

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 1 THE PRESIDENCY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 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, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also 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.



"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

The Presidency

**National Treasury
Republic of South Africa**



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Vote 1

The Presidency

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	488.5	475.0	–	13.5	532.9	565.0
National Planning	113.4	110.7	–	2.7	97.7	112.1
National Youth Development Agency	408.2	–	408.2	–	422.6	444.9
International Marketing and Communication	167.7	–	167.7	–	175.7	185.0
Subtotal	1 177.8	585.7	576.0	16.2	1 228.8	1 307.1
Direct charge against the National Revenue Fund						
Salary of the President	3.0	3.0	–	–	3.1	3.3
Total expenditure estimates	1 180.8	588.7	576.0	16.2	1 232.0	1 310.3
Executive authority	Minister in the Presidency: Performance Monitoring and Evaluation as well as Administration					
Accounting officer	Director General in the Presidency					
Website address	www.thepresidency.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Facilitate a common programme towards the achievement of the electoral mandate and the enhanced integrity of the State through considered planning, coordination, oversight, mobilisation and support.

Mandate

The mandate of the Presidency is to support the president, the deputy president and other political principals within the Presidency to execute their responsibilities, as outlined in the Constitution and the programme of government, in order to achieve excellence in governance and to provide leadership to the state and society.

Strategic goals

The Presidency's strategic objectives over the medium term are to:

- lead in integrated planning and in the performance monitoring and oversight of government policies and programmes
- support the president and deputy president in exercising their constitutional responsibilities and duties to promote national unity and social cohesion
- support the president and deputy president in their duties to strengthen regional integration, enhance peace and security, and promote South Africa's role in the international arena.

Programme purposes

Programme 1: Administration

Purpose: Provide effective leadership, strategic management and administrative support services to the principals and the branches of the Presidency in fulfilment of the Presidency's mission and mandate.

Programme 2: National Planning

Purpose: Develop the country's long term vision and national strategic plan and contribute towards better outcomes in government through better planning, better long term plans, greater policy coherence and clear articulation of long term goals and aspirations.

Programme 3: National Youth Development Agency

Purpose: Facilitate the transfer of funds to the National Youth Development Agency to allow the agency to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion.

Programme 4: International Marketing and Communication

Purpose: Facilitate the transfer of funds to Brand South Africa to develop and implement an international marketing and communication strategy for South Africa to contribute to job creation and poverty reduction, and attract inward investment, trade and tourism.

Selected performance indicators

Table 1.1 The Presidency

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Implementation of Vision 2030 and national development plan	National Planning	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair, and inclusive citizenship	– ¹	Diagnostic review initiated and conducted to inform the development of Vision 2030 and national development plan	National development plan and Vision 2030 adopted by Cabinet	Broad consultations held for the propagation of the national development plan across national and provincial departments, various sectors, business and non-governmental organisations to facilitate ideas and determine the role of all stakeholders	2 national development plan pilot projects implemented	2 national development plan pilot projects implemented	2 national development plan pilot projects implemented
Number of sector research reports, and reports on major and cross-cutting macro-social implications developed per year	National Planning		– ¹	– ¹	3	2	8	8	8
Number of households surveyed on income, consumption and expenditure in the national income dynamics study.	National Planning		9 600	– ²	10 500	– ²	12 500	– ²	13 000

1. No historical data as the indicator was introduced in 2011/12.

2. The national income dynamics survey is conducted every 2 years.

The national development plan

The National Planning Commission and the Department of Performance Monitoring and Evaluation lead government's implementation of the national development plan's Vision 2030. As such the two departments have been tasked with the formulation of the medium term strategic framework 2014-19 on behalf of the Presidency. The medium term strategic framework 2014-19, a major deliverable of the national development plan, was submitted to Cabinet for consideration in 2013/14. The framework identifies critical actions to be undertaken during 2014-2019 to put the country on a positive trajectory towards the achievement of the plan's goals by 2030.

The Presidency's specific contributions to the medium term strategic framework relate to the following actions and outcomes: undertaking periodic regulatory impact reviews; providing advice and support to regulatory authorities and Cabinet; reviewing the national spatial and human settlements planning system; strengthening regional integration and cooperation; participating in global governance reforms; increasing advocacy for and awareness about the moral regeneration movement and the charter of good values; contributing towards the development of performance management standards and career development systems for national and provincial head of departments; and contributing towards stabilising the political-administrative interface through the hybrid approach to making top appointments, which ensures the right balance of professionalism and political accountability.

The Presidency also provides technical support to clusters in relation to the implementation of the medium term strategic framework; ensures that departments' mandates are aligned and that various implementation programmes prioritise the objectives and stated outcomes of the plan. Further; it monitors progress and contributions made by all stakeholders of the plan; and coordinates and supports the implementation of sector specific pilot projects related to the plan. The Presidency also facilitates and supports the formation of partnerships linked to the national development plan.

Expenditure estimates

Table 1.2 The Presidency

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	340.1	394.7	368.8	462.4	462.4	10.8%	38.9%	488.5	532.9	565.0	6.9%	42.5%
National Planning	49.4	69.6	72.6	77.3	77.3	16.1%	6.7%	113.4	97.7	112.1	13.2%	8.3%
National Youth Development Agency	399.0	374.7	385.9	392.7	392.7	-0.5%	38.6%	408.2	422.6	444.9	4.2%	34.6%
International Marketing and Communication	170.1	140.1	154.8	160.4	160.4	-1.9%	15.5%	167.7	175.7	185.0	4.9%	14.3%
Subtotal	958.7	979.1	982.1	1 092.9	1 092.9	4.5%	99.7%	1 177.8	1 228.8	1 307.1	6.1%	99.7%
Direct charge against the National Revenue Fund	4.0	4.0	2.6	2.8	2.8	-10.8%	0.3%	3.0	3.1	3.3	5.3%	0.3%
Salary of the President	2.1	2.9	2.6	2.8	2.8	10.0%	0.3%	3.0	3.1	3.3	5.3%	0.3%
Salary of the Deputy President	1.8	1.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
Total	962.6	983.1	984.7	1 095.7	1 095.7	4.4%	100.0%	1 180.8	1 232.0	1 310.3	6.1%	100.0%
Change to 2013 Budget estimate				-	-			25.8	15.5	25.2		

