

**Adjusted Estimates of  
National Expenditure  
2009**

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# **Adjusted Estimates of National Expenditure**

## **2009**

**National Treasury**  
**Republic of South Africa**

October 2009



# Contents (alphabetically)

<b>Introduction .....</b>	<b>i</b>
<b>Information in each chapter .....</b>	<b>vii</b>
23. Agriculture .....	137
35. Agriculture, Forestry and Fisheries .....	231
12. Arts and Culture .....	63
24. Communications .....	143
18. Correctional Services .....	105
19. Defence and Military Veterans .....	111
13. Education .....	69
25. Environmental Affairs and Tourism .....	149
3. International Relations and Cooperation .....	11
6. Government Communication and Information System .....	25
14. Health .....	79
4. Home Affairs .....	15
26. Human Settlements .....	157
20. Independent Complaints Directorate .....	119
21. Justice and Constitutional Development .....	123
15. Labour .....	87
27. Rural Development and Land Reform .....	165
28. Minerals and Energy .....	173
7. National Treasury .....	31
2. Parliament .....	7
29. Cooperative Governance and Traditional Affairs .....	179
10. Public Service Commission .....	53
30. Public Enterprises .....	187
8. Public Administration Leadership and Management Academy .....	41
9. Public Service and Administration .....	45
5. Public Works .....	19
22. Police .....	131
31. Science and Technology .....	193
16. Social Development .....	93
17. Sport and Recreation South Africa .....	99
11. Statistics South Africa .....	57
1. The Presidency .....	1
32. Trade and Industry .....	203
33. Transport .....	217
34. Water Affairs and Forestry .....	225
43. Water Affairs .....	245

# Contents

<b>Introduction .....</b>	<b>i</b>
<b>Information in each chapter .....</b>	<b>vii</b>
 <b>Central Government Administration</b>	
1. The Presidency .....	1
2. Parliament .....	7
3. International Relations and Cooperation .....	11
4. Home Affairs .....	15
5. Public Works .....	19
 <b>Financial and Administrative Services</b>	
6. Government Communication and Information System .....	25
7. National Treasury .....	31
8. Public Administration Leadership and Management Academy .....	41
9. Public Service and Administration .....	45
10. Public Service Commission .....	53
11. Statistics South Africa .....	57
 <b>Social Services</b>	
12. Arts and Culture .....	63
13. Education .....	69
14. Health .....	79
15. Labour .....	87
16. Social Development .....	93
17. Sport and Recreation South Africa .....	99
 <b>Justice and Protection Services</b>	
18. Correctional Services .....	105
19. Defence and Military Veterans .....	111
20. Independent Complaints Directorate .....	119
21. Justice and Constitutional Development .....	123
22. Police .....	131
 <b>Economic Services</b>	
23. Agriculture .....	137
24. Communications .....	143
25. Environmental Affairs and Tourism .....	149
26. Human Settlements .....	157
27. Rural Development and Land Reform .....	165
28. Minerals and Energy .....	173
29. Cooperative Governance and Traditional Affairs .....	179
30. Public Enterprises .....	187
31. Science and Technology .....	193
32. Trade and Industry .....	203
33. Transport .....	217
34. Water Affairs and Forestry .....	225
35. Agriculture, Forestry and Fisheries .....	231
43. Water Affairs .....	245



# Introduction

## The annual budget process

The main budget announces government spending for three years going forward: that is, the years of the medium-term expenditure framework (MTEF). Through an accompanying Appropriation Bill, the executive seeks Parliament's approval and adoption of its spending plans for the new financial year. Amounts allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the Appropriation Act, once approved by the President. The main budget also provides for a contingency reserve for expenditure related to unexpected circumstances.

Appropriation acts are divided into votes. Generally, a vote specifies the total amount appropriated per department.

**February:** Minister of Finance tables main national budget and Appropriation Bill in National Assembly.

**April:** Start of new financial year.

**October:** Minister of Finance tables adjusted national budget and Adjustments Appropriation Bill in National Assembly.

In the middle of each year, the adjustments process provides an opportunity to revise the main budget in response to changes that have affected planned government spending for that year. The adjustments budget allocates any unused funds, mainly from the contingency reserve, and additional amounts that have been approved for particular types of spending. The adjusted budget includes the amounts allocated in the main Appropriation Act as well as the amount of the adjustments. The adjusted budget is also tabled in the National Assembly by the Minister of Finance and accompanied by an Adjustments Appropriation Bill.

The *Estimates of National Expenditure (ENE)* describes in detail the planned spending of all national government departments over the MTEF period. The *Adjusted Estimates of National Expenditure (AENE)* describes in detail the revised spending plans for the first year of the MTEF period, that is the current financial year.

## The adjustments

The Public Finance Management Act (1999) (PFMA)<sup>1</sup> specifies the type of spending the adjustments budget may provide for. The Treasury Regulations, issued by the National Treasury in terms of the PFMA<sup>2</sup>, are instructions about how to comply with the PFMA.

The adjustments budget makes provision for:

- **Roll-overs:** Unspent funds from the preceding financial year may be rolled over when projects planned to be completed by the end of that year have not been completed but are close to completion. The Treasury Regulations<sup>3</sup> restrict roll-overs as follows: compensation of employees funding may not be rolled over; a maximum of 5 per cent of a department's budget for good and services may be rolled over; transfers and subsidies funding may not be rolled over for any purpose other than what the funds were originally allocated for; and unspent funds on payments for capital assets may only be rolled over to finalise projects or assets acquisitions already in progress.

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<sup>1</sup> Section 30(2)

<sup>2</sup> Section 76

<sup>3</sup> Section 6.4

- **Unforeseeable and unavoidable expenditure:** Unforeseeable and unavoidable expenditure is spending that could not be anticipated at the time of the main budget. The Treasury Regulations<sup>4</sup> specify that the following cannot be regarded as unforeseeable and unavoidable expenditure: spending that was known when finalising the main budget but could not be accommodated in the allocations then; spending increases due to tariff adjustments and price increases; and spending to extend existing services or create new services that are not unforeseeable and unavoidable. Spending made necessary by adverse weather conditions is an example of unforeseeable and unavoidable expenditure.
- **Virements:** Reductions under one programme in a department's budget may be used to offset excess spending in another programme in that department, within the following parameters:<sup>5</sup> no more than 8 per cent of the appropriated amount for a programme may be shifted; amounts appropriated for spending as payments for capital assets may not be used to supplement spending under current payments; amounts specifically and exclusively appropriated for a particular purpose or amounts that were appropriated to be transferred to another institution cannot be shifted in this way either, unless approved in terms of legislation.
- **Function shifts:**<sup>6</sup> When function are shifted to another department or institution in terms of legislation and /or following the reassignment of responsibility for the functions, the associated assets and liabilities also need to be shifted. Such shifts can also happen between main divisions within a department.
- **Unallocated amounts announced in the main budget:** In certain instances, an amount to be allocated over the three years of the MTEF period for a specific purpose will be announced by the Minister of Finance when the main budget is tabled, but the details of the annual allocations are to be decided later. This is usually when plans have not been finalised in time to decide on the specific allocation amounts for the main budget.
- **Significant unforeseeable economic and financial events:** When unforeseeable economic and financial events affect the fiscal targets set by the main budget, adjustments may need to be made. Significantly higher inflation than anticipated in budget projections over the MTEF period is an example of such an event.
- **Emergencies:**<sup>7</sup> The Minister of Finance can approve the use of unappropriated funds for spending of an exceptional nature. This happens if postponing the spending to a future parliamentary appropriation would seriously prejudice the public interest. The Minister of Finance must subsequently provide a report to Parliament.
- **Self-financing expenditure** is spending financed from revenue derived from a department's specific activities. The revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the department.
- **Declared savings** are unspent amounts that departments explicitly indicate they will not reallocate to fund their other spending. In most instances this would be because a virement of the funds is not possible in terms of the PFMA.<sup>8</sup>
- **Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval.
- **Gifts, donations and sponsorships** from the department are also included in the adjustments budget.

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<sup>4</sup> Section 6.6

<sup>5</sup> Section 43 of the PFMA

<sup>6</sup> Section 42 of the PFMA

<sup>7</sup> Section 16 of the PFMA

<sup>8</sup> Section 43.

