

Estimates of Public Expenditure

2009

Arts and Culture

**National Treasury
Republic of South Africa**



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The *Estimates of Public Expenditure 2009* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In certain instances, factual or numerical errors or inaccuracies published in the main Estimates of National Expenditure 2009 have been corrected in this version. In this version, more comprehensive coverage of transfers, public entities and lower level institutional information is provided where applicable. The “information contained in each chapter” section of the main Estimates of National Expenditure 2009 provides details on the content and structure of the discussion on each vote.

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Vote 12

Arts and Culture

Budget summary

R thousand	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	129 459	126 239	–	3 220	140 398	167 555
Arts and Culture in Society	375 578	18 293	357 035	250	316 495	339 694
National Language Service	105 980	50 363	54 717	900	111 364	106 959
Cultural Development and International Cooperation	224 065	30 583	193 012	470	236 712	237 697
Heritage Promotion	1 214 158	24 345	1 189 419	394	993 839	920 771
National Archives, Records, Libraries and Heraldic Services	574 211	58 563	514 848	800	636 243	675 932
Total expenditure estimates	2 623 451	308 386	2 309 031	6 034	2 435 051	2 448 608
Executive authority	Minister of Arts and Culture					
Accounting officer	Director-General of Arts and Culture					
Website address	www.dac.gov.za					

Aim

The aim of the Department of Arts and Culture is to develop and preserve South African arts and culture to ensure social cohesion and nation building.

Programme purposes

Programme 1: Administration

Purpose: Conduct the overall management of the department and provide centralised support services.

Programme 2: Arts and Culture in Society

Purpose: Develop and promote arts and culture in South Africa and mainstream its role in social development.

Programme 3: National Language Service

Purpose: Develop and promote the official languages of South Africa and enhance the linguistic diversity of the country.

Programme 4: Cultural Development and International Cooperation

Purpose: Provide economic and other development opportunities for South African arts and culture, nationally and globally, through mutually beneficial partnerships, thereby ensuring the sustainability of the sector.

Programme 5: Heritage Promotion

Purpose: Provide policy, legislation and strategic direction for identifying, conserving and promoting cultural heritage.

Programme 6: National Archives, Records, Libraries and Heraldic Services

Purpose: Facilitate full and open access to the archival, heraldic and information resources of South Africa.

Strategic overview: 2005/06 – 2011/12

The Department of Arts and Culture is responsible for transforming South Africa's arts, culture and heritage landscape to serve South Africa's wide artistic and cultural needs and contribute to growth, employment, poverty alleviation, national reconciliation, nation building and social cohesion.

Strategic and operational objectives

Promoting arts and culture for social cohesion

The department will continue to support government's social cohesion implementation framework by intensifying existing programmes that encourage social cohesion and nation building, such as youth into arts, youth in dialogue, access to the arts, and arts and culture for human settlements. It will also support the development of new programmes. National days, such as Women's Day and Youth Day, will continue to be used as platforms to celebrate the social, cultural and economic advancement of vulnerable groups.

As part of its mandate to preserve South Africa's cultural heritage and pass on the knowledge held by the various arts and culture institutions, the department supports youth focused entities such as Jazz for Juniors, which actively promotes the history and appreciation of the South African jazz heritage, from kwela and marabi to kwai jazz.

Supporting the cultural industries

The department acknowledges the economic potential of the cultural industries for job creation, poverty reduction, skills transfer, small business development and broad based black economic empowerment (BEE). Through its investing in culture programme, the department aims to provide empowerment opportunities for unemployed people through skills development, training, and job creation in the arts, culture and heritage sector by generating opportunities for establishing viable small and medium enterprises.

In relation to the film industry, the department encourages the development of local content and supports the National Film and Video Foundation. Funds are allocated to the foundation for training, skills development, growing the audience base in townships and strengthening South Africa's international presence.

Promoting linguistic diversity

The department continues to promote linguistic diversity and develop official languages as required by the Constitution and the national language policy framework. The framework, implemented since 2003, has provided direction for language planning, translation and editing, terminology development and human language technologies.

Transforming the heritage sector

Over the medium term, the department will develop a national framework that will encompass a funding and grading system for statutory heritage institutions. The planned national museum policy will ensure that funding to heritage institutions is objectively based on the sector's current and future strategic needs.

The department will also develop a national policy on intangible cultural heritage, which will provide a comprehensive framework to safeguard and promote intangible cultural heritage in South Africa.

The South African Geographical Names Council, established in 1998 to advise the Minister for Arts and Culture on standardising place names, is currently conducting national hearings to get inputs from the public on the sensitive and important policy for changing names. The hearings are expected to be concluded in 2009/10, and the outcomes will determine the pace and focus of changes.

Archives, heraldry and libraries

The department continues to develop heraldic designs that reflect government imperatives, such as nation building and social cohesion, including new coats of arms for all provincial governments in 2008/09. The designs are important for national identity and will be promoted through various activities as part of the build-up to the 2010 FIFA World Cup, and beyond.

A key development for transforming the library sector was the introduction of the community library services conditional grant in 2007/08. The department is also developing norms and standards for community libraries to ensure equity in access at minimum levels of service delivery, and to address disparities in services, practices and procedures in libraries.

Vision 2010 arts and culture programme

The department has developed a detailed plan and programme of activities building up to the 2010 FIFA World Cup, focusing on the performing arts, literary and visual arts, heritage resources and legacy, and languages. All commemorative programmes and major festivals are used as a platform for promoting the event and related activities, and aim to leave a legacy after 2010.

Selected performance and operations indicators

Table 12.1 Arts and Culture

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of new community arts centres established	Arts and Culture in Society	14	16	20	22	25	27	32
Number of new projects supported by investing in culture initiative	Cultural Development and International Cooperation	138	273	387	501	520	530	550
Number of new jobs created through investing in culture projects	Cultural Development and International Cooperation	2 760	5 460	7 740	10 020	11 000	11 500	12 500
Number of geographical names changed every year	Heritage Promotion	98	51	88	200	500	500	500
Number of community libraries upgraded every year	National Archives, Records, Libraries and Heraldic Services	–	–	40	53	60	70	75
Number of new community libraries established	National Archives, Records, Libraries and Heraldic Services	–	–	4	8	10	15	18
Number of flags distributed to schools every year	National Archives, Records, Libraries and Heraldic Services	–	1	2 000	14 000	6 000	4 000	4 000

Expenditure estimates

Table 12.2 Arts and Culture

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	101 194	122 118	129 558	122 095	121 643	129 459	140 398	167 555
2. Arts and Culture in Society	194 716	224 993	252 736	340 488	339 227	375 578	316 495	339 694
3. National Language Service	58 849	68 772	87 010	102 757	102 376	105 980	111 364	106 959
4. Cultural Development and International Cooperation	159 763	198 287	187 819	213 970	213 178	224 065	236 712	237 697
5. Heritage Promotion	536 893	632 743	659 908	912 378	903 999	1 214 158	993 839	920 771
6. National Archives, Records, Libraries and Heraldic Services	69 610	83 021	268 818	468 629	445 894	574 211	636 243	675 932
Total	1 121 025	1 329 934	1 585 849	2 160 317	2 126 317	2 623 451	2 435 051	2 448 608
Change to 2008 Budget estimate				43 235	9 235	210 920	146 077	23 321

Table 12.2 Arts and Culture (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Economic classification								
Current payments	203 245	253 172	288 747	292 610	284 610	308 386	329 666	359 645
Compensation of employees	82 525	95 052	107 177	138 986	130 986	146 278	154 781	163 978
Goods and services	120 530	157 942	181 157	153 624	153 624	162 108	174 885	195 667
<i>of which:</i>								
Administrative fees	816	2 482	3 196	1 386	1 386	1 759	1 858	2 449
Advertising	5 604	4 758	5 376	5 636	5 636	5 466	5 792	5 995
Assets less than R5 000	1 003	2 897	3 410	2 802	2 802	2 790	2 967	3 013
Audit costs: External	1 086	1 435	2 818	1 741	1 741	1 739	1 824	1 915
Bursaries: Employees	110	332	375	232	232	232	243	474
Catering: Departmental activities	388	612	1 732	1 114	1 114	1 178	1 247	1 654
Communication	7 414	7 990	7 898	5 925	5 925	6 071	6 436	8 126
Computer services	4 238	3 645	2 507	1 549	1 549	1 547	1 623	3 169
Consultants and professional services: Business and advisory services	25 633	47 669	21 430	19 955	19 955	20 218	21 404	21 049
Consultants and professional services: Legal costs	521	167	2 202	4 187	4 187	4 136	4 356	3 340
Contractors	215	110	39	24	24	23	26	40
Agency and support / outsourced services	75	100	–	–	–	–	–	–
Entertainment	–	–	328	216	216	218	230	424
Inventory: Food and food supplies	1 148	1 979	–	–	–	–	–	–
Inventory: Fuel, oil and gas	95	102	116	81	81	83	87	153
Inventory: Materials and supplies	23	68	7 890	8 004	8 004	8 607	9 312	11 565
Inventory: Other consumables	513	236	240	158	158	154	162	300
Inventory: Stationery and printing	3 754	5 642	5 110	3 446	3 446	3 479	3 668	5 731
Lease payments	18 085	25 702	28 535	31 975	31 975	37 085	41 946	46 036
Owned and leasehold property expenditure	6 523	7 642	8 438	8 815	8 815	9 697	10 667	11 307
Travel and subsistence	36 533	40 831	50 348	32 109	32 109	32 900	34 860	36 475
Operating expenditure	1 546	715	19 487	13 841	13 841	14 044	14 834	20 578
Venues and facilities	5 207	2 828	9 682	10 428	10 428	10 682	11 343	11 874
Financial transactions in assets and liabilities	190	178	413	–	–	–	–	–
Transfers and subsidies	908 367	1 074 670	1 295 005	1 862 298	1 836 298	2 309 031	2 098 807	2 082 557
Provinces and municipalities	263	67	163 215	344 646	323 646	440 600	493 960	523 598
Departmental agencies and accounts	740 214	894 452	949 607	1 247 380	1 242 380	1 566 857	1 364 966	1 309 851
Households	167 890	180 151	182 183	270 272	270 272	301 574	239 881	249 108
Payments for capital assets	9 413	2 092	2 097	5 409	5 409	6 034	6 578	6 406
Machinery and equipment	9 413	2 092	2 097	5 409	5 409	6 034	6 578	6 406
Total	1 121 025	1 329 934	1 585 849	2 160 317	2 126 317	2 623 451	2 435 051	2 448 608

Expenditure trends

The Department of Arts and Culture's expenditure grew at an average annual rate of 24.4 per cent between 2005/06 and 2008/09. This was mainly due to additional resources for the construction of the Freedom Park, upgrading and maintaining museums, and the introduction of the community library services conditional grant in 2007/08 to improve community library services.

Once-off items, like R9 million for background research on the community library services conditional grant and key commemorations, explain the increases in expenditure on consultants and transfers to households in 2006/07.

The community library services conditional grant accounts for the 994.3 per cent average annual growth in transfers to provinces between 2005/06 and 2008/09. Transfers to provinces are expected to grow more moderately over the medium term, at an average annual rate of 15 per cent. Expenditure over the MTEF period is also expected to grow more moderately, at an average annual rate of 4.3 per cent. This is due to the conclusion of major projects such as the construction of the Freedom Park, which will end in 2010/11, and 2010 FIFA World Cup projects, including preparations for the opening and closing ceremonies, for which funding will end in 2009/10.

