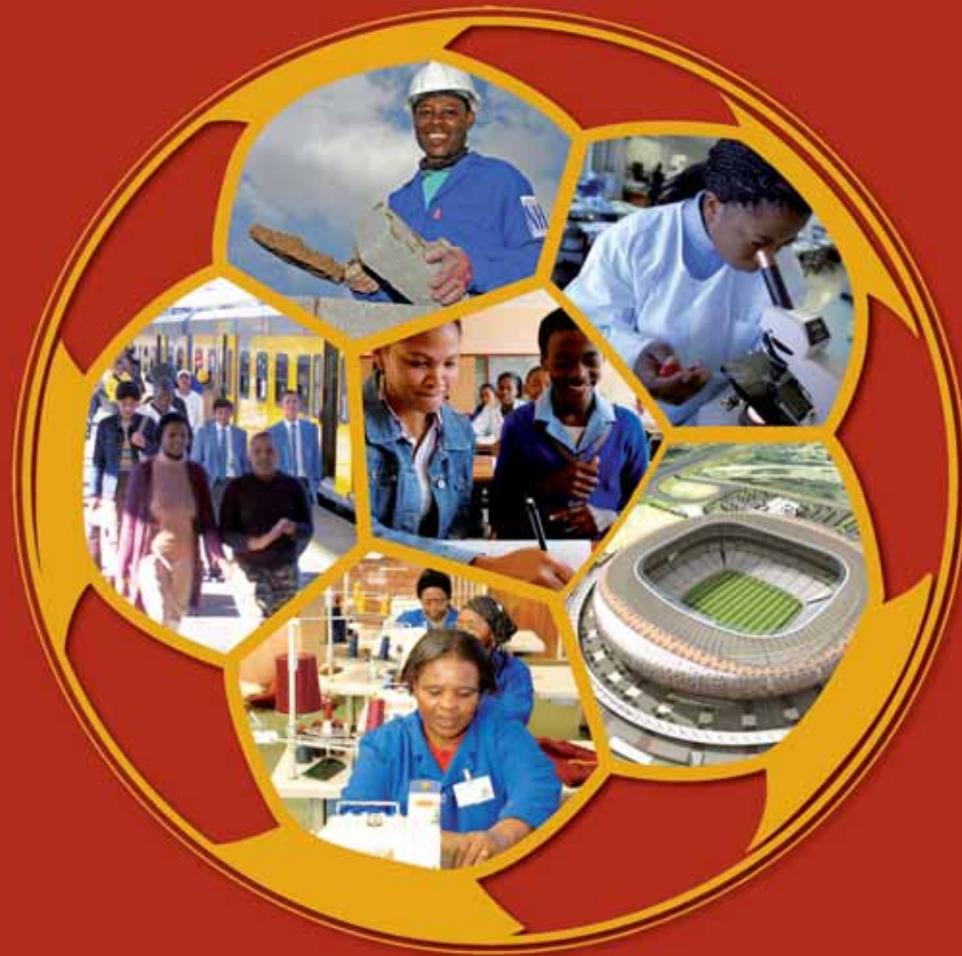


Vote 25

Agriculture, Forestry and Fisheries



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

National Treasury

Republic of South Africa

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
63 383.4	69 171.6	74 337.1	78 539.2	Compensation of employees
12 625.3	14 921.6	15 830.2	16 693.2	Salaries and wages
43 205.8	46 843.3	51 466.9	53 656.0	Social contributions
57 601.0	71 359.6	88 465.0	104 024.5	Goods and services
57 600.2	71 358.7	88 464.1	104 023.5	Interest and rent on land
0.8	0.8	0.9	1.0	Interest (including interest on finance leases)
				Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
345 167.9	381 726.9	417 237.3	442 587.4	Transfers and subsidies to:
294 968.2	322 858.2	350 547.1	369 348.4	Provinces and municipalities
294 968.2	322 858.2	350 547.1	369 348.4	Provinces
50 199.7	58 868.7	66 690.2	73 239.0	Provincial revenue funds
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
57 114.3	58 456.5	65 123.0	68 388.7	Municipal bank accounts
12.7	11.6	12.4	13.0	Departmental agencies and accounts
57 101.6	58 445.0	65 110.6	68 375.7	Social security funds
15 437.4	17 532.0	19 318.5	20 669.2	Departmental agencies (non-business entities)
1 260.9	1 313.9	1 288.8	1 380.3	Universities and technikons
19 725.2	20 129.1	20 700.1	21 489.8	Foreign governments and international organisations
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations and private enterprises
5 198.9	5 180.8	5 262.0	5 499.9	Public corporations
12 356.1	11 807.6	11 772.7	11 855.7	Subsidies on products or production
2 170.1	3 140.7	3 665.4	4 134.1	Other transfers to public corporations
1 795.1	2 778.8	3 255.0	3 629.1	Private enterprises
375.1	362.0	410.3	505.0	Subsidies on products or production
1 225.1	2 275.2	2 339.0	1 894.0	Other transfers to private enterprises
90 622.4	98 234.2	108 805.0	117 648.6	Non-profit institutions
85 620.3	92 792.8	102 213.6	110 636.4	Households
5 002.1	5 441.4	6 591.5	7 012.1	Social benefits
				Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
5 862.9	5 994.9	7 237.3	9 660.6	Payments for capital assets
4 743.8	4 537.4	4 836.4	6 935.7	Buildings and other fixed structures
1 119.2	1 457.5	2 400.9	2 725.0	Buildings
2 735.2	3 236.9	3 381.4	3 525.6	Other fixed structures
1 467.8	1 352.7	1 474.3	1 690.0	Machinery and equipment
1 267.4	1 884.2	1 907.2	1 835.6	Transport equipment
27.6	19.6	24.5	122.0	Other machinery and equipment
1.1	1.6	0.7	0.7	Specialised military assets
–	–	–	–	Biological assets
61.0	37.5	32.7	33.8	Land and subsoil assets
				Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total		29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total		8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
Central Government Administration								
1	The Presidency	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	Parliament	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	Cooperative Governance and Traditional Affairs	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	Home Affairs	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	International Relations and Cooperation	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	Public Works	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services								
8	Government Communication and Information System	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	National Treasury	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	Public Enterprises	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	Public Service and Administration	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	Statistics South Africa	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services								
