

# 8

## Outcome targets and medium-term spending priorities

The 2010 Budget expresses government's commitment to increase efficiency and improve performance. Additional expenditure is channelled to government's main targeted outcomes: improving the quality of education, upgrading health care, promoting public safety, supporting rural development, creating decent jobs, building sustainable human settlements and encouraging efficient local government.

Spending growth will moderate over the medium term. Additional funds to support outcomes have been sourced from departmental budgets through a savings exercise. Budgets have also been shifted extensively within departments from low- to high-priority programmes. Total savings of R25.6 billion have been identified for reallocation and, including these savings, additional allocations amounting to R112.2 billion are proposed over the medium-term expenditure framework.

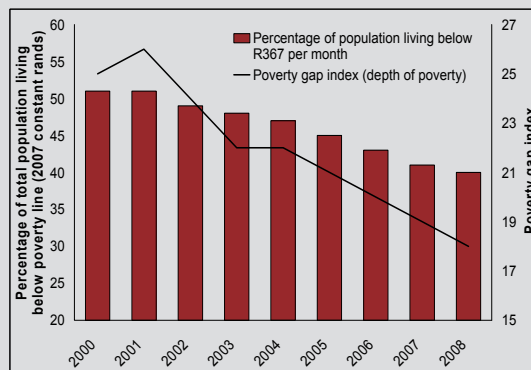
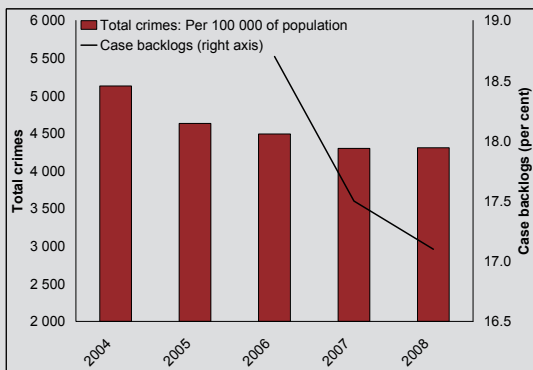
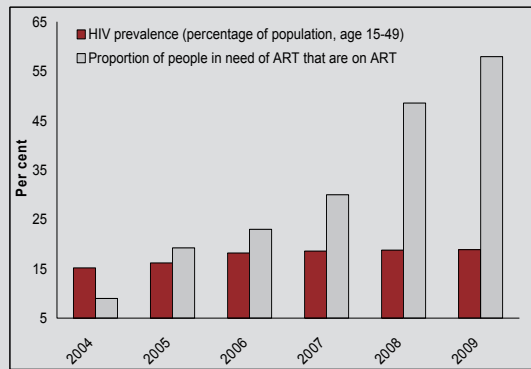
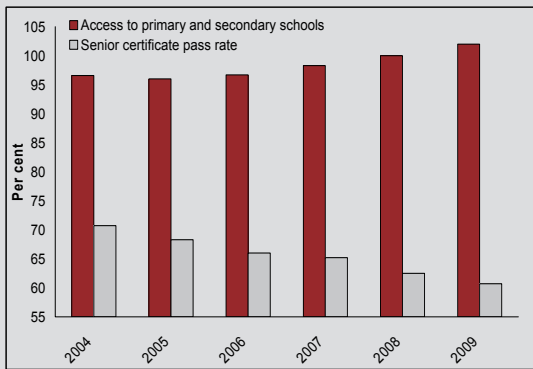
### ■ Enhancing efficiency and service delivery

If the developmental objectives identified in the 2009 medium-term strategic framework (MTSF) are to be met, service delivery must improve. Given moderate economic growth and rising public debt interest costs, government is scrutinising departmental performance to improve efficiency, obtain better value for money and move resources to where they are needed most.

While expenditure has grown and access to services has improved since 1994, performance has often lagged, with outcomes in key areas such as education, health, policing and employment creation falling short of expectations. The trends highlighted in the box on the next page underline some of the challenges the country faces, as well as gains on which South Africa needs to build.

*Government is scrutinising departmental performance to get better value for money and reprioritise spending*

**Key socioeconomic trends**



Budget accountability has traditionally focused on departmental activities. In light of the need to speed up progress on South Africa’s developmental challenges, government is shifting to target *outcomes*. To improve service delivery and increase accountability, the Presidency has announced the adoption of 12 measurable outcomes that will become the focus of policy and implementation. These objectives, with associated activities and defined targets to be reached by 2014, have helped to shape the 2010 Budget.

This chapter discusses additional allocations directed towards the outputs and activities prioritised in most of these areas. Further work to refine these outputs and activities will be undertaken in the months ahead.

*A focus on development outcomes, with performance targets to be defined over the next several months*

Specific departmental performance targets will be finalised once service delivery agreements are concluded in support of the identified outcomes. This process will be overseen by new functions within the Presidency, with R180 million allocated over the medium-term expenditure framework (MTEF) for this purpose. Departmental performance targets and service agreements will improve coordination and speed up service delivery.

Government has also established new functions, and reconfigured others, through a ministerial and departmental reorganisation. A table of the new budget votes, and how they relate to previous departments, can be found in the overview section of the *Estimates of National Expenditure*.

**Outcome targets: 2010-2014**

1. Improve the quality of basic education
2. Create decent employment through inclusive economic growth
3. Develop a skilled and capable workforce
4. Improve health care and life expectancy among all South Africans
5. Build a safer country
6. Support an efficient, competitive and responsive economic infrastructure network
7. Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply
8. Protect our environment and natural resources
9. Create sustainable human settlements and improved quality of household life
10. Build a responsive, accountable, effective and efficient local government system
11. Create a better South Africa, a better Africa and a better world
12. Generate an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.

**Reallocation, reprioritisation and cost savings**

Within departments, improving performance requires better planning and execution, and making existing resources work more efficiently. In the 2010 Budget, additional funds for reallocation include funds sourced from national departmental budget baselines through a savings exercise. At the time of the *Medium Term Budget Policy Statement*, R14.5 billion of savings had been identified. Savings realised over the next three years now amount to R25.6 billion, of which R7.1 billion is in 2010/11, R9.3 billion in 2011/12 and R9.2 billion on 2012/13. In addition, about R13.4 billion has been identified within provincial budgets for reprioritisation, mainly to education and health.

*Government has identified total savings of R25.6 billion for reallocation to priorities over the MTEF*

Departments have been able to decrease spending on noncore goods and services, reschedule expenditure, effect savings on overseas payments, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Major adjustments over the MTEF period include:

*Savings from Defence, Correctional Services, Transport, International Relations and Cooperation and Social Development*

- Defence and Military Veterans, R4.5 billion (cancelled A400M military aircraft contract)
- Correctional Services, R4.5 billion (rescheduled prison building plans)
- Transport, R3.4 billion (including deferred public transport infrastructure projects where planning and design have been delayed)
- International Relations and Cooperation, R1.5 billion (revised foreign costs and deferred construction of the Pan African Parliament building)
- Social Development, R1.2 billion (rationalised social grant payments).

