

VOTE 2

Parliament



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure 2012

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspensing on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Parliament

**National Treasury
Republic of South Africa**



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Vote 2

Parliament

Budget Summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	392 608	389 574	–	3 034	414 594	439 470
Legislation and Oversight	310 879	309 027	–	1 852	329 734	350 682
Public and International Participation	118 478	117 793	–	685	125 113	132 620
Members' Facilities	200 000	200 000	–	–	211 200	223 872
Associated Services	311 327	–	311 327	–	328 762	348 487
Subtotal	1 333 292	1 016 394	311 327	5 571	1 409 403	1 495 131
Direct charge against the National Revenue Fund						
Members' remuneration	430 122	430 122	–	–	453 779	481 006
Total expenditure estimates	1 763 414	1 446 516	311 327	5 571	1 863 182	1 976 137
Executive authority	Speaker of the National Assembly					
Accounting officer	Secretary to Parliament					
Website address	www.parliament.gov.za					

Aim

Provide the support services required by Parliament to fulfil its constitutional functions, to assist political parties represented in Parliament to secure administrative support and service constituents, and to provide members of Parliament with the necessary facilities.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership, institutional policy, overall management, and administration and corporate services to Parliament's executive, management and staff.

Programme 2: Legislation and Oversight

Purpose: Provide procedural and administrative services for Parliament to carry out its core functions. Pass legislation and oversee executive action.

Programme 3: Public and International Participation

Purpose: Carry out Parliament's role in public and international participation, and provide support for these activities.

Programme 4: Members' Facilities

Purpose: Provide telephone, travel and other facilities for members of Parliament in the National Assembly and the National Council of Provinces.

Programme 5: Associated Services

Purpose: Provide financial support to political parties represented in Parliament, and to their leaders and constituency offices.

Strategic overview: 2008/09 – 2014/15

Parliament's role and ultimate objective is to represent the people of South Africa and ensure government by the people under the Constitution, as well as to represent the provinces in the national sphere of government. It achieves this by passing legislation, overseeing government action, facilitating public involvement, participating in and overseeing cooperative government, and participating in international relations.

Strategic priorities over the medium term

The fourth democratic Parliament, inaugurated in 2009, is prioritising the strengthening of the oversight function, increased public participation, better cooperative government, the expansion of Parliament's role in international relations, and the building of a people's Parliament.

Improve accountability by strengthening the oversight function

Parliament will expand its focus on increasing representation, openness and accountability by improving its oversight capacity to ensure sound governance and effective service delivery by the executive. To this end, Parliament will implement an oversight model that establishes mechanisms and processes for better oversight, create dedicated capacity through content advisors to support multi-function committees, develop the requisite skills to improve resources, especially when committees are involved in public participation through public hearings and off-site oversight visits, and improve institutional knowledge. The oversight unit is catered for in the budget of the National Assembly with additional funds being made available to fill vacancies. This will strengthen the service to members in the National Assembly chamber.

Increase public involvement and participation

Over the past few years, Parliament has developed a number of programmes and projects to inform and involve citizens in parliamentary processes, and undertaken several initiatives to bring Parliament closer to the people. Over the medium term, Parliament aims to increase its educational programmes, provide more information and improve public access to Parliament by developing a public participation model in 2011/12. This will see the frequency of parliamentary broadcasts increase and the development of an education curriculum on public participation.

Strengthen cooperative government

For Parliament to play its role in cooperative government, it needs to establish protocols and mechanisms to guide the relationship between Parliament, the three spheres of government and organs of state. Initiatives to improve cooperative government include establishing a special unit providing management and budgetary support to Chapter 9 institutions, and broadening international relations.

The international environment and global governance processes are constantly changing and Parliament must respond by reviewing and improving its involvement in international forums, including taking the leadership role on international cooperation and peace in Africa. Over the medium term, Parliament will prioritise improving cooperation and participation in regional, continental and international forums. Parliament will also build internal capacity for international relations and participation. To achieve these objectives, Parliament has begun a programme to increase capacity and resources, develop participation systems and policy, debate and adopt international conference reports, and monitor the executive's implementation of international agreements and treaties.

Selected performance indicators

Table 2.1 Parliament

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of bills passed per year	Legislation and Oversight	23	23	26	18	25	23	20
Number of questions put to the executive per year	Legislation and Oversight	2 286	3 725	3 220	3 154	2 865	3 824	4 244
Number of annual reports tabled and scrutinised by committees	Legislation and Oversight	179	217	189	220	225	220	225
Number of oversight visits undertaken by committees per year	Legislation and Oversight	60	43	44	50	57	60	35

Table 2.1 Parliament (continued)

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of debates held for the public consideration of issues per year	Public and International Participation	45	121	104	110	115	125	130
Number of visitors to Parliament per year	Public and International Participation	24 014	24 549	18 253	27 245	40 612	47 521	52 321
Number of international agreements approved per year	Public and International Participation	51	32	25	21	30	42	40