In general, transfers to heritage and arts institutions, provinces and playhouses continue to dominate the department's budget, comprising 86 per cent on average of the total budget over the medium term.

The 2009 Budget provides additional allocations of R227.3 million, R166.9 million and R41.3 million over the medium term, including for:

- the completion of the Freedom Park capital project (R200 million in 2009/10 and 134 million in R2010/11)
- personnel inflation adjustments (R3.7 million, R3.4 million and R3.5 million)
- inflation adjustments for capital assets (R210 000, R405 000 and R518 000)
- inflation adjustments for capital works projects at the public entities (R23.3 million, R29.1 million and R37.2 million).

Savings and reprioritisation

Efficiency savings of R85.4 million over the medium term have been identified: R6.8 million in 2009/10, R8.5 million in 2010/11 and R15.3 million in 2011/12 from goods and services in all programmes, mainly from travel and subsistence and catering costs; and R19.1 million in 2009/10, R22.5 million in 2010/11 and R13.2 million in 2011/12 from transfers and subsidies.

Infrastructure spending

Phase 1 of the Freedom Park (construction of the garden of remembrance) was completed at the end of 2003/04. The intermediate phase was completed in 2006/07. The first part of phase 2, which will make the Freedom Park operational, is projected to be completed in 2009/10. Construction of the final elements of the park will be completed over the medium term.

The sod turning ceremony for the new National Library building in Pretoria (built at an estimated cost of R374 million) took place in December 2004. Construction was completed in 2008/09 and the library has been operating at full capacity since the beginning of 2009.

Over the medium term, the department will continue to upgrade safety and security and improve disabled accessibility at all its public entities, and has allocated R120 million, R150.8 million and R159.8 million for this.

Departmental receipts

Departmental receipts include mainly miscellaneous items such as debt repayments and revenue generated through service fees charged by the National Archives and Records Service for copying documents and registering coats of arms.

Table 12.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Departmental receipts	854	3 172	374	5 706	4 721	4 170	4 359	4 645
Sales of goods and services produced by department	854	3 172	374	180	195	570	604	640
Fines, penalties and forfeits	–	–	–	1	1	–	–	–
Interest, dividends and rent on land	–	–	–	25	25	–	–	–
Financial transactions in assets and liabilities	–	–	–	5 500	4 500	3 600	3 755	4 005
Total	854	3 172	374	5 706	4 721	4 170	4 359	4 645

Programme 1: Administration

Expenditure estimates

Table 12.4 Administration

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	appropriation	2009/10	2010/11	2011/12
R thousand				2008/09			
Minister ¹	836	901	1 369	1 612	1 709	1 811	1 912
Deputy Minister ¹	656	731	1 101	1 328	1 407	1 492	1 576
Management	31 115	63 578	27 043	52 280	53 262	56 386	77 785
Corporate Services	38 941	23 564	63 072	26 085	26 299	28 096	28 939
Property Management	29 646	33 344	36 973	40 790	46 782	52 613	57 343
Total	101 194	122 118	129 558	122 095	129 459	140 398	167 555
Change to 2008 Budget estimate				2 353	1 140	1 631	24 871

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

	93 705	120 269	127 935	119 255	126 239	136 812	164 059
Current payments							
Compensation of employees	31 979	36 675	41 329	47 938	48 964	52 213	54 577
Goods and services	61 568	83 567	86 385	71 317	77 275	84 599	109 482
of which:							
Administrative fees	503	1 155	822	508	507	532	1 039
Advertising	3 450	2 699	1 401	866	865	907	1 771
Assets less than R5 000	580	1 908	2 223	1 371	1 372	1 439	1 511
Audit costs: External	1 086	1 435	2 818	1 741	1 739	1 824	1 915
Bursaries: Employees	110	332	375	232	232	243	474
Catering: Departmental activities	386	607	612	378	378	396	773
Communication	2 402	3 230	4 438	2 742	2 739	2 873	4 610
Computer services	1 724	3 645	2 507	1 549	1 547	1 623	3 169
Consultants and professional services: Business and advisory services	9 025	11 243	4 139	2 557	2 551	2 678	4 835
Consultants and professional services: Legal costs	521	167	402	248	248	260	508
Contractors	66	108	21	13	13	14	27
Agency and support / outsourced services	26	95	–	–	–	–	–
Entertainment	–	–	310	192	192	201	392
Inventory: Food and food supplies	416	1 334	–	–	–	–	–
Inventory: Fuel, oil and gas	90	91	103	64	64	67	131
Inventory: Materials and supplies	6	41	2 353	1 454	1 452	1 523	2 974
Inventory: Other consumables	353	192	220	136	136	143	279
Inventory: Stationery and printing	1 624	3 584	3 500	2 162	2 160	2 266	4 425
Lease payments	18 085	25 702	28 535	31 975	37 085	41 946	46 036
Owned and leasehold property expenditure	6 523	7 642	8 438	8 815	9 697	10 667	11 307
Travel and subsistence	12 175	17 088	13 449	8 309	8 300	8 706	10 022
Operating expenditure	1 201	319	8 329	5 146	5 140	5 391	10 527
Venues and facilities	1 216	950	1 390	859	858	900	2 757
Financial transactions in assets and liabilities	158	27	221	–	–	–	–
Transfers and subsidies	144	326	514	–	–	–	–
Provinces and municipalities	96	25	–	–	–	–	–
Departmental agencies and accounts	48	23	61	–	–	–	–
Households	–	278	453	–	–	–	–
Payments for capital assets	7 345	1 523	1 109	2 840	3 220	3 586	3 496
Machinery and equipment	7 345	1 523	1 109	2 840	3 220	3 586	3 496
Total	101 194	122 118	129 558	122 095	129 459	140 398	167 555

Table 12.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	96	25	-	-	-	-	-
Regional Services Council levies	96	25	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	48	23	61	-	-	-	-
Gifts and donations	48	23	61	-	-	-	-
Households							
Social benefits							
Current	-	278	453	-	-	-	-
Employee social benefit: Cash residence	-	278	453	-	-	-	-

Expenditure trends

Spending in the *Administration* programme increased from R101.2 million in 2005/06 to R122.1 million in 2008/09 at an average annual rate of 6.5 per cent, and is expected to increase at an average annual rate of 11.1 per cent over the medium term. The fluctuating growth in the *Management* subprogramme over the seven-year period is because the number of ministerial imbizos changes from year to year.

The 20.7 per cent growth between 2005/06 and 2006/07 was mainly due to the number of commemorations and anniversaries celebrated in 2006/07, which also accounts for the 35.7 per cent growth in goods and services in 2006/07. While growth in expenditure decreases by 5.8 per cent in 2008/09, it picks up again over the medium term and is expected to grow at an average annual rate of 11.1 per cent, in line with the increase in the *Management* subprogramme for the ministerial imbizo programme. This also accounts for the increased allocation for consultants over the period.

From April 2006, costs for leases and accommodation charges were devolved from the Department of Public Works to individual departments. The department receives the following amounts over the MTEF period: R46.8 million, R52.6 million and R57.3 million.

Cost containment measures over the medium term have been identified in this programme, totalling R11.1 million in goods and services.

Programme 2: Arts and Culture in Society

- *Promotion of Arts and Culture in South Africa* funds various performing arts institutions. It also supports social development through moral regeneration activities directed at out-of-school youth and rehabilitating prisoners. Funds are mainly used for transfers to performing arts institutions that are positioned to support the mandate of the department to develop the literary, visual and performing arts.
- *National Arts Council* transfers funds to the National Arts Council, which supports the various disciplines of arts and culture through financial support, guided by funding criteria that promote government objectives.

Objectives and measures

- Improve arts, culture and heritage education and training programmes by:
 - placing 400 artists in schools and community arts centres in 2009/10
 - developing the capacity of 23 arts and culture learning area subject advisors from the provincial education departments to provide leadership to educators in schools in 2009/10.

- Increase access to arts, culture and heritage for vulnerable groups by providing at least 1 programme for women, children and people with disabilities at all 27 arts, culture and heritage institutions in 2009/10.
- Stimulate community interest in arts and culture and facilitate access by providing financial resources for programmes in at least 9 community arts centres in 2009/10.

Service delivery and spending focus

Music festivals and concerts were supported, including the Cape Town International Jazz Festival and the Standard Bank Joy of Jazz, to ensure that job opportunities are created for musicians. Small scale community arts programmes have been supported, such as the Thari e ntsho annual traditional music festival, which promotes Basotho music and dance.

With its provincial counterparts and community arts centres, the department developed a national framework in 2008 to address the challenges facing community arts centres, including funding, the quality of programmes, and management capacity. The framework categorises community arts centres into four levels based on organisational capacity. Each level has its own funding model and criteria for operation in relation to programming and skills development.

Through the annual Mosadi wa Konokono (Women of Substance) campaign, 27 women who work in the arts, culture and heritage fields were recognised for their outstanding contribution to community upliftment. They received training in marketing, intellectual property protection and business development.

The department is in the process of organising the choral music sector. The final result will be the release of a strategy for the development of choral music in 2009/10.

Over the medium term, spending in this programme will continue to promote the development of community and established artists and showcase their talent.

Expenditure estimates

Table 12.5 Arts and Culture in Society

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	appropriation	2009/10	2010/11	2011/12
R thousand							
Promotion of Arts and Culture in South Africa	146 822	162 912	185 810	267 635	298 944	235 870	254 232
National Arts Council	47 894	62 081	66 926	72 853	76 634	80 625	85 462
Total	194 716	224 993	252 736	340 488	375 578	316 495	339 694
Change to 2008 Budget estimate				6 688	(2 265)	(3 526)	(3 648)
Economic classification							
Current payments	11 277	14 369	19 215	16 761	18 293	19 411	20 611
Compensation of employees	4 960	5 976	6 775	9 614	10 227	10 853	11 560
Goods and services	6 310	8 349	12 395	7 147	8 066	8 558	9 051
<i>of which:</i>							
Administrative fees	–	29	–	–	372	395	418
Advertising	636	67	571	329	100	105	110
Assets less than R5 000	26	116	147	85	–	–	–
Catering: Departmental activities	–	1	717	413	467	495	524
Communication	929	827	547	315	356	378	400
Computer services	9	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	1 382	2 030	2 341	1 350	1 524	1 617	1 710
Inventory: Food and food supplies	69	51	–	–	–	–	–
Inventory: Materials and supplies	–	1	243	140	158	168	178
Inventory: Other consumables	–	–	8	6	–	–	–
Inventory: Stationery and printing	23	139	225	130	147	156	165
Travel and subsistence	2 915	4 960	5 606	3 232	3 648	3 871	4 094
Operating expenditure	122	21	248	143	161	171	181
Venues and facilities	199	107	1 742	1 004	1 133	1 202	1 271
Financial transactions in assets and liabilities	7	44	45	–	–	–	–

Table 12.5 Arts and Culture in Society (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	183 385	210 576	233 393	323 485	357 035	296 818	318 801
Provinces and municipalities	15	4	–	–	–	–	–
Departmental agencies and accounts	159 468	181 103	203 281	227 267	239 301	251 810	266 852
Households	23 902	29 469	30 112	96 218	117 734	45 008	51 949
Payments for capital assets	54	48	128	242	250	266	282
Machinery and equipment	54	48	128	242	250	266	282
Total	194 716	224 993	252 736	340 488	375 578	316 495	339 694