Economic classification

Current payments	381.2	462.4	435.0	523.3	523.3	11.1%	44.8%	588.7	618.1	663.9	8.3%	49.7%
Compensation of employees	210.2	235.6	263.0	300.0	300.0	12.6%	25.1%	334.6	352.4	371.9	7.4%	28.2%
Goods and services	171.0	226.8	172.0	223.4	223.4	9.3%	19.7%	254.1	265.7	292.1	9.3%	21.5%
of which:												
Administration fees	0.0	0.1	0.3	0.1	0.1	281.4%	0.0%	0.2	0.2	0.2	20.9%	0.0%
Advertising	1.2	0.8	0.6	1.8	1.8	15.8%	0.1%	2.8	2.9	2.1	5.5%	0.2%
Assets less than the capitalisation threshold	1.0	0.7	1.7	4.7	4.7	67.9%	0.2%	3.8	4.4	4.4	-2.1%	0.4%
Audit costs: External	3.7	3.0	4.1	3.7	3.7	-0.6%	0.4%	5.1	6.4	6.9	23.4%	0.5%
Bursaries: Employees	0.5	0.8	0.7	1.4	1.4	46.4%	0.1%	1.5	1.5	1.6	4.4%	0.1%
Catering: Departmental activities	2.3	2.7	3.0	4.7	4.7	26.6%	0.3%	4.4	4.7	5.1	2.8%	0.4%
Communication	19.1	19.5	15.2	18.6	18.6	-1.0%	1.8%	20.1	20.9	23.6	8.3%	1.7%
Computer services	9.6	11.8	9.3	9.5	9.5	-0.4%	1.0%	11.5	12.7	13.3	11.9%	1.0%
Consultants and professional services: Business and advisory services	31.1	62.1	45.1	35.5	35.5	4.5%	4.3%	66.5	55.5	69.0	24.8%	4.7%
Consultants and professional services: Legal costs	6.3	6.3	4.4	0.4	0.4	-59.1%	0.4%	1.0	1.0	1.0	32.5%	0.1%
Contractors	3.3	3.1	3.0	5.8	5.8	20.7%	0.4%	7.7	8.2	8.7	14.1%	0.6%
Agency and support / outsourced services	14.9	15.8	6.4	10.6	10.6	-10.7%	1.2%	8.5	9.6	11.1	1.4%	0.8%
Entertainment	0.1	0.1	0.2	0.6	0.6	90.6%	0.0%	0.5	0.1	0.2	-32.1%	0.0%
Fleet services (including government motor transport)	-	-	-	-	-	-	-	0.6	0.7	0.7		0.0%
Inventory: Food and food supplies	0.9	1.3	1.0	1.5	1.5	19.5%	0.1%	0.1	-0.1	0.6	-26.9%	0.0%
Inventory: Materials and supplies	0.4	0.0	0.1	0.1	0.1	-40.4%	0.0%	0.0	0.1	0.1	-9.8%	0.0%
Inventory: Other supplies	1.2	0.9	1.4	2.4	2.4	26.4%	0.1%	0.1	0.6	0.0	-76.5%	0.1%
Consumable supplies	-	-	0.0	-	-	-	0.0%	2.3	2.4	3.3	-	0.2%

Table 1.2 The Presidency

Economic classification				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome								Medium-term expenditure estimate				
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Consumable: Stationery, printing and office supplies	4.3	4.2	3.9	6.9	6.9	17.0%	0.5%	7.1	8.0	8.2	6.0%	0.6%
Operating leases	4.7	4.9	3.5	—	—	-100.0%	0.3%	—	—	—	—	—
Property payments	—	—	1.4	—	—	—	0.0%	—	—	—	—	—
Travel and subsistence	59.6	78.8	58.1	101.4	101.4	19.4%	7.4%	94.4	110.4	118.3	5.3%	8.8%
Training and development	1.0	1.1	2.3	3.8	3.8	55.7%	0.2%	3.9	4.3	4.4	4.6%	0.3%
Operating payments	5.0	8.4	5.1	6.2	6.2	7.6%	0.6%	9.1	7.4	5.5	-4.0%	0.6%
Venues and facilities	0.9	0.7	1.1	3.8	3.8	61.5%	0.2%	2.9	3.5	3.6	-1.5%	0.3%
Rental and hiring	—	—	0.1	—	—	—	0.0%	0.3	0.3	0.3	—	0.0%
Transfers and subsidies	569.5	515.5	541.0	553.5	553.5	-0.9%	54.1%	576.0	598.4	630.0	4.4%	48.9%
Provinces and municipalities	0.0	0.0	0.0	0.0	0.0	65.1%	0.0%	0.0	0.0	0.0	-17.8%	0.0%
Departmental agencies and accounts	569.1	514.8	540.6	553.2	553.2	-0.9%	54.1%	576.0	598.3	630.0	4.4%	48.9%
Non-profit institutions	—	—	0.1	—	—	—	0.0%	—	—	—	—	—
Households	0.4	0.6	0.3	0.3	0.3	-10.4%	0.0%	—	—	—	-100.0%	0.0%
Payments for capital assets	11.9	4.6	6.7	18.9	18.9	16.6%	1.0%	16.2	15.5	16.4	-4.7%	1.4%
Machinery and equipment	11.9	4.6	6.7	18.7	18.7	16.2%	1.0%	16.2	15.5	16.4	-4.3%	1.4%
Software and other intangible assets	—	—	0.0	0.2	0.2	—	0.0%	—	—	—	-100.0%	0.0%
Payments for financial assets	—	0.6	1.9	—	—	—	0.1%	—	—	—	—	—
Total	962.6	983.1	984.7	1 095.7	1 095.7	4.4%	100.0%	1 180.8	1 232.0	1 310.3	6.1%	100.0%

Personnel information

Table 1.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment													Number			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
The Presidency			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	750	77	682	263.0	0.4	727	300.0	0.4	748	334.6	0.4	748	352.4	0.5	748	371.9	0.5	1.0%	100.0%
1 – 6	308	47	281	44.0	0.2	294	51.0	0.2	304	55.8	0.2	304	58.7	0.2	304	61.9	0.2	1.1%	40.6%
7 – 10	211	6	204	63.1	0.3	216	73.7	0.3	212	78.0	0.4	212	82.2	0.4	212	86.7	0.4	-0.6%	28.7%
11 – 12	113	2	104	58.8	0.6	110	68.1	0.6	114	74.5	0.7	114	78.5	0.7	114	82.8	0.7	1.2%	15.2%
13 – 16	116	22	92	94.4	1.0	106	104.4	1.0	117	123.3	1.1	117	129.8	1.1	117	137.1	1.2	3.3%	15.4%
Other	2	–	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	1	3.1	3.1	1	3.3	3.3	–	0.1%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on continuing to: provide finance, human resources, IT and other corporate services to the department; provide administrative support to the president, deputy president, ministers and deputy ministers; monitor the implementation of the national development plan; conduct the fourth wave of the longitudinal study of national income dynamics; and conduct other specific research linked to the national development plan. To this end, the bulk of the allocation over the medium term, excluding the transfers to the department's public entities, is directed towards spending in the *Administration* and *National Planning* programmes, mainly for spending on compensation of employees and travel and subsistence.