13	Arts and Culture	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	Basic Education	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	Health	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	Higher Education and Training	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	Labour	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	Social Development	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	Sport and Recreation South Africa	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security								
20	Correctional Services	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	Defence and Military Veterans	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	Independent Complaints Directorate	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	Justice and Constitutional Development	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	Police	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	Communications	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	Economic Development	-	-	-	-	0.1	0.2	0.2
28	Energy	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	Environmental Affairs	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	Human Settlements	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	Mineral Resources	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	Rural Development and Land Reform	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	Science and Technology	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	Tourism	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	Trade and Industry	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	Transport	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	Water Affairs	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total		1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

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.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

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

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide 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 appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Agriculture, Forestry and Fisheries

**National Treasury
Republic of South Africa**



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Vote 25

Agriculture, Forestry and Fisheries

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	413 747	375 227	35 742	2 778	444 166	479 697
Production and Resources Management	449 668	162 810	254 724	32 134	666 096	704 369
Agriculture Support Services	1 731 128	231 382	1 499 437	309	1 999 708	2 174 754
Trade and Agricultural Development	80 749	49 381	31 194	174	89 345	95 992
Food Safety and Bio-security	358 822	349 800	6 596	2 426	474 730	547 212
Forestry	501 452	488 808	2 525	10 119	557 958	602 879
Fisheries	122 418	116 118	6 300	-	129 357	135 645
Total expenditure estimates	3 657 984	1 773 526	1 836 518	47 940	4 361 360	4 740 548
Executive authority	Minister of Agriculture, Forestry and Fisheries					
Accounting officer	Director-General of Agriculture, Forestry and Fisheries					
Website address	www.daff.gov.za					

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

The aim of the Department of Agriculture, Forestry and Fisheries is to lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance sustainable use, and to achieve economic growth, job creation, food security, rural development and transformation.