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	15	4	–	–	–	–	–
Regional Services Council levies	15	4	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	159 468	181 103	203 281	227 267	239 301	251 810	266 852
Artscape	24 434	27 800	31 490	35 501	37 242	39 185	41 529
Business Arts South Africa	4 349	4 610	4 888	5 180	5 453	5 762	6 107
Cape Philharmonic Orchestra	3 180	–	–	–	–	–	–
Gauteng Orchestra	3 180	–	–	–	–	–	–
KwaZulu-Natal Philharmonic Orchestra	3 180	–	–	–	–	–	–
Market Theatre	11 030	14 492	16 984	19 343	20 337	21 397	22 674
National Arts Council	47 894	62 081	66 926	72 853	76 634	80 625	85 462
Performing Arts Centre of the Free State	16 930	19 646	22 665	25 828	27 360	28 791	30 502
Playhouse Company	20 042	23 145	26 565	30 182	31 799	33 459	35 453
State Theatre	20 550	23 683	27 140	30 942	32 655	34 361	36 405
Windybrow Theatre	4 699	5 581	6 480	7 438	7 821	8 230	8 720
Gifts and donations	–	65	143	–	–	–	–
Households							
Other transfers to households							
Current	23 902	29 469	30 112	96 218	117 734	45 008	51 949
Financial assistance projects	23 902	29 469	9 343	41 987	42 734	45 008	51 949
2010 FIFA World Cup projects	–	–	20 769	54 231	75 000	–	–

Expenditure trends

Expenditure grew between 2005/06 and 2008/09 at an average annual rate of 20.5 per cent. This growth is driven by additional allocations for 2010 FIFA World Cup related projects, which also account for the 219.5 per cent increase in transfers to households in 2008/09.

Expenditure is dominated by transfers to departmental agencies, which account for, on average, 95 per cent of the programme budget. The largest beneficiary is the National Arts Council. The responsibility for funding the philharmonic orchestras was shifted to the council in 2006/07, which explains the 29.6 per cent growth in the transfer in 2006/07. Since 2008/09, the council has also been responsible for funding the Cape Town Jazz Orchestra.

The allocation for the opening and closing ceremonies of the 2010 FIFA World Cup is made in 2009/10. This explains the 15.7 per cent decline in projected expenditure between 2009/10 and 2010/11, which translates into an average annual decline of 0.1 per cent over the MTEF period.

Cost containment measures over the medium term have been identified in this programme, totalling R14.4 million in transfers and subsidies and R842 000 in goods and services.

Public entities

National Arts Council

Strategic overview: 2005/06 - 2011/12

In terms of the National Arts Council Act (1997), the council facilitates opportunities for people to practise and appreciate the arts. It also promotes the general application of the arts in communities, fosters the expression of national identity through the arts, promotes freedom in the practice of the arts, and makes the arts more accessible to historically disadvantaged communities. Other functions include addressing historical imbalances in the provision of arts infrastructure and promoting opportunities for artists nationally and internationally.

Selected performance and operations indicators

Table 12.6 National Arts Council

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of arts and culture projects supported each year	800	250	348	423	475	550	600
Number of performing arts companies' projects supported each year	62	79	78	68	38	38	38

Service delivery and spending focus

In 2008/09, the National Arts Council hosted a dialogue on arts and culture in Africa. It participated in a programme to celebrate the life and legacy of OR Tambo by donating a beadwork portrait made by visual artists and 15 crafters from KwaZulu-Natal.

Over the medium term, the council will continue to focus on promoting the arts in various communities.

Expenditure estimates

Table 12.7 National Arts Council: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	2 969	4 272	6 415	2 140	3 728	4 141	5 751
<i>Other non-tax revenue</i>	2 969	4 272	6 415	2 140	3 728	4 141	5 751
Transfers received	50 065	79 016	72 103	72 853	76 634	80 625	85 462
Total revenue	53 034	83 288	78 518	74 993	80 362	84 766	91 213
Expenses							
Current expense	8 937	10 314	12 529	18 057	19 867	21 186	23 413
Compensation of employees	3 872	4 861	5 907	9 800	10 425	11 388	13 786
Goods and services	4 795	5 151	6 036	7 380	8 792	8 938	8 767
Depreciation	270	302	586	877	650	860	860
Transfers and subsidies	45 572	48 203	50 527	56 936	60 495	63 580	67 800
Total expenses	54 509	58 517	63 056	74 993	80 362	84 766	91 213
Surplus / (Deficit)	(1 475)	24 771	15 462	-	-	-	-

Expenditure trends

Transfers from government comprise 96 per cent of the National Arts Council's total revenue.

Fluctuations are mainly due to unanticipated donations from private donors. Between 2005/06 and 2006/07, total revenue increased by 57 per cent, from R53 million in 2005/06 to R83.3 million in 2006/07. This was largely due to the R16.9 million received from local private donors in that year, up from R2.2 million in 2005/06. In 2007/08, private donor contributions were down to R5.2 million and total revenue declined by 5.7 per cent to R78.5 million. In 2008/09, no donations were budgeted for, so total revenue is projected to decline by a further 4.5 per cent to R75 million.

Average annual growth in transfers received from the Department of Arts and Culture has been more consistent, averaging 13.3 per cent per year, and increasing from R50.1 million in 2005/06 to R72.9 million in 2008/09.

Over the MTEF period, transfers are expected to grow at an average annual rate of 5.5 per cent, to R85.5 million in 2011/12.

In 2008/09, total expenditure grew at an average annual rate of 11.2 per cent, from R54.5 million in 2005/06 to R75 million. Over the MTEF period, growth is expected to slow slightly to an average annual rate of 6.7 per cent, bringing total expenditure to R91.2 million in 2011/12. Spending on transfers in support of a variety of projects grows at an average annual rate of 6 per cent, from R56.9 million in 2008/09 to R67.8 million in 2011/12.

Arts institutions

The following arts institutions are helping to create a sustainable performing arts industry based on the principles of access, excellence, diversity and redress:

- State Theatre
- Playhouse Company
- ArtsCape
- Market Theatre
- Performing Arts Council of the Free State
- Windybrow Theatre.

The institutions receive annual transfers from the department, but also generate their own revenue through entrance fees, donor assistance and sponsorships.

Expenditure estimates

Table 12.8 Arts institutions: Consolidated financial information

R thousand Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	52 907	52 572	51 319	54 291	44 155	46 876	46 764
Sale of goods and services other than capital assets of which:	26 076	23 770	23 634	24 245	18 858	19 280	19 272
Administrative fees	243	263	250	206	178	75	80
Sales by market establishments	23 434	22 764	22 588	23 698	17 666	18 355	18 292
Other sales	2 399	743	796	341	1 014	849	900
Other non-tax revenue	26 831	28 802	27 685	30 046	25 297	27 597	27 492
Transfers received	128 301	144 316	153 768	171 518	182 607	194 969	205 594
Total revenue	181 208	196 888	205 087	225 809	226 762	241 846	252 358
Expenses							
Current expense	176 934	192 919	208 032	227 724	228 018	245 549	257 415
Compensation of employees	65 433	80 261	84 577	94 786	102 072	112 021	118 444
Goods and services	101 834	100 703	113 490	120 885	116 920	121 339	127 251
Depreciation	9 338	11 337	8 955	11 933	8 764	11 901	11 403
Interest, dividends and rent on land	329	618	1 010	120	262	288	317
Transfers and subsidies	504	599	716	843	1 364	1 500	1 650
Total expenses	177 438	193 518	208 748	228 567	229 382	247 049	259 065
Surplus / (Deficit)	3 770	3 370	(3 661)	(2 758)	(2 620)	(5 203)	(6 707)

Expenditure trends

Revenue received by the arts institutions grew at an average annual rate of 7.6 per cent, from R181.2 million in 2005/06 to R225.8 million in 2008/09. Growth in revenue over the MTEF period is projected to be slower, at an average annual rate of 3.8 per cent, reaching R252.4 million in 2011/12. Transfers received from the Department of Arts and Culture grew at an average annual rate of 15.2 per cent, from R97.7 million in 2005/06 to R149.2 million in 2008/09, but are expected to slow to an average annual growth rate of 5.9 per cent over the MTEF period, reaching R177.1 million in 2011/12.

The slower growth in revenue over the medium term is reflected in the expenditure trends. Expenditure grew from R177.4 million in 2005/06 to R228.6 million in 2008/09, at an average annual rate of 8.8 per cent. Over the MTEF period, growth is expected to slow to an average annual rate of 4.3 per cent, with expenditure reaching R259.1 million in 2011/12. Goods and services and compensation of employees are the two largest spending items for the six art institutions. While expenditure on goods and services increased at an average annual rate of 5.9 per cent between 2005/06 and 2008/09, it is projected to increase only by an average annual 1.7 per cent over the MTEF period. Growth in expenditure on compensation of employees drops from an average annual increase of 13.1 per cent between 2005/06 and 2008/09 to an average annual increase of 7.7 per cent over the MTEF period.

Programme 3: National Language Service

- *National Language Service* promotes the national language policy and develops implementation strategies. Funding is mainly used for salaries and other personnel related costs, language bursaries and human language technologies programmes.
- *Pan South African Language Board* transfers funds to the Pan South African Language Board, which creates an environment conducive to developing, using and promoting the 11 official languages as well as the Khoe, Nama and San languages and South African Sign Language.

Objectives and measures

- Develop South African languages by:
 - promoting the human language technology programmes, such as machine aided translation tools, in 2009/10
 - promoting a telephone based information system in 2009/10.
- Facilitate the regulation and accreditation of the language profession by establishing the South African Language Practitioners' Council by December 2009.
- Promote capacity building in the language profession by awarding language bursaries to 90 students in 2009/10.

Service delivery and spending focus

To promote the language profession, the Department of Arts and Culture awards language bursaries to deserving students in the fields of language planning, lexicography, translation and editing, interpreting, and human language technologies. 80 bursaries were awarded to postgraduate and undergraduate students in 2008.

To promote and develop all official languages, the department translated and edited 793 documents in official languages and translated 710 documents from foreign languages. As part of the human language technologies programme, electronic spellcheckers for African languages were developed in 2008. Over the medium term, the department will also develop terminology in all official languages, for example terms for soccer, HIV and AIDS, and the human, social, economic and management sciences.

Over the medium term, spending will continue to be focused on promoting the use of all 11 languages via bursaries and training, and rolling out more human language technology programmes.