In addition, the *National Planning* programme expects to make significant use of consultants over the medium term. These consultants will conduct research and produce reports and discussion papers on sectoral and cross cutting issues that affect long term development, review the national spatial and human settlements planning system, and conduct the national income dynamics survey. As a result, expenditure on consultants and professional services is expected to increase significantly over the medium term.

The department receives Cabinet approved additional allocations of R30 million in 2014/15, R20 million in 2015/16 and R30 million in 2016/17 for the national income dynamics survey. As at 30 November 2013, the department had 52 vacant posts, mainly in the *Administration* programme. The vacancies were due to normal attrition, the length of time it takes to finalise the recruitment and selection process, and the unpredictable nature of pre-employment security screening. Cabinet has also approved reductions of R13.6 million over the medium term, which are to be effected on spending on non-core goods and services items and the transfer payment to the National Youth Development Agency.

Departmental receipts

Table 1.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R thousand				2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Departmental receipts	586	2 413	8 952	781	876	14.3%	100.0%	901	925	950	2.7%	100.0%
Sales of goods and services produced by department	252	192	247	265	301	6.1%	7.7%	350	368	385	8.6%	38.4%
Sales by market establishments	–	115	247	155	187	–	4.3%	234	247	260	11.6%	25.4%
of which:												
Rental dwellings	–	115	247	80	141	–	3.9%	154	162	170	6.4%	17.2%
Rental parking: Covered and open	–	–	–	75	46	–	0.4%	80	85	90	25.1%	8.2%
Administration fees	–	1	–	–	–	–	–	–	–	–	–	–
of which:												
Rental dwellings	–	1	–	–	–	–	–	–	–	–	–	–
Other sales	252	76	–	110	114	-23.2%	3.4%	116	121	125	3.1%	13.0%
of which:												
Services rendered: Commission on insurance and garnishees	252	76	–	110	102	-26.0%	3.4%	116	121	125	7.0%	12.7%
Services rendered: Transport Fees	–	–	–	–	12	–	0.1%	–	–	–	-100.0%	0.3%
Sales of scrap, waste, arms and other used current goods	–	–	–	3	–	–	–	–	–	–	–	–
of which:												
Sales: Waste paper	–	–	–	3	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	16	3	12	10	7	-24.1%	0.3%	11	12	15	28.9%	1.2%
Interest	16	3	12	10	7	-24.1%	0.3%	11	12	15	28.9%	1.2%
Sales of capital assets	140	24	217	337	342	34.7%	5.6%	300	300	300	-4.3%	34.0%
Transactions in financial assets and liabilities	178	2 194	8 476	166	226	8.3%	86.3%	240	245	250	3.4%	26.3%
Total	586	2 413	8 952	781	876	14.3%	100.0%	901	925	950	2.7%	100.0%

Programme 1: Administration

Expenditure estimates

Table 1.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand				2013/14		2010/11 - 2013/14				2013/14 - 2016/17	
Ministry	33 704	35 661	26 178	33 127	-0.6%	8.2%	35 508	40 974	43 169	9.2%	7.5%
Management	215 645	218 957	231 570	303 793	12.1%	61.9%	311 882	337 235	357 964	5.6%	64.0%
Support Services to President	35 675	50 052	49 860	54 732	15.3%	12.2%	64 281	71 041	75 751	11.4%	13.0%
Support Services to Deputy President	27 033	33 882	34 902	47 022	20.3%	9.1%	51 615	57 033	60 090	8.5%	10.5%
Cabinet Services	17 762	18 066	17 919	23 751	10.2%	4.9%	25 247	26 610	28 037	5.7%	5.1%
Commission on State Owned Enterprises	10 305	38 055	8 411	–	-100.0%	3.6%	–	–	–	–	–
Total	340 124	394 673	368 840	462 425	10.8%	100.0%	488 533	532 893	565 011	6.9%	100.0%
Change to 2013 Budget estimate				345			(1 219)	(1 339)	(1 409)		

Table 1.5 Administration

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	328 580	388 865	359 945	444 781	10.6%	97.2%	475 048	518 375	549 666	7.3%	97.0%
Compensation of employees	187 545	213 710	240 334	272 169	13.2%	58.3%	302 222	318 467	335 783	7.3%	60.0%
Goods and services	141 035	175 155	119 611	172 612	7.0%	38.8%	172 826	199 908	213 883	7.4%	37.1%
of which:											
Communication	18 326	19 027	14 720	17 838	-0.9%	4.5%	18 492	19 991	22 676	8.3%	3.9%
Computer services	9 612	11 696	8 671	7 974	-6.0%	2.4%	10 579	11 213	11 885	14.2%	2.0%
Consultants and professional services:	11 465	28 831	8 676	7 072	-14.9%	3.6%	15 002	16 740	18 260	37.2%	2.8%
Business and advisory services											
Travel and subsistence	52 265	68 227	49 291	86 492	18.3%	16.4%	76 696	93 625	98 211	4.3%	17.3%
Transfers and subsidies	384	655	241	286	-9.4%	0.1%	28	50	62	-39.9%	-
Provinces and municipalities	2	14	8	5	35.7%	-	-	-	-	-100.0%	-
Departmental agencies and accounts	-	-	-	26	-	-	28	50	62	33.6%	-
Households	382	641	233	255	-12.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	11 160	4 527	6 710	17 358	15.9%	2.5%	13 457	14 468	15 283	-4.2%	3.0%
Machinery and equipment	11 160	4 527	6 683	17 168	15.4%	2.5%	13 457	14 468	15 283	-3.8%	2.9%
Software and other intangible assets	-	-	27	190	-	-	-	-	-	-100.0%	-
Payments for financial assets	-	626	1 944	-	-	0.2%	-	-	-	-	-
Total	340 124	394 673	368 840	462 425	10.8%	100.0%	488 533	532 893	565 011	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	35.5%	40.3%	37.6%	42.3%			41.5%	43.4%	43.2%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	14	8	5	35.7%	-	-	-	-	-100.0%	-
Municipal services	2	14	8	5	35.7%	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	26	-	-	28	50	62	33.6%	-
Communication	-	-	-	26	-	-	28	50	62	33.6%	-
Households											
Social benefits											
Current	382	641	227	255	-12.6%	0.1%	-	-	-	-100.0%	-
Employee social benefits	382	641	227	255	-12.6%	0.1%	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	-	-	6	-	-	-	-	-	-	-	-
Employee social benefits	-	-	6	-	-	-	-	-	-	-	-