To reduce costs and improve value for money, government is tackling fraud and corruption, with particular focus on enhancing transparency and competitive tendering in the procurement systems.

**Consolidated expenditure and revised estimates**

Of a total non-interest expenditure of R830 billion planned for 2010/11, rising to R946 billion in 2012/13, the education sector receives the highest share (19.9 per cent), followed by social protection (15.5 per cent); health

(12.6 per cent); public order and safety (10.3 per cent); and transport (8.1 per cent). The budget also provides a contingency reserve of R6 billion, R12 billion and R24 billion to be accommodated within the available resources over the three years ahead. These amounts are set aside to provide funding for events that cannot be foreseen, such as natural disasters. In the outer years, part of the contingency reserve can be drawn down to fund new policy priorities.

**Table 8.1 Consolidated government expenditure by function, 2009/10 – 2012/13**

| R million                                       | 2009/10          | 2010/11               | 2011/12        | 2012/13          | Average annual growth |                 |
|---|------------------|-----------------------|----------------|------------------|-----------------------|-----------------|
|   | Revised estimate | Medium-term estimates |                |                  | 2006/07–2009/10       | 2009/10–2012/13 |
| <b>General public services</b>                  | <b>51 382</b>    | <b>52 016</b>         | <b>55 347</b>  | <b>55 167</b>    | <b>18.0%</b>          | <b>2.4%</b>     |
| <b>Defence</b>                                  | <b>33 293</b>    | <b>33 793</b>         | <b>37 485</b>  | <b>39 966</b>    | <b>8.1%</b>           | <b>6.3%</b>     |
| <b>Public order and safety</b>                  | <b>78 407</b>    | <b>85 615</b>         | <b>92 682</b>  | <b>99 420</b>    | <b>14.6%</b>          | <b>8.2%</b>     |
| Police services                                 | 51 465           | 56 488                | 61 284         | 64 902           | 13.9%                 | 8.0%            |
| Law courts                                      | 12 021           | 12 855                | 13 977         | 14 805           | 17.8%                 | 7.2%            |
| Prisons   | 14 921           | 16 272                | 17 420         | 19 713           | 14.9%                 | 9.7%            |
| <b>Economic affairs</b>                         | <b>154 073</b>   | <b>154 810</b>        | <b>138 861</b> | <b>144 578</b>   | <b>30.2%</b>          | <b>-2.1%</b>    |
| General economic, commercial and labour affairs | 32 961           | 33 970                | 35 340         | 36 571           | 30.8%                 | 3.5%            |
| Agriculture, forestry, fishing and hunting      | 15 192           | 17 067                | 19 437         | 20 569           | 11.5%                 | 10.6%           |
| Fuel and energy                                 | 38 810           | 28 868                | 9 263          | 9 529            | 91.4%                 | -37.4%          |
| Mining, manufacturing and construction          | 2 888            | 3 623                 | 4 025          | 4 343            | 4.0%                  | 14.6%           |
| Transport                                       | 60 094           | 67 427                | 67 067         | 69 908           | 25.0%                 | 5.2%            |
| Communication                                   | 4 128            | 3 856                 | 3 728          | 3 657            | 19.6%                 | -4.0%           |
| <b>Environmental protection</b>                 | <b>5 841</b>     | <b>6 198</b>          | <b>6 591</b>   | <b>7 043</b>     | <b>14.5%</b>          | <b>6.4%</b>     |
| <b>Housing and community amenities</b>          | <b>81 614</b>    | <b>93 194</b>         | <b>105 270</b> | <b>113 483</b>   | <b>20.7%</b>          | <b>11.6%</b>    |
| Housing development                             | 18 345           | 20 403                | 23 299         | 24 179           | 25.2%                 | 9.6%            |
| Community development                           | 36 669           | 44 135                | 49 490         | 53 743           | 20.4%                 | 13.6%           |
| Water supply                                    | 26 600           | 28 656                | 32 481         | 35 560           | 18.3%                 | 10.2%           |
| <b>Health</b>                                   | <b>97 969</b>    | <b>104 640</b>        | <b>113 432</b> | <b>120 519</b>   | <b>18.4%</b>          | <b>7.1%</b>     |
| <b>Recreation and culture</b>                   | <b>8 081</b>     | <b>5 832</b>          | <b>5 283</b>   | <b>5 581</b>     | <b>24.7%</b>          | <b>-11.6%</b>   |
| <b>Education</b>                                | <b>148 867</b>   | <b>165 074</b>        | <b>179 889</b> | <b>189 710</b>   | <b>16.4%</b>          | <b>8.4%</b>     |
| <b>Social protection</b>                        | <b>118 198</b>   | <b>128 435</b>        | <b>142 060</b> | <b>155 133</b>   | <b>14.5%</b>          | <b>9.5%</b>     |
| <b>Allocated expenditure</b>                    | <b>777 725</b>   | <b>829 606</b>        | <b>876 898</b> | <b>930 600</b>   | <b>18.6%</b>          | <b>6.2%</b>     |
| State debt cost                                 | 57 600           | 71 358                | 88 463         | 104 022          | 3.3%                  | 21.8%           |
| Contingency reserve                             | –                | 6 000                 | 12 000         | 24 000           |                       |                 |
| <b>Consolidated expenditure</b> <sup>1</sup>    | <b>835 324</b>   | <b>906 964</b>        | <b>977 361</b> | <b>1 058 622</b> | <b>17.2%</b>          | <b>8.2%</b>     |

1. Consisting of national, provincial, social security funds and selected public entities. Refer to Annexure W2 for a detailed list of entities included.

Consolidated government expenditure grows at an average rate of 8.2 per cent a year over the MTEF

A functional classification of government expenditure is set out in Table 8.1. It takes into account consolidated national and provincial spending, spending by various public entities and transfers to local government. Consolidated government expenditure is projected to increase from R835 billion in 2009/10 to R1 059 billion in 2012/13, largely financed through the national budget. Over the next three years, consolidated government expenditure grows by an annual average of 8.2 per cent, compared with growth of 17.2 per cent over the previous three years. State debt cost, in contrast increases by 21.8 per cent over the period ahead following an average increase of 3.3 per cent a year since 2006/07.