Expenditure estimates

Table 12.9 National Language Service

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	appropriation	2009/10	2010/11	2011/12
R thousand							
National Language Service	31 873	29 677	43 410	55 306	56 405	58 994	51 449
Pan South African Language Board	26 976	39 095	43 600	47 451	49 575	52 370	55 510
Total	58 849	68 772	87 010	102 757	105 980	111 364	106 959
Change to 2008 Budget estimate				707	(1 749)	(2 688)	(14 331)

Table 12.9 National Language Service (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	24 015	20 243	25 454	49 843	50 363	53 053	45 255
Compensation of employees	11 290	11 374	12 168	20 771	21 670	22 824	24 358
Goods and services	12 723	8 869	13 286	29 072	28 693	30 229	20 897
<i>of which:</i>							
Administrative fees	46	39	16	36	42	44	30
Advertising	147	382	1 214	2 656	2 621	2 761	1 909
Assets less than R5 000	7	102	195	427	421	444	307
Catering: Departmental activities	–	–	35	77	76	80	55
Communication	878	617	410	897	885	932	644
Computer services	157	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	6 838	4 563	4 594	10 052	9 921	10 452	7 225
Consultants and professional services: Legal costs	–	–	1 800	3 939	3 888	4 096	2 832
Inventory: Food and food supplies	27	284	–	–	–	–	–
Inventory: Materials and supplies	1	1	3	–	–	–	–
Inventory: Stationery and printing	510	313	247	540	533	562	389
Travel and subsistence	2 378	1 879	2 134	4 676	4 609	4 856	3 357
Operating expenditure	24	16	150	328	324	341	236
Venues and facilities	1 710	673	2 488	5 444	5 373	5 661	3 913
Financial transactions in assets and liabilities	2	–	–	–	–	–	–
Transfers and subsidies	34 243	48 490	61 398	52 049	54 717	57 336	60 776
Provinces and municipalities	35	8	–	–	–	–	–
Departmental agencies and accounts	26 992	39 095	43 600	47 451	49 717	52 587	55 742
Households	7 216	9 387	17 798	4 598	5 000	4 749	5 034
Payments for capital assets	591	39	158	865	900	975	928
Machinery and equipment	591	39	158	865	900	975	928
Total	58 849	68 772	87 010	102 757	105 980	111 364	106 959

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	35	8	–	–	–	–	–
Regional Services Council levies	35	8	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	26 992	39 095	43 600	47 451	49 717	52 587	55 742
Gifts and donations	16	–	–	–	–	–	–
Pan South African Language Board	26 976	39 095	43 600	47 451	49 717	52 587	55 742
Households							
Other transfers to households							
Current	7 216	9 387	17 798	4 598	5 000	4 749	5 034
Financial assistance projects	7 216	9 387	17 722	4 598	5 000	4 749	5 034
Employee social benefit: Cash residence	–	–	76	–	–	–	–

Expenditure trends

Expenditure in the *National Language Services* programme increased steadily between 2005/06 and 2008/09 at an average annual rate of 20.4 per cent, as the department extended the telephone interpreting service for South Africa project. This also accounts for increased spending on goods and services in that period, at an average annual rate of 31.7 per cent. The high consultancy fees over the medium term reflect this ongoing activity.

Growth over the medium term is more moderate, at an average annual rate of 1.3 per cent mainly due to the impact of efficiency savings in goods and services, which is set to decline at an average annual rate of 10.4 per cent. Transfers to households, from which awards to writers are made, fluctuate over the seven-year period as funding depends on the number of awards. Spending of R17.7 million in 2007/08 included a literature exhibition on indigenous languages.

Expenditure on the Pan South African Language Board increased from R27 million in 2005/06 to R47.5 million in 2008/09 at an average annual rate of 20.7 per cent, as the organisation built its capacity to fulfil its mandate. Growth is expected to be more moderate over the medium term, increasing at an average annual rate of 5.4 per cent.

Cost containment measures over the medium term have been identified in this programme, totalling R5.7 million in goods and services and R1.4 million in transfers and subsidies.

Public entities

Pan South African Language Board

Strategic overview: 2005/06 - 2011/12

The Pan South African Language Board is a constitutional institution that actively promotes an awareness of multilingualism as a national resource and supports previously marginalised languages. It is mandated by law to investigate complaints about language rights violations from any individual or institution. All its activities are in accordance with the provisions of the Pan South African Language Board Act (1995).

The board creates conditions for the development of languages through its national lexicography units and national language bodies. It also ensures multilingualism and the use of the official languages as well as Khoe, Nama, San and South African Sign Language through its provincial language committees. It funds research and projects on all language matters.

The Pan South African Language Board will continue to focus on protecting and promoting South Africa's national languages. This will mainly be done through the activities of the national lexicography units, which will include producing dictionaries and establishing and supporting reading clubs in the indigenous languages. The board has also become increasingly involved in ensuring that the language policies of municipalities are in line with the principles of multilingualism so that municipalities' practices accommodate all languages spoken in their particular region.

Selected performance and operations indicators

Table 12.10 The Pan South African Language Board

Indicator	Past			Current 2008/09	Projections		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Total number of dictionaries produced by national lexicography units	–	200	278	310	310	400	500
Total number of municipalities whose language policies have been verified	2	8	16	16	20	35	40
Total number of workshops on standardisation of languages conducted	50	163	200	350	460	500	600
Total number of meetings on verification of languages	13	31	40	100	169	200	300
Total number of reading clubs established	25	35	50	95	105	150	150

Service delivery and spending focus

There is a national lexicography unit for each of the official languages, located in the various provinces. These units are primarily responsible for compiling monolingual and bilingual dictionaries, and by 2008/09 they had compiled 310 of these. In 2007/08, two initiatives sought to actively promote a culture of reading in indigenous languages. Firstly, the board facilitated the formation of the South African Writers Guild and provided training and support to members. Secondly, it facilitated the establishment of reading clubs and provided support to existing ones. By 2007/08, 50 reading clubs had been established and were receiving ongoing support.

Expenditure estimates

Table 12.11 Pan South African Language Board: Financial information

R thousand Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	483	2 627	3 078	2 868	3 018	3 158	3 307
Sale of goods and services other than capital assets	–	431	305	400	410	410	410
of which:							
Sales by market establishments	–	431	305	400	410	410	410
Other non-tax revenue	483	2 196	2 773	2 468	2 608	2 748	2 897
Transfers received	26 976	40 262	44 368	48 051	50 217	53 087	56 242
Total revenue	27 459	42 889	47 446	50 919	53 235	56 245	59 549
Expenses							
Current expense	29 076	34 068	50 922	53 796	53 062	56 038	59 300
Compensation of employees	11 914	12 770	15 927	17 451	17 904	18 838	20 779
Goods and services	16 434	20 134	33 760	35 130	34 106	35 802	37 179
Depreciation	721	1 057	1 186	1 115	951	1 298	1 242
Interest, dividends and rent on land	7	107	49	100	100	100	100
Transfers and subsidies	–	974	120	144	173	207	249
Total expenses	29 076	35 042	51 042	53 940	53 235	56 245	59 549
Surplus / (Deficit)	(1 617)	7 847	(3 596)	(3 021)	–	–	–

Expenditure trends

Total revenue increased at an average annual rate of 22.9 per cent between 2005/06 and 2008/09, from R27.5 million to R51 million. This was due to the increase in transfers received in 2006/07 to improve the capacity of the board's head office. Other non-tax revenue grew by 354.7 per cent and 26.3 per cent in 2006/07 and 2007/08 due to increased income from investments. Revenue is set to grow more moderately over the medium term, at an average annual rate of 5.4 per cent, from R51 million in 2008/09 to R59.5 million.

Between 2005/06 and 2008/09, current expenses increased at an average annual rate of 22.8 per cent, from R29.1 million to R54 million. Most of this growth is reflected in the 24.7 per cent increase in compensation of employees in 2007/08, as the board used its additional allocations to fill more posts. The additional staff also led to an increase of 67.7 per cent in expenditure on goods and services. In line with projected revenue, expenditure is expected to grow more moderately over the MTEF period, at an average annual rate of 3.4 per cent, from R54 million in 2008/09 to R59.5 million in 2011/12.

Programme 4: Cultural Development and International Cooperation

- *Cultural Development* supports the creative industries, primarily in the second economy, and the development of the arts. Funds are mainly transferred to households to support participants in projects and initiatives that promote the creative industries and are distributed on the basis of annual business plans and service level agreements between the department and individuals or group contractors.
- *Investing in Culture* promotes job creation, skills development, poverty alleviation and economic empowerment in support of broader government growth and employment imperatives. Funds are transferred to households to support participants in the programme's projects. They are disbursed on the basis of annual business plans and service level agreements between the department and individuals or group contractors, in accordance with expanded public works programme targets: 60 per cent to women, 30 per cent to youth, and 2 per cent to people with disabilities.
- *International Cooperation* ensures South Africa's participation in binational and multilateral cultural activities, secures overseas development assistance, strengthens South Africa's international presence, and builds international partnerships. Funding is mainly used for salaries, and other personnel related costs.
- *National Film and Video Foundation* transfers funds to the National Film and Video Foundation, which supports skills, local content and local marketing development in South Africa's film and video industry.

Objectives and measures

- Increase the number of sustainable arts and culture projects by providing 3 200 learnerships and job opportunities in arts, culture and heritage by December 2009.
- Improve economic participation in and development of the cultural industry by providing cash in hand financial support to 30 000 cultural practitioners by March 2009.
- Increase participation by grassroots art practitioners in the cultural industries by having at least 10 more signed international agreements or cultural exchanges that promote grassroots practices by April 2010.

Service delivery and spending focus

In 2007/08, about 7 374 beneficiaries were provided with job opportunities primarily in the craft sector. Of the jobs created, 51 per cent were for women, 44 per cent for youth and 5 per cent for people living with a disability.

In 2007/08, the department partnered with 9 established fashion designers and 25 crafters in each province to collaborate on fashion items and accessories. This provided opportunities for the crafters to be part of the business of fashion, and for skills transfer between designers and crafters.

An international exhibition to give greater exposure to South African literature was held in Cuba in 2008.

The department took part in the Zaragoza Expo 2008 in Spain. Various artists, sponsored by the department, performed, and some were invited back in their private capacity.

Over the medium term, the major focus of the department will be to continue to support projects that promote job creation, skills development, poverty alleviation and economic empowerment through its investing in culture projects.