Personnel information

Table 1.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment													Number			
Salary level	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	712	64	654	240.3	0.4	694	272.2	0.4	711	302.2	0.4	711	318.5	0.4	711	335.8	0.5	0.8%	100.0%
1 – 6	307	47	281	44.0	0.2	293	50.8	0.2	303	55.5	0.2	303	58.5	0.2	303	61.7	0.2	1.1%	42.5%
7 – 10	204	5	198	60.6	0.3	209	70.9	0.3	205	75.1	0.4	205	79.1	0.4	205	83.4	0.4	-0.6%	29.1%
11 – 12	109	1	100	57.3	0.6	106	65.8	0.6	110	72.1	0.7	110	76.0	0.7	110	80.1	0.7	1.2%	15.4%
13 – 16	92	11	75	78.4	1.0	86	84.7	1.0	93	99.5	1.1	93	104.9	1.1	93	110.6	1.2	2.6%	12.9%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing administrative support to the president, deputy president, ministers and deputy ministers, and supporting Cabinet and its structures to ensure the fulfilment of the Presidency's mandate and mission. To this end, the bulk of this programme's allocation over the medium term is spent on compensation of the employees who provide these services in the *Management and Support Services to President* subprogrammes. The programme is supported by a funded establishment of 712 posts, of which 694, including interns and contract workers, are filled and 43 were vacant at the end of November 2013. These posts are vacant due to normal attrition and the length of time it takes to finalise the recruitment process. 18 of the vacant posts are in the process of being filled, while the rest are set to be filled over the medium term. The programme's personnel numbers are expected to grow from 694 to 711 over the medium term to support the department's expanded mandate, which is the reason for the projected increase in expenditure on compensation of employees over the same period.

Spending on travel and subsistence over the medium term is a significant item and is aligned with the president's diplomatic and national programme, which includes state visits abroad, involvement in mediation processes, participation in international forums and obligations related to his leadership role in initiatives such as the presidential Siyahlola service delivery monitoring programme. Spending on communication over the medium term is set to increase as the department improves its ability to fulfil its coordination responsibilities between the executive authority and Cabinet by implementing a secure electronic document, information and communication management system for government in 2014/15.

Programme 2: National Planning

Objectives

- Improve long term planning and development to ensure the achievement of Vision 2030 by:
 - ensuring implementation of the national development plan, by various stakeholders through partnerships and collaboration on specific initiatives by different sectors annually
 - leading the development of the medium term strategic framework 2014-2019 and its programme of action by setting planning standards and performing quality assurance systems processes on an ongoing basis
 - advising on the sequencing of policies over the next 20 years to achieve government's goals within its means
 - coordinating pilot projects or incubation programmes, such as the health pilot laboratory, which relate to specific proposals of the national development plan
 - improving the oversight role over the planning cycle and integrated planning of government, supporting presidential councils and commissions, and reviewing the sectoral priorities and departmental plans annually.
- Advise government on the implementation of the national development plan and work together with the Department of Performance Monitoring and Evaluation to turn the plan into targets that are to be incorporated into the performance and delivery agreements annually.
- Assess the implementation of the national development plan, review and refine the plan periodically and report on it annually.
- Support the implementation of the national development plan by producing, on a continual basis, cross-cutting sectoral reports on matters that are likely to impact on the nation's long term development path.
- Monitor the level of human development and poverty transitions by conducting a longitudinal study of national income dynamics every two years.

Subprogrammes

- *Ministry* oversees the development of South Africa's long term vision and national development plan, and contributes to improving outcomes in government through improved planning and long term plans, greater

policy coherence and clearly articulated long term goals and aspirations on an ongoing basis. This subprogramme had a staff complement of 9 in 2013/14.

- *Research and Policy Services* manages and facilitates research and policy processes on long term developmental issues, and provides technical support to the National Planning Commission. This entails producing reports and discussion papers on identified cross-cutting issues that affect long term development; reviewing sector plans to ensure alignment with the national development plan; and providing advice to departments on areas where policies, operational plans and implementation strategies need to be improved. In 2013/14, 2 research reports are planned, while over the medium term, 24 reports will be published. This subprogramme had a staff complement of 15 in 2013/14.
- *Communication and Public Participation* provides ongoing support services to the National Planning Commission and its secretariat. This entails providing financial management and communication services, human resources management and development services, supply chain and logistical services, ICT services, legal advice, and contract management services. This subprogramme had a staff complement of 5 in 2013/14.

Expenditure estimates

Table 1.7 National Planning

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
National Planning Commission: Ministry	47 658	54 660	27 793	36 118	-8.8%	61.8%	47 739	45 182	49 670	11.2%	44.6%
Research and Policy Services	1 723	10 139	40 315	34 358	171.2%	32.2%	55 577	41 890	53 187	15.7%	46.2%
Communication and Public Participation	65	4 822	4 486	6 836	372.0%	6.0%	10 076	10 583	9 218	10.5%	9.2%
Total	49 446	69 621	72 594	77 312	16.1%	100.0%	113 392	97 655	112 075	13.2%	100.0%
Change to 2013 Budget estimate				(345)			30 000	20 000	30 000		

