

# Vote 27

## Communications

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R 842 515 000	R 1 645 219 000	-	R 802 704 000
Responsible Minister	Minister of Communications			
Administering department	Department of Communications			
Accounting officer	Director-General of Communications			

### Aim

*The aim of the Department of Communications is to formulate policy and to ensure its implementation for the telecommunications, postal and broadcasting services, and the control of transfers to the South African Post Office, the South African Broadcasting Corporation, the Independent Communications Authority of South Africa, the National Electronic Media Institute of South Africa and the Universal Service Agency.*

### Changes to programme purposes and measurable objectives

No changes were made.

### Adjusted 2003 Estimates of National Expenditure

Table 27.1: Communications

Programme	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
R thousand						
1 Administration	83 607	-	-	5 000	-	88 607
2 Telecommunications Policy	135 900	3 000	-	7 896	-	146 796
3 Postal Services	353 082	-	750 000	(12 896)	-	1 090 186
4 Multi-Media Services Policy	263 244	-	49 704	-	-	312 948
5 Auxiliary and Associated Services	6 682	-	-	-	-	6 682
<b>Total</b>	<b>842 515</b>	<b>3 000</b>	<b>799 704</b>	<b>-</b>	<b>-</b>	<b>1 645 219</b>
<b>Economic Classification</b>						
<b>Current</b>	<b>817 410</b>	<b>-</b>	<b>799 704</b>	<b>12 000</b>	<b>-</b>	<b>1 629 114</b>
Personnel	71 244	-	-	-	-	71 244
Transfer payments	629 464	-	799 704	(25 604)	-	1 403 564
Other current	116 702	-	-	37 604	-	154 306
<b>Capital</b>	<b>25 105</b>	<b>3 000</b>	<b>-</b>	<b>(12 000)</b>	<b>-</b>	<b>16 105</b>
Transfer payments	20 000	3 000	-	(12 000)	-	11 000
Acquisition of capital assets	5 105	-	-	-	-	5 105
<b>Total</b>	<b>842 515</b>	<b>3 000</b>	<b>799 704</b>	<b>-</b>	<b>-</b>	<b>1 645 219</b>

	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll- Overs	Unforeseeable /unavoidable	Virement	Other Adjustments		
<u>Standard item classification</u>							
Personnel	71 244	-	-	-	-	-	71 244
Administrative	45 997	-	-	-	-	-	45 997
Inventories	10 731	-	-	-	-	-	10 731
Equipment	10 243	-	-	-	-	-	10 243
Land and buildings	17 295	-	-	-	-	-	17 295
Professional and special services	37 541	-	-	37 604	-	37 604	75 145
Transfer payments	649 464	3 000	799 704	(37 604)	-	765 100	1 414 564
Miscellaneous	-	-	-	-	-	-	-
<b>Total</b>	<b>842 515</b>	<b>3 000</b>	<b>799 704</b>	<b>-</b>	<b>-</b>	<b>802 704</b>	<b>1 645 219</b>

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R3,0 million

#### Programme 2: Telecommunications Policy

Not all funds appropriated in 2002/03 for the roll-out of infrastructure for the Emergency 112 Call Centre have been spent. The conditions of the tender awarded were that the delivery and installation of equipment would take place in phases. The last phase for installing the equipment was delayed due to building specifications not being ready in time. The funds of R3,0 million to be rolled over will be used to complete this phase, which is what the funds were originally voted for.

### Unforeseeable and unavoidable expenditure – R799,704 million

#### Programme 3: Postal Services

The Ministers' Committee on the Budget noted the South African Post Office's liability of R750,0 million arising from depositor funds in the Post Bank which had been used by the Post Office in its operations. The Post Office could not reimburse the funds, and in terms of current legislation government guarantees them. R750,0 million has therefore been provided to settle this liability and ensure that a culture of saving is encouraged in South Africa.

#### Programme 4: Multi-Media Services Policy

The Former States Reorganisation Act of 1996 sought to terminate the funding for the Bophuthatswana Broadcasting Corporation (BBC) at the end of 2001/02, on the understanding that the BBC was to be integrated into the South African Broadcasting Corporation (SABC). However the BBC continued to operate as a distinct entity, funded from the fiscus, until the end of 2001/02. Cabinet approved the closure of the BBC because it was not in a position to be self-sustaining after the termination of government funding. An additional R40,0 million has been provided for winding it down.

In the 2002 Adjusted Estimates, government provided funding to the Independent Communications Authority of South Africa (Icasa) to settle its VAT liability with the South African Revenue Service (SARS). This was in response to a SARS ruling that all transfers received by Icasa are subject to VAT at the standard rate. Despite this ruling, the budget allocation to Icasa for 2003/04 did not include the portion for VAT on its transfers. Additional funds totalling R7,204 million have been provided to settle Icasa's VAT liability. A further R2,5 million has been provided to redesign the Second National Operator (SNO) licensing process in response to the fact that the initial two SNO licensing processes failed to yield a suitable licensee to compete with Telkom in the Public Switch Telecommunications Services market.

## Virement

**Table 27.2: Communications**

From programme R thousand	Amount	To programme	Amount
3 Postal Services	12 896	1 Administration	5 000
		2 Telecommunications Policy	7 896

### ***Details of savings realised on the above programmes***

#### Programme 3: Postal Services

A saving of R8,0 million has been realised on the transfer to the South African Post Office for the roll-out of Public Internet Terminals (PITs), and of R4,896 million on the transfer to Citizens Post Offices. As agreed with the department, the Post Office will now be responsible for the roll-out of these services. The department initially budgeted for these items because the subsidy to the Post Office was going to be terminated at the end of the 1999/00 financial year. Since the subsidy has been reinstated, the department will not use these funds in the current financial year.

### ***Utilisation of savings to augment the above programmes***

#### Programme 1: Administration

Savings of R5,0 million will fund the production of a directory of Internet addresses. Additional funds for this project could not be accommodated in the 2002 MTEF budget submission. The department has now identified this project as a priority.

#### Programme 2: Telecommunications Policy

R7,896 million will be used for the operations costs of the Emergency 112 Call Centre.

### ***Shifting of funds within programmes***

#### Programme 2: Telecommunications Policy

Funds were initially allocated for the roll-out of infrastructure for the Emergency 112 Call Centre, but not for operations costs. The infrastructure has now been installed and R12,0 million from the infrastructure funds will be used for the operational costs. Savings of R2,104 million, identified in the department's contribution to the Information Systems, Electronics and Telecommunications Technologies SETA, will also be used for this. The department has taken over the SETA's function of training disadvantaged students in the ICT sector and has budgeted the necessary funds.

Savings of R6,0 million have been identified under the transfer to the Advanced Institute for Information and Communications Technology (AIICT). These funds were budgeted for the feasibility study of the AIICT. The feasibility study will be finalised by December 2003, and has cost less than the anticipated R20,0 million. The savings will be used to defray expenditure associated with the convergence colloquium for the ICT industry, hosted by the Department of Communications in July 2003.

Savings of R2,0 million identified in the transfer payment for the multi-purpose centres will be used to fund the department's incubator programme.

#### Programme 3: Postal Services

R2,604 million, identified under the transfer to Citizens Post Offices, will be used for the National Address System (R1,4 million), which seeks to provide addresses to the 4,5 million households currently without addresses, and for an awareness campaign about the currently under-used postal infrastructure (R1,2 million).

