Ingonyama Trust Board to also become the KwaZulu-Natal Land Rights Board. While the estate management role of the board will continue, when the act is implemented the board will fulfil the usual functions of a land rights board for areas outside Ingonyama Trust land and will fulfil enhanced land right functions for trust land. Steps have been taken to prepare for the implementation of the act.

#### Selected performance indicators

Table 32.12 KwaZulu-Natal Ingonyama Trust Board

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/0	2010/11	2011/12	2012/13
Number of transactions recorded on land tenure information system per year	Updating of land tenure information system	1 491	4 349	646	1 000	500	500	500
Number of titles owned by the board consolidated per year *	Consolidation of titles	-	-	-	500	50	50	50
Number of KwaZulu-Natal towns transferred to local authorities per year	Municipalities to complete transfer process	-	-	-	6	6	3	-
Number of state domestic properties transferred per year	Organs of state to complete transfer process	-	-	-	750	300	500	500

#### Service delivery focus

By the end of September 2009, the board had allocated land for 159 housing projects (220 500 units), and by the end of December 2009, it had issued 580 leases. Land identification projects in Umlazi, Hammersdale, Newcastle, Josini and Mangusi are ongoing and by the end of 2009, 3 sites had been identified and sold in Umlazi and Newcastle.

#### Expenditure estimates

Table 32.13 KwaZulu-Natal Ingonyama Trust Board: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Land Management	18 925	25 465	37 720	39 208	55 758	58 533	61 386
Total expense	18 925	25 465	37 720	39 208	55 758	58 533	61 386



Table 32.14 kwaZulu-Natal Ingonyama Trust Board: Financial information

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
<b>Revenue</b>							
Non-tax revenue	18 258	28 857	39 112	47 488	50 939	48 919	51 256
<i>Other non-tax revenue</i>	18 258	28 857	39 112	47 488	50 939	48 919	51 256
Transfers received	2 230	2 351	2 492	3 056	9 157	9 614	10 130
<b>Total revenue</b>	<b>20 488</b>	<b>31 208</b>	<b>41 604</b>	<b>50 544</b>	<b>60 096</b>	<b>58 533</b>	<b>61 386</b>
<b>Expenses</b>							
Current expense	18 925	25 465	37 720	39 208	55 758	58 533	61 386
Compensation of employees	1 186	1 233	2 115	3 459	7 300	7 665	8 048
Goods and services	17 675	24 130	35 607	35 642	48 276	50 701	53 138
Depreciation	64	102	(2)	107	182	167	200
<b>Total expenses</b>	<b>18 925</b>	<b>25 465</b>	<b>37 720</b>	<b>39 208</b>	<b>55 758</b>	<b>58 533</b>	<b>61 386</b>
<b>Surplus / (Deficit)</b>	<b>1 563</b>	<b>5 743</b>	<b>3 884</b>	<b>11 336</b>	<b>4 338</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	285	339	3 719	15 054	19 392	19 318	19 314
<i>of which: Acquisition of assets</i>	207	156	3 378	11 442	4 520	93	196
Receivables and prepayments	4 903	10 088	17 055	17 907	18 803	19 743	20 730
Cash and cash equivalents	100 717	123 866	150 608	154 296	158 170	162 237	166 508
<b>Total assets</b>	<b>105 905</b>	<b>134 293</b>	<b>171 382</b>	<b>187 257</b>	<b>196 365</b>	<b>201 298</b>	<b>206 552</b>
Accumulated surplus/deficit	67 445	69 567	68 675	80 011	84 349	84 275	84 271
Capital and reserves	3 469	7 090	11 867	11 865	11 865	11 865	11 865
Trade and other payables	1 387	2 212	3 737	3 923	4 120	4 326	4 542
Provisions	33 604	55 424	87 103	91 458	96 031	100 832	105 874
<b>Total equity and liabilities</b>	<b>105 905</b>	<b>134 293</b>	<b>171 382</b>	<b>187 257</b>	<b>196 365</b>	<b>201 298</b>	<b>206 552</b>
Contingent liabilities	25 000	25 000	25 000	25 000	25 000	25 000	25 000

### Expenditure trends

Expenditure is regulated by the board and is based on an approved budget, which is funded by transfers received from the Department of Rural Development and Land Reform and from other funds comprising interest, rent and royalties received, interest earned from cash and cash equivalents, rent earned from leasing of trust land, and royalties earned from constituencies of the Zulu nation.