Expenditure estimates

Table 2.2 Parliament

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	356 645	333 120	368 872	368 591	370 447	392 608	414 594	439 470
Legislation and Oversight	198 776	190 301	264 439	298 000	290 881	310 879	329 734	350 682
Public and International Participation	122 955	70 800	118 684	108 900	101 368	118 478	125 113	132 620
Members' Facilities	147 676	156 064	169 504	199 800	189 400	200 000	211 200	223 872
Associated Services	245 406	258 743	277 438	297 599	297 599	311 327	328 762	348 487
Subtotal	1 071 458	1 009 028	1 198 937	1 272 890	1 249 695	1 333 292	1 409 403	1 495 131
Direct charge against the National Revenue Fund	304 198	398 839	346 040	409 640	355 146	430 122	453 779	481 006
Members' remuneration	304 198	398 839	346 040	409 640	355 146	430 122	453 779	481 006
Total	1 375 656	1 407 867	1 544 977	1 682 530	1 604 841	1 763 414	1 863 182	1 976 137
Change to 2011 Budget estimate				7 628	(70 061)	17 420	21 780	-

Economic classification

Current payments	1 054 877	1 112 318	1 226 497	1 380 822	1 303 133	1 446 516	1 531 218	1 624 255
Compensation of employees	651 005	784 605	795 472	946 507	887 629	1 028 178	1 083 186	1 143 059
Goods and services	403 872	327 713	431 025	434 315	415 504	418 338	448 032	481 196
<i>of which:</i>								
Administrative fees	1 966	561	-	190	190	-	-	-
Advertising	14 463	6 482	12 551	19 369	12 302	13 261	14 003	14 844
Assets less than the capitalisation threshold	10 753	5 519	6 742	3 896	3 896	3 337	3 525	3 736
Audit cost: External	6 717	3 994	4 263	-	-	3 027	3 197	3 388
Bursaries: Employees	1 460	1 374	2 641	2 985	2 985	3 705	3 913	4 147
Catering: Departmental activities	12 310	5 125	11 374	5 554	4 754	10 852	11 460	12 149
Communication	20 054	21 948	25 533	26 831	25 731	33 473	35 346	37 468
Computer services	7 102	10 418	10 349	13 137	13 137	14 878	15 710	16 664
Consultants and professional services: Business and advisory services	48 237	25 700	53 358	10 247	10 247	9 047	9 553	10 127
Consultants and professional services: Legal costs	3 854	5 033	5 123	2 653	2 653	2 453	2 590	2 746
Contractors	85 965	29 161	31 205	21 251	36 646	18 604	19 647	20 824
Agency and support / outsourced services	8 070	8 084	13 812	17 384	20 124	17 987	18 996	20 135
Entertainment	704	726	2 849	2 132	2 132	2 749	2 903	3 077
Inventory: Food and food supplies	1 197	535	1 388	365	365	365	385	408
Inventory: Materials and supplies	314	85	301	-	-	-	-	-
Inventory: Medical supplies	-	-	45	19	19	-	-	-
Inventory: Other consumables	638	155	611	-	-	-	-	-
Inventory: Stationery and printing	4 352	4 470	4 482	4 146	4 146	4 356	4 600	4 876
Lease payments	1 177	1 289	852	840	840	1 243	1 312	1 392
Property payments	-	-	-	-	-	59	62	66
Transport provided: Departmental activity	318	161	1 460	2 034	2 034	1 847	1 951	2 067
Travel and subsistence	115 221	156 915	184 909	243 856	222 247	226 661	241 354	255 836
Training and development	10 867	6 336	10 420	9 815	7 242	9 557	10 790	11 437
Operating expenditure	39 852	31 241	41 870	40 287	37 990	34 339	39 829	48 490
Venues and facilities	8 281	2 401	4 887	7 244	5 744	6 538	6 906	7 319
Rental and hiring	-	-	-	80	80	-	-	-

Table 2.2 Parliament (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Transfers and subsidies	288 439	279 736	277 438	297 599	297 599	311 327	328 762	348 487
Departmental agencies and accounts	40 476	18 221	–	–	–	–	–	–
Foreign governments and international organisations	2 557	2 772	–	–	–	–	–	–
Non-profit institutions	245 406	258 743	277 438	297 599	297 599	311 327	328 762	348 487
Payments for capital assets	32 340	15 813	41 042	4 109	4 109	5 571	3 202	3 395
Machinery and equipment	32 340	15 813	40 627	4 109	4 109	5 571	3 202	3 395
Software and other intangible assets	–	–	415	–	–	–	–	–
Total	1 375 656	1 407 867	1 544 977	1 682 530	1 604 841	1 763 414	1 863 182	1 976 137

Expenditure trends

The spending focus over the medium term will be on improving and upgrading the IT system, and increasing activities aimed at improving public participation through the dissemination of educational information to increase public access to Parliament. Spending will also focus on improving Parliament's oversight role by increasing the number of site visits undertaken by committee members each year.