Table 27.3: Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
<b>2 Telecommunications Policy</b>	<b>80 060</b>	<b>3 000</b>	<b>-</b>	<b>(22 104)</b>	<b>-</b>	<b>(19 104)</b>	<b>60 956</b>
Telecommunications Policy							
Multi Purpose Centres	2 000	-	-	(2 000)	-	(2 000)	-
Sector Education and Training Authority	2 104	-	-	(2 104)	-	(2 104)	-
Emergency Communications Fund	20 000	3 000	-	(12 000)	-	(9 000)	11 000
Universal Service Agency	11 211	-	-	-	-	-	11 211
Universal Service Fund	24 745	-	-	-	-	-	24 745
Advanced Institute for ICT	20 000	-	-	(6 000)	-	(6 000)	14 000
<b>3 Postal Services</b>	<b>315 500</b>	<b>-</b>	<b>750 000</b>	<b>(15 500)</b>	<b>-</b>	<b>734 500</b>	<b>1 050 000</b>
Postal Service Policy							
South African Post Office Limited: Public Internet Terminals	8 000	-	-	(8 000)	-	(8 000)	-
South African Post Office Limited: Extension of Services	7 500	-	-	(7 500)	-	(7 500)	-
Post Office Subsidy							
South African Post Office Limited	300 000	-	750 000	-	-	750 000	1 050 000
<b>4 Multi-Media Services Policy</b>	<b>253 904</b>	<b>-</b>	<b>49 704</b>	<b>-</b>	<b>-</b>	<b>49 704</b>	<b>303 608</b>
Multi-Media Policy							
Contribution to Children in Broadcasting	7 000	-	-	-	-	-	7 000
Contribution to Youth Programming	6 000	-	-	-	-	-	6 000
Contribution to Women in Broadcasting	7 500	-	-	-	-	-	7 500
Contribution to Disabled in Broadcasting	7 000	-	-	-	-	-	7 000
HIV/AIDS in Broadcasting	4 000	-	-	-	-	-	4 000
SA Broadcasting Corporation							
Public Broadcaster	44 717	-	-	-	-	-	44 717
TBVC States	-	-	40 000	-	-	40 000	40 000
Channel Africa	26 288	-	-	-	-	-	26 288
Community Radio	9 000	-	-	-	-	-	9 000
Independent Communications Authority of South Africa	128 646	-	9 704	-	-	9 704	138 350
National Electronic Media Institute of South Africa	13 753	-	-	-	-	-	13 753
<b>Total</b>	<b>649 464</b>	<b>3 000</b>	<b>799 704</b>	<b>(37 604)</b>	<b>-</b>	<b>765 100</b>	<b>1 414 564</b>

# Vote 28

## Environmental Affairs and Tourism

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R1 413 262 000	R1 469 478 000		R56 216 000
Responsible Minister	Minister of Environmental Affairs and Tourism			
Administering department	Environmental Affairs and Tourism			
Accounting officer	Director-General of Environmental Affairs and Tourism			

### Aim

*The Department of Environmental Affairs and Tourism aims to lead environmental management and tourism in the interest of sustainable development for all.*

### Changes to programme purposes and measurable objectives

No changes were made.

### Adjusted 2003 Estimates of National Expenditure

Table 28.1: Environmental Affairs and Tourism

Programme		Additional appropriation					Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	66 808	-	-	10 300	-	10 300	77 108
2 Environmental Planning and Co-ordination	35 540	-	-	-	-	-	35 540
3 Marine and Coastal Management	300 806	-	-	(7 000)	-	(7 000)	293 806
4 Tourism	318 642	-	-	2 200	-	2 200	320 842
5 Environmental Quality and Protection	116 136	2 500	-	(2 500)	2 253	2 253	118 389
6 Biodiversity and Conservation	220 881	-	-	(5 000)	-	(5 000)	215 881
7 Auxiliary and Associated Services	354 449	29 863	-	2 000	21 600	53 463	407 912
<b>Total</b>	<b>1 413 262</b>	<b>32 363</b>	<b>-</b>	<b>-</b>	<b>23 853</b>	<b>56 216</b>	<b>1 469 478</b>
<b>Economic Classification</b>							
<b>Current</b>	<b>1 124 728</b>	<b>-</b>	<b>-</b>	<b>3 991</b>	<b>23 853</b>	<b>27 844</b>	<b>1 152 572</b>
Personnel	155 396	-	-	(4 091)	-	(4 091)	151 305
Transfer payments	803 749	-	-	11 500	23 853	35 353	839 102
Other current	165 583	-	-	(3 418)	-	(3 418)	162 165
<b>Capital</b>	<b>288 534</b>	<b>32 363</b>	<b>-</b>	<b>(3 991)</b>	<b>-</b>	<b>28 372</b>	<b>316 906</b>
Transfer payments	250 001	-	-	(5 000)	-	(5 000)	245 001
Acquisition of capital assets	38 533	32 363	-	1 009	-	33 372	71 905
<b>Total</b>	<b>1 413 262</b>	<b>32 363</b>	<b>-</b>	<b>-</b>	<b>23 853</b>	<b>56 216</b>	<b>1 469 478</b>

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<u>Standard item classification</u>							
Personnel	155 396	-	-	(4 091)	-	(4 091)	151 305
Administrative	51 509	-	-	(6 304)	-	(6 304)	45 205
Inventories	8 674	-	-	(604)	-	(604)	8 070
Equipment	6 130	-	-	2 823	-	2 823	8 953
Land and buildings	4 082	2 500	-	(2 500)	-	-	4 082
Professional and special services	133 721	29 863	-	4 010	-	33 873	167 594
Transfer payments	1 053 750	-	-	6 500	23 853	30 353	1 084 103
Miscellaneous	-	-	-	166	-	166	166
<b>Total</b>	<b>1 413 262</b>	<b>32 363</b>	<b>-</b>	<b>-</b>	<b>23 853</b>	<b>56 216</b>	<b>1 469 478</b>

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R32,363 million

Programme 5: Environmental Quality and Protection

R2,5 million was rolled over for the planning process for the new departmental head office, Green Building, in Pretoria.

Programme 7: Auxiliary and Associated Services

The Marion Island Base, used for important weather observations and national and international scientific research, needs replacing. Much of the infrastructure has deteriorated and is more than 30 years old. R29,863 million was rolled over for the construction of a new base.

### Virement

**Table 28.2: Environmental Affairs and Tourism**

From programme	Amount	To programme	Amount
R thousand			
3 Marine and Coastal Management	7 000	1 Administration	10 300
5 Environmental Quality And Protection	2 500	4 Tourism	2 200
6 Biodiversity and Conservation	5 000	7 Auxiliary and Associated Services	2 000

### Details of savings realised on the above programmes

Programme 3: Marine and Coastal Management

Savings of R7,0 million are mainly due to the moratorium on the filling of posts, the performance management system that will only be implemented from 1 April 2004, and the reprioritisation of the manning and maintenance contract of the Antarctic Supply Vessel.

Programme 5: Environmental Quality and Protection

Savings of R2,5 million are due to a lower than anticipated budget for repair and maintenance as indicated by the Department of Public Works.

Programme 6: Biodiversity and Conservation

Savings of R5,0 million are due to slower than anticipated progress on the Pondoland project, which will commence in the 2004/05 financial year.

***Utilisation of savings to augment the above programmes***

Programme 1: Administration

R10,3 million is to be used for personnel-related expenditure due to the restructuring of the management component.

Programme 4: Tourism

R2,2 million will be used for personnel-related and special services expenditure related to projects that are costing more than anticipated.

Programme 7: Auxiliary and Associated Services

R2,0 million is to be used for the contract to provide helicopter support services to the South African National Antarctic Programme.

**Other adjustments – R23,853 million**

***Shifting of funds between votes***

Programme 5: Environmental Quality and Protection

The South African Weather Service, now a public entity, has recently moved to its own building. The Department of Public Works will thus transfer the rental payments for the previous building to the South African Weather Service.

Programme 7: Auxiliary and Associated Services

It has been agreed that the Working for Wetlands programme – a multi-departmental initiative involving DEAT, the Department of Water Affairs and Forestry and the Department of Agriculture – should be managed by DEAT for coherence in the management of this programme. Funds of R21,6 million will be suspended from the budget of DWAF (Vote 34) and transferred to DEAT.