The KwaZulu-Natal Ingonyama Trust Board was able to generate its own income of R39 million in 2008/09, of which 10 per cent is used for administrative purposes. The remaining 90 per cent is accrued to traditional communities. The board is seeking to increase its revenue base to effectively service the greater needs of communities living within the trust land.

Expenditure increased from R18.9 million in 2006/07 to R39.2 million in 2009/10, at an average annual rate of 27.5 per cent. Expenditure is expected to increase to R61.4 million by 2012/13, at an average rate of 16.1 per cent. This is due to an increase in payments on trust land and payments to traditional councils. The increase in payments to traditional councils increased because revenue over the MTEF period is expected to increase. The councils receive 90 per cent of the income generated. Capital expenditure is expected to increase from R3.2 million in 2009/10 to R18.5 million in 2012/13 due to the construction and refurbishment of offices. Spending on goods and services is expected to increase from R35.6 million in 2009/10 to an estimated R53.1 million in 2012/13 due to costs associated with the new staff structure. The board approved an increase in the staff structure of 20 individuals to enable the board to deliver the expected services, which will cost an additional R7.3 million from 2010/11. Transfers to the board increase from R3.1 million in 2009/10 to R9.2 million in 2010/11 to compensate for the increased staff establishment. Transfers received from the department increase from R9 million in 2010/11 to R10 million in 2012/13, at an average annual rate of 5.4 per cent.

## Additional tables

Table 32.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2008/09		2008/09	2009/10			2009/10
1. Administration	447 812	434 045	455 698	498 312	200 572	698 884	698 884
2. Geospatial and Cadastral Services	120 476	123 702	277 251	241 534	119 817	361 351	361 351
3. Rural Development	109 529	114 875	9 092	10 297	252 340	262 637	262 637
4. Restitution	3 097 305	3 098 305	3 122 148	1 904 284	203 151	2 107 435	2 107 435
5. Land Reform	2 888 469	2 888 469	2 799 539	3 454 928	(483 847)	2 971 081	2 971 081
<b>Total</b>	<b>6 663 591</b>	<b>6 659 396</b>	<b>6 663 728</b>	<b>6 109 355</b>	<b>292 033</b>	<b>6 401 388</b>	<b>6 401 388</b>

### Economic classification

	1 101 501	1 314 167	1 251 545	1 539 362	506 726	2 046 088	2 046 088
<b>Current payments</b>							
Compensation of employees	640 656	731 936	614 191	944 657	10 151	954 808	954 808
Goods and services	460 845	582 231	637 348	594 705	496 575	1 091 280	1 091 280
Interest and rent on land	-	-	6	-	-	-	-
<b>Transfers and subsidies</b>	<b>4 661 488</b>	<b>3 970 386</b>	<b>5 354 233</b>	<b>4 547 272</b>	<b>(223 575)</b>	<b>4 323 697</b>	<b>4 323 697</b>
Provinces and municipalities	-	4	23	4	15	19	19
Departmental agencies and accounts	2 494	2 494	1 518 209	1 020 724	80 592	1 101 316	1 101 316
Foreign governments and international organisations	-	1 200	1 125	1 230	-	1 230	1 230
Public corporations and private enterprises	1	1	-	-	-	-	-
Non-profit institutions	2 080	2 080	1 546	2 288	-	2 288	2 288
Households	4 656 913	3 964 607	3 833 330	3 523 026	(304 182)	3 218 844	3 218 844
<b>Payments for capital assets</b>	<b>900 602</b>	<b>1 374 843</b>	<b>55 599</b>	<b>22 720</b>	<b>8 882</b>	<b>31 602</b>	<b>31 602</b>
Buildings and other fixed structures	-	144	-	-	-	-	-
Machinery and equipment	34 263	40 036	41 624	21 415	8 907	30 322	30 322
Land and sub-soil assets	852 673	1 333 305	13 975	-	-	-	-
Software and other intangible assets	13 666	1 358	-	1 305	(25)	1 280	1 280
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>2 363</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>6 663 591</b>	<b>6 659 396</b>	<b>6 663 740</b>	<b>6 109 355</b>	<b>292 033</b>	<b>6 401 388</b>	<b>6 401 388</b>