Expenditure, including the direct charge against the National Revenue Fund for members' remuneration, increased from R1.4 billion in 2008/09 to R1.7 billion in 2011/12, at an average annual rate of 6.9 per cent, due to inflation related adjustments to members' remuneration. Expenditure in the *Public and International Participation* programme between 2008/09 and 2011/12 decreased from R123 million to R108.9 million, at an average annual rate of 4 per cent, due to the implementation of cost cutting measures.

Over the medium term, expenditure is expected to increase to R2 billion, at an average annual rate of 5.5 per cent, mainly to provide for inflation related adjustments to spending on compensation of employees. The 2012 Budget sets out an additional allocation of R66.3 million over the medium term for improved conditions of service.

Parliament makes transfer payments to political parties in terms of section 57(2)(c) of the Constitution to allow them to carry out their legislative mandate. Transfers increased from R288.4 million in 2008/09 to R297.6 million in 2011/12, at an average annual rate 6.6 per cent. Over the medium term, transfers are expected to increase to R348.5 million, at an average annual rate of 5.4 per cent.

Expenditure on consultants decreased from R52.1 million in 2008/09 to R12.9 million in 2011/12, at an average annual rate of 37.2 per cent. Over the medium term, spending on consultants is expected to decrease, at an average annual rate of 0.1 per cent. The decrease in both periods is mainly due to cost cutting measures. Spending on consultants is mainly for the internal audit, contingent liability funds for legal cases and the migration to the generally recognised accounting practice system.

Personnel information

Table 2.3 Details of approved establishment and personnel numbers according to salary level¹

Department	Personnel post status as at 30 September 2011			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 ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	1 633	1 492	–	1 224	1 231	1 240	1 316	1 495	1 503	1 500
Salary level 1 – 6	–	–	–	68	2	–	–	–	–	–
Salary level 7 – 10	1 068	955	–	923	788	804	868	927	932	927
Salary level 11 – 12	330	314	–	163	323	263	273	334	336	335
Salary level 13 – 16	235	223	–	70	118	173	175	234	235	238

Table 2.3 Details of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2011			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 ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration	804	755	–	736	682	647	697	717	724	727
Salary level 1 – 6	–	–	–	65	2	–	–	–	–	–
Salary level 7 – 10	555	527	–	514	497	449	492	499	502	503
Salary level 11 – 12	120	110	–	115	130	89	93	100	102	101
Salary level 13 – 16	129	118	–	42	53	109	112	118	120	123
Legislation and Oversight	702	635	–	415	474	517	521	635	636	636
Salary level 1 – 6	–	–	–	–	–	–	–	–	–	–
Salary level 7 – 10	440	373	–	375	256	319	323	373	374	374
Salary level 11 – 12	173	173	–	28	168	149	149	173	173	173
Salary level 13 – 16	89	89	–	12	50	49	49	89	89	89
Public and International Participation	127	102	–	73	75	76	98	143	143	137
Salary level 1 – 6	–	–	–	3	–	–	–	–	–	–
Salary level 7 – 10	73	55	–	34	35	36	53	55	56	50
Salary level 11 – 12	37	31	–	20	25	25	31	61	61	61
Salary level 13 – 16	17	16	–	16	15	15	14	27	26	26

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

2. As at 30 September 2011.

As at 30 September 2011, Parliament had an establishment of 1 633 posts, 1 492 of which are filled and 141 are vacant. The vacant posts are funded and will be filled over the MTEF period to provide capacity in the following areas: content advisers for parliamentary committees, Parliament's budget office, internal audit, the finance management office and supply chain management.

Revenue retained by Parliament

Table 2.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Opening balance of surplus account	377 238	372 286	213 468	338 211	338 211	311 874	88 363	42 888
Parliamentary receipts	55 190	38 459	31 752	24 234	33 663	21 489	14 525	11 525
Sales of goods and services produced	16 190	18 069	6 808	11 793	10 213	8 989	9 025	9 025
Interest, dividends and rent on land	38 492	18 431	24 944	12 441	23 450	12 500	5 500	2 500
Sales of capital assets	508	1 959	–	–	–	–	–	–
Adjustments to revenue account	46 627	(77 449)	(46 253)	–	–	–	–	–
Increase/(decrease) to direct charges appropriation	45 843	(76 812)	(46 253)	–	–	–	–	–
Other adjustments	(58)	(637)	–	–	–	–	–	–
Amounts recovered	842	–	–	–	–	–	–	–
Changes in retained revenue	(106 769)	(119 828)	139 244	(60 000)	(60 000)	(245 000)	(60 000)	(25 000)
Closing balance of surplus account	372 286	213 468	338 211	302 445	311 874	88 363	42 888	29 413

Parliament is not required to return unspent funds to the National Revenue Fund, which means that all unspent funds from previous years are held as retained earnings. Other revenue, such as interest collected and catering sales, is also reflected as part of retained earnings. The surplus in the retained earnings account is expected to decrease over the medium term as it will be used to fund various IT projects to upgrade the audiovisual system in both houses of Parliament, the National Assembly and the National Council of Provinces. Income from interest earned on the surplus balance is also expected to decrease over the medium term as a result of the decreasing balance. Parliament also expects to fund the establishment of the *Parliamentary Budget Office* subprogramme from its retained earnings in the first two years of the MTEF period.