**Table 8.2 2010 Budget priorities – additional MTEF allocations, 2010/11 – 2012/13**

| R million   | 2010/11       | 2011/12       | 2012/13       | Total          |
|---|---------------|---------------|---------------|----------------|
| <b>Provincial equitable share</b>   | 6 400         | 7 000         | 7 600         | <b>21 000</b>  |
| Includes general adjustment and wage increases  |               |               |               |                |
| <b>Compensation of employee adjustments</b>   | 3 600         | 4 000         | 4 400         | <b>12 000</b>  |
| <b>Social grants</b>  | 1 785         | 3 598         | 6 809         | <b>12 192</b>  |
| <b>Education and skills development</b>   |               |               |               |                |
| Workbooks   | 750           | 930           | 1 000         | <b>2 680</b>   |
| Dinaledi schools  | –             | 70            | 100           | <b>170</b>     |
| Higher education subsidies  | –             | 300           | 700           | <b>1 000</b>   |
| Further education and training college sector grant   | 400           | 430           | 450           | <b>1 280</b>   |
| Occupation-specific dispensation for educators  | 3 000         | 3 000         | 3 000         | <b>9 000</b>   |
| <b>Health care</b>  |               |               |               |                |
| Comprehensive HIV and Aids grant  | 1 700         | 2 800         | 3 900         | <b>8 400</b>   |
| Hospital revitalisation grant   | 140           | –             | –             | <b>140</b>     |
| Occupation-specific dispensation for health professionals                                       | 1 281         | 1 302         | 1 324         | <b>3 907</b>   |
| <b>Justice, crime prevention and policing</b>   |               |               |               |                |
| Additional policing personnel   | 200           | 230           | 250           | <b>680</b>     |
| Military skills development system  | 50            | 70            | 100           | <b>220</b>     |
| New SA National Defence Force remuneration system   | 600           | 730           | 850           | <b>2 180</b>   |
| Implementation of Children's Act, Child Justice Act and Sexual Offences and Related Matters Act | 30            | 60            | 90            | <b>180</b>     |
| Landward defence modernisation  | –             | 100           | 500           | <b>600</b>     |
| Occupation-specific dispensation for correctional services workers                              | 300           | 300           | 300           | <b>900</b>     |
| <b>Rural development</b>  |               |               |               |                |
| Rural development   | 260           | 300           | 300           | <b>860</b>     |
| Land Bank recapitalisation  | 750           | 750           | –             | <b>1 500</b>   |
| <b>Job creation, infrastructure and environment</b>   |               |               |               |                |
| Expanded public works programme incentive   | 567           | 800           | 1 100         | <b>2 467</b>   |
| Clothing and textile production incentive   | 400           | 600           | 750           | <b>1 750</b>   |
| Automotive production and development programme   | 450           | 600           | 700           | <b>1 750</b>   |
| Regional bulk infrastructure  | 54            | 200           | 300           | <b>554</b>     |
| Municipal infrastructure grant  | –             | –             | 2 500         | <b>2 500</b>   |
| Public transport, roads and rail infrastructure   | 468           | 1 052         | 1 329         | <b>2 849</b>   |
| Transnet fuel pipeline  | 1 500         | 1 500         | 1 500         | <b>4 500</b>   |
| <b>Human settlements and local government</b>   |               |               |               |                |
| Rural households infrastructure grant   | 100           | 350           | 750           | <b>1 200</b>   |
| Human settlements development grant   | –             | –             | 1 000         | <b>1 000</b>   |
| Local government equitable share  | 900           | 2 050         | 3 750         | <b>6 700</b>   |
| <b>Other adjustments</b>  | 2 145         | 2 134         | 3 793         | <b>8 072</b>   |
| <b>Total</b>  | <b>27 831</b> | <b>35 256</b> | <b>49 144</b> | <b>112 231</b> |

## ■ Proposed revisions to expenditure plans

The MTEF operates as a three-year budget framework, revised annually. This chapter discusses *additional* allocations to departments as they relate to government's key priorities. These amounts are added to funds already in departmental baselines.

*The Estimates of National Expenditure provides details on spending throughout departments*

National budget spending allocations are increased by R86.7 billion relative to the 2009 Budget. Including the R25.6 billion in savings realised for reallocation, revisions of R112.2 billion to the spending estimates are summarised in Table 8.2. The *Estimates of National Expenditure* provides greater detail on national government spending across all departments.

### Public service remuneration

About 1.2 million people are employed by national and provincial government, comprising about 9 per cent of total employment. The major categories are education (40 per cent), health (22 per cent), policing (15 per cent), defence (6 per cent) and correctional services (3 per cent).

Public servants received salary increases of between 6 and 13 per cent in 2009. An additional R12 billion was allocated to partially fund the higher costs of these increases. A total of R13.8 billion was allocated for the cost of occupation-specific dispensations in education, health and correctional services. Departments and provinces have had to absorb further costs of salary improvements from savings within their budgets.

Due to higher nominal salary increases and the introduction of several occupation-specific dispensations, public-sector remuneration rose substantially, from R154.7 billion in 2006/07 to an estimated R258.1 billion in 2009/10. Over the period ahead, more moderate salary increases are budgeted for, to allow for continued increases in public employment in priority service delivery areas.

***'The teacher in class, on time and teaching' — Minister of Basic Education Angie Motshekga***

### Improving the quality of basic education and skills training

South Africa's numeracy and literacy levels for schoolchildren are unacceptably low by any standard, despite a high level of spending on education, set to rise from R148.9 billion in 2009/10 to R165.1 billion in 2010/11 (see Table 8.1). Challenges within the education system include poor school management, inappropriately trained teachers, insufficient time on task and a lack of basic resources in poor schools. Low levels of achievement in science, mathematics and languages are also symptomatic of these problems.

South Africa's lack of skilled labour hampers economic development. Twice as many students are enrolled in universities as are enrolled in vocational colleges, while in many other countries this ratio is reversed. Existing skills training programmes are often inadequate to support the needs of individuals and the economy.

Over the next three years funding will be reprioritised to address these challenges, with key outputs and activities summarised below.

Government aims to improve literacy and numeracy. An additional R2.7 billion is allocated to provide workbooks in all 11 official languages for learners in grades R to 9. The workbooks will help teachers to map out clear daily plans and guide effective use of the curriculum.

**Towards quality basic education and skills development**

| Outputs   | Activities   |
|---|--|
| <ul style="list-style-type: none"> <li>• High quality of teaching and learning</li> <li>• Improve overall literacy and numeracy results               <ul style="list-style-type: none"> <li>- Improve grade 3 scores from 36% and 35% to 60%, and grade 6 scores from 38% and 27% to 60%</li> </ul> </li> <li>• Better senior certificate examination performance               <ul style="list-style-type: none"> <li>- Increase Bachelor's degree qualifiers from 107 000 to 175 000</li> <li>- Increase maths passes from 136 184 to 250 000</li> <li>- Increase science passes from 148 678 to 171 600</li> </ul> </li> <li>• Early childhood development</li> </ul> | <ul style="list-style-type: none"> <li>• Assess literacy and numeracy each year</li> <li>• Conduct curriculum coverage assessment at each school at least once per year</li> <li>• Deliver learning and teaching support materials on time</li> <li>• 100% of schools participation in early childhood development</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Availability of reliable information to guide skills development planning</li> <li>• Strengthened providers and accessible training and skills development</li> <li>• Quality and relevance of training and skills               <ul style="list-style-type: none"> <li>- Increase university, technikon and artisan trade test pass rates from 42% to 50-70%</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Integrate processes of the South African Qualifications Authority, education institutions, Home Affairs and Sector Education and Training Authorities (SETAs)</li> <li>• Expand incentives for industrial apprenticeships and learnerships</li> <li>• Strengthen partnerships with industry for internship placement</li> </ul> |

**Source:** *Measurable Performance and Accountable Delivery*, The Presidency

An amount of R28 million is provided for annual national assessments of literacy and numeracy at the key stages of grades 3, 6 and 9. These assessments will measure performance, and allow educators and parents to make the necessary interventions to enhance performance.