Table 32.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup>

Department	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Department</b>	<b>3 715</b>	<b>3 715</b>	<b>244</b>	<b>3 159</b>	<b>3 480</b>	<b>4 136</b>	<b>3 115</b>	<b>3 419</b>	<b>3 757</b>	<b>4 129</b>
Salary level 1 – 6	1 316	1 316	208	1 072	1 246	1 827	1 180	1 294	1 423	1 565
Salary level 7 – 10	1 949	1 949	20	1 711	1 818	1 806	1 549	1 704	1 873	2 058
Salary level 11 – 12	346	346	13	293	313	398	310	340	373	410
Salary level 13 – 16	104	104	3	83	103	105	76	81	88	96
<b>Administration</b>	<b>750</b>	<b>750</b>	<b>13</b>	<b>761</b>	<b>678</b>	<b>628</b>	<b>642</b>	<b>706</b>	<b>776</b>	<b>853</b>
Salary level 1 – 6	292	292	9	344	292	270	273	300	330	363
Salary level 7 – 10	347	347	2	324	298	272	271	298	328	361
Salary level 11 – 12	78	78	-	63	56	58	68	75	82	90
Salary level 13 – 16	33	33	2	30	32	28	30	33	36	39
<b>Geospatial and Cadastral Services</b>	<b>872</b>	<b>872</b>	<b>46</b>	<b>912</b>	<b>843</b>	<b>1 861</b>	<b>766</b>	<b>842</b>	<b>926</b>	<b>1 019</b>
Salary level 1 – 6	383	383	36	400	361	1 017	349	384	423	466
Salary level 7 – 10	376	376	-	397	362	612	313	344	378	415
Salary level 11 – 12	96	96	9	97	103	200	88	97	107	118
Salary level 13 – 16	17	17	1	18	17	32	16	17	18	20

Table 32.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup> (continued)

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup> 2009/10	Medium-term estimate		
				2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
<b>Rural Development</b>	-	-	-	-	-	-	7	-	-	-
Salary level 1 – 6	-	-	-	-	-	-	3	-	-	-
Salary level 11 – 12	-	-	-	-	-	-	2	-	-	-
Salary level 13 – 16	-	-	-	-	-	-	2	-	-	-
<b>Restitution</b>	<b>1 142</b>	<b>1 142</b>	<b>7</b>	<b>763</b>	<b>1 050</b>	<b>881</b>	<b>887</b>	<b>977</b>	<b>1 074</b>	<b>1 180</b>
Salary level 1 – 6	307	307	2	175	281	243	243	267	293	322
Salary level 7 – 10	726	726	4	513	671	551	556	612	673	739
Salary level 11 – 12	81	81	1	56	70	65	81	90	99	109
Salary level 13 – 16	28	28	-	19	28	22	7	8	9	10
<b>Land Reform</b>	<b>951</b>	<b>951</b>	<b>178</b>	<b>723</b>	<b>909</b>	<b>766</b>	<b>813</b>	<b>894</b>	<b>981</b>	<b>1 077</b>
Salary level 1 – 6	334	334	161	153	312	297	312	343	377	414
Salary level 7 – 10	500	500	14	477	487	371	409	450	494	543
Salary level 11 – 12	91	91	3	77	84	75	71	78	85	93
Salary level 13 – 16	26	26	-	16	26	23	21	23	25	27

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2009.