Programme 1: Administration

Expenditure estimates

Table 2.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Office of the Speaker	26 769	25 927	30 498	44 828	38 874	41 051	43 514
Office of the Chairperson	17 184	16 817	11 998	20 400	21 318	22 512	23 863
Office of the Secretary	165 878	156 392	206 856	171 639	194 765	205 672	218 012
Corporate Services	33 810	40 523	42 196	50 401	52 669	55 618	58 956
Institutional Support	113 004	93 461	77 324	81 323	84 982	89 741	95 125
Total	356 645	333 120	368 872	368 591	392 608	414 594	439 470
Change to 2011 Budget estimate				18 554	30 450	33 061	–

Economic classification

	286 219	300 891	367 126	365 737	389 574	411 392	436 075
Current payments							
Compensation of employees	178 896	188 208	210 055	255 618	285 519	299 796	314 784
Goods and services	107 323	112 683	157 071	110 119	104 055	111 596	121 291
<i>of which:</i>							
Administrative fees	318	166	–	190	–	–	–
Advertising	1 457	843	834	892	815	861	912
Assets less than the capitalisation threshold	5 328	4 331	5 380	2 711	2 113	2 232	2 366
Audit cost: External	2 820	3 045	4 263	–	3 027	3 197	3 388
Bursaries: Employees	1 078	1 281	2 150	2 745	3 460	3 654	3 873
Catering: Departmental activities	5 710	4 973	4 395	5 420	3 706	3 914	4 149
Communication	7 963	8 923	9 143	7 859	11 996	12 667	13 428
Computer services	2 565	4 929	6 552	7 030	9 638	10 176	10 798
Consultants and professional services: Business and advisory services	14 923	14 220	49 270	6 602	5 328	5 626	5 964
Consultants and professional services: Legal costs	3 599	4 823	4 835	2 653	2 453	2 590	2 746
Contractors	10 878	19 326	18 305	9 753	8 415	8 887	9 419
Agency and support / outsourced services	3 713	3 960	7 318	10 987	10 734	11 336	12 016
Entertainment	292	643	1 340	1 443	1 074	1 134	1 202
Inventory: Medical supplies	–	–	45	19	–	–	–
Inventory: Stationery and printing	2 055	2 059	2 966	3 181	3 351	3 540	3 751
Lease payments	216	259	852	840	1 243	1 312	1 392
Property payments	–	–	–	–	59	62	66
Transport provided: Departmental activity	23	14	750	952	992	1 048	1 110
Travel and subsistence	19 423	15 440	15 175	22 479	19 105	20 175	21 386
Training and development	3 783	3 129	4 619	4 011	3 133	3 308	3 507
Operating expenditure	21 179	20 319	18 879	19 612	13 024	15 466	19 382
Venues and facilities	–	–	–	660	389	411	436
Rental and hiring	–	–	–	80	–	–	–
Transfers and subsidies	40 476	18 221	–	–	–	–	–
Departmental agencies and accounts	40 476	18 221	–	–	–	–	–
Payments for capital assets	29 950	14 008	1 746	2 854	3 034	3 202	3 395
Machinery and equipment	29 950	14 008	1 331	2 854	3 034	3 202	3 395
Software and other intangible assets	–	–	415	–	–	–	–
Total	356 645	333 120	368 872	368 591	392 608	414 594	439 470

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	40 476	18 221	–	–	–	–	–
Upgrading of Office Space Programme	40 476	18 221	–	–	–	–	–

Expenditure trends

Between 2008/09 and 2011/12, expenditure increased from R356.6 million to R368.6 million, at an average annual rate of 1.1 per cent. This was mainly due to growth in spending in the *Office of the Speaker* subprogramme, which increased from R26.8 million in 2008/09 to R44.8 million in 2011/12, at an average annual rate of 18.7 per cent, to provide for increased capacity. The spike in expenditure on machinery and equipment in 2008/09 was due to once-off allocations for an electronic document management system, a system to manage travel arrangements and the replacement of office equipment.

Over the medium term, total expenditure is expected to increase to R439.5 million, at an average annual rate of 6 per cent, mainly to provide for increased capacity in support staff, internal audit, financial management and supply chain management in the *Office of the Speaker*, *Office of the Chairperson* and *Corporate Services* subprogrammes.