## Summary of the adjustments for 2009/10

The adjustments budget makes provision for an additional R24.5 billion of spending for 2009/10, comprised as follows:

• roll-overs	R1.5 billion
• unforeseeable and unavoidable expenditure	R16.4 billion
• unallocated amounts announced in the 2009 Budget	R1.1 billion
• self-financing expenditure	R0.7 billion
• state debt costs	R4.7 billion

A contingency reserve of R6 billion was set aside in the main budget. Budget spending projections also make provision for about R4.5 billion in underspending at a national level (including declared savings). Offsetting this R10.5 billion available on the main budget against the R24.5 billion in the adjustments budget, the total estimated level of spending rises by R14.0 billion, from a budgeted R738.6 billion to an adjusted R752.5 billion.

## Summary tables

Table 1 : 2009/10 adjusted national budget

Table 2 : Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund

Table 2.1 : Adjusted appropriations per economic classification

Table 3 : Roll-overs

Table 4 : Unforeseeable and unavoidable expenditure

Table 5 : Unallocated amounts announced in the 2009 Budget

Table 6 : Self-financing expenditure

Table 7 : Declared savings and projected underspending

Table 8 : Expenditure outcome 2008/09 and preliminary expenditure 2009/10

Table 9 : Adjusted departmental receipts

Table 1: 2009/10 adjusted national budget

R thousand	Main appropriation (ENE)	Additional appropriation (AENE)	Adjusted appropriation
<b>Appropriation by vote</b>	<b>429 643 150</b>	<b>10 737 952</b>	<b>440 381 102</b>
Main appropriation	429 643 150		429 643 150
<b>Total adjustments</b>		<b>10 737 952</b>	<b>10 737 952</b>
Roll-overs		1 493 248	1 493 248
Unforeseeable and unavoidable expenditure		4 411 134	4 411 134
Salary adjustment (national)		2 983 087	2 983 087
Unallocated amounts announced in the main budget		1 114 500	1 114 500
- <i>Recapitalisation of Land Bank</i>		1 000 000	1 000 000
- <i>Community Works Programme</i>		114 500	114 500
Function shift from Free State Department of Tourism, Environmental and Economic Affairs		4 778	4 778
Self-financing		731 205	731 205
<b>Direct charges against the National Revenue Fund</b>	<b>302 919 616</b>	<b>13 722 176</b>	<b>316 641 792</b>
State debt cost	55 268 000	4 726 954	59 994 954
Provincial equitable share	231 050 881	8 995 222	240 046 103
- <i>Originally budgeted</i>	231 050 881		231 050 881
- <i>Salary adjustment</i>		9 000 000	9 000 000
- <i>Qwa-Qwa National Park function shift from Free State Department of Tourism, Environmental and Economic Affairs to the National Department of Environmental Affairs and Tourism</i>		( 4 778 )	( 4 778 )
Skills levy and Setas	7 749 980		7 749 980
Remuneration of public office bearers	2 050 651	-	2 050 651
General fuel levy sharing with metros	6 800 104	-	6 800 104
<b>Subtotal</b>	<b>732 562 766</b>	<b>24 460 128</b>	<b>757 022 894</b>
Contingency reserve	6 000 000	( 6 000 000 )	-
Projected underspending		( 3 000 000 )	( 3 000 000 )
Declared savings		( 1 500 000 )	( 1 500 000 )
<b>Total Estimated Expenditure Level</b>	<b>738 562 766</b>	<b>13 960 128</b>	<b>752 522 894</b>
<b>Main budget revenue</b>	<b>642 990 150</b>	<b>( 72 055 555 )</b>	<b>570 934 595</b>
Tax revenue	659 303 980	( 70 278 980 )	589 025 000
Departmental revenue	11 601 575	( 1 776 575 )	9 825 000
Less: Estimate of SACU payments	( 27 915 405 )	-	( 27 915 405 )
<b>Budget balance</b>	<b>( 95 572 616 )</b>		<b>( 181 588 299 )</b>

**Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund**

Vote number and title		2009/10						Adjusted appropriation
		Additional appropriation					Total additional appropriation	
R thousand	Main appropriation	Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustment		
<b>Central Government Administration</b>								
1 The Presidency	324 837	–	93 694	–	75 770	–	169 464	494 301
2 Parliament	974 062	–	133 940	–	–	–	133 940	1 108 002
3 International Relations and Cooperation	5 337 029	166 600	49 326	–	–	–	215 926	5 552 955
4 Home Affairs	5 050 587	150 048	63 149	–	–	–	213 197	5 263 784
5 Public Works	5 298 000	111 686	524 944	–	–	114 500	751 130	6 049 130
<b>Financial and Administrative Services</b>								
6 Government Communication and Information System	481 995	11 421	3 214	–	–	150	14 785	496 780
7 National Treasury	61 676 230	–	169 340	–	–	1 000 000	1 169 340	62 845 570
8 Public Administration Leadership and Management Academy	119 272	–	1 843	–	–	–	1 843	121 115
9 Public Service and Administration	355 801	67 653	6 379	–	–	–	74 032	429 833
10 Public Service Commission	121 251	–	10 590	–	–	–	10 590	131 841
11 Statistics South Africa	1 608 648	–	106 526	–	–	–	106 526	1 715 174
<b>Social Services</b>								
12 Arts and Culture	2 623 451	–	8 659	–	–	–	8 659	2 632 110
13 Education	21 287 171	21 059	540 627	–	–	–	561 686	21 848 857
14 Health	17 058 094	231 088	1 134 277	–	–	–	1 365 365	18 423 459
15 Labour	2 126 372	18 203	21 479	–	(75 770)	–	(36 088)	2 090 284
16 Social Development	86 408 338	53 467	44 882	–	1 500	–	99 849	86 508 187
17 Sport and Recreation South Africa	2 859 920	23 988	–	–	–	–	23 988	2 883 908
<b>Justice and Protection Services</b>								
18 Correctional Services	13 238 568	–	595 164	–	–	813	595 977	13 834 545
19 Defence and Military Veterans	32 024 384	82 154	480 056	–	–	(1 261 338)	(699 128)	31 325 256
20 Independent Complaints Directorate	114 865	–	1 602	–	–	–	1 602	116 467
21 Justice and Constitutional Development	9 658 006	–	267 533	–	(155 408)	–	112 125	9 770 131
22 Police	46 409 693	–	1 058 394	–	153 908	–	1 212 302	47 621 995
<b>Economic Services and Infrastructure</b>								
23 Agriculture	2 792 759	–	–	–	(2 792 759)	–	(2 792 759)	–
24 Communications	2 266 863	–	203 631	–	–	–	203 631	2 470 494
25 Environmental Affairs and Tourism	3 480 783	–	25 080	–	4 778	–	29 858	3 510 641
26 Human Settlements	13 588 573	–	16 232	–	–	–	16 232	13 604 805
27 Rural Development and Land Reform	6 099 058	–	289 693	–	2 340	–	292 033	6 391 091
28 Minerals and Energy	4 647 196	6 215	28 593	–	–	–	34 808	4 682 004
29 Cooperative Governance and Traditional Affairs	35 607 039	287 834	634 600	–	(2 340)	–	920 094	36 527 133
30 Public Enterprises	3 797 346	–	193 814	–	–	–	193 814	3 991 160
31 Science and Technology	4 234 111	–	27 584	–	–	–	27 584	4 261 695
32 Trade and Industry	6 344 192	–	42 255	–	–	15 629	57 884	6 402 076
33 Transport	23 734 829	25 576	272 343	–	–	205 769	503 688	24 238 517
34 Water Affairs and Forestry	7 893 827	–	–	–	(7 893 827)	–	(7 893 827)	–
35 Agriculture, Forestry and Fisheries	–	4 003	166 934	–	3 322 681	270 182	3 763 800	3 763 800
43 Water Affairs	–	232 253	167 108	–	7 374 641	–	7 774 002	7 774 002
<b>Total appropriation by vote</b>	<b>429 643 150</b>	<b>1 493 248</b>	<b>7 383 485</b>	<b>–</b>	<b>15 514</b>	<b>345 705<sup>1</sup></b>	<b>9 237 952</b>	<b>438 881 102</b>

**Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund (continued)**

Vote number and title		2009/10						
	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
R thousand		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustment		
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>302 919 616</b>	<b>–</b>	<b>9 000 000</b>	<b>–</b>	<b>(4 778)</b>	<b>4 726 954</b>	<b>13 722 176</b>	<b>316 641 792</b>
President and Deputy President salaries (The Presidency)	4 284	–	–	–	–	–	–	4 284
Members remuneration (Parliament)	376 678	–	–	–	–	–	–	376 678
State debt cost (National Treasury)	55 268 000	–	–	–	–	4 726 954	4 726 954	59 994 954
Provincial equitable share (National Treasury)	231 050 881	–	9 000 000	–	(4 778)	–	8 995 222	240 046 103
General fuel levy sharing with metros (National Treasury)	6 800 104	–	–	–	–	–	–	6 800 104
Skills levy and Setas (Labour)	7 749 980	–	–	–	–	–	–	7 749 980
Judges and magistrates salaries (Justice and Constitutional Development)	1 669 689	–	–	–	–	–	–	1 669 689
<b>Total</b>								
Contingency reserve	6 000 000					(6 000 000)	(6 000 000)	–
Projected underspending						(3 000 000)	(3 000 000)	(3 000 000)
<b>Total</b>	<b>738 562 766</b>	<b>1 493 248</b>	<b>16 383 485</b>	<b>–</b>	<b>10 736</b>	<b>(3 927 341)<sup>1</sup></b>	<b>13 960 128</b>	<b>752 522 894</b>

<sup>1</sup> Other adjustments of R345.7 million includes savings declared by the Department of Defence and Military Veterans in the amount of R1.5 billion

**Table 2.1: Adjusted appropriations per economic classification**

Economic classification		2009/10						
		Additional appropriation						
	Main appropriation	Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustment	Total additional appropriation	Adjusted appropriation
R thousand								
<b>Current payments</b>								
Compensation of employees	72 972 057	312	2 894 549	582 316	10 165	28 231	3 515 573	76 487 630
Goods and services	42 017 189	278 139	1 276 294	361 244	(17 701)	242 399	2 140 375	44 157 564
Interest and rent on land	55 268 839	—	—	—	—	4 726 954	4 726 954	59 995 793
Transactions in financial assets and liabilities	—	—	—	730	—	—	730	730
Unauthorised expenditure	—	—	—	—	—	—	—	—
<b>Total current payments</b>	<b>170 258 085</b>	<b>278 451</b>	<b>4 170 843</b>	<b>944 290</b>	<b>(7 536)</b>	<b>4 997 584</b>	<b>10 383 632</b>	<b>180 641 717</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	334 271 709	485 415	11 264 529	423 790	(4 778)	—	12 168 956	346 440 665
Departmental agencies and accounts	58 594 801	250 100	328 141	334 462	80 548	(1 261 338)	(268 087)	58 326 714
Universities and technikons	15 320 830	—	—	121 773	—	—	121 773	15 442 603
Public corporations and private enterprises	51 008 225	—	428 402	401 760	(75 770)	1 226 000	1 980 392	52 988 617
Foreign governments and international organisations	1 277 096	15 600	—	(29 873)	—	—	(14 273)	1 262 823
Non-profit institutions	2 083 133	24 209	—	(893 802)	—	109 500	(760 093)	1 323 040
Households	91 218 392	52 412	10 691	(347 853)	(1 919)	813	(285 856)	90 932 536
<b>Total transfers and subsidies</b>	<b>553 774 186</b>	<b>827 736</b>	<b>12 031 763</b>	<b>10 257</b>	<b>(1 919)</b>	<b>74 975</b>	<b>12 942 812</b>	<b>566 716 998</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	5 513 413	349 603	130 000	(784 942)	—	—	(305 339)	5 208 074
Machinery and equipment	2 830 027	2 493	50 879	(168 425)	22 764	100	(92 189)	2 737 838
Heritage assets	—	—	—	—	—	—	—	—
Specialised military assets	27 585	—	—	—	—	—	—	27 585
Biological and cultivated assets	1 090	—	—	—	—	—	—	1 090
Software and other intangible assets	158 380	34 965	—	(1 180)	(2 573)	—	31 212	189 592
Land and subsoil assets	—	—	—	—	—	—	—	—
<b>Total payments for capital assets</b>	<b>8 530 495</b>	<b>387 061</b>	<b>180 879</b>	<b>(954 547)</b>	<b>20 191</b>	<b>100</b>	<b>(366 316)</b>	<b>8 164 179</b>
<b>Total</b>	<b>732 562 766</b>	<b>1 493 248</b>	<b>16 383 485</b>	<b>—</b>	<b>10 736</b>	<b>5 072 659</b>	<b>22 960 128</b>	<b>755 522 894</b>
Contingency reserve	6 000 000					(6 000 000)	(6 000 000)	—
Projected underspending						(3 000 000)	(3 000 000)	(3 000 000)
<b>Total</b>	<b>738 562 766</b>	<b>1 493 248</b>	<b>16 383 485</b>	<b>—</b>	<b>10 736</b>	<b>(3 927 341)</b>	<b>13 960 128</b>	<b>752 522 894</b>

Table 3: Roll-overs

Vote and description of expenditure		R thousand
<b>3</b>	<b>International Relations and Cooperation</b> R86 million for foreign capital projects, R6.6 million for humanitarian assistance to the Cuban government, R9 million for humanitarian assistance to the Indonesian government, R65 million for the Pan African Parliament building	166 600
<b>4</b>	<b>Home Affairs</b> R39.642 million to finalise the advanced passenger processing system, R110.406 million for the Who Am I Online project	150 048
<b>5</b>	<b>Public Works</b> R54.285 million for the Re Kgabisa Tshwane programme, R6.187 million for upgrading existing buildings and a construction site in Bloemfontein, R17.101 million for the land ports of entry redevelopment project, R34.113 million for the prestige accommodation portfolio	111 686
<b>6</b>	<b>Government Communication and Information System</b> R4.02 million for the presidential inauguration, R7.401 million for the national energy efficiency campaign	11 421
<b>8</b>	<b>Public Service and Administration</b> R67.653 million for the policy and procedure on incapacity leave and ill-health retirement	67 653
<b>13</b>	<b>Education</b> R3 million for the national human resource development strategy, R2.165 million for the foundation for learning campaign, R3.42 million for the national curriculum statement, R3.474 million for the HIV and aids conditional grant, R9 million for the Council on Higher Education for its new functions	21 059
<b>14</b>	<b>Health</b> R2.493 million for the Civitas building, R21 million for loveLife for HIV prevention among youth, R2 million for the South African Aids Vaccine Initiative for research, R154 000 for the South African Community Epidemiology Network on Drug Use to monitor the prevalence of methamphetamine (Tik), R10.207 million for the forensic pathology services conditional grant, R10 million for the recapitalisation of the nursing colleges, R183.9 million for the hospital revitalisation conditional grant, R1.334 million for the district health information system	231 088
<b>15</b>	<b>Labour</b> R3.965 million for repairs and maintenance at the head office building, R1.763 million for buildings and other fixed structures, R6.475 million for integrating occupational health and safety competencies across government, R6 million for printing pamphlets for the Employment Services System for South Africa	18 203
<b>16</b>	<b>Social Development</b> R52.412 million for social relief of distress commitments, R545 000 for the National Association of People Living with HIV and Aids, R510 000 for the National Association of Burial Societies of South Africa	53 467
<b>17</b>	<b>Sport and Recreation South Africa</b> R15 million for training volunteers, R4.188 million for training camps for elite athletes, R4.8 million for the Schools 2010 Football World Cup	23 988
<b>19</b>	<b>Defence</b> R82.154 million for upgrading the runway at Waterkloof Air Force Base	82 154
<b>28</b>	<b>Minerals and Energy</b> R4.015 million for IT infrastructure services, R1.2 million for the review of the Mineral and Petroleum Resources Development Act (2002), R1 million as a transfer payment to the State Diamond Trader	6 215
<b>29</b>	<b>Cooperative Governance and Traditional Affairs</b> R287.834 million for municipal infrastructure projects	287 834
<b>33</b>	<b>Transport</b> R4.683 million for service providers for various projects, R13.1 million for the transfer payment to the South African National Road Agency, R681 000 for the electronic management system project, R1.112 million for consultants on the no fault policy for the Road Accident Fund, R6 million for the Road Accident Fund Amendment Act (2005) and regulations	25 576
<b>35</b>	<b>Agriculture, Forestry and Fisheries</b> R3 million for upgrading the Agriculture Place building, R1.003 million for fences on Ncera Farms	4 003
<b>43</b>	<b>Water Affairs</b> R227 million for the construction of the De Hoop Dam, R5.253 million for the regional bulk infrastructure grant	232 253
<b>Total</b>		<b>1 493 248</b>