Expenditure estimates

Table 12.12 Cultural Development and International Cooperation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Cultural Development	29 442	71 806	26 539	42 946	42 211	44 069	38 387
Investing in Culture	74 118	67 905	85 125	101 002	105 949	112 292	119 019
International Cooperation	31 594	24 490	39 504	32 127	36 769	38 992	36 450
National Film and Video Foundation	24 609	34 086	36 651	37 895	39 136	41 359	43 841
Total	159 763	198 287	187 819	213 970	224 065	236 712	237 697
Change to 2008 Budget estimate				(1 326)	(3 300)	(4 351)	(18 519)

Economic classification

	28 669	32 729	48 865	29 350	30 583	32 229	34 556
Current payments							
Compensation of employees	12 594	15 174	17 088	20 645	22 247	23 547	25 128
Goods and services	16 073	17 469	31 742	8 705	8 336	8 682	9 428
<i>of which:</i>							
Administrative fees	50	1 003	2 092	572	549	573	620
Advertising	880	405	539	148	142	147	160
Assets less than R5 000	170	220	130	36	34	36	39
Catering: Departmental activities	–	4	179	49	47	49	53
Communication	1 146	1 397	956	262	251	261	284
Computer services	9	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	1 649	5 198	6 301	1 728	1 655	1 723	1 872
Contractors	5	1	13	4	3	4	4
Inventory: Food and food supplies	216	84	–	–	–	–	–
Inventory: Fuel, oil and gas	2	1	–	–	–	–	–
Inventory: Materials and supplies	–	4	302	83	79	83	90
Inventory: Other consumables	–	3	–	–	–	–	–

Table 12.12 Cultural Development and International Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	28 669	32 729	48 865	29 350	30 583	32 229	34 556
<i>Inventory: Stationery and printing</i>	524	908	817	224	215	223	243
<i>Travel and subsistence</i>	10 851	7 687	18 019	4 942	4 732	4 929	5 352
<i>Operating expenditure</i>	77	114	590	162	155	161	175
<i>Venues and facilities</i>	494	440	1 804	495	474	493	536
Financial transactions in assets and liabilities	2	86	35	–	–	–	–
Transfers and subsidies	130 897	165 425	138 879	184 199	193 012	203 985	202 663
Provinces and municipalities	39	11	–	–	–	–	–
Departmental agencies and accounts	24 634	34 139	36 671	37 895	39 136	41 359	43 841
Households	106 224	131 275	102 208	146 304	153 876	162 626	158 822
Payments for capital assets	197	133	75	421	470	498	478
Machinery and equipment	197	133	75	421	470	498	478
Total	159 763	198 287	187 819	213 970	224 065	236 712	237 697
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	39	11	–	–	–	–	–
Regional Services Council levies	39	11	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	24 634	34 139	36 671	37 895	39 136	41 359	43 841
Gifts and donations	25	53	20	–	–	–	–
National Film and Video Foundation	24 609	34 086	36 651	37 895	39 136	41 359	43 841
Households							
Other transfers to households							
Current	106 224	131 275	102 208	146 304	153 876	162 626	158 822
Cultural industries	24 785	66 027	14 672	34 293	35 584	36 626	33 471
Investing in Culture programme	69 717	57 715	76 233	88 623	93 094	98 773	105 028
Promote arts and culture internationally	11 722	7 533	11 303	23 388	25 198	27 227	20 323

Expenditure trends

Expenditure grew at an average annual rate of 10.2 per cent between 2005/06 and 2008/09, mainly due to increased allocations for the *Investing in Culture* subprogramme.

Growth over the medium term is expected to slow to an average annual rate of 3.6 per cent due to a projected decline of 12.9 per cent in expenditure on the *Cultural Development* subprogramme in 2011/12.

Spending in the *Cultural Development and International Cooperation* programme relates mainly to transfer payments, the largest being to households as part of the poverty alleviation strategy under the *Investing in Culture* subprogramme. The increase in expenditure in travel and subsistence in 2007/08 is because crafters exhibited at more international fairs in that year. The increased allocation to households in 2006/07 was for taking artists and cultural practitioners to Germany for the closing ceremony of the 2006 FIFA World Cup.

Expenditure on the National Film and Video Foundation increased from R24.6 million in 2005/06 to R37.9 million in 2008/09, at an average annual rate of 15.5 per cent. Growth is expected to be more moderate over the medium term, increasing at an average annual rate of 5 per cent.

Cost containment measures over the medium term have been identified in this programme, totalling R7 million in transfers and subsidies and R2.6 million in goods and services.

Public entities

National Film and Video Foundation

Strategic overview: 2005/06 - 2011/12

The National Film and Video Foundation was established in terms of the National Film and Video Foundation Act (1997) to develop and promote the film and video industry in South Africa. It provides for and encourages the creation of opportunities for people from disadvantaged communities to participate in the industry. The foundation also promotes local film and video products and seeks to address historical imbalances in infrastructure, skills and resources in the industry.

In the period ahead, the foundation will continue to fund a wide range of projects and build partnerships with organisations that can assist it in meeting its objectives.

Selected performance and operations indicators

Table 12.13 National Film and Video Foundation

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of bursaries provided for various elements of film and video studies each year	57	62	82	94	77	75	75
Number of local content scripts developed each year	13	35	25	20	20	20	20
Number of local content films produced each year	10	27	28	20	20	20	20
Number of international film festivals hosted and participated in each year	9	8	8	7	7	7	7

Service delivery and spending focus

In 2007/08, the National Film and Video Foundation initiated Sediba Spark, a scriptwriting training and development programme in which 39 candidates were trained in that year. This collaboration with the South African Broadcasting Corporation continued in 2008/09, and the programme aims to train 48 commissioning editors, script editors and writers on commissioned SABC mini-series to Sediba's intermediate level.

In 2007/08, the foundation hosted the second South African Film and Television Awards, which recognise and reward excellence in the industry.

In 2008/09, the foundation funded training providers offering specialised skills programmes. Examples include the animation production training initiative to support the development of high quality and culturally relevant animation, and the Wildlife Film Academy, which conducts a one-month wildlife filmmaking course in South Africa designed by award winning wildlife filmmakers.

The National Film and Video Foundation has ongoing partnerships with Kodak and the Tshwane University of Technology, which contribute to the education of students, financially or otherwise. In 2008/09, the foundation awarded 94 bursaries for full time study and 25 development grants, of which 9 are for feature films.

Expenditure estimates

Table 12.14 National Film and Video Foundation: Financial information

R thousand Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	965	5 603	5 344	835	820	820	820
Sale of goods and services other than capital assets	8	–	–	91	100	100	100
<i>of which:</i>							
<i>Sales by market establishments</i>	8	–	–	91	100	100	100
<i>Other non-tax revenue</i>	957	5 603	5 344	744	720	720	720
Transfers received	29 347	37 736	38 687	44 800	39 136	41 359	43 841
Total revenue	30 312	43 339	44 031	45 635	39 956	42 179	44 661
Expenses							
Current expense	9 625	10 930	13 669	13 876	14 738	15 485	16 671
Compensation of employees	4 489	6 542	6 723	7 559	9 022	9 473	10 042
Goods and services	4 570	3 824	6 430	5 799	5 206	5 497	6 109
Depreciation	566	564	516	518	510	515	520
Transfers and subsidies	20 470	32 256	31 733	31 751	25 188	26 635	27 933
Total expenses	30 095	43 186	45 402	45 627	39 926	42 120	44 604
Surplus / (Deficit)	217	153	(1 371)	8	30	59	57

Expenditure trends

Government transfers are the National Film and Video Foundation's main source of revenue, complemented by grants for partnership programmes and funding from private donors

Total expenditure grew at an average annual rate of 14.9 per cent between 2005/06 and 2008/09, from R30.1 million to R45.6 million. It is expected to drop by 12.5 per cent to R39.9 million in 2009/10. Over the next two years, it is expected to grow at an average annual rate of 5.7 per cent, reaching R44.6 million in 2011/12.

The initial growth was possible because of the additional funding received from the South African Broadcasting Corporation between 2005/06 and 2007/08 for several joint programmes, including the Sediba skills development initiative, the South African Film and Television Academy and the Cape Town World Cinema Festival. In 2008/09, revenue and expenditure continued to grow despite the end of the grant from the South African Broadcasting Corporation, due to an additional R4.3 million received from local private donors. It is difficult to predict private donations, so no revenue from private donors are included in the foundation's projections.

Spending on transfers, which includes subsidies to various film and video makers, grew by 57.6 per cent to R32.3 million in 2006/07. It is projected to decline by 20.7 per cent to R25.2 million in 2009/10, as there is no projected revenue from private donors over the MTEF period. Spending on transfers is expected to decline at an average annual rate of 4.2 per cent over the MTEF period, to R27.9 million in 2011/12.

Programme 5: Heritage Promotion

- *Heritage Institutions* ensures that the money that heritage institutions receive is used to fulfil the department's mandate to preserve, protect and promote heritage. Institutions' business plans and annual reports are reviewed and adjusted to align with the department's core mandate. The funds are mainly transferred to the selected heritage institutions that have been declared cultural institutions in terms of the Cultural Institutions Act (1998) and which support the department's mandate.
- *South African Heritage Resources Agency* transfers funds to the South African Heritage Resources Agency, whose key strategic objectives are developing and implementing norms and standards for managing heritage resources, including auditing heritage resources and developing management plans.
- *Promotion of Heritage* mainly funds a range of heritage initiatives and projects, like Heritage Month and the repatriation of South African cultural and heritage objects, that complement the department's strategic objectives for a particular financial year.
- *South African Geographical Names Council* funds the South African Geographical Names Council, whose core mandate is to facilitate name changes, including through consulting with communities and advising the Minister of Arts and Culture. The council is an advisory body established in terms of the South African Geographical Names Council Act (1998). The executive functions of the council are performed by the department in terms of the Public Service Act (1994), hence its budget is managed and accounted for by the department.
- *Capital Works* focuses mainly on the provision and administration of capital grants for constructing and maintaining heritage infrastructure. Funds are awarded based on entities' business plans.

Objectives and measures

- Improve the preservation and management of underwater cultural heritage by:
 - developing the required new legislation by March 2010
 - establishing a maritime archaeology unit at the South African Heritage Resources Agency by March 2010.
- Ensure the efficient use of resources and eliminate the duplication of mandates by amending heritage legislation, such as the South African Geographic Names Council Act (1998), the National Heritage Council Act (1999) and the National Heritage Resources Act (1999), by the end of 2009.

- Preserve intangible cultural heritage by developing 2 inventories by March 2010, 1 to document intangible cultural heritage in danger of extinction and the other a representative list of the entire intangible heritage within the borders of South Africa.
- Enable the South African Heritage Resources Agency to manage the national heritage estate by completing the national heritage resources inventory and establishing the South African heritage resources information systems as specified by the National Heritage Resources Act (1999) by March 2010.
- Ensure the standardisation of geographical names by completing the national framework within which the standardisation of geographical names can take place in local authorities by September 2009.

Service delivery and spending focus

Draft legislation amending heritage laws to ensure the efficient use of resources and eliminate the duplication of mandates among public entities was published for public comment in 2008.

The department organised and hosted Heritage Month. The theme for 2008 was Celebrating our Dance, our Heritage.

The department hosted provincial hearings on geographical name changes in Eastern Cape and Mpumalanga in 2008. Since the inception of the South African Geographical Names Council in 2000, 830 geographical names have been changed.

In November 2008, the department completed the national heritage skills audit and strategy, which will be rolled out in 2009/10.

Key activities over the MTEF period include: conducting a series of reviews and compiling reports to determine the contribution of heritage to economic development, improving the department's understanding of the sector, and informing the future allocation of project funding.