Economic classification

Current payments	48 691	69 574	72 435	75 755	15.9%	99.1%	110 668	96 570	110 989	13.6%	98.4%
Compensation of employees	18 696	17 881	20 020	24 989	10.2%	30.3%	29 421	30 774	32 805	9.5%	29.5%
Goods and services	29 995	51 693	52 415	50 766	19.2%	68.7%	81 247	65 796	78 184	15.5%	68.9%
of which:											
Communication	795	490	443	731	-2.8%	0.9%	1 605	874	925	8.2%	1.0%
Computer services	1	70	653	1 519	1049.5%	0.8%	917	1 500	1 410	-2.5%	1.3%
Consultants and professional services:	19 670	33 314	36 452	28 454	13.1%	43.8%	51 495	38 750	50 784	21.3%	42.3%
Business and advisory services											
Travel and subsistence	7 355	10 525	8 833	14 910	26.6%	15.5%	17 692	16 802	20 103	10.5%	17.4%
Transfers and subsidies	12	7	129	32	38.7%	0.1%	4	5	5	-46.1%	-
Provinces and municipalities	-	1	1	4	-	-	4	5	5	7.7%	-
Non-profit institutions	-	-	110	-	-	-	-	-	-	-	-
Households	12	6	18	28	32.6%	-	-	-	-	-100.0%	-
Payments for capital assets	743	40	30	1 525	27.1%	0.9%	2 720	1 080	1 081	-10.8%	1.6%
Machinery and equipment	743	40	30	1 525	27.1%	0.9%	2 720	1 080	1 081	-10.8%	1.6%
Total	49 446	69 621	72 594	77 312	16.1%	100.0%	113 392	97 655	112 075	13.2%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	7.1%	7.4%	7.1%			9.6%	7.9%	8.6%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	1	1	4	-	-	4	5	5	7.7%	-
Vehicle licences	-	1	1	4	-	-	4	5	5	7.7%	-
Non-profit institutions											
Current	-	-	110	-	-	-	-	-	-	-	-
Gifts and donations	-	-	110	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	12	6	18	28	32.6%	-	-	-	-	-100.0%	-
Employee social benefits	12	6	18	28	32.6%	-	-	-	-	-100.0%	-

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

2. Rand million.

Subprogramme

- *National Youth Development Agency* transfers funds to the National Youth Development Agency, which initiates, implements, facilitates and monitors youth development interventions aimed at reducing youth unemployment and promoting social cohesion. This subprogramme's total budget is transferred in full to the agency.

Expenditure estimates

Table 1.9 National Youth Development Agency

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
National Youth Development Agency	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
Total	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
Change to 2013 Budget estimate				–			(3 000)	(3 200)	(3 400)		
Economic classification											
Transfers and subsidies	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
Departmental agencies and accounts	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
Total	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	41.6%	38.3%	39.3%	35.9%			34.7%	34.4%	34.0%		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%
National Youth Development Agency	398 973	374 721	385 853	392 710	-0.5%	100.0%	408 237	422 565	444 931	4.2%	100.0%

Expenditure trends

The spending focus over the medium term is on making transfers to the National Youth Development Agency to allow it to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion. The programme's entire allocation is transferred to the agency.

Expenditure increases from R399 million in 2010/11 to R444.9 million in 2016/17 to provide funding for national youth development programmes. This is offset by a cut of the transfer to the agency of R9.6 million over the medium term, which gives effect to some of the Cabinet approved budget reductions.

Programme 4: International Marketing and Communication

Objectives

- Oversee the implementation of a proactive branding, marketing and communication strategy for South Africa by transferring funds to Brand South Africa for the development of a branding framework and programme over the medium term.
- Oversee the work of Brand South Africa by analysing its strategic and annual performance plans and quarterly reports on an ongoing basis.

Subprogrammes

- *Brand South Africa* facilitates the transfer of funds to Brand South Africa (previously known as the International Marketing Council of South Africa) for the agency to develop and implement a proactive marketing and communication strategy to promote South Africa and increase the country's global presence in order to attract targeted international trade, investment and tourism markets. The subprogramme's total budget is transferred in full to Brand South Africa.

Expenditure estimates

Table 1.10 International Marketing and Communication

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14		2014/15	2015/16	2016/17	2013/14	2016/17
Brand South Africa	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Total	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Change to 2013 Budget estimate				-				-	-	-		
Economic classification												
Transfers and subsidies	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Departmental agencies and accounts	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Total	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	17.7%	14.3%	15.8%	14.7%				14.2%	14.3%	14.2%		
Details of transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%
Brand South Africa	170 113	140 089	154 779	160 434	-1.9%	100.0%		167 686	175 734	185 048	4.9%	100.0%

Expenditure trends

The spending focus over the medium term will be on making transfers to Brand South Africa to develop and implement an international marketing and communication strategy for South Africa. The strategy aims to contribute to job creation and poverty reduction, and attract investment, trade and tourism. Transfer payments to the entity increase across the seven-year period as a result of inflation related adjustments to expenditure.

Public entities and other agencies

Brand South Africa

Mandate and goals

Brand South Africa was established as a trust in 2002 and gazetted as a schedule 3A public entity in accordance with the Public Finance Management Act (1999) in October 2006. Its purpose is to develop and implement a proactive and coordinated international marketing and communication strategy for South Africa to contribute to job creation and poverty reduction, and to attract inward investment, trade and tourism.

Brand South Africa's mission is to build and manage South Africa's national brand reputation and contribute to the strengthening of the country's global competitiveness.

The organisation's strategic goals over the medium term are to:

- develop and articulate the value proposition and positioning that will drive the long term reputation of Brand South Africa
- develop and implement proactive and coordinated marketing communications and reputation management strategies for South Africa
- build awareness of South Africa and the image of the nation brand in other countries
- build patriotic pride, positive citizenship and unity among South African by encouraging citizens to live the values of the national brand and identify as South Africans
- increase South Africa's global competitiveness by developing symbiotic partnerships with all stakeholders who can enhance the national brand and helping them to enhance the country's reputation
- strengthen institutional capacity and systems to effectively ensure the long term sustainability of the organisation.