**Table 4: Unforeseeable and unavoidable expenditure**

Vote and description of expenditure		R thousand
<b>1</b>	<b>The Presidency</b>	<b>93 694</b>
	National Planning Commission: For compensation of employees and operational expenditure	6 000
	Performance Monitoring and Evaluation: For compensation of employees and operational expenditure	20 000
	Women, Children and People with Disabilities: For compensation of employees and operational expenditure	4 018
	Private offices of the president and deputy president	17 703
	Presidential hotline project	8 101
	Policy coordination and advisory services	7 163
	Strategy, operations and communications	26 779
	Higher salary increases than the main budget provided for	3 930
<b>2</b>	<b>Parliament</b>	<b>133 940</b>
	Increase in administrative capacity	116 160
	Higher salary increases than the main budget provided for	17 780
<b>3</b>	<b>International Relations and Cooperation</b>	<b>49 326</b>
	Higher salary increases than the main budget provided for	49 326
<b>4</b>	<b>Home Affairs</b>	<b>63 149</b>
	Higher salary increases than the main budget provided for	63 149
<b>5</b>	<b>Public Works</b>	<b>524 944</b>
	Office and residential accommodation for new ministers and deputy ministers	150 000
	Devolution of property rate funds grant to provinces	353 200
	Higher salary increases than the main budget provided for	21 744
<b>6</b>	<b>Government Communications and Information System</b>	<b>3 214</b>
	Higher salary increases than the main budget provided for	3 214
<b>7</b>	<b>National Treasury</b>	<b>9 169 340</b>
	Higher salary increases than the main budget provided for	169 340
	Provincial equitable share:	
	General and occupation specific dispensation salary adjustments	9 000 000
<b>8</b>	<b>Public Administration Leadership and Management Academy</b>	<b>1 843</b>
	Higher salary increases than the main budget provided for	1 843
<b>9</b>	<b>Public Service and Administration</b>	<b>6 379</b>
	Compensation of employees and operational expenditure for new deputy minister	3 000
	Higher salary increases than the main budget provided for	3 379
<b>10</b>	<b>Public Service Commission</b>	<b>10 590</b>
	Out of court settlement for remuneration of commissioners and former commissioners	8 383
	Higher salary increases than the main budget provided for	2 207
<b>11</b>	<b>Statistics South Africa</b>	<b>106 526</b>
	Payments to contract and field workers in lieu of fringe benefits	83 768
	Higher salary increases than the main budget provided for	22 758
<b>12</b>	<b>Arts and Culture</b>	<b>8 659</b>
	Higher salary increases than the main budget provided for	8 659

**Table 4: Unforeseeable and unavoidable expenditure (continued)**

<b>Vote and description of expenditure</b>		<b>R thousand</b>
<b>13</b>	<b>Education</b>	<b>540 627</b>
	Workbooks for grades 1 to 6 in quintiles 1 to 3 schools	524 150
	Compensation of employees and operational expenditure for new department	8 000
	Higher salary increases than the main budget provided for	8 477
<b>14</b>	<b>Health</b>	<b>1 134 277</b>
	Increased uptake of comprehensive HIV and Aids care management and treatment plan	900 000
	Response to H1N1 influenza pandemic	160 000
	Countrywide measles and polio mass immunization campaign	20 000
	2010 FIFA World Cup preparations	30 000
	Higher salary increases than the main budget provided for	24 277
<b>15</b>	<b>Labour</b>	<b>21 479</b>
	Higher salary increases than the main budget provided for	21 479
<b>16</b>	<b>Social Development</b>	<b>44 882</b>
	Legal costs payable to Department of Justice and Constitutional Development	5 000
	Higher salary increases than the main budget provided for	39 882
<b>18</b>	<b>Correctional Services</b>	<b>595 164</b>
	Higher salary increases than the main budget provided for	595 164
<b>19</b>	<b>Defence and Military Veterans</b>	<b>480 056</b>
	Withdrawal of United Nations Peace Support Operation in Burundi	100 000
	Higher salary increases than the main budget provided for	380 056
<b>20</b>	<b>Independent Complaints Directorate</b>	<b>1 602</b>
	Higher salary increases than the main budget provided for	1 602
<b>21</b>	<b>Justice and Constitutional Development</b>	<b>267 533</b>
	Higher salary increases than the main budget provided for	267 533
<b>22</b>	<b>Police</b>	<b>1 058 394</b>
	Higher salary increases than the main budget provided for	1 058 394
<b>24</b>	<b>Communications</b>	<b>203 631</b>
	Liquidity requirements of the South African Broadcasting Corporation	200 000
	Higher salary increases than the main budget provided for	3 631
<b>25</b>	<b>Environmental Affairs and Tourism</b>	<b>25 080</b>
	Compensation of employees and operational expenditure for new Department of Tourism	4 287
	Replacement of bulk fuel storage tanks on Gough Island	1 500
	Higher salary increases than the main budget provided for	19 293
<b>26</b>	<b>Human Settlements</b>	<b>16 232</b>
	Compensation of employees and operational expenditure for new deputy minister	3 000
	Closure of Thubelisha Homes	7 700
	Higher salary increases than the main budget provided for	5 532
<b>27</b>	<b>Rural Development and Land Reform</b>	<b>289 693</b>
	Compensation of employees and operational expenditure for new minister and deputy minister	9 000
	Proposed new rural development programme	250 000
	Higher salary increases than the main budget provided for	30 693

**Table 4: Unforeseeable and unavoidable expenditure (continued)**

Vote and description of expenditure		R thousand
<b>28</b>	<b>Minerals and Energy</b>	<b>28 593</b>
	Division of Department of Minerals and Energy into two new departments	10 000
	Higher salary increases than the main budget provided for	18 593
<b>29</b>	<b>Cooperative Governance and Traditional Affairs</b>	<b>634 600</b>
	Rehabilitation of infrastructure destroyed by flooding in Western Cape in November 2008	60 800
	Preparation for 2010 FIFA World Cup disaster management	60 000
	Higher salary increases than the main budget provided for	4 800
	Local government equitable share	
	To municipalities for increased cost of providing free basic electricity to poor households	509 000
<b>30</b>	<b>Public Enterprises</b>	<b>193 814</b>
	Claim by Denel Saab Aerostructures under indemnity agreement between government, Saab and Denel	191 866
	Higher salary increases than the main budget provided for	1 948
<b>31</b>	<b>Science and Technology</b>	<b>27 584</b>
	Higher salary increases than the main budget provided for	27 584
<b>32</b>	<b>Trade and Industry</b>	<b>42 255</b>
	Compensation of employees and operational expenditure for new Economic Development Department	29 000
	Higher salary increases than the main budget provided for	13 255
<b>33</b>	<b>Transport</b>	<b>272 343</b>
	Gautrain Rapid Rail Link conditional grant for inflation and foreign exchange losses	144 029
	Compensation of employees and operational expenditure for new deputy minister	3 000
	Long range identification and tracking mechanisms	3 200
	Disaster management grant for rehabilitation of infrastructure destroyed by flooding in Western Cape in November 2008	116 900
	Higher salary increases than the main budget provided for	5 214
<b>35</b>	<b>Agriculture, Forestry and Fisheries</b>	<b>177 670</b>
	Locust and quelea outbreaks	25 000
	Foot and mouth disease vaccines	15 000
	Agricultural disaster management grant for drought relief in Eastern Cape and Western Cape	46 900
	Agricultural disaster management grant for rehabilitation of infrastructure destroyed by flooding in Western Cape in November 2008	50 000
	Higher salary increases than the main budget provided for	40 770
<b>43</b>	<b>Water Affairs</b>	<b>167 108</b>
	Compensation of employees and operational expenditure for new Department of Water Affairs	3 000
	Cholera outbreak in Limpopo and Mpumalanga	40 700
	Natural resource management programmes	22 127
	Higher salary increases than the main budget provided for	47 581
	Municipal drought relief grant	53 700
<b>Total</b>		<b>16 394 221</b>