Expenditure on consultants decreased from R18.5 million in 2008/09 to R9.3 million in 2011/12, at an average annual rate of 20.5 per cent. Over the medium term, expenditure on consultants is expected to decrease to R8.7 million, at an average annual rate of 2.2 per cent. The decrease in both periods is due to cost cutting measures.

Programme 2: Legislation and Oversight

Objectives and measures

- Strengthen Parliament's oversight function by:
 - developing protocols for assessing the performance of all state organs by 2014
 - developing guidelines for select and portfolio committees for joint planning and coordination, and implementing rules, systems and capacity for such planning and coordination by the end of the fourth Parliament in 2014.
- Ensure the continuous cultivation and preservation of institutional knowledge and access by developing an institutional knowledge management strategy and policy, and the requisite systems by 2014.

Subprogrammes

- *National Assembly* provides procedural advice and guidance for the proceedings of the National Assembly. This subprogramme had a staff complement of 41 and a total budget of R22.7 million in 2010/11. The subprogramme provided support to allow the National Assembly to have 43 sittings, which in turn allowed 39 bills to be passed and 83 House resolutions to be processed in 2010/11. In the same year, the subprogramme supported 2 joint sittings.
- *National Council of Provinces* provides procedural advice and guidance for the proceedings of the National Council of Provinces by tabling bills in line with the Constitution and tabling relevant information to committees. Procedural advice includes guidance on ensuring that issues relating to provincial matters are dealt with. This subprogramme had a staff complement of 37 and a total budget of R29.2 million in 2011/12, of which 53 per cent was used for compensation of employees. Over the MTEF period, Parliament expects to pass 25, 23 and 20 bills. In November 2010, the annual Taking Parliament to the People programme was held in Free State. The subprogramme reprioritised funds to host 2 Taking Parliament to the People events and provide funding to fill key vacant positions.
- *Legislation and Oversight* provides procedural advice, language services and research and administrative services to committee proceedings. This subprogramme had a staff complement of 443 and a total budget of R246.1 million in 2011/12, of which 71 per cent was used for compensation of employees. In 2010/11, Parliament developed joint planning, monitoring, cooperation and evaluation mechanisms.
- *Parliamentary Budget Office* will fund the Parliamentary budget office from retained earnings for 2 years. As there is no certainty that the budget office will be set up and the subprogramme is still being reviewed, no allocation has been made over the MTEF period in this subprogramme.

Expenditure estimates

Table 2.6 Legislation and Oversight

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
National Assembly	13 850	16 176	18 741	22 700	23 970	25 312	26 831
National Council of Provinces	21 809	13 617	30 123	29 200	32 704	34 535	36 607
Legislation and Oversight	163 117	160 508	215 575	246 100	254 205	269 887	287 244
Total	198 776	190 301	264 439	298 000	310 879	329 734	350 682
Change to 2011 Budget estimate				1 600	2 034	3 903	-

Economic classification

	197 975	188 845	264 414	297 309	309 027	329 734	350 682
Current payments							
Compensation of employees	126 804	142 047	177 189	207 630	222 611	235 188	248 126
Goods and services	71 171	46 798	87 225	89 679	86 416	94 546	102 556
<i>of which:</i>							
Advertising	8 416	4 516	5 217	3 627	5 613	5 927	6 284
Assets less than the capitalisation threshold	3 672	653	755	240	432	456	483
Catering: Departmental activities	6 530	89	6 979	134	7 091	7 488	7 938
Communication	466	2 606	3 341	2 752	3 598	3 799	4 027
Computer services	46	1 350	59	817	75	79	84
Consultants and professional services: Business and advisory services	4 921	4 520	1 632	1 513	1 087	1 148	1 217
Consultants and professional services: Legal costs	-	210	-	-	-	-	-
Contractors	2 889	502	3 944	3 141	1 190	1 257	1 332
Agency and support / outsourced services	251	3 125	1 798	5 264	5 353	5 653	5 992
Entertainment	99	7	1 022	4	975	1 030	1 091
Inventory: Food and food supplies	-	-	284	365	365	385	408
Inventory: Materials and supplies	-	9	-	-	-	-	-
Inventory: Stationery and printing	1 826	2 296	809	618	640	675	716
Transport provided: Departmental activity	139	109	345	550	375	396	420
Travel and subsistence	28 577	18 554	36 791	54 848	43 817	48 271	51 168
Training and development	1 353	1 528	2 163	2 567	2 496	3 334	3 534
Operating expenditure	5 883	5 583	17 352	7 550	8 140	9 189	12 076
Venues and facilities	6 103	1 141	4 734	5 689	5 169	5 459	5 786
Payments for capital assets	801	1 456	25	691	1 852	-	-
Machinery and equipment	801	1 456	25	691	1 852	-	-
Total	198 776	190 301	264 439	298 000	310 879	329 734	350 682

Expenditure trends

Expenditure increased from R198.8 million in 2008/09 to R298 million in 2011/12, at an average annual rate of 14.4 per cent, mainly to employ additional staff to provide adequate content and research support to committees as a result of a change in focus from the legislative to the oversight function in the second and third Parliaments to ensure that the executive practises sound governance and oversees effective service delivery. As a result, spending in the *Legislation and Oversight* subprogramme over this period increased from R163.1 million to R246.1 million, at an average annual rate of 14.7 per cent.