Programme purposes

Programme 1: Administration

Purpose: Strategic leadership, management, corporate and financial services and operations management.

Programme 2: Production and Resources Management

Purpose: Optimise agricultural productivity and profitability through the identification of opportunities, the sustainable use and protection of land, water and genetic resources, and infrastructure development to ensure household food security.

Programme 3: Agriculture Support Services

Purpose: Develop appropriate policies and targeted programmes for equitable access to the agricultural sector for the promotion of shared growth and commercial viability of emerging farmers. Risk and disaster management services. Provide agricultural education and training, extension and advisory services, scientific research and technology development.

Programme 4: Trade and Agricultural Development

Purpose: Facilitate market access for agricultural products. Provide agricultural economic and statistical services.

Programme 5: Food Safety and Bio-security

Purpose: Manage the risks associated with animal and plant diseases and pests, and genetically modified organisms. Register products used in agriculture. Promote food safety to safeguard human life.

Programme 6: Forestry

Purpose: Ensure the sustainable management of plantations, natural forests (indigenous forests) and woodlands to realise their optimal social, environmental and economic benefits.

Programme 7: Fisheries

Purpose: Promote the conservation and sustainable use of fisheries resources to contribute to economic growth and poverty alleviation.

Strategic overview: 2006/07 – 2012/13

The department's mandate

The Department of Agriculture, Forestry and Fisheries was established in July 2009. This involved expanding the mandate of the previous Department of Agriculture to include forestry and certain areas of the fishing sector. The scope of activities, which is supported by numerous pieces of legislation, now covers the agriculture, forestry and fisheries value chains: from inputs, production and value add to retailing. The department's reviewed strategic objectives are: the increased profitable production of food, fibre and timber products by all categories of producers (subsistence, smallholder and commercial); the sustained management of natural resources; effective national regulatory services and risk management systems; a transformed and united agriculture sector; the increased contribution of the agriculture, forestry and fishing sectors to economic growth and development; and the effective and efficient governance of the sectors.

The agricultural, forestry and fishing sectors' contribution to the economy

Agriculture presently accounts directly for just over 3 per cent of South Africa's GDP. However, agriculture's strong role in the economy is its indirect contribution through backward and forward linkages to other sectors.

Formal agriculture provides employment (including seasonal and contract employment) for about 700 000 workers. In addition, the smallholder sector provides full- or part-time employment for at least another 1 million households.

The total area under forestry is about 1.27 million hectares or approximately 1 per cent of South Africa's total land area of 122.3 million hectares. Forestry and forest products contribute about 1.4 per cent to GDP. The forestry sector employs around 170 000 workers.

South Africa has a well established fishing industry and is currently a net exporter of fish products. The commercial fishing industry is valued at about R2 billion a year and employs about 27 000 people.

Key policy developments

The agricultural production strategy, a key driver for the sector, will be completed in 2010. The strategy will promote the growth and development of subsistence, smallholder and commercial farmers and producers through different agricultural commodity groups and mechanisms.

The central focus of the department's policy instruments is the need to address the challenges faced by rural and vulnerable people. The policy instruments aim to: ensure a safety net for households otherwise unable to provide for their food requirements; empower farm workers to create small, micro and medium enterprises (SMME) or cooperatives; facilitate access to development finance; increase investment in research and improve capacity building and mentorship; reduce risks related to production and provide appropriate technical assistance; and provide productive infrastructure.

Priorities for the *Forestry* programme include: developing a strategy and fund for SMMEs in the forestry sector; developing a strategy to address timber shortages; establishing extension support for emerging growers and entrepreneurs; reducing the regulatory burden on small and emerging businesses; streamlining processes for afforestation in the country; and strengthening collaboration between countries in the Southern African Development Community (SADC) on forestry issues.