Selected performance indicators

Table 1.11 Brand South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Brand ranking index	Brand strategy development and management	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	37	36	36	30-34	31-35	28-31	31-35
Media reputation index	Reputation management		55	53	50-55	50-55	50-55	50-55	50-55
World Economic Forum global competitive index (number of countries registered)	Brand knowledge and performance		54 (139)	50 (139)	52 (144)	43-53	41-53	40-42	40-42
Number of stakeholders trained for brand compliance per year	Brand knowledge and performance		9 departments 3 provinces	23 departments 9 provinces 24 companies	9 state owned enterprises 25 companies	— ¹	— ¹	— ¹	— ¹
International media reputation index	Reputation management		55	53	50-55	50-55	45-50	44-49	44-49
Domestic media reputation index ²	Reputation management		— ²	64	55-65	55-65	55-60	54-58	54-58
Institute of Management Development competitiveness yearbook ranking ³	Reputation management		58	59	50	— ³	— ³	— ³	— ³

1. This indicator will be measured as percentage of stakeholders trained for brand compliance, from 2014/15.

2. Some of the indices and rankings aim to achieve performance within a range.

3. The indicator has been discontinued from 2013/14. The entity will use the global competitiveness index going forward.

Programmes/activities/objectives

Table 1.12 Brand South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand	154 481	173 063	163 276	164 620	2.1%	100.0%	176 202	184 952	194 178	5.7%	100.0%
Administration											
Total expense	154 481	173 063	163 276	164 620	2.1%	100.0%	176 202	184 952	194 178	5.7%	100.0%

Expenditure estimates

Table 1.13 Brand South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Revenue											
Non-tax revenue	8 945	4 320	6 269	4 505	-20.4%	3.7%	8 759	9 387	9 970	30.3%	4.5%
Other non-tax revenue	8 945	4 320	6 269	4 505	-20.4%	3.7%	8 759	9 387	9 970	30.3%	4.5%
Transfers received	170 113	140 089	154 779	160 434	-1.9%	96.3%	167 686	175 734	184 520	4.8%	95.5%
Total revenue	179 058	144 409	161 048	164 939	-2.7%	100.0%	176 445	185 121	194 490	5.6%	100.0%
Expenses											
Current expenses	154 481	173 063	163 276	164 620	2.1%	100.0%	176 202	184 952	194 178	5.7%	100.0%
Compensation of employees	18 339	23 341	26 844	31 729	20.0%	15.3%	33 633	35 651	37 790	6.0%	19.3%
Goods and services	135 135	148 316	135 128	131 790	-0.8%	84.0%	141 366	148 101	155 158	5.6%	80.1%
Depreciation	1 007	1 395	1 100	1 101	3.0%	0.7%	1 203	1 200	1 230	3.8%	0.7%
Total expenses	154 481	173 063	163 276	164 620	2.1%	100.0%	176 202	184 952	194 178	5.7%	100.0%
Surplus/(Deficit)	24 577	(28 654)	(2 228)	319	-76.5%		243	169	312	-0.7%	
Statement of financial position											
Carrying value of assets	2 180	2 193	2 461	2 954	10.7%	7.8%	3 524	3 575	3 785	8.6%	19.5%
of which:											
Acquisition of assets	1 427	1 317	1 456	1 574	3.3%	4.5%	1 607	1 201	1 400	-3.8%	8.0%
Investments	—	397	1 209	—	—	1.0%	—	—	—	—	—
Receivables and prepayments	1 392	33 793	5 497	2 512	21.7%	30.4%	1 250	1 400	1 500	-15.8%	9.2%
Cash and cash equivalents	50 706	81	30 510	14 381	-34.3%	60.7%	14 104	13 559	9 848	-11.9%	71.4%
Total assets	54 278	36 464	39 677	19 847	-28.5%	100.0%	18 878	18 534	15 133	-8.6%	100.0%

Table 1.13 Brand South Africa

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Accumulated surplus/(deficit)	36 883	8 229	6 001	6 402	-44.2%	34.5%	6 645	6 814	7 126	3.6%	37.8%
Finance lease	-	333	213	652	-	1.2%	511	360	181	-34.8%	2.3%
Trade and other payables	16 274	26 824	32 370	11 633	-10.6%	60.9%	10 547	10 114	6 524	-17.5%	53.0%
Provisions	1 121	1 079	1 094	1 160	1.1%	3.4%	1 175	1 246	1 302	3.9%	6.8%
Total equity and liabilities	54 278	36 465	39 678	19 847	-28.5%	100.0%	18 878	18 534	15 133	-8.6%	100.0%

Personnel information

Table 1.14 Brand South Africa

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	44	45	31	26.8	0.9	41	31.7	0.8	45	33.6	0.7	45	35.7	0.8	45	37.8	0.8	6.0%	100.0%
7 – 10	16	17	10	10.9	1.1	9	8.5	0.9	16	9.8	0.6	16	10.3	0.6	16	10.9	0.7	8.7%	32.2%
11 – 12	7	7	8	2.3	0.3	11	3.3	0.3	8	2.7	0.3	8	2.9	0.4	8	3.1	0.4	-2.7%	20.0%
13 – 16	21	21	13	13.7	1.1	21	19.9	0.9	21	21.1	1.0	21	22.5	1.1	21	23.9	1.1	6.2%	47.8%

1. Rand million.

Expenditure trends

Brand South Africa derives revenue mostly from transfers from the department, investment income and a once-off grant of R6 million in 2012/13 for the Africa Cup of Nations tournament.

Funded mostly through a transfer from the department, the spending focus over the medium term will be on aligning the organisation's objectives, activities and interventions with the national development plan through four broad strategic objectives: reputation management, brand strategy and development, administrative support, and capital expenditure. To achieve these objectives, the organisation will focus on building awareness and promoting a positive image of the South African brand domestically and internationally through various activities, such as promoting active citizenship through a campaign called Play Your Part, training key stakeholders on branding, promoting the country's long term policies, and accessing the media to communicate the country's competitiveness and business opportunities. Through its reputation management programme, the organisation will increase the country's international media reputation index to a range of between 50 and 55 over the medium term.

In 2013/14, Brand South Africa commissioned a study of perceptions held of the country by South Africans living abroad. The study was to inform the development of a brand monitoring and reputation management tool. The entity is currently conducting a review of the corporate identity manual and will provide stakeholder training on key aspects of the manual. The study and the review are expected to increase spending on consultants, travel and subsistence, communication, marketing, printing, stationery and training over the medium term. In addition, expenditure over the medium term will increase due to the hosting of the inaugural South African competitiveness forum, the development of the brand ambassador programme, and the acquisition of additional office space. The brand ambassador programme is designed to market South Africa and communicate the country's development strategies and programmes to the international community.

As at 30 November 2013, the entity had a funded establishment of 44 posts of which 7 were vacant due to resignations and delays in recruitment process. Currently, the entity is evaluating its organisational structure to inform future appointments.

National Youth Development Agency

Mandate and goals

The National Youth Development Agency derives its mandate from the National Youth Development Agency Act (2008), national youth policy and the 2006 draft integrated youth development strategy. The agency was established through the merger of the National Youth Commission and the Umsobomvu Youth Fund, primarily to tackle challenges that South African youth face. As in many developing countries, South Africa has a large number of young people: 41 per cent of the total population is between 14 and 35 years old. Many of the country's socioeconomic problems, such as poverty, inequality, joblessness and poor health, are disproportionately borne by the youth. Addressing this requires a multi-pronged approach that promotes the development of sustainable livelihoods, reduces poverty and inequality, and prioritises the development of policies that create an enabling environment for youth development. The agency plays a leading role in ensuring that government, the private sector and civil society contribute towards the identification and implementation of lasting solutions that address youth development challenges.