Over the medium term, spending is expected to grow to R350.7 million, at an average annual rate of 5.6 per cent, mainly to provide for inflation related adjustments in all subprogrammes.

Expenditure on consultants decreased from R4.9 million in 2008/09 to R1.5 million in 2011/12, at an average annual rate of 32.6 per cent. Over the medium term, expenditure on consultants is expected to decrease to R1.2 million, at an average annual rate of 7.2 per cent. The decrease in both periods is due to cost cutting measures.

Programme 3: Public and International Participation

Objectives and measures

- Improve public participation and involvement in Parliamentary processes by developing a public participation model by 2014, including revamping and reformatting parliamentary radio programmes to include all African languages.
- Improve public education programmes by developing a module on Parliament for learning institutions from Grade R to tertiary level by 2013.
- Continue to increase public participation through an annual People's Assembly and the Taking Parliament to the People programme twice a year.

Subprogrammes

- *Public Affairs* provides education and information, public relations, media relations and events management. This subprogramme had a staff complement of 79 and a total budget of R65.9 million in 2011/12, of which 39.7 per cent was used for compensation of employees. The number of visitors to Parliament in 2011/12 increased to 27 245 from 18 253 in 2010/11.
- *International Relations* provides protocol services, administration for bilateral and multilateral meetings, and services for official visits including adequate content, and procedural and logistical support for incoming and outgoing delegations. This subprogramme had a staff complement of 19 and a total budget of R43 million in 2011/12, of which 21 per cent was used for compensation of employees. The number of international agreements approved by Parliament in 2011/12 decreased to 21 from 25 in 2010/11.

Expenditure estimates

Table 2.7 Public and International Participation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Public Affairs	104 039	49 520	49 796	65 900	67 816	71 614	75 911
International Relations	18 916	21 280	68 888	43 000	50 662	53 499	56 709
Total	122 955	70 800	118 684	108 900	118 478	125 113	132 620
Change to 2011 Budget estimate				-	4 960	5 408	-

Economic classification

	119 820	67 683	79 413	108 336	117 793	125 113	132 620
Current payments							
Compensation of employees	18 495	22 397	26 794	35 169	47 631	50 013	52 513
Goods and services	101 325	45 286	52 619	73 167	70 162	75 100	80 107
<i>of which:</i>							
Administrative fees	372	395	-	-	-	-	-
Advertising	1 045	1 123	6 500	14 850	6 833	7 215	7 648
Assets less than the capitalisation threshold	470	511	345	845	687	726	769
Audit cost: External	885	949	-	-	-	-	-
Bursaries: Employees	87	93	126	240	245	259	274
Catering: Departmental activities	70	63	-	-	55	58	62
Communication	2 640	2 830	3 283	3 974	4 715	4 979	5 278
Computer services	1 020	1 093	528	765	190	201	213
Consultants and professional services: Business and advisory services	6 183	6 960	2 456	2 132	2 632	2 779	2 946
Consultants and professional services: Legal costs	68	-	-	-	-	-	-
Contractors	63 193	2 836	2 798	1 572	2 645	2 793	2 961
Agency and support / outsourced services	933	999	765	1 133	1 900	2 007	2 127
Entertainment	71	76	187	685	700	739	784
Inventory: Food and food supplies	499	535	-	-	-	-	-
Inventory: Materials and supplies	71	76	-	-	-	-	-
Inventory: Other consumables	145	155	-	-	-	-	-

Table 2.7 Public and International Participation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Inventory: Stationery and printing</i>	107	115	256	347	365	385	409
<i>Lease payments</i>	961	1 030	–	–	–	–	–
<i>Transport provided: Departmental activity</i>	35	38	215	532	480	507	537
<i>Travel and subsistence</i>	15 654	21 228	32 704	38 339	41 122	43 425	46 030
<i>Training and development</i>	1 302	1 333	1 151	587	683	721	764
<i>Operating expenditure</i>	4 338	1 588	1 152	6 271	5 930	7 270	8 208
<i>Venues and facilities</i>	1 176	1 260	153	895	980	1 036	1 097
Transfers and subsidies	2 557	2 772	–	–	–	–	–
Foreign governments and international organisations	2 557	2 772	–	–	–	–	–
Payments for capital assets	578	345	39 271	564	685	–	–
Machinery and equipment	578	345	39 271	564	685	–	–
Total	122 955	70 800	118 684	108 900	118 478	125 113	132 620
Details of transfers and subsidies							
Foreign governments and international organisations							
Current	2 557	2 772	–	–	–	–	–
International Associations	2 557	2 772	–	–	–	–	–

Expenditure trends

Spending decreased from R123 million in 2008/09 to R108.9 million in 2011/12, at an average annual rate of 4 per cent, due to the implementation of cost cutting measures. Over the medium term, expenditure is expected to increase to R132.6 million, at an average annual rate of 6.8 per cent, mainly to build capacity to provide more information to the public on parliamentary processes to allow for increased public participation.