The fishing related functions transferred to the department include: establishing and revitalising state owned hatcheries; cage culture pilots in state owned waterworks and coastal areas; developing aquaculture development zones; and doing research and development on candidate culture species. The administration and management functions for South Africa's marine resources through the Marine Living Resources Fund were also transferred from the Department of Environmental Affairs in 2009/10.

Current challenges

Economic and political changes

The recent global economic downturn has made the currency market highly vulnerable, due to speculation. This has negatively affected the stability of the commodity market and as a result food security. The consolidation of the agriculture, forestry and fishing sectors under a single department will bring synergy to these sectors.

Ensuring the food security of the country

High global food prices and an increased demand for food have led to an increase in local food prices. In addition, higher per capita income and increased awareness about a balanced diet are bringing about changing preferences for food. Thus, there is a renewed focus on the need to ensure the adequate supply and accessibility of safe, nutritious and high quality food at affordable prices.

Employment in the sector

Employment in this sector plays a particularly important role in the rural areas. Its socioeconomic contribution in terms of supplementing household income and contributing to food supply for more than 2.5 million rural households is invaluable. The global economic downturn resulted in job losses in agriculture.

Low levels of production and under-utilisation of land

The smallholder sub-sector continues to be underproductive and economically unsustainable. Further, the shortage of capital and skills, labour shortages, increasing input costs and low commodity prices have led to substantial idle agricultural land and abandoned holdings. It is estimated that there are more than 2 million hectares of idle agricultural land. The department in collaboration with the Department of Rural Development and Land Reform provides post-settlement and production loans to new and upcoming farmers.

Transformation and growth of the forestry sector

The obstacles that hinder the forestry sector from realising its potential contribution to job creation; transformation and biodiversity conservation include: the inadequate supply of raw materials; biased equity distribution in the value chain; sub-optimal economic development; lack of funds and technical support systems to support SMMEs in all sub-sectors; and the slow establishment of plantations due to cumbersome government licensing processes.

2010 FIFA World Cup

The 2010 FIFA World Cup will put the department's capabilities and capacity under particular pressure to respond to potential biosecurity risks. Such risks include bringing plant and meat products into the country without the necessary phytosanitary certifications. In 2008/09, the department started to devise a biosecurity strategy to deal with the expected influx of tourists and cargo, and which will serve South Africa in the future.

Savings and cost effective service delivery

Over the MTEF period, the department has identified efficiency savings of R478.6 million across all programmes (R162.5 million in 2010/11, R179.4 million in 2011/12 and R136.8 million in 2012/13). Goods and services items targeted for cost reduction include: R1.9 million from advertising, R6.6 million from communication, R4.7 million from computer services, R4.3 million from stationery and printing, R2.8 million from training and development, R1 million from operating expenditure, R18.4 million from venues and facilities, R1.3 million from assets less than R5 000, and R933 000 from external audit costs. The balance of the savings will be made up of a R220.3 million reduction in compensation of employees and a R2 million cut in payments for capital assets. The latter entails delaying the filling of posts and reprioritising projects. These cuts will not impact on service delivery.

Selected performance indicators

Table 25.1 Agriculture, Forestry and Fisheries

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of hectares to be revitalised for irrigation per year	Production and Resources Management	-	-	28 874	30 000	33 000	36 000	40 000
Number of trainees on industry focused farmer training programmes per year	Agriculture Support Services	803	903	1 000	2 000	3 000	4 000	2 000
Number of beneficiaries accessing the comprehensive agricultural support programme per year	Agriculture Support Services	67 000	51 276	37 900	35 000	32 000	32 000	35 000
Number of farmers awarded production loans under the Micro Agricultural Financial Institutions of South Africa scheme per year	Agriculture Support Services	5 230	2 200	150	5 324	5 500	6 000	6 500
Number of emerging farmers trained in agricultural marketing per year	Trade and Agricultural Development	-	-	100	450	450	450	450
Number of biosecurity standards, operating procedures or directives issued per year	Food Safety and Biosecurity	-	7	10	9	10	10	7
Number of additional forest enterprise development projects supported per year	Forestry	33	26	44	62	62	9	9
Number of additional hectares planted (afforestation)	Forestry	1 230	542	5 000	8 000	8 000	10 000	10 000
Number of trees planted in the Million Trees programme per year	Forestry	275 000	899 000	1 m	1 m	1 m	1.5 m	1.5 m
Number of fire protection associations registered in high risk areas per year	Forestry	21	37	38	42	42	42	42