*National literacy and numeracy assessments to take place in grades 3, 6 and 9*

To improve the quality of teaching and to attract new talent to the profession, government has refined the occupation-specific dispensation for educators that was introduced in 2008. An additional R9 billion is provided over the MTEF for teachers' salaries and, to retain experience, there will be improved remuneration for longer service. The Funza Lushaka teacher bursary programme currently funds over 9 000 students enrolled at universities in 2010.

To contribute to strengthening the performance of further education and training (FET) colleges, R1.3 billion has been allocated over the next three years. Government will also promote higher training standards to meet the requirements of a changing economy, address the lack of training in certain skills areas, and systematically increase institutions' capacity to train larger numbers of people. To improve value for money, high failure rates in FET colleges must also be addressed.

*FET colleges must develop higher training standards to meet economy's needs*

Allocations to higher education institutions have grown from R7.1 billion in 2001/02 to R15.3 billion in 2009/10. An additional R1 billion is provided over the MTEF to increase subsidies to universities, and R5.6 billion is allocated to the National Student Financial Aid Scheme for financial support for poor students to access higher education. About 140 000 students will receive financial aid from the scheme in 2010.

***'It is critical that civil society, organised business and labour, researchers and academics in our country work with us to turn our health system around.'* – Minister of Health Aaron Motsoaledi**

*Treatment of Aids is broadened, with a large increase in antiretroviral therapy from 2010*

### Upgrading health care and increasing life expectancy

Life expectancy has declined in South Africa over the past decade, largely as a result of deaths attributable to HIV and Aids. Tuberculosis (TB) is also a major cause of death, and its co-infection rate with HIV infection is roughly 70 per cent. The child mortality rate is also very high, at 69 per 1000. South Africa is one of 12 countries that have experienced an increase in maternal mortality since 1990. Challenges in the public health system include poor infrastructure, weak hospital management and lack of critical resources including skilled health workers.

Provision is made in the 2010 Budget to broaden Aids treatment. Previously, government hospitals and clinics provided antiretroviral treatment to individuals with a cluster of differentiation 4 (CD4) count of less than 200. Policy has been adjusted to begin this therapy at an earlier stage, when the CD4 count falls below 350 for patients with TB and pregnant women, and for all HIV-infected infants. Scientific evidence indicates that this will contribute to saving about 10 000 lives a year, and to improved health indicators for TB, and maternal and child health. It is anticipated that from 2010 the number of new Aids treatment patients will grow by over 400 000 a year. Additional funding amounting to R8.4 billion over the medium term is provided for the Aids treatment programme. An amount of R50 million has also been set aside for a national mass immunisation campaign to combat measles and polio.

In addition R2.6 billion is provided for the doctors' occupation-specific dispensation, and R1.3 billion to cover the dispensation for therapeutic practitioners (physiotherapy, psychology, etc). These additions benefit about 44 000 medical and related personnel. Nurses benefited from a similar dispensation in 2008. These adjustments will help the public health system retain qualified and experienced staff. Between December 2006 and December 2009, public health staffing levels rose by 27 470.

Consolidated government expenditure on health services amounted to R98 billion in 2009/10 and is projected to rise to R104.6 billion in 2010/11.

#### Towards improved health and life expectancy

| Outputs   | Activities  |
|---|---|
| <ul style="list-style-type: none"> <li>• Mortality and life expectancy                             <ul style="list-style-type: none"> <li>- Decrease child deaths from 69-91 per 1 000 live births to 30-35 per 1 000 live births-</li> <li>Increase life expectancy from 47-51 to 55 years</li> </ul> </li> <li>• HIV and Aids                             <ul style="list-style-type: none"> <li>- Decrease nationwide prevalence among 15-24 year olds from 10.65% to 5.2%</li> <li>- Increase the number of HIV-positive people on antiretroviral treatment from 700 000 to 2 million</li> </ul> </li> <li>• Tuberculosis (TB) case load                             <ul style="list-style-type: none"> <li>- Decrease total number of new cases of TB per year from 341 165 to 175 000</li> <li>- Increase successful treatment from 65% to 85% of total cases</li> </ul> </li> <li>• Health system effectiveness</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure well-coordinated rollout of ARV treatment, and greatly strengthen maternal health services</li> <li>• Ensure more effective rollout of measures to prevent mother-to-child transmission of HIV infection, and integrate HIV prevention in health services</li> <li>• Integrate HIV and TB services and expand rollout of United Nations programme for TB</li> <li>• Implement a hospital audit process in 2010, covering 25% of all hospitals per year</li> </ul> |

Source: *Measurable Performance and Accountable Delivery*, The Presidency



**Table 8.3 Social services: expenditure by vote, 2006/07 – 2012/13**

|   | 2006/07       | 2007/08<br>Outcome | 2008/09        | 2009/10<br>Revised<br>estimate | 2010/11        | 2011/12        | 2012/13<br>Medium-term estimates |
|---|---------------|--------------------|----------------|--------------------------------|----------------|----------------|----------------------------------|
| <b>R million</b>  |               |                    |                |                                |                |                |                                  |
| <b>Appropriation by vote</b>                            |               |                    |                |                                |                |                |                                  |
| Arts and Culture  | 1 330         | 1 586              | 2 114          | 2 440                          | 2 407          | 2 417          | 2 563                            |
| <i>Grants to provinces</i>                              | –             | 163                | 345            | 441                            | 513            | 543            | 571                              |
| Basic Education   | 1 572         | 2 165              | 3 284          | 4 198                          | 6 166          | 7 550          | 8 099                            |
| <i>Grants to provinces</i>                              | 1 243         | 1 377              | 2 114          | 2 575                          | 3 931          | 5 048          | 5 447                            |
| Health  | 11 338        | 12 763             | 15 464         | 18 025                         | 21 497         | 23 708         | 25 845                           |
| <i>Grants to provinces</i>                              | 10 207        | 11 553             | 14 029         | 16 417                         | 19 853         | 21 972         | 24 030                           |
| Higher Education and Training                           | 14 292        | 15 997             | 18 766         | 20 682                         | 23 721         | 26 105         | 27 856                           |
| <i>Grants to provinces</i>                              | 1 974         | 2 435              | 3 006          | 3 168                          | 3 773          | 3 972          | 4 169                            |
| Labour  | 1 343         | 1 432              | 1 507          | 1 674                          | 1 784          | 1 867          | 1 942                            |
| Social Development                                      | 61 676        | 67 191             | 76 097         | 86 108                         | 95 929         | 105 715        | 114 024                          |
| Sport and Recreation South Africa                       | 887           | 5 048              | 4 871          | 2 872                          | 1 246          | 760            | 794                              |
| <i>Grants to provinces</i>                              | 119           | 194                | 294            | 402                            | 426            | 452            | 475                              |
| <i>Grants to local government</i>                       | 600           | 4 605              | 4 295          | 2 169                          | 513            | –              | –                                |
| <b>Total</b>  | <b>92 438</b> | <b>106 182</b>     | <b>122 105</b> | <b>136 000</b>                 | <b>152 749</b> | <b>168 122</b> | <b>181 123</b>                   |
| <b>Direct charges against the National Revenue Fund</b> |               |                    |                |                                |                |                |                                  |
| Higher education and training:<br>Skills development    | 5 328         | 6 284              | 7 234          | 7 750                          | 8 424          | 9 149          | 9 606                            |
| <b>Total</b>  | <b>97 766</b> | <b>112 466</b>     | <b>129 339</b> | <b>143 750</b>                 | <b>161 173</b> | <b>177 271</b> | <b>190 729</b>                   |