Table 28.3: Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Other adjustments	Total Additional Appropriation	
<b>2 Environmental Planning and Co-ordination</b>	<b>5 500</b>	-	-	-	-	<b>5 500</b>
Contributions						
Council for Scientific and Industrial Research	500	-	-	-	-	500
Johannesburg World Summit Company	5 000	-	-	-	-	5 000
<b>3 Marine and Coastal Management</b>	<b>192 497</b>	-	-	<b>13 000</b>	<b>13 000</b>	<b>205 497</b>
Contribution						
Marine Living Resources Fund	192 497	-	-	13 000	-	205 497
<b>4 Tourism</b>	<b>296 400</b>	-	-	-	-	<b>296 400</b>
Grant-in-aid						
International Tourism Marketing Contribution	220 000	-	-	-	-	220 000
South African Tourism	76 400	-	-	-	-	76 400
<b>5 Environmental Quality and Protection</b>	<b>79 888</b>	-	-	<b>(1 500)</b>	<b>2 253</b>	<b>80 641</b>
Contribution						
South African Weather Service	79 888	-	-	(1 500)	2 253	80 641
<b>6 Biodiversity and Conservation</b>	<b>195 464</b>	-	-	<b>(5 000)</b>	<b>(5 000)</b>	<b>190 464</b>
Contributions						
South African National Parks	109 823	-	-	3 000	-	112 823
National Botanical Institute	67 454	-	-	-	-	67 454
Greater St Lucia Wetland Park Authority	8 187	-	-	-	-	8 187
Pondoland	10 000	-	-	(8 000)	-	2 000
<b>7 Auxiliary and Associated Services</b>	<b>284 001</b>	-	-	<b>21 600</b>	<b>21 600</b>	<b>305 601</b>
Government Motor Transport	1	-	-	-	-	1
Financial Assistance						
Poverty Relief Projects	284 000	-	-	21 600	-	305 600
<b>Total</b>	<b>1 053 750</b>	-	-	<b>6 500</b>	<b>23 853</b>	<b>1 084 103</b>



# Vote 29

## Housing

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R4 778 836 000	R4 571 091 000	R207 745 000	
Responsible Minister	Minister of Housing			
Administering department	Department of Housing			
Accounting officer	Director-General of Department of Housing			

### Aim

*The aim of the Department of Housing is to determine, finance, promote, coordinate, communicate and monitor the implementation of policy for housing and human settlement.*

### Changes to programme purposes and measurable objectives

No changes were made.

### Adjusted 2003 Estimates of National Expenditure

Table 29.1: Housing

Programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	44 850	600	-	-	-	600	45 450
2 Housing Policy Planning and Research	16 448	-	-	-	-	-	16 448
3 Programme Management	122 104	4 355	-	-	-	4 355	126 459
4 Housing Sector Performance	304 871	2 300	-	-	(215 000)	(212 700)	92 171
5 Communication	10 177	-	-	-	-	-	10 177
6 Housing Development Funding	4 275 039	-	-	-	-	-	4 275 039
7 Housing Equity	5 347	-	-	-	-	-	5 347
<b>Total</b>	<b>4 778 836</b>	<b>7 255</b>	<b>-</b>	<b>-</b>	<b>(215 000)</b>	<b>(207 745)</b>	<b>4 571 091</b>
<b>Economic Classification</b>							
<b>Current</b>	<b>421 943</b>	<b>7 255</b>	<b>-</b>	<b>(858)</b>	<b>(215 000)</b>	<b>(208 603)</b>	<b>213 340</b>
Personnel	49 483	-	-	(240)	-	(240)	49 243
Transfer payments	311 853	1 500	-	8	(215 000)	(213 492)	98 361
Other current	60 607	5 755	-	(626)	-	5 129	65 736
<b>Capital</b>	<b>4 356 893</b>	<b>-</b>	<b>-</b>	<b>858</b>	<b>-</b>	<b>858</b>	<b>4 357 751</b>
Transfer payments	4 355 241	-	-	-	-	-	4 355 241
Acquisition of capital assets	1 652	-	-	858	-	858	2 510
<b>Total</b>	<b>4 778 836</b>	<b>7 255</b>	<b>-</b>	<b>-</b>	<b>(215 000)</b>	<b>(207 745)</b>	<b>4 571 091</b>

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll- Overs	Unforeseeable /unavoidable	Virement	Other Adjustments		
<b><u>Standard item classification</u></b>							
Personnel	49 483	-	-	(240)	-	(240)	49 243
Administrative	17 018	-	-	1 832	-	1 832	18 850
Inventories	2 267	-	-	164	-	164	2 431
Equipment	2 455	-	-	1 351	-	1 351	3 806
Land and buildings	-	-	-	-	-	-	-
Professional and special services	40 519	5 755	-	(3 115)	-	2 640	43 159
Transfer payments	4 667 094	1 500	-	8	(215 000)	(213 492)	4 453 602
Miscellaneous	-	-	-	-	-	-	-
<b>Total</b>	<b>4 778 836</b>	<b>7 255</b>	<b>-</b>	<b>-</b>	<b>(215 000)</b>	<b>(207 745)</b>	<b>4 571 091</b>

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R7,255 million

#### Programme: 1 Administration

Argil (Pty) Ltd started with the audit of the financial statements of the South African Housing Fund on 2 October 2000. The total costs of the audit were estimated to be R13,8 million, and R13,2 million was spent over the three financial years. A delay in completing the audit of annual statements resulted in the retention of the final payment to the consultancy. The compilation of the financial statements has now been completed, and the final payment of R600 000 will be made as soon as a final audit report has been issued.

#### Programme: 3 Programme Management

Three tenders commissioned for work relating to training, capacity building and housing consumer education during the 2002/03 financial year have not yet been completed. R84 200 has already been paid for work done, but a further R1,536 million budgeted for these tenders is needed to honour outstanding commitments.

The project that provides scholarships for tertiary education in the housing field was included in the 2003 MTEF submission. The MTEC recommended that this project be funded through reprioritisation within the existing baseline. Part of the project was funded through a reallocation in the 2002/03 financial year, but the saving of R500 000 needs to be rolled over to honour outstanding commitments.

The tender for the development and implementation of a new procurement regime for project-linked housing developments involved a complex design and consultation process that required unforeseen additional work. R371 000 needs to be rolled over to honour outstanding commitments.

The tender for the development of technical standards and specifications for the hostels redevelopment programme was approved in September 2002. R448 000 needs to be rolled over to honour outstanding commitments.

Savings of R2,0 million were identified in the 2002/03 allocation for the First Time Home Buyers Subsidy as a result of unexpectedly high levels of cancellation of loans by beneficiaries. While R2,0 million is available on the 2003/04 budget, the department expects claims by approved beneficiaries to amount to between R3,5 million and R4,0 million. Additional funds were

requested as an option in the 2003 MTEF submission, but the MTEC recommended that savings in the 2002/03 financial year should be used. R1,5 million is needed to fulfil this commitment.

**Programme: 4 Housing Sector Performance**

The service level agreement between the department and the State Information Technology Agency (SITA) was signed in December 2002. Due to insufficient supporting documents, some of the invoices were referred back to SITA. As a result claims amounting to R2,3 million were not processed in time and will only be paid in the 2003/04 financial year.

## **Virement**

### ***Shifting of funds within programmes***

**Programme 2: Housing Policy Planning and Research**

Approval was obtained for increasing the contribution of R53 000 to the Habitat Foundation of the United Nations Centre for Human Settlements to R61 000, to bring it in line with other African and developing countries with comparable economies. Savings of R8 000, mainly due to reprioritisation of research and policy within the programme, were used for this.

**Programme 4: Housing Sector Performance**

The savings realised on Servcon Housing Solutions are due to the decrease in the interest rate, which is used as a basis for estimating the cost-sharing on this joint venture between government and the South African Banking Council. The prevailing rate as at 1 April 2002, used to estimate costs for the 2003/04 financial year, decreased as at 1 April 2004, and the resulting surplus of R10,176 million was paid to the National Urban Reconstruction and Housing Agency (NURCHA) for the administration of the National Savings Programme.

## **Other adjustments – (R215,0 million)**

### ***Savings***

**Programme 4: Housing Sector Performance**

Cabinet approved the disestablishment of the South African Housing Trust in 1998 and agreed that the remaining assets and liabilities be transferred to government. The National Housing Finance Corporation will manage the collection of loan payments on behalf of government, and provision will be made to fund the liabilities of the trust from the National Revenue Fund until they are fully paid up or government directs otherwise. The amount of R215,0 million on the Department of Housing's 2003/04 budget is therefore surrendered to the National Revenue Fund for this purpose.