**Table 5: Unallocated amounts announced in the 2009 Budget**

Vote and description of expenditure	R thousand
<b>5 Public Works</b>	<b>114 500</b>
Community Works Programme	114 500
<b>7 National Treasury</b>	<b>1 000 000</b>
Recapitalisation of Land Bank	1 000 000
<b>Total</b>	<b>1 114 500</b>

**Table 6: Self-financing expenditure**

Vote and description of expenditure	R thousand
<b>6 Government Communication and Information System</b>	<b>150</b>
Departmental revenue of R150 000 in the form of a cash sponsorship from the South African Broadcasting Corporation will be used for the annual Government Communicators Awards ceremony	150
<b>18 Correctional Services</b>	<b>813</b>
Departmental revenue of R2.439 million was collected from hiring out offender labour. R813 000 or 33 per cent, will be used to supplement the budget for offender gratuities	813
<b>19 Defence</b>	<b>238 662</b>
Departmental revenue of R238.662 million was collected from selling equipment and spares procured through the Special Defence Account. This will be used for special defence activities	238 662
<b>32 Trade and Industry</b>	<b>15 629</b>
Departmental revenue of R15.629 million from the various public entities for payment commitments for the department's PPP campus accommodation will be used to pay the total unitary payment amount due	15 629
<b>33 Transport</b>	<b>205 769</b>
Departmental revenue of R198.835 million from transaction fees for vehicle registrations will be used for the maintenance of the electronic national transport information system (eNaTIS)	198 835
Departmental revenue of R6.934 million will be used for meeting the remaining liabilities of the Urban Transport Fund (UTF), which is in the process of closing down	6 934
<b>35 Agriculture, Forestry and Fisheries</b>	<b>270 182</b>
Departmental revenue of R221 million from repayments by farmers for subsidies and production loans awarded before 1994 will be used to augment the Micro Agricultural Financial Institutions of South Africa scheme	221 000
Departmental revenue of R49.182 million from state managed plantations will be used for operational costs for the commercial forestry function in Mpumalanga	49 182
<b>Total</b>	<b>731 205</b>

**Table 7: Declared savings and projected underspending**

Vote and description of saving	R thousand
<b>Declared savings</b>	
<b>19 Defence</b>	<b>1 500 000</b>
R1 billion has been declared due to delays in the strategic airlift capability (A400M) and R500 million due to exchange rate gains in respect of the strategic defence packages	1 500 000
<b>Projected underspending</b>	<b>3 000 000</b>
<b>Total</b>	<b>4 500 000</b>

**Table 8: Expenditure outcome 2008/09 and preliminary expenditure 2009/10**

Vote number and title		2008/09				2009/10			
		Expenditure outcome				Preliminary expenditure			
			Apr 08 - Sep 08		Apr 08 - Mar 09		Apr 08 - Mar 09		
	Adjusted appropriation	Apr 08 - Sep 08	% of adjusted appropriation	Apr 08 - Mar 09	% of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation	
R thousand									
Central Government Administration									
1	The Presidency	311 735	160 546	51.5	326 246	104.7	494 301	177 462	35.9
2	Parliament	913 799	450 781	49.3	1 135 086	124.2	1 108 002	460 095	41.5
3	International Relations and Cooperation	5 569 787	2 338 783	42.0	5 472 267	98.2	5 552 955	1 547 596	27.9
4	Home Affairs	4 816 608	1 721 417	35.7	4 666 560	96.9	5 263 784	2 488 235	47.3
5	Public Works	4 301 992	1 708 937	39.7	4 196 987	97.6	6 049 130	2 424 028	40.1
Financial and Administrative Services									
6	Government Communication and Information System	439 832	211 573	48.1	427 477	97.2	496 780	250 862	50.5
7	National Treasury	31 424 164	9 949 880	31.7	31 312 109	99.6	62 845 570	32 106 594	51.1
8	Public Administration Leadership and Management Academy	105 527	62 453	59.2	105 367	99.8	121 115	59 941	49.5
9	Public Service and Administration	420 208	163 726	39.0	411 589	97.9	429 833	159 276	37.1
10	Public Service Commission	113 672	57 327	50.4	113 656	100.0	131 841	71 066	53.9
11	Statistics South Africa	1 323 390	564 601	42.7	1 323 146	100.0	1 715 174	843 571	49.2
Social Services									
12	Arts and Culture	2 160 317	1 148 344	53.2	2 114 496	97.9	2 632 110	1 077 917	41.0
13	Education	19 749 370	14 509 118	73.5	19 709 070	99.8	21 848 857	16 367 363	74.9
14	Health	15 851 169	7 502 585	47.3	15 464 470	97.6	18 423 459	8 856 937	48.1
15	Labour	1 747 606	786 138	45.0	1 642 841	94.0	2 090 284	1 085 190	51.9
16	Social Development	76 554 151	37 197 230	48.6	76 096 680	99.4	86 508 187	45 459 812	52.5
17	Sport and Recreation South Africa	4 909 686	2 877 166	58.6	4 871 411	99.2	2 883 908	1 741 163	60.4
Justice and Protection Services									
18	Correctional Services	12 338 820	6 114 626	49.6	12 822 641	103.9	13 834 545	6 539 084	47.3
19	Defence and Military Veterans	27 899 027	11 672 219	41.8	27 801 286	99.6	31 325 256	13 196 850	42.1
20	Independent Complaints Directorate	98 497	46 372	47.1	99 297	100.8	116 467	48 203	41.4
21	Justice and Constitutional Development	8 515 525	3 831 654	45.0	8 433 571	99.0	9 770 131	4 467 865	45.7
22	Police	41 492 309	19 821 082	47.8	41 492 309	100.0	47 621 995	22 510 328	47.3
Economic Services and Infrastructure									
23	Agriculture	—	—	—	—	0.0	—	—	0.0
24	Communications	2 331 509	660 592	28.3	2 328 611	99.9	2 470 494	761 745	30.8
25	Environmental Affairs and Tourism	3 206 557	1 742 283	54.3	3 198 878	99.8	3 510 641	1 644 453	46.8
26	Human Settlements	10 928 487	5 345 775	48.9	10 920 272	99.9	13 604 805	7 644 806	56.2
27	Rural Development and Land Reform	6 659 396	3 518 052	52.8	6 654 636	99.9	6 391 091	3 061 432	47.9
28	Minerals and Energy	3 786 241	1 118 099	29.5	3 730 003	98.5	4 682 004	2 585 369	55.2
29	Cooperative Governance and Traditional Affairs	35 639 007	12 327 756	34.6	35 348 095	99.2	36 527 133	15 309 427	41.9
30	Public Enterprises	3 269 378	1 580 272	48.3	3 265 149	99.9	3 991 160	2 933 396	73.5
31	Science and Technology	3 721 715	2 069 134	55.6	3 703 580	99.5	4 261 695	1 641 257	38.5
32	Trade and Industry	5 126 893	2 414 395	47.1	5 056 989	98.6	6 402 076	3 045 598	47.6
33	Transport	24 492 840	11 540 685	47.1	24 838 644	101.4	24 238 517	12 928 062	53.3
34	Water Affairs and Forestry	—	—	—	—	0.0	—	—	0.0
35	Agriculture, Forestry and Fisheries	3 430 722	1 429 850	41.7	3 354 519	97.8	3 763 800	1 763 267	46.8
43	Water Affairs	6 543 642	2 727 291	41.7	6 024 923	92.1	7 774 002	2 838 899	36.5
Total appropriation by vote		370 193 578	169 370 742	45.8	368 462 861	99.5	438 881 102	218 097 149	49.7