### Building a safer country

Reducing crime and corruption is one of government's top priorities. The rates of violent contact crimes, although decreasing, are unacceptably high by international comparison. Recent trends indicate that house and business robbery rates have increased. Additional funds are provided to bring down crime levels, clear court case backlogs, reduce parole condition violations, and integrate processes in the criminal justice system.

Consolidated government expenditure on public order and safety is R78.4 billion in 2009/10, rising to R85.6 billion in 2010/11.

Police staffing levels expand from 185 371 in 2009/10 to 200 660 in 2012/13. Government is allocating R680 million over the next three years to recruit additional personnel in detective services, crime intelligence and visible policing. A further R150 million will be used to intensify the fight against organised and serious crime through the Directorate for Priority Crime Investigation (the Hawks).

An amount of R230 million is allocated over the medium term to the Department of Justice and Constitutional Development and the Legal Aid Board for the appointment of more public defenders, family advocates, family counsellors, sexual offences court officers and court clerks. These funds aim to hasten progress towards an accessible and efficient court system that assists vulnerable groups, and to support effective implementation of the Children's Act, Child Justice Act, and the Sexual Offences and Related Matters Act.

*Allocations support implementation of sexual offences legislation and laws protecting children*

*Funding to provide for more equitable remuneration in the defence force*

Over the next three years, R600 million is provided for the renewal of landward defence in the South African Army. An additional amount of R2.2 billion is allocated for a new salary structure in the South African National Defence Force. A further R220 million is provided to expand the military skills development system, increasing intake to 5 570 recruits by 2012/13.

### Towards a safer country

#### Outputs

- Levels of overall, contact and “trio” crimes (hijacking, housebreaking and business robbery) and effectiveness and integration of systems
  - Increase contact crime detection rate from 52.5% to 57.5%
  - Increase trio crime detection rate from 13.8% to 34%
  - Decrease court backlogs from 37 459 to 22 100 cases
  - Decrease number of parole violations from 37 608 to 22 200
- Crime perception management
  - Increase the percentage of contact/trio crimes reported by victims / members of public from 48.9% to 80%
- Border management
- Corruption
  - Raise Corruption Perception Index Ranking from 160 to within the top 40 countries

#### Activities

- Focus on apprehending known perpetrators
- Remove easy access to guns
- Develop specialised units to fight housebreaking, business robberies and hijackings
- Re-engineer business processes in and around courts and construct more prisons to prevent overcrowding
- Add financial forensic capacity to the Directorate of Priority Crime and Investigation
- Design and introduce a victim survey to be conducted annually

Source: *Measurable Performance and Accountable Delivery*, The Presidency

**Table 8.4 Justice and protection services: expenditure by vote, 2006/07 – 2012/13**

|   | 2006/07       | 2007/08       | 2008/09       | 2009/10          | 2010/11               | 2011/12        | 2012/13        |
|---|---------------|---------------|---------------|------------------|-----------------------|----------------|----------------|
|   | Outcome       |               |               | Revised estimate | Medium-term estimates |                |                |
| R million   |               |               |               |                  |                       |                |                |
| <b>Appropriation by vote</b>  |               |               |               |                  |                       |                |                |
| Correctional Services   | 9 251         | 11 122        | 12 823        | 13 835           | 15 129                | 16 027         | 18 277         |
| Defence and Military Veterans   | 23 818        | 25 180        | 27 801        | 30 325           | 30 715                | 33 931         | 36 387         |
| Independent Complaints Directorate                                      | 65            | 81            | 99            | 116              | 129                   | 144            | 152            |
| Justice and Constitutional Development                                  | 5 854         | 7 194         | 8 244         | 9 673            | 10 250                | 11 084         | 11 731         |
| Police  | 32 635        | 36 526        | 41 635        | 47 622           | 52 556                | 56 917         | 60 391         |
| <b>Total</b>  | <b>71 623</b> | <b>80 103</b> | <b>90 603</b> | <b>101 572</b>   | <b>108 781</b>        | <b>118 103</b> | <b>126 937</b> |
| <b>Direct charges against the National Revenue Fund</b>                 |               |               |               |                  |                       |                |                |
| Justice and Constitutional Development: Judges and magistrates salaries | 1 099         | 1 185         | 1 601         | 1 672            | 1 930                 | 2 104          | 2 252          |
| <b>Total</b>  | <b>72 722</b> | <b>81 288</b> | <b>92 204</b> | <b>103 243</b>   | <b>110 711</b>        | <b>120 207</b> | <b>129 189</b> |

## Developing equitable and sustainable rural communities

About 85 per cent of the poorest South Africans reside in rural areas. Rural communities face economic marginalisation, high unemployment, environmental deterioration, ineffective land management and slow progress in agricultural land reform. To develop vibrant, equitable and sustainable communities, significant investments are proposed.

Government expenditure on agriculture, forestry and fishing will amount to R17.1 billion in 2010/11, while R6.2 billion will be spent on environmental protection.

| Towards accelerated rural development   |  |
|---|--|
| Outputs   | Activities   |
| <ul style="list-style-type: none"> <li>• Land and agrarian reform and protection of natural resources               <ul style="list-style-type: none"> <li>- Increase number of commercial farm holders from 780 000 to 800 000</li> <li>- Increase percentage of small farmers producing for sale from 4.07% to 10%</li> </ul> </li> <li>• Rural development and sustainable livelihoods               <ul style="list-style-type: none"> <li>- Decrease percentage of households with inadequate housing from 5.6% to 2%</li> <li>- Increase percentage of households with access to water from 74.7% to 90%</li> </ul> </li> <li>• Enabling institutional environment for land reform               <ul style="list-style-type: none"> <li>- Decrease number of outstanding land claims from 4 296 to 1 000</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Develop an effective agrarian reform programme</li> <li>• Review land reform</li> <li>• Resolve all land claims by mid-2019</li> <li>• Review water allocation, pricing, tariffs and payment systems</li> </ul> |

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

The 2010 Budget supports several complementary programmes for rural development. The aim is to raise income, increase food production and improve the viability of small farms. A two-year pilot project has been launched to inform the rollout of the programme. Over the MTEF, additional funding amounting to R860 million has been allocated to the comprehensive rural development programme for research, planning, design and development of rural development projects. The Department of Rural Development and Land Affairs will also leverage private, donor and development finance funds. The Human Settlements vote receives R1.2 billion for water and sanitation infrastructure associated with rural housing. The Land Bank receives a R1.5 billion capital injection to improve its liquidity and its ability to support emerging farmers.