Expenditure on consultants decreased from R6.3 million in 2008/09 to R2.1 million in 2011/12, at an average annual rate of 30.7 per cent. Over the medium term, expenditure on consultants is expected to increase to R2.9 million, at an average annual rate of 11.4 per cent.

Programme 4: Members' Facilities

Objectives and measures

- Support the operational activities of members of Parliament by continuously providing operational facilities to the 336 members of the National Assembly and the 54 members of the National Council of Provinces, as required.

Subprogrammes

- *National Assembly Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. This subprogramme had a total budget of R185.4 million in 2011/12, of which 20.7 per cent was used for compensation of employees. Under this subprogramme travel and facility claims are processed and paid within 3 days, real time travel reservations are facilitated, tools of trade are provided and training is initiated and supported.
- *National Council of Provinces Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. Under this subprogramme travel and facility claims are processed and paid within 3 days, real time travel reservations are facilitated, tools of trade are provided and training is initiated and supported. This subprogramme had a total budget of R14.4 million in 2011/12.

Expenditure estimates

Table 2.8 Members' Facilities

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
National Assembly Members' Facilities	131 774	147 268	161 419	185 438	172 384	182 038	192 960
National Council of Provinces Members' Facilities	15 902	8 796	8 085	14 362	27 616	29 162	30 912
Total	147 676	156 064	169 504	199 800	200 000	211 200	223 872
Change to 2011 Budget estimate				(22 200)	(31 341)	(32 842)	-

Economic classification

	146 665	156 060	169 504	199 800	200 000	211 200	223 872
Current payments							
Compensation of employees	22 612	33 114	35 394	38 450	42 295	44 410	46 630
Goods and services	124 053	122 946	134 110	161 350	157 705	166 790	177 242
<i>of which:</i>							
Administrative fees	1 276	-	-	-	-	-	-
Advertising	3 545	-	-	-	-	-	-
Assets less than the capitalisation threshold	1 283	24	262	100	105	111	118
Audit cost: External	3 012	-	-	-	-	-	-
Bursaries: Employees	295	-	365	-	-	-	-
Communication	8 985	7 589	9 766	12 246	13 164	13 901	14 735
Computer services	3 471	3 046	3 210	4 525	4 975	5 254	5 569
Consultants and professional services: Business and advisory services	22 210	-	-	-	-	-	-
Consultants and professional services: Legal costs	187	-	288	-	-	-	-
Contractors	9 005	6 497	6 158	6 785	6 354	6 710	7 112
Agency and support / outsourced services	3 173	-	3 931	-	-	-	-
Entertainment	242	-	300	-	-	-	-
Inventory: Food and food supplies	698	-	1 104	-	-	-	-
Inventory: Materials and supplies	243	-	301	-	-	-	-
Inventory: Other consumables	493	-	611	-	-	-	-
Inventory: Stationery and printing	364	-	451	-	-	-	-
Transport provided: Departmental activity	121	-	150	-	-	-	-
Travel and subsistence	51 567	101 693	100 239	128 190	122 617	129 483	137 252
Training and development	4 429	346	2 487	2 650	3 245	3 427	3 632
Operating expenditure	8 452	3 751	4 487	6 854	7 245	7 904	8 824
Venues and facilities	1 002	-	-	-	-	-	-
Payments for capital assets	1 011	4	-	-	-	-	-
Machinery and equipment	1 011	4	-	-	-	-	-
Total	147 676	156 064	169 504	199 800	200 000	211 200	223 872

Expenditure trends

Expenditure grew from R147.7 million in 2008/09 to R199.8 million in 2011/12, at an average annual rate of 10.6 per cent, mainly due to an increase in members' benefits, including travel, medical aid contributions and other logistical facilities. Over the medium term, expenditure is expected to grow R223.9 million in 2014/15, at an average annual rate of 3.9 per cent, due to increased social contributions for parliamentarians.

R22.4 million was spent on consultants in 2008/09, mainly to cater for internal audit, contingent liability funds for legal cases and migrating to the generally recognised accounting practice system.

Programme 5: Associated Services

- *Political Party Support* provides financial support to political parties to allow them to carry out their legislative mandate efficiently and effectively. This subprogramme used 23.6 per cent of the programme's total budget of R70.3 million in 2011/12.
- *Constituency Support* provides financial support to constituency offices to allow them to carry out their legislative mandate efficiently and effectively. This subprogramme used 74.2 per cent of the programme's total budget of R220.8 million in 2011/12.
- *Party Leadership Support* provides financial support to political leadership to allow them to carry out their legislative mandate efficiently and effectively. This subprogramme used 2.2 per cent of the programme's total budget of R6.5 million in 2011/12.