The agency's strategic goals over the medium term are to:

- improve sustainable livelihood opportunities for young people in South Africa
- create an enabling environment that promotes youth development in all sectors of South African society
- encourage the participation of youth in social cohesion initiatives for nation building
- develop a credible and capable agency for youth development.

Selected performance indicators

Table 1.15 National Youth Development Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of dialogue sessions hosted with young people per year	Youth to participate and benefit from democratic processes	Outcome 4: Decent employment through inclusive economic growth	7	8	6	106	116	128	140
Number of young women and disabled youth mobilised to participate in youth development programmes per year	Youth to participate and benefit from democratic processes		— ¹	— ¹	— ¹	1 500	1 650	1 815	1 997
Value of funds raised per year	Leverage financial resources from third parties		— ¹	R118.3m	R43.9m	R 80m	R86m	R92m	R94m

1. The agency has moved from providing loans to providing grants, thus the indicator was introduced in this year.

Programmes/activities/objectives

Table 1.16 National Youth Development Agency

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Provide administration services to the agency	466 474	122 888	182 016	198 557	-24.8%	54.1%	208 779	220 064	231 726	5.3%	49.5%
Enhance the participation of young people in the economy	—	90 962	70 679	96 087	—	15.1%	45 588	43 231	45 500	-22.1%	13.3%
Facilitate and implement education opportunities in order to improve the quality education attainment for the youth	—	33 175	74 830	37 696	—	8.4%	24 847	25 719	27 082	-10.4%	6.7%
Facilitate and implement skills programmes	3 321	274	—	46 935	141.8%	2.9%	29 694	30 736	32 365	-11.7%	8.1%

Table 1.16 National Youth Development Agency

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17		
R thousand											
Facilitate access to health and well-being programmes; To provide health and well-being interventions to young people	–	38 997	–	4 696	–	2.7%	4 124	4 268	4 495	-1.4%	1.0%
Create and produce information and knowledge for better youth development planning and decision making	–	93 919	20 013	35 963	–	9.0%	24 373	25 229	26 566	-9.6%	6.5%
Provide access to information and create awareness on youth development programmes	–	8 593	69 970	2 848	–	4.6%	65 939	68 253	71 871	193.3%	12.0%
Lobby key stakeholders to support and implement youth development programmes	–	14 001	27 573	2 162	–	2.5%	4 628	4 791	5 045	32.6%	1.0%
Create a platform for youth to participate and benefit from democratic processes	–	–	3 201	6 636	–	0.6%	7 842	8 118	8 548	8.8%	1.8%
Mobilise and leverage financial resources from third parties	–	–	–	848	–	0.0%	894	925	974	4.7%	0.2%
Total expense	469 795	402 810	448 282	432 427	-2.7%	100.0%	416 708	431 334	454 172	1.6%	100.0%

Expenditure estimates

Table 1.17 National Youth Development Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17		
R thousand											
Revenue											
Non-tax revenue	36 853	28 049	24 403	16 536	-23.4%	6.1%	8 471	8 768	9 231	-17.7%	2.5%
Sale of goods and services other than capital assets	2 388	–	–	–	-100.0%	0.1%	–	–	–	–	–
of which:											
Administrative fees	2 388	–	–	–	-100.0%	0.1%	–	–	–	–	–
Other non-tax revenue	34 465	28 049	24 403	16 536	-21.7%	6.0%	8 471	8 768	9 231	-17.7%	2.5%
Transfers received	434 479	400 838	382 720	392 710	-3.3%	93.9%	408 237	422 565	444 941	4.3%	97.5%
Total revenue	471 332	428 887	407 123	409 246	-4.6%	100.0%	416 708	431 333	454 172	3.5%	100.0%
Expenses											
Current expenses	469 795	402 810	448 282	432 427	-2.7%	100.0%	416 708	431 333	454 172	1.6%	100.0%
Compensation of employees	133 665	150 607	162 068	171 467	8.7%	35.4%	195 526	202 389	213 116	7.5%	45.1%
Goods and services	324 200	239 285	286 214	260 960	-7.0%	63.2%	221 182	228 944	241 056	-2.6%	54.9%
Depreciation	11 930	12 918	–	–	-100.0%	1.4%	–	–	–	–	–
Total expenses	469 795	402 810	448 282	432 427	-2.7%	100.0%	416 708	431 333	454 172	1.6%	100.0%
Surplus/(Deficit)	1 537	26 077	(41 159)	(23 181)	-347.1%		–	–	–	-100.0%	
Statement of financial position											
Carrying value of assets	36 234	28 146	25 016	29 549	-6.6%	21.6%	30 049	30 567	31 112	1.7%	23.4%
of which:											
Acquisition of assets	5 053	5 901	5 684	4 862	-1.3%	3.9%	500	517	545	-51.8%	1.2%
Investments	6 985	4 501	2 119	2 119	-32.8%	2.8%	2 119	2 119	2 119	–	1.6%
Loans	36 094	27 219	19 326	19 053	-19.2%	18.3%	19 053	19 053	19 053	–	14.7%
Receivables and prepayments	7 593	16 243	8 781	8 781	5.0%	7.2%	8 781	8 781	8 781	–	6.8%
Cash and cash equivalents	40 762	99 147	75 079	70 217	19.9%	50.1%	69 717	69 199	68 654	-0.7%	53.5%
Total assets	127 668	175 256	130 321	129 719	0.5%	100.0%	129 719	129 719	129 719	–	100.0%
Accumulated surplus/(deficit)	80 223	106 300	65 141	65 141	-6.7%	55.9%	65 141	65 141	65 141	–	50.2%
Finance lease	20	359	2 081	2 081	370.3%	0.9%	2 081	2 081	2 081	–	1.6%
Deferred income	874	1 778	6 042	5 769	87.6%	2.7%	5 769	5 769	5 769	–	4.4%
Trade and other payables	29 985	51 312	41 501	41 172	11.1%	29.1%	41 172	41 172	41 172	–	31.7%
Provisions	16 566	15 507	15 556	15 556	-2.1%	11.4%	15 556	15 556	15 556	–	12.0%
Total equity and liabilities	127 668	175 256	130 321	129 719	0.5%	100.0%	129 719	129 719	129 719	–	100.0%