## Building a more inclusive economy, creating jobs and developing network infrastructure

South Africa requires faster, more inclusive economic growth to achieve its developmental goals. While job creation is the country's greatest socioeconomic challenge, creating a more inclusive economy requires a comprehensive package of measures (see Chapters 2 and 3) to promote employment, alongside continued network infrastructure investment. In addition, South Africa has the potential to create jobs through its efforts to reduce its greenhouse gas emissions and protect the environment. Spending on economic services and investment infrastructure amounts to

*South Africa needs faster, more inclusive and job-creating economic growth*

about 20 per cent of consolidated government expenditure, or an estimated R154 billion, in 2009/10.

**Towards job creation, infrastructure development and environmental protection**

| Outputs   | Activities  |
|---|---|
| <ul style="list-style-type: none"> <li>• Decent employment                             <ul style="list-style-type: none"> <li>- Increase labour absorption rate from 43% to 45%</li> <li>- Increase GDP per capita from R46 907 to R57 618</li> <li>- Increase median income from R26 291 per annum to R35 185 per annum</li> </ul> </li> <li>• Inclusive economic growth                             <ul style="list-style-type: none"> <li>- GDP growth average 5% (2010-2014)</li> <li>- Decrease level of income inequality, lowering Gini coefficient from 0.66 to 0.59</li> <li>- Increase the share of national income going to the poorest 40% of the population</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Adopt industrial strategies that promote labour absorption</li> <li>• Improve firm and sector competitiveness</li> <li>• Increase equality through community works and low-skilled employment opportunities</li> <li>• Strategically use business regulations to support development objectives</li> <li>• Develop systems to regulate the coherence of microeconomic policies</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Electricity                             <ul style="list-style-type: none"> <li>- Increase household access from 74% to 100%</li> <li>- Decrease distribution network maintenance backlog from R27.4 billion to R15 billion</li> </ul> </li> <li>• Integration across rail networks and increased access to passenger rail travel</li> <li>• Communication/technology                             <ul style="list-style-type: none"> <li>- Increase broadband speed from 256 kbps to 1 gbps</li> <li>- 100% rollout of infrastructure for migration from analogue to digital broadcasting</li> </ul> </li> <li>• Water                             <ul style="list-style-type: none"> <li>- Decrease household water access backlog from 9% to 5%</li> </ul> </li> <li>• Maintain and expand roads</li> </ul> | <ul style="list-style-type: none"> <li>• Create an independent water regulator to implement price regulation</li> <li>• Electricity system operator independent from Eskom Holdings by 2010</li> <li>• Consider a single regulatory authority under the Competition Commission to enhance competition in network industries</li> <li>• Cabinet approval of national internet broadband policy finalised by March 2010</li> <li>• Implement the Rail Act under safety and economic regulators</li> </ul> |
| <ul style="list-style-type: none"> <li>• Enhanced quality and quantity of water                             <ul style="list-style-type: none"> <li>- Increase number of rehabilitated wetlands from 95 to 150 a year</li> </ul> </li> <li>• Reduced climate change                             <ul style="list-style-type: none"> <li>- Decrease CO<sup>2</sup> emissions from 319 million tons</li> </ul> </li> <li>• Sustainable natural resource management                             <ul style="list-style-type: none"> <li>- Decrease percentage of land affected by soil degradation from 70% to 55%</li> </ul> </li> <li>• Protect biodiversity</li> </ul>   | <ul style="list-style-type: none"> <li>• Finalise White Paper on Climate Change by the end of 2010</li> <li>• Ensure that South African Air Quality Information System is fully operational by end of 2010</li> <li>• Develop and implement an integrated water conservation strategy</li> </ul>  |

Source: Measurable Performance and Accountable Delivery paper, The Presidency

*Incentives to promote labour-intensive public works*

Over the 2009-2014 period, the second phase of the expanded public works programme aims to create 4.5 million short-term jobs lasting for an average duration of 100 days. The programme focuses on delivery of public and community services. To increase hiring and labour-intensity in the public works programme activities, a wage-based incentive will be disbursed to provinces, municipalities and the non-state sector on the basis of employment targeted performance.

*Large investments continue in electricity, roads, rail and public transport*

Government and the state-owned enterprises continue to make large investments in electricity, road, rail and public transport infrastructure, increasing the long-term growth potential of the country and providing better service to all South Africans. An additional R1.8 billion supports the

work of the South African National Roads Agency in maintaining strategic roads over the medium term. Of this, R1.5 billion is allocated for the coal haulage road network in Limpopo and Mpumalanga, which forms an essential link in the country's power-generation chain. A new fuel pipeline levy is introduced that will raise about R1.5 billion a year to support construction of the Durban to Gauteng fuel pipeline.

Allocations for rail infrastructure are increased by R497 million, of which R103 million is for cost increases on the Gautrain project and R394 million for the Passenger Rail Agency of South Africa to enable it to refurbish about 100 coaches and upgrade signalling infrastructure. Public transport receives additional funding of R305 million for the purchase of buses for the 2010 FIFA World Cup and the establishment of the Public Transport Regulator. A further R281 million is allocated for the Arrive Alive campaign and for the Road Traffic Management Corporation.

South Africa will host the 17<sup>th</sup> session of the Conference of Parties of the United Nations Framework Convention on Climate Change in 2011. An allocation is made to the Department of Environmental Affairs to prepare for this important conference.

*South Africa to host major UN climate change conference in 2011*

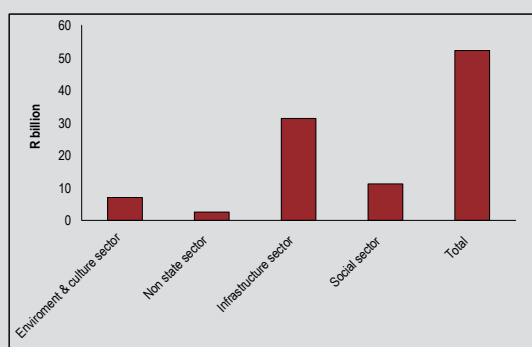
### Expanded public works programme

An estimated total of R52 billion is available for various expanded public works projects over the next three years, allocated to national and provincial departments, municipalities and to non-state implementing agencies. This includes both direct funding – such as the infrastructure incentive conditional grants and allocations to non-governmental organisations and the community works programme – and indirect funding for labour intensive projects through the *infrastructure grant for provinces* and the *municipal infrastructure grant*. Provinces also contribute to social sector employment initiatives, through budget allocations over and above their conditional grant receipts.