Expenditure estimates

Table 2.9 Associated Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Political Party Support	52 347	55 163	66 126	70 251	74 326	78 488	83 198
Constituency Support	188 001	198 341	205 312	220 838	230 309	243 207	257 799
Party Leadership Support	5 058	5 239	6 000	6 510	6 692	7 067	7 490
Total	245 406	258 743	277 438	297 599	311 327	328 762	348 487
Change to 2011 Budget estimate				9 674	11 317	12 250	-

Economic classification

Transfers and subsidies	245 406	258 743	277 438	297 599	311 327	328 762	348 487
Non-profit institutions	245 406	258 743	277 438	297 599	311 327	328 762	348 487
Total	245 406	258 743	277 438	297 599	311 327	328 762	348 487

Details of transfers and subsidies

Non-profit institutions							
Current	245 406	258 743	277 438	297 599	311 327	328 762	348 487
Political Party Support	52 347	55 163	66 126	70 251	74 326	78 488	83 198
Constituency Allowance	188 001	198 341	205 312	220 838	230 309	243 207	257 799
Party Leadership Support	5 058	5 239	6 000	6 510	6 692	7 067	7 490

Expenditure trends

Expenditure increased from R245.4 million in 2008/09 to R297.6 million in 2011/12, at an average annual rate of 6.6 per cent. Over the MTEF period, expenditure is expected to increase to R348.5 million, at an average annual rate of 5.4 per cent. Growth over both periods provides for increased transfers to the 13 parties represented in Parliament and allowances calculated based on formulas contained in the approved policy on political party allowances.

Additional tables

Table 2.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	2010/11		2010/11	2011/12			2011/12
Administration	1 179 221	1 201 621	1 198 937	350 037	18 554	368 591	370 447
Legislation and Oversight	–	–	–	296 400	1 600	298 000	290 881
Public and International Participation	–	–	–	108 900	–	108 900	101 368
Members' Facilities	–	–	–	222 000	(22 200)	199 800	189 400
Associated Services	–	–	–	287 925	9 674	297 599	297 599
Subtotal	1 179 221	1 201 621	1 198 937	1 265 262	7 628	1 272 890	1 249 695
Direct charge against the National Revenue Fund	392 679	392 679	346 040	409 640	–	409 640	355 146
Members' remuneration	392 679	392 679	346 040	409 640	–	409 640	355 146
Total	1 571 900	1 594 300	1 544 977	1 674 902	7 628	1 682 530	1 604 841

Economic classification

Current payments	1 279 177	1 301 577	1 226 497	1 382 888	(2 066)	1 380 822	1 303 133
Compensation of employees	845 722	868 122	795 472	937 412	9 095	946 507	887 629
Goods and services	433 455	433 455	431 025	445 476	(11 161)	434 315	415 504
Transfers and subsidies	281 914	281 914	277 438	287 925	9 674	297 599	297 599
Non-profit institutions	281 914	281 914	277 438	287 925	9 674	297 599	297 599
Payments for capital assets	10 809	10 809	41 042	4 089	20	4 109	4 109
Machinery and equipment	6 583	6 583	40 627	4 089	20	4 109	4 109
Software and other intangible assets	4 226	4 226	415	–	–	–	–
Total	1 571 900	1 594 300	1 544 977	1 674 902	7 628	1 682 530	1 604 841

Table 2.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Compensation of employees (R thousand)	286 388	325 304	450 112	495 497	521 036	559 888	615 423
Training expenditure (R thousand)	11 894	10 099	6 704	14 185	14 993	16 796	15 584
Training as percentage of compensation	4.2%	3.1%	1.5%	2.9%	2.9%	3.0%	2.5%
Total number trained in department (headcount)	650	655	728	–			
<i>of which:</i>							
<i>Employees receiving bursaries (headcount)</i>	<i>80</i>	<i>80</i>	<i>195</i>	<i>–</i>			

Table 2.C Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2008/09	2009/10	2010/11	Estimate	2012/13	2013/14	2014/15
Foreign													
In cash													
European Union	Legislative sector support programme	Legislation and Oversight	4 years	76 000	Goods and services	Build and administer strong, functioning legislatures	-	30 700	-	35 000	10 300	-	-
European Union	Legislative sector support programme	Administration	4 years	35 000	Goods and services	Build and administer strong, functioning, legislatures	-	10 000	-	20 000	5 000	-	-
European Union	Legislative sector support programme	Public and International Participation	4 years	54 000	Goods and services	Build and administer strong, functioning, legislatures	-	15 000	-	30 000	9 000	-	-
Total				165 000			-	55 700	-	85 000	24 300	-	-

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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