Table 8: Expenditure outcome 2008/09 and preliminary expenditure 2009/10 (continued)

R thousand	2008/09					2009/10		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>267 111 287</b>	<b>132 002 524</b>	<b>49.4</b>	<b>267 600 719</b>	<b>100.2</b>	<b>316 641 792</b>	<b>149 919 726</b>	<b>47.3</b>
President and Deputy President salary (The Presidency)	2 455	1 172	47.7	5 000	203.7	4 284	2 921	68.2
Members remuneration (Parliament)	253 979	120 689	47.5	356 884	140.5	376 678	247 686	65.8
State debt costs (National Treasury)	53 926 000	28 119 800	52.1	54 393 685	100.9	59 994 954	28 224 567	47.0
Provincial equitable share (National Treasury)	204 009 924	99 688 500	48.9	204 009 924	100.0	240 046 103	116 680 697	48.6
General fuel levy sharing with metros (National Treasury)	—	—	—	—	0.0	6 800 104	153 731	2.3
Skills levy and Setas (Labour)	7 529 600	3 455 566	45.9	7 234 135	96.1	7 749 980	3 770 494	48.7
Judges and magistrates salaries (Justice and Constitutional Development)	1 389 329	616 797	44.4	1 601 091	115.2	1 669 689	839 630	50.3
<b>Total</b>	<b>637 304 865</b>	<b>301 373 266</b>	<b>47.3</b>	<b>636 063 580</b>	<b>99.8</b>	<b>755 522 894</b>	<b>368 016 875</b>	<b>48.7</b>
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees	64 930 192	30 781 253	47.4	65 098 839	100.3	76 487 630	35 000 081	45.8
Goods and services	38 899 307	17 111 468	44.0	38 421 875	98.8	44 157 564	18 484 255	41.9
Interest and rent on land	53 927 066	28 120 335	52.1	54 396 663	100.9	59 995 793	28 224 991	47.0
Transactions in financial assets and liabilities	39 817	25 400	63.8	174 651	438.6	730	31 106	4 261.1
Unauthorised expenditure	—	—	—	—	—	—	—	—
<b>Total current payments</b>	<b>157 796 382</b>	<b>76 038 456</b>	<b>48.2</b>	<b>158 092 029</b>	<b>100.2</b>	<b>180 641 717</b>	<b>81 740 433</b>	<b>45.3</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	290 377 755	137 575 959	47.4	290 040 246	99.9	346 440 665	167 647 317	48.4
Departmental agencies and accounts	53 099 791	23 466 642	44.2	52 196 736	98.3	58 326 714	27 148 560	46.5
Universities and technikons	13 852 719	11 004 158	79.4	13 897 690	100.3	15 442 603	12 829 492	83.1
Public corporations and private enterprises	30 290 946	9 820 211	32.4	31 003 843	102.4	52 988 617	27 237 245	51.4
Foreign governments and international organisations	991 161	273 129	27.6	1 006 057	101.5	1 262 823	228 551	18.1
Non-profit institutions	1 449 662	543 366	37.5	1 170 072	80.7	1 323 040	496 545	37.5
Households	79 662 758	38 673 085	48.5	79 112 933	99.3	90 932 536	47 545 014	52.3
<b>Total transfers and subsidies</b>	<b>469 724 792</b>	<b>221 356 550</b>	<b>47.1</b>	<b>468 427 577</b>	<b>99.7</b>	<b>566 716 998</b>	<b>283 132 724</b>	<b>50.0</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	5 387 826	2 149 383	39.9	4 861 941	90.2	5 208 074	2 004 991	38.5
Machinery and equipment	2 643 358	947 694	35.9	2 952 334	111.7	2 737 838	1 069 087	39.0
Heritage assets	—	—	—	—	—	—	—	—
Specialised military assets	53 002	814	1.5	19 874	37.5	27 585	21 957	79.6
Biological and cultivated assets	915	3 675	401.6	2 545	278.1	1 090	963	88.3
Software and other intangible assets	187 917	12 383	6.6	197 436	105.1	189 592	46 718	24.6
Land and subsoil assets	1 510 673	864 311	57.2	1 509 843	99.9	—	2	—
<b>Total payments for capital assets</b>	<b>9 783 691</b>	<b>3 978 260</b>	<b>40.7</b>	<b>9 543 974</b>	<b>97.5</b>	<b>8 164 179</b>	<b>3 143 718</b>	<b>38.5</b>
<b>Total</b>	<b>637 304 865</b>	<b>301 373 266</b>	<b>47.3</b>	<b>636 063 580</b>	<b>99.8</b>	<b>755 522 894</b>	<b>368 016 875</b>	<b>48.7</b>

Table 9: Adjusted departmental receipts

	2008/09					2009/10			
	Adjusted estimate	Receipts outcome			Apr 08 - Mar 09 % of adjusted estimate	Preliminary receipts			Apr 09 - Sep 09 % of adjusted estimate
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09		Budget estimate	Adjusted estimate	Apr 09 - Sep 09	
<b>Central Government Administration</b>									
1 The Presidency	234	90	38.5	233	99.6	264	502	459	91.4
2 Parliament	36 440	27 044	74.2	45 406	124.6	17 812	11 312	12 099	107.0
3 International Relations and Cooperation	21 401	12 204	57.0	43 615	203.8	39 173	39 173	9 917	25.3
4 Home Affairs	407 883	143 444	35.2	355 673	87.2	429 489	429 489	141 202	32.9
5 Public Works	23 000	11 284	49.1	28 510	124.0	25 581	25 581	17 319	67.7
<b>Financial and Administrative Services</b>			-		-				-
6 Government Communication and Information System	2 697	1 961	72.7	3 360	124.6	2 947	2 947	1 681	57.0
7 National Treasury	5 084 709	2 116 148	41.6	5 270 354	103.7	4 898 454	4 148 462	545 895	13.2
8 Public Administration Leadership and Management Academy	106	79	74.5	196	184.9	72	72	66	91.7
9 Public Service and Administration	510	203	39.8	498	97.6	534	474	169	35.7
10 Public Service Commission	233	77	33.0	268	115.0	235	335	294	87.8
11 Statistics South Africa	2 680	1 931	72.1	2 806	104.7	2 066	6 919	5 448	78.7
<b>Social Services</b>			-		-				-
12 Arts and Culture	5 706	5 551	97.3	3 554	62.3	4 170	1 046	831	79.5
13 Education	7 231	3 877	53.6	8 196	113.3	7 767	7 426	3 515	47.3
14 Health	5 630	2 413	42.9	31 188	554.0	29 525	33 730	6 805	20.2
15 Labour	27 128	7 588	28.0	28 863	106.4	12 926	12 926	6 276	48.6
16 Social Development	2 394	2 330	97.3	16 484	688.6	163	163	2 503	1 535.6
17 Sport and Recreation South Africa	224	185	82.6	248	110.7	173	554	334	60.3
<b>Justice and Protection Services</b>			-		-				-
18 Correctional Services	131 154	81 201	61.9	80 506	61.4	135 285	131 154	48 844	37.2
19 Defence and Military Veterans	474 728	106 070	22.3	630 126	132.7	582 320	676 749	427 100	63.1
20 Independent Complaints Directorate	60	18	30.0	69	115.0	72	105	72	68.6
21 Justice and Constitutional Development	398 404	79 403	19.9	356 775	89.6	420 268	358 888	165 000	46.0
22 Police	323 839	172 750	53.3	376 456	116.2	316 275	332 561	189 462	57.0
<b>Economic Services and Infrastructure</b>			-		-				-
23 Agriculture	-	-	-	-	-	-	-	-	-
24 Communications	3 218 633	2 420 166	75.2	3 519 825	109.4	3 311 237	933 026	818 950	87.8
25 Environmental Affairs and Tourism	4 412	4 147	94.0	8 958	203.0	654	2 654	1 985	74.8
26 Human Settlements	1 053	375	35.6	2 305	218.9	2 781	481	154	32.0
27 Rural Development and Land Reform	204 404	36 665	17.9	64 170	31.4	218 240	231 217	31 337	13.6
28 Minerals and Energy	194 620	69 031	35.5	261 839	134.5	203 132	165 357	68 826	41.6
29 Cooperative Governance and Traditional Affairs	395	298	75.4	820	207.6	570	602	369	61.3
30 Public Enterprises	70	44	62.9	818	1 168.6	70	70	35	50.0
31 Science and Technology	106	59	55.7	333	314.2	107	1 005	949	94.4
32 Trade and Industry	289 794	141 256	48.7	302 753	104.5	311 540	551 499	343 540	62.3
33 Transport	186 528	25 531	13.7	208 206	111.6	122 076	231 703	7 074	3.1
34 Water Affairs and Forestry	-	-	-	-	-	-	-	-	-
35 Agriculture, Forestry and Fisheries	218 273	145 085	66.47	209 002	95.75	103 450	219 749	163 456	74.38
43 Water Affairs	67 631	33 272	49.20	56 697	83.83	91 567	72 567	29 023	39.99
<b>Total departmental receipts as per Adjusted Estimates of National Expenditure</b>	<b>11 342 310</b>	<b>5 651 780</b>	<b>49.8</b>	<b>11 919 110</b>	<b>105.1</b>	<b>11 290 995</b>	<b>8 630 498</b>	<b>3 050 990</b>	<b>35.4</b>
Less: Parliament	36 440	27 044	74.2	45 406	124.6	17 812	11 312	12 099	107.0
Plus: South African Revenue Services	383 432	469 005	122.3	711 388	185.5	328 392	1 205 814	644 814	50.0
<b>Total departmental receipts as per Medium Term Budget Policy Statement</b>	<b>11 689 302</b>	<b>6 093 741</b>	<b>52.1</b>	<b>12 585 092</b>	<b>107.7</b>	<b>11 601 575</b>	<b>9 825 000</b>	<b>3 683 705</b>	<b>37.5</b>