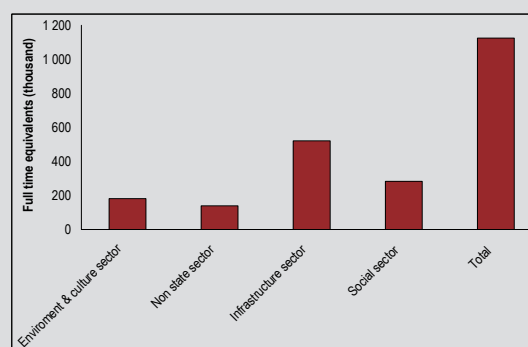
The MTEF allocations include an additional R2.5 billion that will support labour-intensive projects in the social, non-state and environmental sectors. It is envisaged that jobs created in these sectors will be of a longer duration than in previous years. The community work programme receives an additional R1.5 billion over the period, and focuses on initiatives at the local level.

A projected 642 000 job opportunities will be created in 2010/11, rising to 1.2 million in 2012/13. As these jobs are of varying duration, they are equivalent to 260 900 people employed on a full-time equivalent basis (FTE) in 2010/11, rising to 502 000 in 2012/13. Just over half of the jobs created will be in infrastructure projects.

**MTEF allocations for expanded public works programme sectors, 2010/11 - 2012/13**



**Expanded public works, FTE targets, 2010/11 - 2012/13**



**Table 8.5 Economic services and infrastructure: expenditure by vote, 2006/07 – 2012/13**

|                                     | 2006/07       | 2007/08<br>Outcome | 2008/09       | 2009/10<br>Revised<br>estimate | 2010/11       | 2011/12       | 2012/13<br>Medium-term estimates |
|-------------------------------------|---------------|--------------------|---------------|--------------------------------|---------------|---------------|----------------------------------|
| <b>R million</b>                    |               |                    |               |                                |               |               |                                  |
| <b>Appropriation by vote</b>        |               |                    |               |                                |               |               |                                  |
| Agriculture, Forestry and Fisheries | 2 711         | 3 859              | 3 465         | 3 306                          | 3 658         | 4 361         | 4 741                            |
| <i>Grants to provinces</i>          | 401           | 762                | 898           | 974                            | 1 117         | 1 437         | 1 509                            |
| Communications                      | 1 320         | 1 912              | 2 329         | 2 354                          | 2 114         | 1 814         | 1 630                            |
| Economic Development                | 239           | 245                | 220           | 316                            | 419           | 494           | 520                              |
| Energy                              | 1 931         | 2 189              | 2 918         | 3 740                          | 5 535         | 5 740         | 5 539                            |
| <i>Grants to local government</i>   | 391           | 462                | 589           | 1 092                          | 1 240         | 1 377         | 1 151                            |
| Environmental Affairs               | 1 164         | 1 654              | 1 883         | 2 244                          | 2 608         | 2 818         | 3 059                            |
| Human Settlements                   | 7 178         | 8 716              | 11 147        | 14 036                         | 16 201        | 18 483        | 19 604                           |
| <i>Grants to provinces</i>          | 6 678         | 8 150              | 10 178        | 12 592                         | 15 161        | 17 222        | 17 939                           |
| Mineral Resources                   | 677           | 758                | 812           | 924                            | 1 030         | 1 112         | 1 168                            |
| Rural Development and Land Reform   | 3 725         | 5 897              | 6 664         | 6 401                          | 6 770         | 7 973         | 8 360                            |
| <i>Grants to provinces</i>          | 8             | –                  | –             | –                              | –             | –             | –                                |
| Science and Technology              | 2 613         | 3 127              | 3 703         | 4 262                          | 4 616         | 4 969         | 4 560                            |
| Tourism                             | 854           | 1 065              | 1 212         | 1 156                          | 1 152         | 1 223         | 1 291                            |
| Trade and Industry                  | 3 566         | 5 050              | 4 837         | 5 989                          | 6 150         | 6 757         | 7 264                            |
| <i>Grants to provinces</i>          | 58            | –                  | –             | –                              | –             | –             | –                                |
| Transport                           | 13 360        | 16 332             | 24 839        | 24 164                         | 25 086        | 27 960        | 29 170                           |
| <i>Grants to provinces</i>          | 3 241         | 3 029              | 4 340         | 6 670                          | 4 312         | 4 159         | 4 361                            |
| <i>Grants to local government</i>   | 518           | 1 174              | 2 929         | 2 428                          | 3 710         | 4 436         | 4 137                            |
| Water Affairs                       | 3 852         | 4 803              | 5 795         | 6 970                          | 7 997         | 9 090         | 9 628                            |
| <i>Grants to local government</i>   | 386           | 733                | 995           | 855                            | 890           | 380           | 399                              |
| <b>Total</b>                        | <b>43 189</b> | <b>55 607</b>      | <b>69 824</b> | <b>75 862</b>                  | <b>83 335</b> | <b>92 795</b> | <b>96 534</b>                    |

### Electrification and energy efficiency

Since its inception in 1992, the integrated national electrification programme has provided electricity to 4.9 million South African households and 5 000 schools, and electrified all health clinics. To date, government has spent R10.6 billion on this programme, with a further R9.2 billion allocated over the MTEF ahead. Last year, R1.5 billion was allocated for energy efficiency and demand-side management measures, along with R250 million for projects such as the rollout of compact fluorescent light bulbs, retrofitting of government buildings, light fittings and street illumination. Nineteen municipalities have been provided with R114 million for energy-efficiency projects, and other municipalities are conducting pre-engineering work.

### Ensuring sustainable human settlements

The legacy of apartheid spatial planning, along with rapid urbanisation and new household formation since 1994, presents South Africa with a significant challenge in providing affordable, suitable accommodation to its citizens. Informal settlements remain widespread and many households are still without access to water, sanitation, refuse removal and electricity. There are frequent allegations of corruption in the housing sector and project implementation has been undermined by poor management.

The majority of housing backlogs (up to 60 per cent) are in urban areas. While housing is a concurrent function between national and provincial government, government recognises the capacity of large municipalities to deliver basic services in communities. Therefore, the accreditation of large municipalities to administer national housing programmes will be fast-

tracked in 2010/11. An additional R1 billion is allocated to the *integrated housing and human settlement development grant* to ensure accelerated housing delivery. Consolidated spending on housing, water services and community amenities amounts to R81.6 billion in 2009/10, rising to R93.2 billion in 2010/11.

People who earn between R3 000 and R9 000 a month often find that they earn too much to qualify for a state housing subsidy, but too little to be able to access a bond from a bank. To broaden access to housing, government intends to establish a guarantee scheme to share the risks with banks in lending into this market.