Table 29.2: Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
<b>1 Administration</b>	<b>1</b>	-	-	-	-	-	<b>1</b>
Government Motor Transport	1	-	-	-	-	-	1
<b>2 Housing Policy Planning and Research</b>	<b>53</b>	-	-	8	-	8	<b>61</b>
Contributions							
Habitat Foundation	53	-	-	8	-	8	61
<b>3 Programme Management</b>	<b>111 000</b>	<b>1 500</b>	-	-	-	<b>1 500</b>	<b>112 500</b>
Special Programmes Support							
Human Settlement Redevelopment Programme	109 000	-	-	-	-	-	109 000
Phasing Out of Subsidy Programmes							
First-Time Home Buyer Interest Subsidy Scheme	2 000	1 500	-	-	-	1 500	3 500
<b>4 Housing Sector Performance</b>	<b>281 001</b>	-	-	-	<b>(215 000)</b>	<b>(215 000)</b>	<b>66 001</b>
Contributions							
National Housing Finance Corporation	1	-	-	-	-	-	1
SERVCON	61 000	-	-	(10 176)	-	(10 176)	50 824
South African Housing Trust	215 000	-	-	-	(215 000)	(215 000)	-
Social Housing Foundation	5 000	-	-	-	-	-	5 000
NURCHA	-	-	-	10 176	-	10 176	10 176
<b>6 Housing Development Funding</b>	<b>4 275 039</b>	-	-	-	-	-	<b>4 275 039</b>
Grant to Housing Funds	4 246 239	-	-	-	-	-	4 246 239
Interest and Redemption on Private Loans	28 800	-	-	-	-	-	28 800
<b>Total</b>	<b>4 667 094</b>	<b>1 500</b>	-	<b>8</b>	<b>(215 000)</b>	<b>(213 492)</b>	<b>4 453 602</b>

# Vote 30

## Land Affairs

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R1 639 110 000	R1 654 997 000		R15 887 000
Responsible Minister	Minister for Agriculture & Land Affairs			
Administering department	Land Affairs			
Accounting officer	Director-General of Land Affairs			

### Aim

*The aim of the Department of Land Affairs is an equitable and sustainable land dispensation that promotes social and economic development.*

### Changes to programme purposes and measurable objectives

No changes were made.

### Adjusted 2003 Estimates of National Expenditure

Table 30.1: Land Affairs

Programme	Main appropriation	Additional appropriation				Adjusted Appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation
R thousand						
1 Administration	164 759	-	-	12 690	600	13 290
2 Surveys and Mapping	71 578	510	-	(14 021)	-	(13 511)
3 Cadastral Surveys	81 539	-	-	(2 560)	622	(1 938)
4 Restitution	854 914	-	-	(15 860)	-	(15 860)
5 Land Reform	430 452	13 945	-	20 976	-	34 921
6 Spatial Planning and Information	17 841	210	-	-	-	210
7 Auxiliary and Associated Services	18 027	-	-	(1 225)	-	(1 225)
<b>Total</b>	<b>1 639 110</b>	<b>14 665</b>	<b>-</b>	<b>-</b>	<b>1 222</b>	<b>15 887</b>
<b>Economic Classification</b>						
<b>Current</b>	<b>636 531</b>	<b>720</b>	<b>-</b>	<b>(30 923)</b>	<b>1 222</b>	<b>(28 981)</b>
Personnel	317 155	-	-	6 615	1 492	8 107
Transfer payments	2 075	-	-	(1 225)	-	(1 225)
Other current	317 301	720	-	(36 313)	(270)	(35 863)
<b>Capital</b>	<b>1 002 579</b>	<b>13 945</b>	<b>-</b>	<b>30 923</b>	<b>-</b>	<b>44 868</b>
Transfer payments	972 709	13 945	-	25 384	-	39 329
Acquisition of capital assets	29 870	-	-	5 539	-	5 539
<b>Total</b>	<b>1 639 110</b>	<b>14 665</b>	<b>-</b>	<b>-</b>	<b>1 222</b>	<b>15 887</b>

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted Appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other Adjustments		
<u>Standard item classification</u>							
Personnel	317 155	-	-	6 615	1 492	8 107	325 262
Administrative	84 755	-	-	(3 263)	-	(3 263)	81 492
Inventories	17 469	-	-	(24)	-	(24)	17 445
Equipment	39 316	-	-	4 678	-	4 678	43 994
Land and buildings	-	-	-	-	-	-	-
Professional and special services	205 277	720	-	(32 011)	(270)	(31 561)	173 716
Transfer payments	974 784	13 945	-	24 159	-	38 104	1 012 888
Miscellaneous	354	-	-	(154)	-	(154)	200
<b>Total</b>	<b>1 639 110</b>	<b>14 665</b>	<b>-</b>	<b>-</b>	<b>1 222</b>	<b>15 887</b>	<b>1 654 997</b>

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R14,665 million

#### Programme 2: Surveys & Mapping

Poor weather delayed the completion of the aerial photography mapping programme and R510 000 has been rolled over.

#### Programme 5: Land Reform Grants

R13,945 million was rolled over to decrease the anticipated shortfall of R213,394 million for the 2003/04 financial year.

#### Programme 6: Spatial Planning & Information

The spatial planning base data was not finalised in the 2002/03 financial year, and R210 000 was rolled over.

### Virement

**Table 30.2: Land Affairs**

From programme	Amount	To programme	Amount
R thousand			
2 Survey and Mapping	14 021	1 Administration	12 690
3 Cadastral Survey	2 560	5 Land Reform	24 384
4 Restitution	15 860		
5 Land Reform	3 408		
7 Auxiliary and Associated Services	1 225		

### Details of savings realised on the above programmes

#### Programme 2: Surveys and Mapping

Savings of R11,454 million were deliberately made by cutting back on this programme's activities to make resources available for the Land Redistribution for Agricultural Development (LRAD) programme within *Programme 5: Land Reform*. No other sources of funds were available for the LRAD.

Savings of R2,567 were deliberately made by cutting back on this programme's activities to make resources available for the Shared Service Centre (SSC) in the Western Cape under *Programme 1: Administration*. No other resources were available for the SSCs.

**Programme 3: Cadastral Surveys**

Savings of R930 000 were deliberately made to make resources available for the LRAD programme within *Programme 5*.

Savings of R1,63 million were deliberately made to make resources available for the SSCs under *Programme 1*.

**Programme 4: Restitution**

Savings of R12,0 million were deliberately made to make resources available for the LRAD programme within *Programme 5*.

Savings of R3,86 million were deliberately made to make resources available for the SSCs under *Programme 1*.

**Programme 5: Land Reform**

Savings of R3,408 million were deliberately made to make resources available for the SSCs under *Programme 1*.

**Programme 7: Auxiliary and Associated Services**

The Public Service SETA has indicated that the department should use the funding of R1,225 million for the departmental internship programme.

***Utilisation of savings to augment the above programmes***

**Programme 1: Administration**

The establishment of SSCs in KwaZulu-Natal, the Western Cape, the Eastern Cape and the Free State has resulted in a transfer of R11,465 million from programmes 2, 3, 4 and 5 for personnel and other recurring expenditure.

A further R1,225 million has been shifted from *Programme 7: Auxiliary and Associated Services* to cover expenditure for the internship programme, which is paid from *Programme 1's* Corporate Services subprogramme.

**Programme 5 Land Reform**

The deliberate savings under programmes 2, 3 and 4 of R24,384 million are to be used for the LRAD programme within *Programme 5*. The department entered into an agency agreement with the Land Bank to award grants in respect of LRAD projects with a loan component, and the demand created by the agreement exceeded all expectations.

**Other adjustments – R1,222 million**

***Salary adjustments***

R1,492 million has been allocated to the Department to cover the costs of higher than expected salary increases:

*Programme 1: Administration: R600 000*

*Programme 3: Cadastral Surveys: R892 000*

***Shifting of funds between votes***

**Programme 3: Cadastral Surveys**

R270 000 was transferred to the Department of Public Works for accommodation for the Nelspruit office.