Expenditure estimates

Table 25.2 Agriculture, Forestry and Fisheries

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
1. Administration	279 727	334 689	372 072	414 089	394 089	413 747	444 166	479 697
2. Production and Resources Management	225 620	233 231	495 343	331 666	301 666	449 668	666 096	704 369
3. Agriculture Support Services	1 287 988	2 369 247	1 459 266	2 023 696	1 714 696	1 731 128	1 999 708	2 174 754
4. Trade and Agricultural Development	47 386	60 941	76 210	76 785	76 785	80 749	89 345	95 992
5. Food Safety and Bio-security	383 235	334 661	444 980	338 460	268 460	358 822	474 730	547 212
6. Forestry	441 516	452 659	509 139	579 104	459 104	501 452	557 958	602 879
7. Fisheries	45 530	73 174	107 992	110 740	90 740	122 418	129 357	135 645
Total	2 711 002	3 858 602	3 465 002	3 874 540	3 305 540	3 657 984	4 361 360	4 740 548
Change to 2009 Budget estimate				441 119	(127 881)	(105 231)	16 490	159 828

Economic classification

Current payments	1 314 030	1 347 340	1 574 290	1 756 514	1 456 514	1 773 526	1 970 150	2 206 812
Compensation of employees	717 353	778 826	908 830	1 138 488	938 488	1 144 157	1 244 180	1 380 206
Goods and services	595 410	567 175	664 966	617 244	517 244	627 974	724 470	825 017
<i>of which:</i>								
<i>Administrative fees</i>	23 635	28 215	38 430	40 715	20 715	48 553	56 972	67 895
<i>Advertising</i>	12 174	12 834	15 112	7 736	7 736	9 119	9 944	11 223
<i>Assets less than the capitalisation threshold</i>	7 352	8 076	6 485	24 092	24 092	16 431	38 671	18 808
<i>Audit cost: External</i>	5 102	3 998	4 878	5 515	5 515	7 463	7 892	8 575
<i>Bursaries: Employees</i>	1 760	1 788	1 808	3 048	3 048	3 669	3 886	3 860
<i>Catering: Departmental activities</i>	1 478	1 565	2 660	1 198	1 198	3 087	3 482	3 754
<i>Communication</i>	20 960	23 391	29 215	28 980	28 980	26 477	28 763	31 720
<i>Computer services</i>	15 277	18 700	25 655	34 054	24 054	20 995	23 150	25 988
<i>Consultants and professional services: Business and advisory services</i>	2 925	37 408	5 546	57 298	37 298	40 348	42 840	50 886
<i>Consultants and professional services: Infrastructure and planning</i>	90 053	61 171	60 909	43 551	43 551	32 094	33 746	39 806
<i>Consultants and professional services: Laboratory services</i>	-	-	459	744	744	451	484	526
<i>Consultants and professional services: Legal costs</i>	1 805	1 977	2 122	1 567	1 567	1 504	1 613	1 703
<i>Contractors</i>	24 242	11 585	22 499	15 897	15 897	94 677	101 008	106 668
<i>Agency and support / outsourced services</i>	76 525	50 845	127 773	50 081	40 081	61 266	65 995	72 447
<i>Entertainment</i>	486	432	323	336	336	367	382	375
<i>Fleet services (including government motor transport)</i>	-	-	-	-	-	6 114	6 314	7 918
<i>Inventory: Food and food supplies</i>	731	738	1 447	1 654	1 654	1 835	1 931	2 027
<i>Inventory: Fuel, oil and gas</i>	8 138	9 463	20 916	14 243	14 243	8 364	9 389	10 047
<i>Inventory: Learner and teacher support material</i>	7	11	252	201	201	434	453	499
<i>Inventory: Materials and supplies</i>	6 582	4 505	7 012	9 328	9 328	7 277	7 884	8 662
<i>Inventory: Medical supplies</i>	3 093	2 239	2 550	16 326	16 326	968	16 032	41 542
<i>Inventory: Other consumables</i>	39 386	41 356	26 756	30 323	20 323	22 676	24 173	25 741
<i>Inventory: Stationery and printing</i>	12 072	13 583	15 619	14 397	14 397	13 622	15 762	22 011
<i>Lease payments</i>	10 388	10 784	19 738	23 566	23 566	21 015	22 682	25 201
<i>Property payments</i>	16 519	22 260	14 011	17 369	17 369	19 196	20 681	23 084
<i>Transport provided: Departmental activity</i>	208	370	46	154	154	86	95	103
<i>Travel and subsistence</i>	164 391	143 459	152 617	130 168	100 168	106 699	118 578	147 166
<i>Training and development</i>	27 307	20 320	24 196	16 342	16 342	20 083	21 984	24 413
<i>Operating expenditure</i>	5 502	9 497	5 804	6 888	6 888	8 807	9 801	10 965
<i>Venues and facilities</i>	17 312	26 605	30 128	21 473	21 473	24 297	29 883	31 404
<i>Interest and rent on land</i>	1 267	1 339	494	782	782	1 395	1 500	1 589