*Guarantee scheme to support the 'gap' housing market*

| Towards sustainable human settlements   |  |
|---|--|
| Outputs   | Activities   |
| <ul style="list-style-type: none"> <li>• Accelerated delivery of houses                             <ul style="list-style-type: none"> <li>- Decrease number of households with inadequate shelter from 1.1 million to 600 000</li> <li>- Increase number of new affordable rental units from 5 000 a year to 20 000 a year</li> </ul> </li> <li>• Access to basic services                             <ul style="list-style-type: none"> <li>- Increase number of households with access to basic sanitation from 69% to 100%</li> </ul> </li> <li>• More efficient land utilisation                             <ul style="list-style-type: none"> <li>- Increase average number of formal affordable subsidised dwelling units from 40 units per hectare to 60 units per hectare</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Housing accreditation for metropolitan municipalities and the top 21 municipalities</li> <li>• Review of standards and densities of housing developments</li> <li>• Establishment of bulk infrastructure planning and funding coordination mechanism</li> <li>• Municipal support interventions, including the development of comprehensive infrastructure plans aligned to human settlement plans</li> </ul> |

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

**Promoting accountable and efficient local government**

Stepped up support for poorly performing municipalities will be coordinated by the Department of Cooperative Governance. The rise in community protests is an indication of poor governance and accountability in local government. A high top-management vacancy rate contributes to poor financial management. A third of municipalities received disclaimers or adverse opinions on their 2008 financial statements.

*Department of Cooperative Governance to coordinate support for poorly performing municipalities*

| Towards accountable and efficient local government   |   |
|--|---|
| Outputs  | Activities  |
| <ul style="list-style-type: none"> <li>• Meet basic needs of communities</li> <li>• Clean, responsive and accountable administration                             <ul style="list-style-type: none"> <li>- Increase the number of municipalities with a clean audit from 53.4% to 80%</li> </ul> </li> <li>• Improve performance and professionalism</li> <li>• Improve policy oversight and support                             <ul style="list-style-type: none"> <li>- Sign binding memorandum of understanding setting out roles and responsibilities of all departments by 31 June 2010</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Develop intergovernmental agreements on ideal scope of services provision</li> <li>• Develop and implement differentiated approach to municipal financing and support</li> <li>• Implement and expand Operation Clean Audit 2014</li> <li>• Implement and support Municipal Budget and Reporting Regulations</li> <li>• Skills audit of top 4 posts in all municipalities</li> </ul> |

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

The total allocations for capacity-building grants to local government amount to R6.4 billion over the three-year period. These grants include the

*financial management grant* and *the municipal systems and improvement grant*. In addition to the capacity-building grants, the local government equitable share increases by 15.2 per cent a year over the MTEF.

*Allocations to meet universal access targets in household water and sanitation*

An additional R2.5 billion is provided for the *municipal infrastructure grant* in the outer year. Further allocations support government's long-term goal of meeting universal access targets for water and sanitation and are also focused on rural municipalities. An amount of R6.7 billion is allocated to the local government equitable share over the MTEF to cover the increase in the cost of providing free basic electricity. The *neighbourhood development partnership grant* receives an additional R1 billion over the next three years for projects that focus on the regeneration of townships.

**Table 8.6 Central government administration: expenditure by vote, 2006/07 – 2012/13**

|   | 2006/07        | 2007/08        | 2008/09        | 2009/10          | 2010/11               | 2011/12        | 2012/13        |
|---|----------------|----------------|----------------|------------------|-----------------------|----------------|----------------|
|   | Outcome        |                |                | Revised estimate | Medium-term estimates |                |                |
| <b>R million</b>  |                |                |                |                  |                       |                |                |
| <b>Appropriation by vote</b>                            |                |                |                |                  |                       |                |                |
| Presidency  | 224            | 651            | 312            | 692              | 723                   | 772            | 811            |
| Parliament  | 755            | 902            | 1 135          | 1 108            | 1 179                 | 1 239          | 1 288          |
| Cooperative Governance and Traditional Affairs          | 24 572         | 30 026         | 35 343         | 36 630           | 43 921                | 50 449         | 57 238         |
| <i>Local government equitable share</i>                 | 18 058         | 20 676         | 25 560         | 24 356           | 30 168                | 33 940         | 37 234         |
| <i>Grants to provinces</i>                              | –              | –              | 30             | –                | –                     | –              | –              |
| <i>Grants to local government</i>                       | 6 138          | 8 954          | 9 308          | 11 633           | 12 741                | 15 293         | 18 558         |
| Home Affairs  | 2 547          | 3 242          | 4 667          | 5 159            | 5 720                 | 5 004          | 5 145          |
| International Relations and Cooperation                 | 2 945          | 4 070          | 5 472          | 5 508            | 4 824                 | 5 087          | 5 393          |
| Public Works  | 3 026          | 3 402          | 4 197          | 5 740            | 6 446                 | 7 984          | 8 246          |
| <i>Grants to provinces</i>                              | 710            | 837            | 889            | 1 401            | 1 484                 | 1 962          | 2 060          |
| <i>Grants to local government</i>                       | –              | –              | –              | 202              | 623                   | 1 108          | 1 163          |
| Women, Children and People with Disabilities            | 50             | 53             | 62             | 68               | 98                    | 108            | 115            |
| Government Communication and Information System         | 293            | 381            | 427            | 497              | 546                   | 507            | 515            |
| National Treasury                                       | 16 171         | 18 966         | 31 312         | 62 513           | 50 220                | 33 128         | 34 266         |
| <i>South African Revenue Service</i>                    | 4 875          | 5 511          | 6 303          | 7 148            | 8 067                 | 8 744          | 9 324          |
| <i>Secret Services</i>                                  | 2 223          | 2 584          | 2 844          | 3 052            | 3 307                 | 3 536          | 3 669          |
| <i>Grants to local government</i>                       | 410            | 716            | 361            | 611              | 1 395                 | 1 575          | 1 586          |
| <i>Grants to provinces</i>                              | 4 983          | 6 276          | 7 384          | 13 449           | 11 315                | 13 091         | 14 008         |
| <i>Eskom loan</i>                                       | –              | –              | 10 000         | 30 000           | 20 000                | –              | –              |
| Public Enterprises                                      | 2 590          | 4 604          | 3 265          | 3 991            | 351                   | 187            | 196            |
| Public Service and Administration                       | 584            | 610            | 631            | 681              | 651                   | 657            | 684            |
| Statistics South Africa                                 | 1 097          | 1 054          | 1 323          | 1 715            | 1 973                 | 2 846          | 1 770          |
| <b>Total</b>  | <b>54 852</b>  | <b>67 961</b>  | <b>88 147</b>  | <b>124 302</b>   | <b>116 653</b>        | <b>107 968</b> | <b>115 667</b> |
| <b>Direct charges against the National Revenue Fund</b> |                |                |                |                  |                       |                |                |
| The Presidency  | 2              | 2              | 4              | 4                | 5                     | 5              | 5              |
| Parliament  | 223            | 241            | 357            | 377              | 393                   | 410            | 430            |
| State debt cost   | 52 192         | 52 877         | 54 394         | 57 600           | 71 358                | 88 463         | 104 022        |
| General fuel levy sharing with metros                   | –              | –              | –              | 6 800            | 7 542                 | 8 531          | 8 958          |
| Provincial equitable share                              | 149 246        | 171 054        | 201 796        | 236 878          | 260 974               | 280 689        | 294 780        |
| <b>Total</b>  | <b>256 515</b> | <b>292 135</b> | <b>344 697</b> | <b>425 960</b>   | <b>456 924</b>        | <b>486 065</b> | <b>523 862</b> |