**Table 30.3: Summary of transfers and subsidies per programme**

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
R thousand							
<b>4 Restitution</b>	<b>701 826</b>	-	-	-	-	-	<b>701 826</b>
Restitution Grants	701 826	-	-	-	-	-	701 826
<b>5 Land Reform</b>	<b>271 732</b>	<b>13 945</b>	-	<b>25 384</b>	-	<b>39 329</b>	<b>311 061</b>
Land Reform Grants	270 882	13 945	-	25 384	-	39 329	310 211
KwaZulu-Natal Ingonyama Trust Board	849	-	-	-	-	-	849
Khula Land Reform Credit Facility	1	-	-	-	-	-	1
<b>7 Auxiliary and Associated Services</b>	<b>1 226</b>	-	-	<b>(1 225)</b>	-	<b>(1 225)</b>	<b>1</b>
Registration of Deeds Trading Account	1	-	-	-	-	-	1
Sector Education and Training Authority	1 225	-	-	<b>(1 225)</b>	-	<b>(1 225)</b>	-
<b>Total</b>	<b>974 784</b>	<b>13 945</b>	-	<b>24 159</b>	-	<b>38 104</b>	<b>1 012 888</b>



# Vote 31

## Minerals and Energy

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R1 807 814 000	R1 825 083 000	-	R17 269 000
Responsible Minister	Minister of Minerals and Energy			
Administering department	Department of Minerals and Energy			
Accounting officer	Director-General of Minerals and Energy			

### Aim

*The aim of the Department of Minerals and Energy is to formulate and implement an overall minerals and energy policy in order to ensure the optimum utilisation of mineral and energy resources.*

### Changes to programme purposes and measurable objectives

No changes were made to the purposes of programmes.

The measurable objective of *Programme 2: Promotion of Mine Safety and Health* was expanded to include reducing mining-related deaths, injuries and ill-health.

### Adjusted 2003 Estimates of National Expenditure

Table 31.1: Minerals and Energy

Programme		Additional appropriation					Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	91 575	4 030	-	4 670	-	8 700	100 275
2 Promotion of Mine Safety and Health	92 085	3 272	-	(2 460)	-	812	92 897
3 Mineral Development	114 883	4 710	-	6 188	-	10 898	125 781
4 Energy Management	1 154 354	5 257	-	(798)	-	4 459	1 158 813
5 Associated Services	354 917	-	-	(7 600)	-	(7 600)	347 317
<b>Total</b>	<b>1 807 814</b>	<b>17 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 269</b>	<b>1 825 083</b>
<b>Economic Classification</b>							
<b>Current</b>	<b>731 153</b>	<b>10 648</b>	<b>-</b>	<b>(1 267)</b>	<b>-</b>	<b>9 381</b>	<b>740 534</b>
Personnel	178 039	-	-	4 880	-	4 880	182 919
Transfer payments	420 928	-	-	(11 202)	-	(11 202)	409 726
Other current	132 186	10 648	-	5 055	-	15 703	147 889
<b>Capital</b>	<b>1 076 661</b>	<b>6 621</b>	<b>-</b>	<b>1 267</b>	<b>-</b>	<b>7 888</b>	<b>1 084 549</b>
Transfer payments	1 059 530	4 195	-	-	-	4 195	1 063 725
Acquisition of capital assets	17 131	2 426	-	1 267	-	3 693	20 824
<b>Total</b>	<b>1 807 814</b>	<b>17 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 269</b>	<b>1 825 083</b>

R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
<b>Standard item classification</b>						
Personnel	178 039	-	-	4 880	-	182 919
Administrative	66 296	722	-	(1 226)	-	65 792
Inventories	5 001	79	-	287	-	5 367
Equipment	19 353	2 426	-	1 537	-	23 316
Land and buildings	1	-	-	-	-	1
Professional and special services	58 566	9 847	-	5 438	-	73 851
Transfer payments	1 480 458	4 195	-	(11 202)	-	1 473 451
Miscellaneous	100	-	-	286	-	386
<b>Total</b>	<b>1 807 814</b>	<b>17 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 825 083</b>

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R17,269 million

#### Programme 1: Administration

R223 000 was rolled over to finalise investigations to realign the staff and organisational structure of the nine regional offices and to implement the department's human resources development plan and related programmes.

R128 000 was rolled over to finalise payments for services that were not finalised before the closing of the 2002/2003 financial year.

Capital expenditure associated with the expansion of the department's staff and organisational structure was not realised before 31 March 2003 due to delays in the recruitment and appointment of new staff. Payments for new furniture were only finalised during the first quarter of the 2003/2004 financial year and necessitated the roll-over of R2,179 million.

R1,5 million was rolled over to finalise projects to develop and implement information systems projects that were not completed before the end of the 2002/2003 financial year.

#### Programme 2: Promotion of Mine Safety and Health

R1,240 million was rolled over to finalise claims from tripartite bodies and to align the Mine Health and Safety Council with the requirements of the Public Finance Management Act of 1999.

R1,1 million was rolled over to finalise current and pending investigations into mine accidents.

R600 000 was rolled over to enable the Mine Health and Safety Inspectorate to finalise expenditure related to the review of the inspectorate and its impact on the mining industry, and to give effect to the findings.

R85 000 was rolled over for publishing costs for the occupational medicine booklet and for the root cause analysis training that was delayed and thus not paid for before 31 March 2003.

R247 000 was rolled over for capital equipment delivered after 31 March 2003.

#### Programme 3: Mineral Development

Expenditure for visits abroad by senior departmental officials was not paid before 31 March 2003 due to the late receipt of invoices from the Department of Foreign Affairs and related service providers. This necessitated the roll-over of R458 000.

R100 000 was rolled over for payments related to the Africa Mining Ministers Forum hosted by the Council for Mineral Technology in February 2003. R37 000 was rolled over for payments that were delayed due to the late receipt of invoices from service providers.

Due to delays in the appointment of contractors, differences in invoice information, and the long process of communicating and liaising with affected communities, the Directorate: Mine Environmental Management was not able to finalise several rehabilitation programmes before 31 March 2003. This necessitated the roll-over of R4,115 million to finalise related contracts.

#### Programme 4: Energy Management

R1,062 million was rolled over for renewable energy, electricity supply and petroleum and gas projects. This was mainly due to the late completion or extension of projects and the subsequent late receipt of project reports and invoices.

R949 000 was reclassified and rolled over to provide funding for 270 electrification connections for households in the Zintwala Location in the Alfred Nzo district.

The clarification of the electricity distribution roles during the 2002/03 financial year took longer than expected in the Albert Luthuli municipal area. No funds were thus allocated to this area for electricity connections during 2002/03. The municipality has subsequently entered into an implementation agreement with Eskom, and savings of R3,246 million were rolled over for this purpose.

## Virement

**Table 31.2: Minerals and Energy**

From programme R thousand	Amount	To programme	Amount
1 Administration	400	1 Administration	5 070
2 Promotion of Mine Safety and Health	2 460	3 Mineral Development	8 000
3 Mineral Development	1 812	5 Associated Services	400
4 Energy Management	798		
5 Associated Services	8 000		

### ***Details of savings realised on the above programmes***

#### Programme 1: Administration

R400 000 was made available through reprioritisation within the programme due to vacancies.

#### Programme 2: Promotion of Mine Safety and Health

Amounts of R770 000 and R190 000 originally budgeted for training and development were shifted to *Programme 1: Administration* to enable the department to centralise the budget allocation for training and development.

Less funds were spent than anticipated under Professional and special services and R1,5 million was saved.

#### Programme 3: Mineral Development

Savings of R760 000 and R185 000 were realised under the standard items Personnel expenditure and Administrative expenditure because the department claimed personnel expenditure from the Lebowa Minerals Trust when it took over personnel from the trust.

R867 000 was shifted from the standard item Administrative expenditure originally budgeted for training and development to *Programme 1: Administration* to centralise the department's training and development budget.