Table 9: Adjusted departmental receipts (continued)

Economic classification	2008/09					2009/10			
	Adjusted estimate	Receipts outcome				Preliminary receipts			
		Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09 % of adjusted estimate	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Sep 09 % of adjusted estimate
<b>Departmental receipts</b>									
Sales of goods and services other than capital assets	3 098 348	1 566 349	50.6	3 364 762	108.6	3 264 147	1 987 876	1 078 045	54.2
Transfers received	3 394	1 175	34.6	291 966	8 602.4	152 985	169 005	84 358	49.9
Fines, penalties and forfeits	437 381	159 208	36.4	475 922	108.8	467 964	339 585	460 233	135.5
Interest, dividends and rent on land	6 810 754	3 363 570	49.4	6 854 133	100.6	6 308 509	4 726 907	756 000	16.0
Sales of capital assets	98 816	3 025	3.1	131 582	133.2	42 991	25 338	3 878	15.3
Transactions in financial assets and liabilities	893 617	558 453	62.5	800 745	89.6	1 054 399	1 381 788	668 476	48.4
<b>Total departmental receipts</b>	<b>11 342 310</b>	<b>5 651 780</b>	<b>49.8</b>	<b>11 919 110</b>	<b>105.1</b>	<b>11 290 995</b>	<b>8 630 498</b>	<b>3 050 990</b>	<b>35.4</b>

## The new national government structure

The president's appointment of ministers and deputy ministers after the general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. To ensure continuity, departments that existed before the President's May 2009 announcement will continue to exist until the affected departmental functions and their associated assets and liabilities have been properly ring-fenced and shifted. Functions may be shifted as a whole or in part, and new functions may be defined.

As reflected in the 2009 Appropriation Act, the votes for these new departments do not currently have allocated budgets. New departments will be allocated a budget as functions are fully defined and have formally been shifted. Function shifts must be approved by the Department of Public Service and Administration. Funds are then shifted in terms of the PFMA.<sup>9</sup>

The following functions have already shifted:

The integrated sustainable rural development function from the Department of Cooperative Governance and Traditional Affairs (previous Department of Provincial and Local Government) to the Department of Rural Development and Land Reform (previous Department of Land Affairs)

The agriculture function from the previous Department of Agriculture and the forestry function from the previous Department of Water Affairs and Forestry; to the new Department of Agriculture, Forestry and Fisheries

The water function from the previous Department of Water Affairs and Forestry to the new Department of Water Affairs.

In this publication, functions shifts are shown in the relevant chapters in the table named 'Adjusted Estimates of National Expenditure 2009'.

Pending the shift, funding for the operational activities of the following new departments is allocated against the votes of the departments to which these new departments are temporarily aligned. Information pertaining to a new department can be obtained by referencing the chapter of the department listed alongside it.

<b>Newly created department:</b>	<b>Department aligned to:</b>
Basic Education	Education
Economic Development	Trade and Industry
Energy	Minerals and Energy
Environmental Affairs	Environmental Affairs and Tourism
Higher Education and Training	Education
Mineral Resources	Minerals and Energy
Tourism	Environmental Affairs and Tourism
Women, Children and People with Disabilities	Presidency

Unforeseeable and unavoidable expenditure of approximately R562.1 million is allocated for operational activities as follows:

- R89.8 million for the Presidency, mainly to fund expenditure related to the appointment of the new president, the deputy president, an additional minister, and for the newly established Department of Women, Children and People with Disabilities
- R150 million for the Department of Public Works to cover the costs of providing office and residential accommodation for new ministers and deputy ministers
- R3 million to the Department of Public Service and Administration for the office of the new deputy minister

<sup>9</sup> Section 33

- R8 million for the Department of Higher Education and Training for compensation of employees as well as for operational expenditure for the new ministry
- R4.3 million for the Department of Tourism for compensation of employees as well as for operational expenditure for the office of the deputy minister
- R3 million for the Department of Human Settlements for the office of the new deputy minister
- R259 million for the Department of Rural Development and Land Reform for the offices of the minister and deputy minister as well as for the funding of the new rural development programme
- R10 million for the Department of Mineral Resources for compensation of employees as well as for operational expenditure for the new ministry
- R3 million for the Department of Transport for the office of the deputy minister
- R3 million for the Department of Water Affairs for the office of the deputy minister
- R29 million for the Economic Development Department for compensation of employees as well as for the operational expenditure of the newly created department.



# Information in each chapter

The *Adjusted Estimates of National Expenditure* provides detailed information for each vote in the Adjustments Appropriation Bill, following the layout shown below. Votes are organised into the following functional groupings for analysis of interdepartmental initiatives and service delivery. These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

- Central Government Administration
- Financial and Administrative Services
- Social Services
- Justice and Protection Services
- Economic Services and Infrastructure.

## Adjusted budget summary

2009/10				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>				
<b>of which:</b>				
Current payments				
Transfers and subsidies				
Payments for capital assets				
<b>Direct charge against the National Revenue Fund</b>				
Executive authority				
Accounting officer				
Website address				

This table summarises the adjustments to the main budget by main economic classification of payments.

**Main appropriation** shows the total amount voted for the current financial year in the main budget.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment.

**Decrease and Increase** shows the amount of the adjustment itself.

**Current payments** are payments made by a national department for its operational requirements.

**Transfers and subsidies** are payments made by a national department for which the department does not directly receive anything in return.

**Payments for capital assets** are payments made by a national department for an asset that can be used continuously or repeatedly for more than one year and which is expected to have future economic benefits or service potential for the department.

**Direct charges against the National Revenue Fund** may also be adjusted. These are amounts spent in terms of statutes and do not require parliamentary approval. They are also not budgeted for in terms of a programme on a particular vote.

The last lines of the table give accountability information: the department's executive authority, accounting officer and website address.

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the Adjustments Appropriation Bill.*

## Changes to programme purposes, objectives and measures

To maintain the link between a department's strategic plan and its adjusted budget, any changes to programme purposes, objectives and measures are noted.

## Mid-year performance status

Indicators	Programme name	Annual performance		
As published in the 2009 ENE	Programme linked to the indicator	Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10

Managing, monitoring and measuring performance are integral to improving service delivery. The table shows what a department has achieved in the first six months of the current financial year compared to what it projected for the year.<sup>10</sup>

**Indicators** lists the selected indicators for the MTEF period that were published in the ENE. An indicator is a numerically measure that tracks a department's progress towards its goals. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

**Programme name** shows the programme to which each indicator is linked.

**Projected for 2009/10 as published in the 2009 ENE** shows what the department projected it would achieve for the current financial year.