Table 25.2 Agriculture, Forestry and Fisheries (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Economic classification								
Transfers and subsidies	1 302 813	1 718 857	1 815 985	2 040 948	1 771 948	1 836 518	2 300 684	2 469 141
Provinces and municipalities	402 027	762 239	899 728	974 107	974 107	1 117 087	1 437 313	1 509 170
Departmental agencies and accounts	530 540	519 669	609 095	585 563	585 563	672 881	813 369	921 310
Universities and technikons	–	3 806	6 251	1 900	1 900	–	–	–
Foreign governments and international organisations	9 974	32 865	35 303	35 858	35 858	34 497	36 570	24 242
Public corporations and private enterprises	258 289	302 495	96 932	420 981	151 981	2 801	2 969	3 117
Non-profit institutions	7 664	5 780	17 232	14 290	14 290	8 784	9 106	9 501
Households	94 319	92 003	151 444	8 249	8 249	468	1 357	1 801
Payments for capital assets	92 675	92 086	73 780	76 966	76 966	47 940	90 526	64 595
Buildings and other fixed structures	49 753	52 051	37 653	43 037	43 037	30 892	38 446	44 233
Machinery and equipment	41 118	37 865	35 149	33 558	33 558	16 197	51 170	19 423
Biological assets	79	692	549	–	–	–	–	–
Software and other intangible assets	1 725	1 478	429	371	371	851	910	939
<i>of which:</i>								
<i>Capitalised compensation</i>	<i>17 474</i>	<i>18 437</i>	<i>9 567</i>	<i>11 638</i>	–	<i>15 092</i>	<i>15 997</i>	<i>16 957</i>
<i>Capitalised goods and services</i>	<i>21 973</i>	<i>25 543</i>	<i>13 268</i>	<i>8 822</i>	–	<i>13 800</i>	<i>15 441</i>	<i>18 088</i>
Payments for financial assets	1 484	700 319	947	112	112	–	–	–
Total	2 711 002	3 858 602	3 465 002	3 874 540	3 305 540	3 657 984	4 361 360	4 740 548

Expenditure trends

Expenditure increased at an average annual rate of 12.6 per cent between 2006/07 and 2009/10, from R2.7 billion to R3.9 billion. This was mainly due to once-off allocations in 2007/08 of R700 million to the Land and Agricultural Development Bank of South Africa (Land Bank) for recapitalisation and R300 million for agricultural disaster management.