#### Programme 4: Energy Management

R348 000 was shifted from the standard item Administrative expenditure to *Programme 1: Administration* to enable the department to centralise its training and development budget allocation.

Savings of R450 000 were realised under the standard item Professional and special services due to reprioritisation in the Energy Branch.

#### Programme 5: Associated Services

During the 2002/2003 financial year approval was granted to assist mines to prevent the ingress of water with funds that were previously earmarked for pumping water. The Council for Geoscience only received the transfer payment for the project during March 2003, due to delays in negotiations and the appointment of the council. The department was thus able to reprioritise R8,0 million of the R31,100 million allocated for the 2003/04 financial year.

### ***Utilisation of savings to augment the above programmes***

#### Programme 1: Administration

In terms of the Skills Development Act of 1998 each programme was responsible for allocating at least 1,5 per cent of their personnel budget to the training and education of employees. To improve the management and control of these funds and ensure their effective use, programmes' allocations were centralised under the budget of the Directorate: Human Resource Development in *Programme 1: Administration*. R960 000, R867 000 and R348 000 were shifted from programmes 2, 3 and 4 respectively.

R945 000 was shifted from *Programme 3: Mineral Development* to provide funding for restructuring and expanding the Chief Directorate: Internal Audit.

R250 000 was shifted from *Programme 4: Energy Management* for the department's Technology for Women in Business conference.

The department has assumed a coordinating role in the mining sector to curb the spread of HIV/AIDS. It recently undertook an assessment of the impact of HIV/AIDS in the energy sector. R200 000 was shifted from *Programme 4: Energy Management* for this purpose.

At the departmental lekgotla in January 2003 one of the strategic objectives set out was to integrate the databases within the department. It was agreed that R1,5 million would be shifted from *Programme 2: Promotion of Mine Safety and Health* to provide the necessary funding.

#### Programme 3: Mineral Development

Investigations have revealed an inadequate organisational and staff structure within the Mineral Development Branch, resulting in administrative and related operational problems that negatively influence the implementation of the Mineral and Petroleum Resources Development Act of 2002. R8,0 million was shifted from *Programme 5: Associated Services* to provide for the appointment of contract workers as an interim arrangement.

#### Programme 5: Associated Services

R400 000 was shifted from *Programme 1: Administration* for the purchase of a departmental vehicle for the Ministerial office in Cape Town. The cost of hiring a vehicle exceeds the cost of purchasing a new vehicle.

### ***Shifting of funds within programmes***

#### **Programme 1: Administration**

R210 000 was shifted from Administrative expenditure to Equipment: Capital to replace computer equipment that was not budgeted for. R240 000 and R214 000 were shifted from Personnel expenditure and Administrative expenditure respectively to Professional and special services for security officers appointed on contract and consultant fees relating to the internal audit function. R286 000 was shifted from Administrative expenditure to Miscellaneous expenditure to cover expenditure that was not budgeted for.

#### **Programme 2: Promotion of Mine Safety and Health**

R3 000 was shifted from Professional and special services to cover unforeseen expenditure under Inventories. R4,238 million was shifted from Professional and special services to be transferred to the Mine Health and Safety Council as a Transfer payment.

#### **Programme 3: Mineral Development**

R500 000 was shifted from Professional and special services to Transfer payments to enable the department to make a payment to the Council for Mineral Technology (Mintek) for a study on manganese minerals. Approval for the shift was obtained from the National Treasury on 30 June 2003.

#### **Programme 4: Energy Management**

The department has assumed responsibility for the Integrated National Electrification Programme, and the National Electrification Co-ordination Committee recommended the establishment of a departmental business planning unit for managing the programme. R10,0 million was shifted from the standard item Transfer payments to the standard items Personnel expenditure (R5,5 million), Administrative expenditure (R1,5 million), Inventories (R250 000), Equipment (R750 000) and Professional and special services (R2 million) for the unit.

Savings realised under the subprogramme Nuclear were due to the fact that the department was able to pay International Atomic Energy Agency membership fees from savings during the previous financial year and the strengthening of the rand. R2,060 million was shifted from savings under the standard item Administrative expenditure to the standard item Transfer payments to enable the Directorate: Electricity Policy to make payments related to the Free Basic Electricity Communication Strategy and the finalisation of related legislation.

R85 000 was shifted from the standard item Professional and special services to the standard items Administrative expenditure (R19 000), Inventories (R34 000) and Equipment (R32 000) to provide funding for unforeseen expenditure and prevent possible overspendings.

Amounts of R60,0 million and R5,0 million originally allocated for non-grid electrification were reallocated to Grid-Electrification Special Projects.

Table 31.3: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation
R thousand						
<b>2 Promotion of Mine Safety and Health</b>	-	-	-	4 238	-	4 238
Mine Safety and Health						
Mine Health and Safety Council	-	-	-	4 238	-	4 238
<b>3 Mineral Development</b>	15 100	-	-	500	-	15 600
Mineral Policy and Investment						
Industrial Development Corporation of SA Ltd	15 100	-	-	-	-	15 100
Mintek (Council for Mineral Technology)	-	-	-	500	-	500
<b>4 Energy Management</b>	1 111 000	4 195	-	(7 940)	-	1 107 255
Electricity						
National Electricity Regulator	4 000	-	-	-	-	4 000
Electricity Distribution Industry	45 000	-	-	-	-	45 000
National Electrification Programme						
National	822 000	949	-	(15 000)	-	807 949
Local Government	240 000	3 246	-	5 000	-	248 246
Electricity Basic Services Support Tariff	-	-	-	2 060	-	2 060
<b>5 Associated Services</b>	354 358	-	-	(8 000)	-	346 358
Mineral Technology Research	82 439	-	-	-	-	82 439
Nuclear Energy						
SA Nuclear Energy Corporation Ltd.	140 233	-	-	-	-	140 233
SA Nuclear Energy Corporation Ltd.: Decommissioning Projects	19 550	-	-	-	-	19 550
SA Nuclear Energy Corporation Ltd.: Strategic Loans	1 407	-	-	-	-	1 407
National Nuclear Regulator	7 610	-	-	-	-	7 610
Council for Geoscience	72 019	-	-	-	-	72 019
Assistance to Mines						
Pumping of Water	31 100	-	-	(8 000)	-	23 100
<b>Total</b>	<b>1 480 458</b>	<b>4 195</b>	<b>-</b>	<b>(11 202)</b>	<b>-</b>	<b>1 473 451</b>

**Table 31.4: Summary of conditional grants to Local Government (municipalities) <sup>1</sup>**

	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	
R thousand						
4 Energy Management						
Electricity						
National Electrification Programme	240 000	3 246	-	5 000	-	8 246
Total	240 000	3 246	-	5 000	-	8 246

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2003.





# Vote 32

## Trade and Industry

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R2 674 981 000	R2 796 350 000		R121 369 000
Responsible Minister	Minister of Trade and Industry			
Administering department	Department of Trade and Industry			
Accounting officer	Director-General of Trade and Industry			

### Aim

The aim of the *dti* is to lead and facilitate access to sustainable economic activity and employment for all South Africans through higher levels of investment and increased access for South African products in international markets, and to create a fair, competitive and efficient market place for domestic and foreign businesses as well as for customers. In this way the *dti* contributes towards placing the South African economy on an accelerated and shared growth path.

### Changes to programme purposes and measurable objectives

No changes have been made to the department's programme purposes and measurable objectives as a result of the adjustments to appropriations.

However six new budget line items have been created to make provision for transfer payments to:

- The Regional Spatial Development Initiatives: Development Bank of Southern Africa under *Programme 2: International Trade and Economic Development*.
- The Black Business Supplier Development Programme under *Programme 5: The Enterprise Organisation*.
- The Youth Internship Programme, the Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank), and the Export Consultancy Trust Fund: International Finance Corporation under *Programme 6: Trade and Investment South Africa*.
- The 2003 Nedbank Golf Challenge under *Programme 7: Marketing*.

The name of the transfer payment Organisation for the Prevention of Chemical Warfare under *Programme 2: International Trade and Economic Development* is amended to Organisation for the Prohibition of Chemical Weapons.