Table 32.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Compensation of employees (R thousand)	402 595	572 161	610 553	954 853	1 072 118	1 141 317	1 199 600
Training expenditure (R thousand)	11 640	8 993	9 443	11 916	12 630	13 261	13 924
Training as percentage of compensation	2.9%	1.6%	1.5%	1.2%	1.2%	1.2%	1.2%
Total number trained in department (head count)	3 325	3 351	4 208	2 125			
<i>of which:</i>							
Employees receiving bursaries (head count)	215	201	374	412			
Internships trained (head count)	206	220	252	145			
Households receiving bursaries (R thousand)	6 242	2 027	3 836	13 976	12 997	14 072	15 086
Households receiving bursaries (head count)	49	82	155	200			

Table 32.D Summary of conditional grants to provinces and municipalities<sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Conditional grants to provinces							
<b>5. Land Reform</b>							
Land distribution: Alexandra urban renewal project grant	8 000	-	-	-	-	-	-
<b>Total</b>	<b>8 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Detail provided in the Division of Revenue Act (2010)

Table 32.E Summary of departmental public private partnership (PPP) projects

Project description: Department of Rural Development and Land Reform main campus	Project annual unitary fee at time of contract	Budgeted expenditure 2009/10	Medium-term expenditure estimate		
			2010/11	2011/12	2012/13
R thousand					
Projects signed in terms of Treasury Regulation 16	-	-	6 930	7 184	34 198
PPP unitary charge	-	-	6 930	7 184	34 198
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6 930</b>	<b>7 184</b>	<b>34 198</b>

#### Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	PPP accommodation for Pretoria based offices
Brief description	The project focus is on the construction, operation and maintenance of a facility to create an optimal working environment for the Department to meet its client' needs. Currently the department accommodates its staff in six buildings located around Pretoria

Table 32.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
<b>Foreign In cash</b>												
Belgium	Post-settlement and development support to restitution beneficiaries	Restitution	56 855	Goods and services	Purchased 37 computers and related equipment	-	35	3 112	-	-	-	-
<b>Total</b>			<b>56 855</b>			<b>-</b>	<b>35</b>	<b>3 112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 32.G Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
R thousand											
<b>Maintenance</b>											
Office accommodation, maintenance and repairs	Maintenance	Various	-	5 691	2 281	3 870	2 176	2 025	2 170	2 281	
Office accommodation, maintenance and repairs	Maintenance	Various	-	8 703	3 275	2 382	4 091	6 690	10 623	40 887	
Upgrading and installation of backup generators in Cape Town, Mowbray and van der Ster building	Upgrading	Various	8 439	-	-	-	194	4 673	3 572	-	
Upgrading of information centre and security measure at the Kimberley deeds office	Upgrading	Construction	3 209	-	-	-	1 631	1 578	-	-	
Installation of an emergency generator at the King Williams Town deeds office	Installation	Construction	1 043	-	-	-	113	569	569	-	
Refurbishment of boardrooms at the old corporation national office in Pretoria	Boardrooms for use	Construction	3 521	-	-	-	3 371	150	-	-	
Upgrading of network centre at the old corporation in Pretoria	Upgrading	Tender	1 803	-	-	-	203	1 600	-	-	
Upgrading of power supply and reticulation at the old corporation in Pretoria	Upgrading	Various	3 000	-	-	-	-	133	1 367	1 500	
Site clearance in construction at the Cape Town deeds office	Construction	Identification	1	-	-	-	-	-	-	-	
<b>Total</b>			<b>21 016</b>	<b>14 394</b>	<b>5 556</b>	<b>6 252</b>	<b>11 779</b>	<b>17 418</b>	<b>18 301</b>	<b>44 668</b>	