**Achieved in the first six months of 2009/10** shows what the department has actually achieved in the first half of the current financial year.

**Change of estimate for 2009/10** shows any change to the estimate originally published in the ENE. Estimates will typically change in cases where the funding provided for a particular programme has been amended in the Adjustments Appropriation Bill.

Any changes to indicators or performance projections are explained below the table. These changes are typically caused by the adjustments to a department's budget.

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<sup>10</sup> This table is not intended to give a comprehensive analysis of a department's performance since it shows only a selection of a department's indicators, as published in the ENE.

## Adjusted Estimates of National Expenditure 2009

Programme		2009/10						
R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Departmental total</b>								
<b>Economic classification</b>								
<b>Current payments</b>								
Economic classification item								
Economic classification item								
<b>Transfers and subsidies</b>								
Economic classification item								
Economic classification item								
Economic classification item								
<b>Payments for capital assets</b>								
Economic classification item								
Economic classification item								
<b>Total</b>								

In this table, a department's adjusted estimates of expenditure are set out by the type of expenditure adjustment and by vote programme and by economic classification (current payments, transfers and subsidies and payments for capital assets).

**Main appropriation** shows the total amount voted for the current financial year in the main budget.

**Additional appropriation** shows the amounts of the adjustment for each of the types of expenditure adjustment by programme and by economic classification.

**Roll-over** shows unspent funds from the preceding financial year reallocated to the current financial year to finalise projects close to completion.

**Unforeseeable/unavoidable** shows spending that could not be anticipated at the time of the main budget.

**Virement** shows reductions under one programme used to offset excess spending in another.

**Function shift** shows funds shifted following functions shifted to another department or within the department.

**Other adjustments** includes: unallocated amounts announced in the main budget; adjustments due to significant unforeseeable economic and financial events; funds required for an emergency; self-financing expenditure; and declared savings.

**Total additional appropriation** shows the sum of all the expenditure adjustments by programme and by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of that programme or economic classification.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment (that is, the total additional appropriation).

## Details of adjustments to the Estimates of National Expenditure 2009

This section gives explanations by programme for:

- Roll-overs
- Unforeseeable and unavoidable expenditure
- Virements

### Virements

Programmes					
1. Programme name					
2. Programme name					
3. Programme name					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme number			Programme number		
Economic classification item			Economic classification item		
			Programme number		
Economic classification item			Economic classification item		
			Programme number		
			Economic classification item		
Total					

**From** shows by programme per economic classification item where funding reductions have been effected.

**To** shows by programme per economic classification item where excess spending has been offset by these reductions.

**Motivation** explains how the funding reductions occurred on the one hand, and what they will be spent on, on the other.

**R thousand** gives the amounts.

- Other adjustments
- Gifts, donations and sponsorships
- Amounts forming a direct charge against the National Revenue Fund (these are not linked to a programme on a vote)

## Expenditure 2008/09 and preliminary expenditure 2009/10

Programme	2008/09 Expenditure outcome					2009/10 Preliminary expenditure		
	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
R thousand								
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Total</b>								

Programme	2008/09 Expenditure outcome					2009/10 Preliminary expenditure		
	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
R thousand								
<b>Economic classification</b>								
<b>Current payments</b>								
Economic classification item								
Economic classification item								
<b>Transfers and subsidies</b>								
Economic classification item								
Economic classification item								
Economic classification item								
<b>Payments for capital assets</b>								
Economic classification item								
Economic classification item								
<b>Total</b>								

This table shows the expenditure outcome for the last financial year and preliminary expenditure for the first six months of the current financial year by programme and by economic classification.

**2008/09 Expenditure outcome** shows the outcome for the previous financial year.

**Adjusted appropriation** shows the adjusted total amount voted for the previous financial year.

**Apr 08 to Sep 08** shows the expenditure outcome for the first six months of the previous financial year.

**Apr 08 to Sep 08 % of adjusted appropriation** shows the expenditure outcome for the first six months of the previous financial year as a percentage of the adjusted appropriation for that year.

**Apr 08 to Mar 09** shows the expenditure outcome for the whole of the previous financial year.

**Apr 08 to Mar 09 % of adjusted appropriation** shows the expenditure outcome for the whole of the previous financial year as a percentage of the adjusted appropriation for that year.

**2009/10 Preliminary expenditure** shows the preliminary expenditure for the current financial year.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year.

**Apr 09 to Sep 09** shows the preliminary expenditure for the first six months of the current financial year.

**Apr 09 to Sep 09 % of adjusted appropriation** shows the preliminary expenditure for the first six months of the current financial year as a percentage of the adjusted appropriation for the year.

## Main expenditure trends for the first half of 2009/10

Expenditure trends show whether actual expenditure is in line with the budget. Mid-year preliminary expenditure for the current financial year is compared to mid-year expenditure for the previous year. Explanations are given for significant changes in expenditure compared to the previous financial year.

## Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09 % of adjusted estimate	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Sep 09 % of adjusted estimate
Departmental receipts									
Total									

This table shows projected departmental revenue for the current financial year.

**2008/09 Audited outcome** shows the departmental receipts outcome for the previous financial year.

**Adjusted estimate** shows the adjusted total amount of receipts anticipated in the previous year's adjustments budget.

**Apr 08 to Sep 08** shows the receipts outcome for the first six months of the previous financial year.

**Apr 08 to Sep 08 % of adjusted estimate** shows the receipts outcome for the first six months of the previous financial year as a percentage of the adjusted estimate for that year.

**Apr 08 to Mar 09** shows the receipts outcome for the whole of the previous financial year.

**Apr 08 to Mar 09 % of adjusted estimate** shows the receipts outcome for the whole of the previous financial year as a percentage of the adjusted estimate for that year.

**2009/10 Actual receipts** shows the preliminary receipts outcome for the current financial year.

**Budget estimate** shows the total amount of receipts anticipated for the current financial year in the main budget.

**Adjusted estimate** shows the adjusted total amount of receipts anticipated in the adjustments budget for the current financial year.

**Apr 09 to Sep 09** shows preliminary receipts outcome for the first six months of the current financial year.

**Apr 09 to Sep 09 % of adjusted estimate** shows the preliminary receipts outcome for the first six months of the current financial year as a percentage of the adjusted estimate for the year.

## Main departmental revenue trends for the first half of 2009/10

Any differences from the information published in the ENE for the current financial year are explained in the text that follows the table.

## Changes to transfers and subsidies, and conditional grants

### Summary of changes to transfers and subsidies

2009/10							
R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	
Programme number.							
Programme name							
Economic classification item							
Programme number.							
Programme name							
Economic classification item							

**Summary of changes to conditional grants: Provinces**

2009/10							
R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation
Programme number.							
Programme name							
Grant name							

**Summary of changes to conditional grants: Local government**

2009/10							
R thousand	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation
Programme number.							
Programme name							
Grant name							

These tables show changes to transfers and subsidies and to conditional grants (provinces and local government) by programme per economic classification item.

**Main appropriation** shows the total amount voted for the current financial year in the main budget.

**Additional appropriation** shows the amounts of the adjustment for each of the types of expenditure adjustment by programme and by economic classification.

**Roll-over** shows unspent funds from the preceding financial year reallocated to the current financial year to finalise projects close to completion.

**Unforeseeable/unavoidable** shows spending that could not be anticipated at the time of the main budget.

**Virement** shows reductions under one programme used to offset excess spending in another.

**Function shift** shows funds shifted following functions shifted to another department or within the department.

**Other adjustments** includes: unallocated amounts announced in the main budget; adjustments due to significant unforeseeable economic and financial events; funds required for an emergency; self-financing expenditure; and declared savings.

**Total additional appropriation** shows the sum of all the expenditure adjustments by programme and by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of that programme or economic classification.

**Adjusted appropriation** shows the adjusted total amount to be voted for the current financial year, that is the sum of the main appropriation and the adjustment (that is, the total additional appropriation).