### Adjusted 2003 Estimates of National Expenditure

Table 32.1: Trade and Industry

Programme	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	202 446	-	-	(3 107)	-	(3 107)	199 339
2 International Trade and Economic Development	94 546	-	-	781	-	781	95 327
3 Enterprise and Industry Development	965 895	3 209	-	51 368	-	54 577	1 020 472
4 Consumer and Corporate Regulation	120 412	-	-	(4 276)	-	(4 276)	116 136
5 The Enterprise Organisation	775 468	115 000	-	(53 131)	-	61 869	837 337
6 Trade and Investment South Africa	466 857	3 160	-	(6 041)	-	(2 881)	463 976
7 Marketing	49 357	-	-	14 406	-	14 406	63 763
<b>Total</b>	<b>2 674 981</b>	<b>121 369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121 369</b>	<b>2 796 350</b>

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b><u>Economic Classification</u></b>							
Current	2 466 830	15 369	-	1	-	15 370	2 482 200
Personnel	257 346	-	-	(30 881)	-	(30 881)	226 465
Transfer payments	1 883 724	15 369	-	62 601	-	77 970	1 961 694
Other current	325 760	-	-	(31 719)	-	(31 719)	294 041
Capital	208 151	106 000	-	(1)	-	105 999	314 150
Transfer payments	190 001	106 000	-	(1)	-	105 999	296 000
Acquisition of capital assets	18 150	-	-	-	-	-	18 150
Total	2 674 981	121 369	-	-	-	121 369	2 796 350
<b><u>Standard item classification</u></b>							
Personnel	257 346	-	-	(30 881)	-	(30 881)	226 465
Administrative	71 745	-	-	(4 499)	-	(4 499)	67 246
Inventories	8 806	-	-	6 988	-	6 988	15 794
Equipment	31 111	-	-	(7 660)	-	(7 660)	23 451
Land and buildings	5 262	-	-	1 780	-	1 780	7 042
Professional and special services	226 194	-	-	(27 991)	-	(27 991)	198 203
Transfer payments	2 073 725	121 369	-	62 600	-	183 969	2 257 694
Miscellaneous	792	-	-	(337)	-	(337)	455
Total	2 674 981	121 369	-	-	-	121 369	2 796 350

## Details of adjustments to 2003 Estimates of National Expenditure

### Roll-overs – R121, 369 million

#### Programme 3: Enterprise and Industry Development

The **dti** requested R3,209 million to be rolled over to pay United Nations Industrial Development Organisation (UNIDO) membership fees and an assessment contribution to its Working Capital Fund. Due to delays at the Reserve Bank, the payment was only processed on 1 April 2003 and the amount had to be allocated to the **dti's** 2003/04 suspense account. The roll-over will be used to clear the suspense account.

#### Programme 5: The Enterprise Organisation

Because the Critical Infrastructure Programme started very late, earmarked funds were not paid during 2002/03. The **dti** requested that R106,0 million be rolled over for this.

Technical difficulties (namely outstanding SARS clearing certificates) were experienced with the finalisation of some of the exceptionally high number of claims on the Small and Medium Enterprise Development Programme received during March 2003, and these were only paid out on the first two days of 2003/04. The budget allocation for 2003/04 is not enough to cover the expenditure from 2002/03 and expected demands in the current financial year, and R9,0 million is to be rolled over for this.

#### Programme 6: Trade and Investment South Africa

Treasury approved two new budget lines under Export Consultancy Trust Funds on 26 March 2003 and a virement to disburse R1,58 million to each of the institutions. Payments were forwarded to the Reserve Bank on 31 March 2003, but were only debited to the **dti** account on 2 April 2003.

The **dti** requested a roll-over of R3,160 million to meet the commitment in the 2003/04 financial year.

## Virement

**Table 32.2: Trade and Industry**

From programme R thousand	Amount	To programme	Amount
1 Administration	8 107	1 Administration	5 000
2 International Trade and Economic Development	7 219	2 International Trade and Economic Development	8 000
3 Enterprise and Industry Development	8 000	3 Enterprise and Industry Development	59 368
4 Consumer and Corporate Regulation	4 276	6 Trade and Investment South Africa	7 219
5 The Enterprise Organisation	53 131	7 Marketing	14 406
6 Trade and Investment South Africa	13 260		

### ***Details of savings realised on the above programmes***

#### Programme 1: Administration

The savings of R8,107 million are due to the fact that the expansion of the personnel establishment was not fully achieved. There was also an overestimation of the costs of the expansion process.

#### Programme 2: International Trade and Economic Development

The savings of R7,219 million associated with the **dti's** foreign offices were reallocated to *Programme 6: Trade and Investment South Africa* because the operational control of these offices falls under this programme, and management control falls under *Programme 2*.

#### Programme 3: Enterprise and Industry Development

The R8,0 million savings are due to the fact that the Regional Spatial Development Initiatives: DBSA transfer payment has been moved to *Programme 2: International Trade and Economic Development*, because these SDIs fall clearly under *Programme 2's* primary objective.

#### Programme 4: Consumer and Corporate Regulation

The savings of R4,276 million resulted from vacancies that were not filled due to the alignment of the operations of this programme with the **dti's** measurable objectives and the measurable objectives of the programme itself.

#### Programme 5: The Enterprise Organisation

The savings of R53,131 million were mainly due to the termination of the Tax Holiday Scheme and the contract for the management of the Competitiveness Fund by consultants. There were also fewer claims on both the Small and Medium Manufacturing Development Programme and the Small and Medium Enterprise Development Programme. Cost-saving measures to reduce the reliance on professional services were also implemented.

#### Programme 6: Trade and Investment South Africa

The savings of R13,260 million were mainly due to the strong rand, which reduced foreign subsistence allowances and also resulted in reduced use of the services of the Export Marketing and Investment Assistance Scheme by exporters.

### ***Utilisation of savings to augment the above programmes***

#### Programme 1: Administration

Savings of R5,0 million were used to defray PPP costs for the building project of the new **dti** campus.

**Programme 2: International Trade and Economic Development**

The R8,0 million which comes into this programme is because the regional SDI programme has been moved to this programme from *Programme 3*.

**Programme 3: Enterprise and Industry Development**

R59,368 million is for funding the black economic empowerment projects of the National Empowerment Fund and maintaining the incubators for start-up SMMEs, which have been established as a joint effort between the **dti** and the Department of Science and Technology.

**Programme 6: Trade and Investment South Africa**

R7,219 million was reallocated to this programme from *Programme 2* because operational control of foreign offices falls under this programme.

**Programme 7: Marketing**

R14,406 million is for the 10<sup>th</sup> year celebration to be held in March/April 2004, promotional items and printing and publication matters, escalating telephone costs, and capacity building in the programme.

**Other adjustments**

***Gifts, donations and sponsorships***

The **dti** will make a donation of R2,850 million to Sun City for the 2003 Nedbank Golf Challenge. As a marketing event, the Golf Challenge has a potential 1,4 billion global television audience and can be used to highlight and promote the African subcontinent's economic renaissance.