Personnel information

Table 1.18 National Youth Development Agency

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
			418	162.1	0.4	397	171.5	0.4	501	195.5	0.4	501	202.4	0.4	501	213.1	0.4	7.5%	100.0%	
1 – 6	35	35	31	4.0	0.1	36	4.5	0.1	15	4.8	0.3	15	4.9	0.3	15	5.2	0.3	4.7%	4.5%	
7 – 10	287	304	257	70.8	0.3	252	75.4	0.3	372	79.4	0.2	372	82.2	0.2	372	86.6	0.2	4.7%	71.6%	
11 – 12	63	63	58	30.5	0.5	47	35.5	0.8	63	51.7	0.8	63	53.5	0.8	63	56.4	0.9	16.7%	12.4%	
13 – 16	76	97	71	54.8	0.8	61	54.0	0.9	50	57.6	1.2	50	59.6	1.2	50	62.8	1.3	5.2%	11.3%	
17 – 22	1	1	1	2.0	2.0	1	2.1	2.1	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	1.4%	0.2%	

1. Rand million.

Expenditure trends

The spending focus over the medium term will be on: facilitating and implementing education opportunities that improve the quality of youth education attainment; and introducing the youth entrepreneurship grant, which is designed to provide young entrepreneurs with an opportunity to access financial and non-financial business development support. This focus reflects a shift in the agency's operations from providing loans to providing grants. R25 million over the medium term is set aside for the grant programme. The scheme will target enterprises with a funding requirement of between R1 000 and R100 000.

To give effect to Cabinet approved budget reductions, a cut of R9.6 million to the transfer to the agency will be effected over the medium term. The agency will implement efficiency measures to ensure that the budget reduction does not have an impact on service delivery.

The agency also plans to form partnerships with other government institutions that have a similar developmental mandate. To this end, over the medium term the agency and the Small Enterprise Finance Agency expect to launch a loan programme to support medium and large enterprises. Under this partnership agreement, the agency will be responsible for assessments, referrals and mentorships relating to business development, as well as mentorships for people who receive loans. In line with its educational and skills development focus, the agency has launched the Solomon Mahlangu scholarship fund in partnership with the Department of Higher Education and Training and other higher education learning stakeholders. The agency and the national skills fund have jointly committed R20 million for critical and scarce skills development in engineering, tourism, ICT, agriculture, law and development studies.

Proposals are in place to upscale the youth build programme, a work readiness and placement programme in the national youth service programme. R2 million has been set aside for the Thusano fund, a discretionary fund that provides bridging funds for young people and youth organisations and contributes to expenses such as study fees, upgrading students accommodation facilities and purchasing learning materials.

These activities are expected to increase expenditure on goods and services and compensation of employees. At the end of November 2013, the entity had a funded establishment of 462 posts, of which 65 were vacant. The establishment is expected to increase to 501 by 2016/17 as the agency strengthens its capacity to optimally implement its programmes.

Additional tables

Table 1.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand		2012/13	2012/13			2013/14	2013/14
Administration	397 667	430 733	368 840	462 080	345	462 425	462 425
National Planning	95 575	90 575	72 594	77 657	(345)	77 312	77 312
National Youth Development Agency	376 010	385 853	385 853	392 710	–	392 710	392 710
International Marketing and Communication	148 779	154 779	154 779	160 434	–	160 434	160 434
Subtotal	1 018 031	1 061 940	982 066	1 092 881	–	1 092 881	1 092 881
Direct charge against the National Revenue Fund	2 658	2 658	2 623	2 804	–	2 804	2 804
Salary of the President	2 658	2 658	2 623	2 804	–	2 804	2 804
Total	1 020 689	1 064 598	984 689	1 095 685	–	1 095 685	1 095 685
Economic classification							
Current payments	480 710	513 405	435 003	534 716	(11 376)	523 340	523 340
Compensation of employees	271 405	266 989	262 977	296 937	3 025	299 962	299 962
Goods and services	209 305	246 416	172 026	237 779	(14 401)	223 378	223 378
Transfers and subsidies	524 789	540 921	541 002	553 148	314	553 462	553 462
Provinces and municipalities	–	7	9	4	5	9	9
Departmental agencies and accounts	524 789	540 632	540 632	553 144	26	553 170	553 170
Non-profit institutions	–	110	110	–	–	–	–
Households	–	172	251	–	283	283	283
Payments for capital assets	15 190	10 272	6 740	7 821	11 062	18 883	18 883
Machinery and equipment	15 190	10 272	6 713	7 821	10 872	18 693	18 693
Software and other intangible assets	–	–	27	–	190	190	190
Payments for financial assets	–	–	1 944	–	–	–	–
Total	1 020 689	1 064 598	984 689	1 095 685	–	1 095 685	1 095 685

Table 1.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Compensation of employees (R thousand)	210 191	235 601	262 977	299 962	334 615	352 350	371 862
Training expenditure (R thousand)	2 091	1 053	2 329	2 969	3 346	3 524	3 719
Training spend as percentage of compensation	1.0%	0.4%	0.9%	1.0%	1.0%	1.0%	1.0%
Total number trained (headcount)	304	334	377	72			
of which:							
Employees receiving bursaries (headcount)	44	63	75	64			
Learnerships (headcount)	–	–	53	49			
Internships (headcount)	27	30	34	40			

Table 1.C Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2013/14	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand													
Foreign													
In cash													
European Union	Programme to support pro-poor policy development in South Africa	National Planning	November 2007 - June 2012	58 983	Goods and services	The funds have been spent on programme management costs. The programme has 2 components: research and capacity building. In the research component funds have been spent on research grants and commissioned research on poverty and inequality. In the capacity building component funds have been spent on a number of activities such as training, workshops, a study tour and a conference	5 680	4 577	2 017	–	–	–	–
European Union	Programme to support pro-poor policy development in South Africa phase 2	National Planning	July 2012 - December 2017	100 000	Goods and services	The overall objective of phase 2 is to contribute to the implementation of South Africa 's medium term strategic framework, in line with the outcomes-based approach and the millennium development goals	–	–	2 215	70 893	13 826	10 132	–
Total				158 983			5 680	4 577	4 232	70 893	13 826	10 132	–



BUDGET 2014

ESTIMATES OF NATIONAL EXPENDITURE

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