Expenditure estimates

Table 12.15 Heritage Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Heritage Institutions	275 136	359 927	331 111	481 606	528 885	479 407	364 899
South African Heritage Resources Agency	24 298	30 757	29 291	31 382	33 282	34 994	37 084
Promotion of Heritage	47 170	36 761	57 453	43 526	45 017	48 577	55 717
South African Geographical Names Council	4 500	4 770	1 271	5 241	5 609	7 035	7 458
Capital Works	185 789	200 528	240 782	350 623	601 365	423 826	455 613
Total	536 893	632 743	659 908	912 378	1 214 158	993 839	920 771
Change to 2008 Budget estimate				26 507	218 349	157 485	36 458
Economic classification							
Current payments	16 346	29 298	28 747	23 792	24 345	25 586	27 254
Compensation of employees	6 519	7 651	9 833	11 060	11 706	12 360	13 171
Goods and services	9 827	21 642	18 906	12 732	12 639	13 226	14 083
<i>of which:</i>							
Administrative fees	57	227	128	86	86	91	95
Advertising	225	650	859	578	574	601	640
Assets less than R5 000	53	118	109	73	73	76	81
Catering: Departmental activities	2	–	84	57	56	59	63
Communication	991	946	541	364	362	378	403
Computer services	554	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	1 673	15 136	1 737	1 170	1 161	1 215	1 294
Contractors	144	–	–	–	–	–	–
Inventory: Food and food supplies	319	149	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	1	1	1	1	1

Table 12.15 Heritage Promotion (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	16 346	29 298	28 747	23 792	24 345	25 586	27 254
<i>Inventory: Materials and supplies</i>	–	1	515	347	344	360	384
<i>Inventory: Other consumables</i>	–	1	–	–	–	–	–
<i>Inventory: Stationery and printing</i>	213	265	59	40	39	41	44
<i>Travel and subsistence</i>	5 033	3 875	5 941	4 001	3 972	4 156	4 425
<i>Operating expenditure</i>	13	117	8 340	5 616	5 575	5 834	6 212
<i>Venues and facilities</i>	550	157	592	399	396	414	441
Financial transactions in assets and liabilities	–	5	8	–	–	–	–
Transfers and subsidies	520 195	603 306	630 977	888 334	1 189 419	967 840	893 142
Provinces and municipalities	20	6	–	–	–	–	–
Departmental agencies and accounts	489 723	595 982	602 455	868 852	1 169 141	945 262	865 054
Households	30 452	7 318	28 522	19 482	20 278	22 578	28 088
Payments for capital assets	352	139	184	252	394	413	375
Machinery and equipment	352	139	184	252	394	413	375
Total	536 893	632 743	659 908	912 378	1 214 158	993 839	920 771
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	20	6	–	–	–	–	–
Regional Services Council levies	20	6	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	284 130	283 867	321 207	374 229	367 776	387 436	409 441
Die Afrikaanse Taalmuseum: Paarl	1 854	2 665	2 883	3 195	3 436	3 613	3 827
Engelenburg House Art Collection: Pretoria	171	181	192	205	216	228	242
Freedom Park Trust: Pretoria	38 002	45 000	47 700	50 000	50 984	53 757	58 403
Iziko Museums of Cape Town	34 160	38 310	40 883	44 639	47 543	49 993	52 967
Khoi-San Project	–	1 239	–	–	–	–	–
Luthuli Museum	3 758	4 384	4 723	5 375	5 838	6 137	6 504
Natal Museum: Pietermaritzburg	7 526	9 678	10 386	11 418	12 664	13 292	14 057
National Heritage Council	17 400	26 673	36 670	46 165	48 435	50 943	51 486
National Museum: Bloemfontein	15 869	18 421	19 629	21 475	22 904	24 084	25 512
Nelson Mandela Museum: Mthatha	7 962	12 240	12 976	13 964	14 660	15 412	16 336
Robben Island Museum: Cape Town	63 008	31 029	52 001	69 072	49 002	50 970	54 009
South African Geographical Names Council	4 500	4 770	1 271	5 241	5 609	7 035	7 458
South African Heritage Resources Agency	24 298	30 757	29 291	31 382	33 282	34 994	37 084
The National English Literary Museum: Grahamstown	3 914	4 849	5 297	5 821	6 260	6 583	6 975
Transformation of Heritage Institutions	15 122	–	–	3 515	–	–	–
Voortrekker Museum: Pietermaritzburg	5 968	7 014	7 479	8 169	8 671	9 118	9 661
War Museum of the Boer Republics: Bloemfontein	3 795	4 723	5 063	5 557	5 940	6 246	6 618
William Humphreys Art Gallery: Kimberley	2 576	3 432	3 694	4 059	4 356	4 581	4 854
Northern Flagship Institution	34 247	38 502	41 069	44 977	47 976	50 450	53 448
Capital	205 593	312 115	281 248	494 623	801 365	557 826	455 613
Capital Works	185 789	200 528	240 782	350 623	601 365	423 826	455 613
Freedom Park Trust: Pretoria	19 804	111 587	40 466	144 000	200 000	134 000	–
Households							
Other transfers to households							
Current	30 452	7 318	28 522	19 482	20 278	22 578	28 088
Promotion of Heritage	30 452	7 318	28 522	19 482	20 278	22 578	28 088

Expenditure trends

Expenditure on the *Heritage Promotion* programme increased at an average annual rate of 19.3 per cent between 2005/06 and 2008/09, mainly due to an increase in capital transfers for upgrading public entities. Expenditure of R15 million on consultants in 2006/07 was for hosting commemorations, of which the 1956 women's march and the 1976 Soweto uprising were the most important.

Spending is expected to be slower over the medium term. The reduced growth is mainly because the allocations for the completion of the Freedom Park come to an end in 2010/11, and there is a once-off additional allocation for the *Capital Works* subprogramme in 2009/10.

Transfer payments comprise, on average, 97 per cent of the programme's total expenditure over the medium term. The transfer to the South African Geographical Names Council is expected to grow at an average annual rate of 12.5 per cent over this period, due to additional allocations for accelerating the process of standardising place names as part of the special social cohesion campaign.

Expenditure on the *Capital Works* subprogramme is expected to increase at an average annual rate of 9.1 per cent from R350.6 million in 2008/09 to R455.6 million in 2011/12 to provide for all capital projects coordinated by the department.

Cost containment measures over the medium term have been identified in this programme, totalling R30 million in transfers and subsidies and R1.4 million in goods and services.

Public entities

Freedom Park Trust

Strategic overview: 2005/06 - 2011/12

The Freedom Park is a national government project executed via the Freedom Park Trust. The objective of the Freedom Park is to establish visible cultural structures that celebrate and commemorate diverse and important South African events, spanning pre-history, colonisation and the struggle for democracy, and ending with a vision for the future. The park will be declared a cultural institution in terms of the Cultural Institutions Act (1998) from April 2009. On completion, the Freedom Park will be a national monument and museum. It has three elements: a garden of remembrance; commemorative spaces; and *//hapo*, which includes information resources and hospitality facilities and will tell the history of Southern Africa spanning 3.6 billion years. *//hapo* will be completed in 2009/10.

Selected performance and operations indicators

Table 12.16 Freedom Park Trust

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of visitors to the park each year	-	-	-	417 576	529 902	474 366	432 944
Number of times venue hired for functions each year	-	-	-	-	263	290	319
New outreach projects	-	-	-	-	25	30	35

Service delivery and spending focus

The Freedom Park is currently under construction, with some elements completed in the phased construction programme. Construction of parking, the restaurant, the curio shop, the administration building and the exhibition hall will start in April 2009 and is scheduled to be completed and open to the public by June 2010. The park opened its completed elements (Isivivane, Mveledzo, Sikhumbuto, Moshate and Uitspanplek) in July 2007.

The trust will conduct an advertising campaign to increase the number of visitors to the park and its use for corporate events. The campaign is part of a new funding strategy to make the trust mainly self-sufficient in the next five years.

Expenditure estimates

Table 12.17 Freedom Park Trust: Financial information

R thousand Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	6 837	9 300	7 252	10 152	19 542	24 428	24 122
Sale of goods and services other than capital assets	–	–	–	6 000	17 722	23 458	23 397
of which:							
Sales by market establishments	–	–	–	6 000	17 722	23 458	23 397
Other non-tax revenue	6 837	9 300	7 252	4 152	1 820	970	725
Transfers received	46 136	55 516	51 782	67 620	72 200	73 637	104 417
Total revenue	52 973	64 816	59 034	77 772	91 742	98 065	128 539
Expenses							
Current expense	44 034	57 519	50 107	77 657	91 742	98 065	128 539
Compensation of employees	16 732	16 621	19 116	29 429	40 338	44 372	47 924
Goods and services	22 703	36 545	26 909	30 608	30 188	33 813	34 601
Depreciation	4 545	4 340	4 082	17 620	21 216	19 880	46 014
Interest, dividends and rent on land	54	13	–	–	–	–	–
Total expenses	44 034	57 519	50 107	77 657	91 742	98 065	128 539
Surplus / (Deficit)	8 939	7 297	8 927	115	–	–	–
Acquisition of assets	50 189	152 845	35 708	142 717	319 181	82 720	45 500

Expenditure trends

Funding for the Freedom Park consists of an annual grant for operational expenditure of R51 million in 2009/10, R53.8 million in 2010/11 and R58.4 million in 2011/12. The trust will put in place revenue generating mechanisms in 2009/10, starting with entrance fees and fees for hiring premises for events.

Revenue between 2005/06 and 2008/09 grew at an annual average rate of 13.7 per cent. Over the medium term, total revenue is projected to grow at an average annual rate of 18.2 per cent. Increased efforts to generate revenue from ticket sales are evident in the projected 57.4 per cent average annual increase in sales over this period. Other non-tax revenue decreases at an average annual rate of 44.1 per cent over the medium term due to a decrease in income from investments as a result of the increased use of cash and cash equivalents.

Spending on compensation of employees grew at an average annual rate of 20.7 per cent between 2005/06 and 2008/09. It grows more slowly over the medium term, at an average annual rate of 17.7 per cent, due to an initial expansion of the trust's human resource capacity.

South African Heritage Resources Agency

Strategic overview: 2005/06 - 2011/12

The South African Heritage Resources Agency is a statutory body established in terms of the National Heritage Resources Act (1999) as the national administrative management body responsible for the protection of South Africa's cultural heritage. The agency coordinates the identification, conservation, assessment and management of the national estate. It encourages partnerships with other bodies to promote an integrated heritage resources management system.

The agency's strategic priorities are enhancing conservation, integrating cultural and natural heritage, heritage tourism, transforming the heritage sector, and partnerships in global initiatives.

Selected performance and operations indicators

Table 12.18 South African Heritage Resources Agency

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of sites declared national heritage sites each year	2	3	1	2	3	4	5
Number of public programmes conducted to promote public awareness of conservation and heritage annually	17	25	32	25	45	50	55
Number of conservation and heritage management projects funded and supported each year	20	16	20	25	24	22	24

Service delivery and spending focus

Identifying and preserving heritage sites associated with political icons such as Oliver Tambo, Albert Luthuli, Nelson Mandela and Robert Sobukwe are priority activities for the South African Heritage Resources Agency.

Aware that South Africa's heritage is rich with sites that are not political, the agency has also prioritised other culturally significant sites, such as Lake Funduzi in Limpopo and the Kaditswene cultural landscape in North West, where the agency undertook a preliminary cultural study of the old Tswana settlement in April 2008. This project was a collaboration between South Africa, Botswana and Zambia and involves the local community in finding ways of making the heritage site more economically and socially beneficial to them. The agency has similar collaborations with other countries, such as Lesotho and Namibia.

The Vredefort Dome, which extends across North West and Free State, has been acknowledged as a meteorite impact site, and preparations for its declaration as a world heritage site are currently underway.

In consultation with the South African embassy in Dar es Salaam, the agency embarked on a project in 2007/08 to erect or restore the head stones on the graves of anti-apartheid activists who died in exile in Tanzania. This project covers graves in the African National Congress camp in Morogoro as well as Pan Africanist Congress graves in Dar es Salaam. The agency also collaborated with the Tanzanian Department of Antiquities, which has been doing research on members of liberation movements who were housed in Tanzania during the liberation struggle. The project will be completed in 2009/10.

Over the medium term, the agency aims to carry out similar projects in other countries that hosted South African liberation movements.