**Table 32.3: Summary of transfers and subsidies per programme**

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
<b>1 Administration</b>	<b>9 504</b>	-	-	(360)	-	(360)	<b>9 144</b>
Management							
Sector Wide, Enterprise, Employment and Equity Programme	1	-	-	-	-	-	1
Fund for Research into Industrial Development, Growth and Equity - contribution to Industrial Development Corporation Corporate Services	7 000	-	-	-	-	-	7 000
Sector Education and Training Authority	500	-	-	(357)	-	(357)	143
Council for Scientific and Industrial Research: Delight Project	2 000	-	-	-	-	-	2 000
National Supplies Procurement Fund	1	-	-	(1)	-	(1)	-
Integrated Business Register	1	-	-	(1)	-	(1)	-
Government Motor Transport	1	-	-	(1)	-	(1)	-
<b>2 International Trade and Economic Development</b>	<b>52 494</b>	-	-	<b>8 500</b>	-	<b>8 500</b>	<b>60 994</b>
International Trade Development							
World Trade Organization	4 000	-	-	-	-	-	4 000
Organisation for the Prevention of Chemical Warfare	-	-	-	-	-	-	-
Organisation for the Prohibition of Chemical Weapons	3 000	-	-	-	-	-	3 000
Protechnik Laboratories	1 666	-	-	500	-	500	2 166
African economic development							
Regional Spatial Development Initiatives: Development Bank of Southern Africa	-	-	-	8 000	-	8 000	8 000
International Trade Administration							
International Trade Administration Commission	43 828	-	-	-	-	-	43 828

Table 32.3 (cont): Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
<b>3 Enterprise and Industry Development</b>	<b>914 723</b>	<b>3 209</b>	<b>-</b>	<b>51 408</b>	<b>-</b>	<b>54 617</b>	<b>969 340</b>
Technology							
Council for Scientific and Industrial Research: Research Contribution	323 014	-	-	-	-	-	323 014
Proudly South Africa Campaign	4 001	-	-	-	-	-	4 001
Technology and Human Research for Industry Programme:	135 000	-	-	-	-	-	135 000
Contribution to the National Research Foundation							
Support Programme for Industrial Innovation:	83 000	-	-	-	-	-	83 000
Contribution to Industrial Development Corporation							
Fund for Research into Industrial Development, Growth and Equity:	-	-	-	-	-	-	-
Contribution to the Industrial Development Corporation							
Technology Incubator Development	20 000	-	-	20 000	-	20 000	40 000
Technology Transfer Agency	2 000	-	-	-	-	-	2 000
Technology Transfer Capital Guarantee	2 000	-	-	-	-	-	2 000
Technology Venture Capital	10 000	-	-	-	-	-	10 000
Technology for Women in Business	6 000	-	-	-	-	-	6 000
Ad-hoc Economic Investigations	-	-	-	-	-	-	-
Cluster Development Projects	1	-	-	-	-	-	1
Organisation for the Prevention of Chemical Warfare	-	-	-	-	-	-	-
National Co-Operatives Association of South Africa	3 500	-	-	-	-	-	3 500
UNIDO	5 000	3 209	-	-	-	3 209	8 209
Standards, Quality Assurance and Metrology							
South African Bureau of Standards: Research Contribution	91 407	-	-	-	-	-	91 407
South African National Accreditation System	6 000	-	-	2 000	-	2 000	8 000
Council for Scientific and Industrial Research: National Measuring Standards	32 000	-	-	1 000	-	1 000	33 000
Small Business Technical Consulting	2 800	-	-	(1 500)	-	(1 500)	1 300
Environment							
Council for Scientific and Industrial Research: National Cleaner Production Centre	-	-	-	1 000	-	1 000	1 000
Environmental Support Fund	1 000	-	-	(1 000)	-	(1 000)	-

**Table 32.3 (cont): Summary of transfers and subsidies per programme**

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
Skills Development							
Workplace Challenge	12 000	-	-	(592)	-	(592)	11 408
Enterprise Development							
Khula	25 000	-	-	-	-	-	25 000
Nisika Enterprise Promotion Agency	40 000	-	-	-	-	-	40 000
Franchise Support	-	-	-	-	-	-	-
National Manufacturing Advisory Centre	80 000	-	-	-	-	-	80 000
SA Women's Empowerment Network	2 000	-	-	-	-	-	2 000
Black Economic Empowerment							
National Empowerment Fund	4 000	-	-	55 500	-	55 500	59 500
Spatial Development Initiatives: Development Bank of Southern Africa	25 000	-	-	(25 000)	-	(25 000)	-
<b>4 Consumer and Corporate Regulation</b>	<b>95 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95 000</b>
Management and Compliance							
National Gambling Board	11 000	-	-	-	-	-	11 000
National Lotteries Board	-	-	-	-	-	-	-
National Liquor Advisory Authority	-	-	-	-	-	-	-
Competition Commission	28 177	-	-	-	-	-	28 177
South African Bureau of Standards Trade Metrology	9 000	-	-	-	-	-	9 000
Consumer Council / Investigations	-	-	-	-	-	-	-
Micro-Finance Regulatory Agency	9 000	-	-	-	-	-	9 000
World Intellectual Property Organization	2 000	-	-	-	-	-	2 000
Companies and Intellectual Property Registration Office	35 823	-	-	-	-	-	35 823
<b>5 The Enterprise Organisation</b>	<b>726 003</b>	<b>115 000</b>	<b>-</b>	<b>(45 998)</b>	<b>-</b>	<b>69 002</b>	<b>795 005</b>
Investment Incentives							
Small and Medium Manufacturing Development Programme	172 000	-	-	(22 000)	-	(22 000)	150 000
Foreign Investment Grant	-	-	-	-	-	-	-
Strategic Investment Programme	1	-	-	-	-	-	1
Taxi Recapitalisation Allowance Scheme	1	-	-	-	-	-	1
MDP Incentives	30 000	-	-	(10 000)	-	(10 000)	20 000

Table 32.3 (cont): Summary of transfers and subsidies per programme

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
Infrastructure Investment Incentives							
Critical Infrastructure	-	-	-	-	-	-	-
East London IDZ	58 000	28 500	-	-	-	28 500	86 500
Coega IDZ	38 000	-	-	-	-	-	38 000
Johannesburg International Airport	-	-	-	-	-	-	-
Richards Bay	-	-	-	-	-	-	-
Richards Bay (John Ross Freeway)	94 000	77 500	-	-	-	77 500	171 500
Lubombo SDI	-	-	-	-	-	-	-
Industrial Development Zones	15 000	-	-	(5 000)	-	(5 000)	10 000
Integrated Manufacturing Strategy Support Measures							
Tax Holiday Scheme	5 000	-	-	(4 999)	-	(4 999)	1
Skills Support Programme	1	-	-	-	-	-	1
Competitiveness Fund	45 000	-	-	(15 000)	-	(15 000)	30 000
Sector Partnership Fund	13 000	-	-	(4 000)	-	(4 000)	9 000
Sector Partnership Fund Trade Union Facility	-	-	-	1	-	1	1
Micro Investors Fund	-	-	-	20 000	-	20 000	20 000
Enterprise Development	256 000	9 000	-	(14 000)	-	(5 000)	251 000
Empowerment Support Measures	-	-	-	9 000	-	9 000	9 000
Black Business Supplier Development Programme	-	-	-	-	-	-	-
<b>6 Trade and Investment South Africa</b>	<b>276 001</b>	<b>3 160</b>	<b>-</b>	<b>46 200</b>	<b>-</b>	<b>49 360</b>	<b>325 361</b>
Investment Promotion							
Trade and Investment South Africa	-	-	-	31 000	-	31 000	31 000
Youth Internship Programme	-	-	-	10 200	-	10 200	10 200
Export development and promotion							
Export Market and Investment Assistance	140 000	-	-	(52 000)	-	(52 000)	88 000
Export Credit and Foreign Investment Reinsurance Fund	-	-	-	-	-	-	-
Export Credit and Foreign Investment Reinsurance Scheme	-	-	-	-	-	-	-



**Table 32.3 (cont): Summary of transfers and subsidies per programme**

R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/ Unavoidable expenditure	Virement	Other adjustments	Total additional appropriation	
	General Export Incentive Scheme	-	-	16 000	-	16 000	16 000
	Export Credit Insurance Corporation	-	-	41 000	-	41 000	177 000
	Export Consultancy Trust Funds:	-	-	(1)	-	(1)	-
	International Bank for Reconstruction and Development (World Bank)	1 580	-	1	-	1 581	1 581
	International Finance Corporation	1 580	-	-	-	1 580	1 580
<b>7 Marketing</b>		-	-	<b>2 850</b>	-	<b>2 850</b>	<b>2 850</b>
	Advertising and Promotions						
	2003 Nedbank Golf Challenge	-	-	2 850	-	2 850	2 850
<b>Total</b>	<b>2 073 725</b>	<b>121 369</b>	<b>-</b>	<b>62 600</b>	<b>-</b>	<b>183 969</b>	<b>2 257 694</b>