Expenditure estimates

Table 12.19 South African Heritage Resources Agency: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Statement of financial performance							
Revenue							
Non-tax revenue	1 220	1 461	1 443	1 680	3 660	3 816	4 045
Sale of goods and services other than capital assets	601	748	710	790	1 760	1 802	1 910
of which:							
Administrative fees	169	87	120	60	60	-	-
Sales by market establishments	432	661	590	730	1 700	1 802	1 910
Other non-tax revenue	619	713	733	890	1 900	2 014	2 135
Transfers received	35 383	39 001	32 742	34 232	36 914	38 844	41 165
Total revenue	36 603	40 462	34 185	35 912	40 574	42 660	45 210
Expenses							
Current expense	28 998	35 269	35 752	43 553	44 639	46 764	49 373
Compensation of employees	12 073	14 609	17 553	20 079	22 989	24 468	25 936
Goods and services	16 483	20 068	17 338	18 995	19 550	20 717	22 054
Depreciation	442	592	861	4 479	2 100	1 579	1 383
Transfers and subsidies	3 834	4 276	593	3 623	3 804	4 051	4 314
Total expenses	32 832	39 545	36 345	47 176	48 443	50 815	53 687
Surplus / (Deficit)	3 771	917	(2 160)	(11 264)	(7 869)	(8 155)	(8 477)

Expenditure trends

Total revenue between 2005/06 and 2008/09 fluctuated due to private donations received. However, the South African Heritage Resources Agency's main source of revenue is a transfer from the department, which is projected to grow at an average annual rate of 5.7 per cent over the medium term, from R31.4 million in 2008/09 to R37.1 million in 2011/12.

Compensation of employees grew by an average annual rate of 18.5 per cent between 2005/06 and 2008/09 as the agency began to rely less on outsourcing and employed people instead. Expenditure on goods and services increased by 21.7 per cent in 2006/07, mainly due to an increase in legal fees and advertising and marketing fees. Goods and services expenditure decreases by 13.6 per cent in 2008/09, but grows more consistently over the MTEF period at an average annual rate of 5.1 per cent. The agency's spending on transfers and subsidies also fluctuated between 2005/06 and 2008/09, mainly due to changes to the number of museums that the agency

supports. With more certainty over the medium term, average annual growth is expected to stabilise to 6 per cent.

The agency is projecting a deficit in 2008/09 and over the entire MTEF period, mainly because of projects that are only completed in the year(s) after which funding is provided, as well as a series of once-off projects, including securing larger office space and 2010 FIFA World Cup related projects. There are sufficient funds in the agency's reserves to offset these deficits.

National Heritage Council

Strategic overview: 2005/06 - 2011/12

The National Heritage Council was officially constituted in February 2004 in terms of the National Heritage Council Act (1999). Since its inception, the council has engaged heritage stakeholders in public and private institutions, including the various organs of civil society. In a short space of time and with limited resources, the council has mobilised debates and built awareness about heritage.

Selected performance and operations indicators

Table 12.20 National Heritage Council

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of heritage projects financially supported each year	17	40	44	50	55	68	72
Number of public consultations on heritage issues each year	5	7	7	10	3	4	3
Number of heritage publications produced each year	1	2	1	2	1	2	2
Number of heritage exhibitions held each year	-	1	2	3	2	2	1

Service delivery and spending focus

In 2007/08, the council produced a charter for the transformation of the South African heritage sector. The council has also responded to the former president and society's call for the revival of the concept of ubuntu for nation building. In November 2006 and October 2007, the council organised a national imbizo on ubuntu and a national task team is currently developing a comprehensive document on the policy implications of ubuntu. A digital portal to extend public access to declared heritage sites was developed in 2007/08 and finalised in 2008/09.

Expenditure estimates

Table 12.21 National Heritage Council: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Statement of financial performance							
Revenue							
Non-tax revenue	454	1 122	1 766	485	515	546	578
<i>Other non-tax revenue</i>	454	1 122	1 766	485	515	546	578
Transfers received	17 530	31 738	36 735	46 230	48 500	50 943	51 486
Total revenue	17 984	32 860	38 501	46 715	49 015	51 489	52 064
Expenses							
Current expense	16 430	24 932	38 069	46 715	49 015	51 489	52 064
Compensation of employees	5 184	5 772	6 224	8 421	9 095	9 823	10 609
Goods and services	10 761	18 735	31 384	37 578	39 226	40 959	40 899
Depreciation	422	424	461	716	694	707	556
Interest, dividends and rent on land	63	1	-	-	-	-	-
Total expenses	16 430	24 932	38 069	46 715	49 015	51 489	52 064
Surplus / (Deficit)	1 554	7 928	432	-	-	-	-

Expenditure trends

Government transfers to the National Heritage Council started at R17.5 million in 2005/06 and increase to R51.5 million in 2011/12. Total revenue increased at an average annual rate of 37.5 per cent between 2005/06 and 2008/09, from R18 million to R46.7 million. The 82.7 per cent increase between 2005/06 and 2006/07 is because the responsibility for the transformation of heritage institutions was shifted to the council from the department. Part of this responsibility reverted back to the department in 2008/09.

Current expenses grew at an average annual rate of 52.2 per cent, from R16.4 million in 2005/06 to R38.1 million in 2007/08, a reflection of the additional responsibility assigned to the council by the department.

Over the medium term, expenditure is projected to grow more moderately, at an average annual rate of 3.7 per cent, from R46.7 million in 2008/09 to R52.1 million in 2011/12.

Cultural institutions

In terms of the Cultural Institutions Act (1998), the Minister of Arts and Culture declared the entities listed below as cultural institutions. Their role is to formulate policy, and receive, preserve and manage all cultural property, of whatever kind.

- Northern Flagship Institution, Pretoria
- Iziko Museum, Cape Town
- Natal Museum, Pietermaritzburg
- National Museum, Bloemfontein
- Die Afrikaanse Taalmuseum, Paarl
- The National English Literary Museum, Grahamstown
- Voortrekker Museum, Pietermaritzburg
- War Museum of the Boer Republics, Bloemfontein
- Robben Island Museum, Cape Town
- William Humphreys Art Gallery, Kimberley
- Engelenburg House Art Collection, Pretoria
- Luthuli Museum, Stanger
- Nelson Mandela Museum, Mthatha

Expenditure estimates

Table 12.22 Cultural institutions: Consolidated financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	64 144	61 278	57 405	59 330	61 440	65 126	71 530
Sale of goods and services other than capital assets	52 599	44 815	42 726	40 767	47 415	51 750	58 532
<i>of which:</i>							
<i>Administrative fees</i>	5 215	5 759	5 747	5 644	2 971	3 130	3 247
<i>Sales by market establishments</i>	45 887	37 594	33 079	34 231	40 099	44 048	50 430
<i>Other sales</i>	1 497	1 462	3 900	892	4 345	4 572	4 855
<i>Other non-tax revenue</i>	11 545	16 463	14 679	18 563	14 025	13 376	12 998
Transfers received	176 392	169 831	182 393	233 837	219 418	230 053	243 545
Total revenue	240 536	231 109	239 798	293 167	280 858	295 179	315 075
Expenses							
Current expense	231 327	249 868	247 665	294 153	280 585	295 105	307 479
Compensation of employees	138 750	146 950	155 454	170 887	181 621	195 434	212 251
Goods and services	85 604	93 047	84 109	116 065	93 332	93 979	89 363
Depreciation	6 811	9 638	7 872	7 068	5 560	5 618	5 783
Interest, dividends and rent on land	162	233	230	133	72	74	82
Transfers and subsidies	1 132	968	918	2 236	2 867	3 104	3 346
Total expenses	232 459	250 836	248 583	296 389	283 452	298 209	310 825
Surplus / (Deficit)	8 077	(19 727)	(8 785)	(3 222)	(2 594)	(3 030)	4 250

Expenditure trends

With the exception of Robben Island Museum, the institutions have limited revenue generating capacity. Entrance fees, special exhibitions and contributions by donors fluctuate. The institutions are thus dependent on transfers from the department. Details of these can be found under the *Heritage Promotion* programme's expenditure trends.

The fluctuating trend in non-tax revenue is mainly due to declining revenue at Robben Island Museum in 2006/07 and 2007/08 because of the delayed delivery of the replacement ferry used to transport visitors to the

island. This has now been resolved, and non-tax revenue is projected to grow at an average annual rate of 6.4 per cent over the medium term.

Transfers received increased at an average annual rate of 1.7 per cent from 2005/06 to 2007/08 and by 28.2 per cent in 2008/09. The growth in 2008/09 is because of a once-off allocation of R22.3 million in the 2008 adjusted Budget for the Robben Island Museum to undertake crucial capital projects to retain its status as a world heritage site.

Programme 6: National Archives, Records, Libraries and Heraldic Services

- *National Archives of South Africa* provides for acquiring and managing public and non-public records with enduring value. It also funds the Bureau of Heraldry. Funds will mainly be used for transfer payments to provincial education departments for the community library services conditional grant. The distribution of the grant is based on an impact assessment study, which identified community library needs and priorities in each of the provinces.
- *National Library Service* transfers funds to libraries and institutions to provide information services, and develops related policy.

Objectives and measures

- Improve governance in archiving and promote efficient records management in organs of state by:
 - approving all filing plans and disposal authorities submitted
 - monitoring the implementation of guidelines or circulars issued each year.
- Improve public use of archival information by:
 - responding faster to Promotion of Access to Information Act (2000) issues
 - upgrading the web enabled reference search on the national automated archival information retrieval system by March 2009.
- Promote social cohesion by reconfiguring heraldic representations of all rural municipalities to reflect national identity by March 2010.
- Ensure equitable funding of libraries by developing a funding model for community libraries by December 2009.
- Improve public access to information at national, provincial and local levels over the next three years by:
 - increasing the number of staff and books (including those in indigenous languages) by 25 per cent in libraries where staff and stock are limited
 - building or establishing 25 per cent more libraries where there are none or too few.

Service delivery and spending focus

The Department of Arts and Culture has provided ongoing archival support for New Partnership for Africa's Development projects, such as the Timbuktu manuscripts project and the African archives agenda.

In 2007/08, the community library service grant resulted in the upgrading of 36 libraries and the construction of 2 new libraries. R35 million was also spent on purchasing library materials. The expansion of community library services will remain the primary focus of this programme over the medium term.

The Department of Arts and Culture and the Presidency hosted the national order awards ceremony in December 2008: 29 people were honoured.

The department hosted the eighth meeting of the International Advisory Committee for the United Nations Educational, Scientific and Cultural Organisation Memory of the World programme in June 2007. The main purpose of the meeting, which takes place every two years, was to review the programme's progress and make recommendations to the director-general about awarding the UNESCO/Jikji Memory of the World prize and the inscription of documentary heritage on the Memory of the World register. The Memory of the World programme facilitates the sharing of the most appropriate documentary heritage preservation techniques (archiving) and promotes universal access to and world wide awareness of all significant documentary heritage.

Expenditure estimates

Table 12.23 National Archives, Records, Libraries and Heraldic Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
National Archives of South Africa	30 261	38 911	205 279	402 714	504 649	562 295	597 570
National Library Service	39 349	44 110	63 539	65 915	69 562	73 948	78 362
Total	69 610	83 021	268 818	468 629	574 211	636 243	675 932
Change to 2008 Budget estimate				8 306	(1 255)	(2 474)	(1 510)

Economic classification

	29 233	36 264	38 531	53 609	58 563	62 575	67 910
Current payments							
Compensation of employees	15 183	18 202	19 984	28 958	31 464	32 984	35 184
Goods and services	14 029	18 046	18 443	24 651	27 099	29 591	32 726
<i>of which:</i>							
Administrative fees	160	29	138	184	203	223	247
Advertising	266	555	792	1 059	1 164	1 271	1 405
Assets less than R5 000	167	433	606	810	890	972	1 075
Catering: Departmental activities	–	–	105	140	154	168	186
Communication	1 068	973	1 006	1 345	1 478	1 614	1 785
Computer services	1 785	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	5 066	9 499	2 318	3 098	3 406	3 719	4 113
Contractors	–	1	5	7	7	8	9
Agency and support / outsourced services	49	5	–	–	–	–	–
Entertainment	–	–	18	24	26	29	32
Inventory: Food and food supplies	101	77	–	–	–	–	–
Inventory: Fuel, oil and gas	3	10	12	16	18	19	21
Inventory: Materials and supplies	16	20	4 474	5 980	6 574	7 178	7 939
Inventory: Other consumables	160	40	12	16	18	19	21
Inventory: Stationery and printing	860	433	262	350	385	420	465
Travel and subsistence	3 181	5 342	5 199	6 949	7 639	8 342	9 225
Operating expenditure	109	128	1 830	2 446	2 689	2 936	3 247
Venues and facilities	1 038	501	1 666	2 227	2 448	2 673	2 956
Financial transactions in assets and liabilities	21	16	104	–	–	–	–
Transfers and subsidies	39 503	46 547	229 844	414 231	514 848	572 828	607 175
Provinces and municipalities	58	13	163 215	344 646	440 600	493 960	523 598
Departmental agencies and accounts	39 349	44 110	63 539	65 915	69 562	73 948	78 362
Households	96	2 424	3 090	3 670	4 686	4 920	5 215
Payments for capital assets	874	210	443	789	800	840	847
Machinery and equipment	874	210	443	789	800	840	847
Total	69 610	83 021	268 818	468 629	574 211	636 243	675 932

Details of transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	–	–	163 215	344 646	440 600	493 960	523 598
Community library services grant	–	–	163 215	344 646	440 600	493 960	523 598

Table 12.23 National Archives, Records, Libraries and Heraldic Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	58	13	-	-	-	-	-
Regional Services Council levies	58	13	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	39 349	44 110	63 539	65 915	69 562	73 948	78 362
National Library of South Africa	30 527	33 358	46 287	50 647	41 551	44 333	46 975
South African Blind Workers Organisation	2 123	3 251	3 385	4 652	4 849	5 122	5 678
South African Library for the Blind	6 699	7 501	13 867	10 616	11 162	11 793	12 247
National Library of South Africa: Community Libraries	-	-	-	-	12 000	12 700	13 462
Households							
Other transfers to households							
Current	96	2 424	3 090	3 670	4 686	4 920	5 215
Financial assistance projects	96	2 424	3 090	3 670	4 686	4 920	5 215

Expenditure trends

Transfers and subsidies dominate expenditure in this programme, taking up almost 90 per cent of the total budget. Expenditure increased rapidly between 2005/06 and 2008/09, at an average annual rate of 88.8 per cent, mainly due to the introduction of the community library services conditional grant in 2007/08.

Programme expenditure is projected to grow by 13 per cent over the medium term mainly as a result of the continued expansion of the grant, which also accounts for the 15 per cent expected growth in transfers to provinces over this period. Funding of R38.2 million over the medium term for the community library project on the budget of the National Library is to provide cataloguing and procurement services to provinces. The key spending focuses over the medium term are to expand the conditional grant to improve access to library services in poor communities and to ensure that the three specialised libraries consolidate and maintain their services.

Expenditure of R9.5 million on consultants in 2006/07 was mainly for the background research for the community library services conditional grant.

Transfers to households increases from R100 000 in 2005/06 to R5.2 million in 2011/12, mainly for support to participants in the United Nations Educational, Scientific and Cultural Organisation Memory of the World programme and exhibitions related to the Timbuktu manuscripts project.

Cost containment measures over the medium term have been identified in this programme, totalling R8.9 million in goods and services and R2 million in transfers and subsidies.

Public entities

Libraries

Apart from overseeing the National Library of South Africa, a statutory body, the Department of Arts and Culture oversees smaller libraries serving sectors of society that have special needs in terms of accessing public information, including the South African Library for the Blind and the South African Blind Workers' Organisation, also known as Literature for the Visually Handicapped. Together, the various libraries preserve national documentary heritage, promote awareness of it, and provide for related matters.

Expenditure estimates

Table 12.24 Libraries: Consolidated financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	2 034	3 251	6 219	15 564	2 924	3 147	3 375
Sale of goods and services other than capital assets <i>of which:</i>	271	1 293	1 628	340	364	388	418
<i>Sales by market establishments</i>	271	1 293	1 628	340	364	388	418
<i>Other non-tax revenue</i>	1 763	1 958	4 591	15 224	2 560	2 759	2 957
Transfers received	36 897	42 499	62 299	61 263	64 713	68 826	72 684
Total revenue	38 931	45 750	68 518	76 827	67 637	71 973	76 059
Expenses							
Current expense	55 760	43 415	61 224	76 787	67 791	71 764	75 842
Compensation of employees	40 639	27 169	30 425	33 682	36 170	38 842	41 712
Goods and services	12 938	13 820	28 258	40 428	28 585	29 783	30 995
Depreciation	2 085	2 264	2 407	2 577	2 936	3 034	3 025
Interest, dividends and rent on land	98	162	134	100	100	105	110
Transfers and subsidies	42	83	87	95	102	109	117
Total expenses	55 802	43 498	61 311	76 882	67 893	71 873	75 959
Surplus / (Deficit)	(16 871)	2 252	7 207	(55)	(256)	100	100

Expenditure trends

Revenue grows at an average annual rate of 25.4 per cent between 2005/06 and 2008/09, with particularly strong growth of 49.8 per cent in 2007/08 and 12.1 per cent in 2008/09. This is largely attributed to additional allocations from the department to the South African Library for the Blind in 2007/08 for additional equipment, and to the National Library of South Africa in 2008/09 to equip their new building in Pretoria. Due to the once-off nature of these allocations, total revenue for the MTEF period is projected to decrease at an average annual rate of 0.3 per cent.

The additional allocations in 2007/08 and 2008/09 to the South African Library for the Blind and the National Library of South Africa are also responsible for the growth in expenditure in goods and services from R13.8 million in 2006/07 to R40.4 million in 2008/09. This expenditure is expected to decrease to R28.6 million in 2009/10, and declines at an average annual rate of 8.5 per cent over the MTEF period.

Additional tables

Table 12.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	2007/08		2007/08	2008/09			2008/09
1. Administration	104 918	104 668	129 558	119 742	2 353	122 095	121 643
2. Arts and Culture in Society	278 169	278 169	252 736	333 800	6 688	340 488	339 227
3. National Language Service	94 601	94 601	87 010	102 050	707	102 757	102 376
4. Cultural Development and International Cooperation	204 813	204 813	187 819	215 296	(1 326)	213 970	213 178
5. Heritage Promotion	630 050	630 050	659 908	885 871	26 507	912 378	903 999
6. National Archives, Records, Libraries and Heraldic Services	295 468	295 468	268 818	460 323	8 306	468 629	445 894
Total	1 608 019	1 607 769	1 585 849	2 117 082	43 235	2 160 317	2 126 317

Economic classification

Current payments	256 233	255 983	288 747	286 433	6 177	292 610	284 610
Compensation of employees	118 247	118 247	107 177	132 809	6 177	138 986	130 986
Goods and services	137 986	137 736	181 157	153 624	–	153 624	153 624
Financial transactions in assets and liabilities	–	–	413	–	–	–	–
Transfers and subsidies	1 346 644	1 346 644	1 295 005	1 825 240	37 058	1 862 298	1 836 298
Provinces and municipalities	180 000	180 000	163 215	338 000	6 646	344 646	323 646
Departmental agencies and accounts	926 322	925 050	949 607	1 202 702	44 678	1 247 380	1 242 380
Households	240 322	241 594	182 183	284 538	(14 266)	270 272	270 272
Payments for capital assets	5 142	5 142	2 097	5 409	–	5 409	5 409
Machinery and equipment	5 142	5 142	2 097	5 409	–	5 409	5 409
Total	1 608 019	1 607 769	1 585 849	2 117 082	43 235	2 160 317	2 126 317

Table 12.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R thousand)	81 445	95 052	107 177	138 986	146 278	154 781	163 978
Unit cost (R thousand)	202	230	214	322	317	315	315
Personnel numbers (head count)	403	414	501	431	461	491	521
Interns							
Compensation of interns (R thousand)	1 080	–	–	–	–	–	–
Unit cost (R thousand)	36	–	–	–	–	–	–
Number of interns	30	–	–	–	–	–	–
Total for department							
Compensation (R thousand)	82 525	95 052	107 177	138 986	146 278	154 781	163 978
Unit cost (R thousand)	191	230	214	322	317	315	315
Personnel numbers (head count)	433	414	501	431	461	491	521

Table 12.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R thousand)	82 525	95 052	107 177	138 986	147 240	156 252	165 544
Training expenditure (R thousand)	831	2 443	3 108	1 992	2 138	2 271	2 364
Training as percentage of compensation	1.0%	2.6%	2.9%	1.4%	1.5%	1.5%	1.4%
Total number trained in department (head count)	69	74	108	122			
<i>of which:</i>							
Employees receiving bursaries (head count)	55	59	90	82			
Internships trained (head count)	20	94	100	86			

Table 12.D Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Conditional grants to provinces							
6. National Archives, Records, Libraries and Heraldic Services							
Community library services grant	-	-	163 215	344 646	440 600	493 960	523 598
Total	-	-	163 215	344 646	440 600	493 960	523 598

1. Detail provided in the Division of Revenue Act (2009)

Table 12.E Summary of expenditure on infrastructure

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)										
	National Library of SA	Long term and increased access to resources and national documentary heritage	Complete	363 200	116 812	137 440	94 461	14 487	-	-	-
	Pretoria Campus: Construction on new building										
	National Archives: Additional	Long term and increased access to resources	Planning	-	41	1 621	33 524	23	143	143	143
	Establishment of Freedom Park	Nation building	Construction	649 900	19 804	111 687	40 466	144 000	200 000	134 000	-
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)										
	Construction of Nelson Mandela Museum		Complete	10 500	9 655	775	-	-	-	-	-
	Repair of main break water walls on Robben Island Museum		Complete	1 800	1 550	202	-	-	-	-	-
	Extension of main and secondary break waters on Robben Island Museum		Complete	5 000	4 800	150	-	-	-	-	-
	Iziko Museum: National Mutual Building		Construction	116 700	4 863	11 137	49 807	20 914	30 000	-	-
	Small projects or programmes (costing less than R50 million per – annum)										
	Upgrading, repair and maintenance in various heritage Institutions		Ongoing	-	48 068	46 589	58 667	307 499	362 126	549 857	619 906
	Total			1 147 100	205 593	309 501	276 925	486 923	592 269	684 000	620 049