Over the medium term, expenditure is expected to increase at an average annual rate of 7 per cent to reach R4.7 billion in 2012/13. This is because of increases in the allocations for the comprehensive agricultural support programme and Ilima/Letsema, from R1.1 million in 2010/11 to R1.5 million in 2012/13, to drive increased food production.

Transfer payments account for 52.8 per cent of the department's total budget over the 7-year period. In 2007/08, transfers accounted for 63.9 per cent of the total due to the once-off allocation to the Land Bank. In 2010/11, the following transfer payments are expected to be made: R622 million to the Agricultural Research Council; R1.1 billion in conditional grants to provinces for the comprehensive agricultural support programme, LandCare and Ilima/Letsema; R5.7 million to public corporations and private enterprises for increased food production, and R34.5 million to international organisations for membership fees. The *Food Safety and Biosecurity* programme shows an average annual decrease of 4.1 per cent due to once-off expenditure outbreaks of classical swine fever and foot and mouth disease. The average annual increase of 29.4 per cent in the *Production and Resources Management* programme is due to the increased allocations to the comprehensive agricultural support programme and Ilima/Letsema. The *Food Safety and Biosecurity* programme shows an average annual decrease of 4.1 per cent due to once-off expenditure for outbreaks of classical swine fever and foot and mouth disease.

The department receives additional allocations of R57.2 million in 2010/11, R195.8 million in 2011/12 and R310.8 million in 2012/13 for:

- biosecurity (R80 million in 2011/12 and R120 million in 2012/13) for appointing additional vets and providing toolkits to animal health technicians

- the Agricultural Research Council (R50 million in 2011/12 and R120 million in 2012/13) to renovate buildings and upgrade and replace machinery and equipment
- adjustments for compensation of employees in the department, the Agricultural Research Council the and National Agricultural Marketing Council (R57.2 million, R65.8 million and R70.8 million).

In 2009/10, the department's funded post establishment was 6 932 posts. The overall ratio between support staff and line function staff is 1:7. The extended mandate for 2010/11 includes 3 628 posts in the forestry programme and an estimated 868 posts for fisheries. In addition, the department plans to employ 46 part time and temporary contract employees in 2010/11 at a cost of R10.7 million; and 189 interns at a cost of R4.5 million.

Infrastructure spending

The department does not have large capital projects and its spending in this regard is mainly ongoing on foot and mouth border fences (R26 million), office accommodation (R23.2 million) and boreholes (R3.9 million).

Departmental receipts

A significant portion of departmental revenue is derived from the sale of goods and services, including: statutory services such as registering fertilisers, farm feeds and agricultural remedies and brands; analysing soil; issuing import and export certificates for agricultural products; issuing liquor control permits; and providing quarantine and inspection services. Other receipts come from interest payments, rent on land, and financial transactions in assets and liabilities.

The substantial increases in total revenue in 2008/09 and 2009/10 were mainly due to repayments of conditional grants of R106.9 million and R99.9 million not spent by the provinces. This is reflected in financial transactions in assets and liabilities. Further, the increase from 2007/08 to 2008/09 in interest, dividends and rent on land and financial transactions in assets and liabilities is due to the incorporation of the agricultural debt account debtors into the department's books since the repeal of the Agricultural Debt Management Act (2001) in September 2008.

Table 25.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	141 086	121 136	254 006	219 749	216 699	119 256	121 484	118 229
Sales of goods and services produced by department	105 585	104 228	107 693	98 215	84 235	88 809	93 113	94 531
Sales of scrap, waste, arms and other used current goods	43	204	4	5	5	5	8	5
Transfers received	–	26	80	8	8	–	–	–
Fines, penalties and forfeits	3	92	10	3	3	3	3	3
Interest, dividends and rent on land	1 446	1 963	9 752	17 183	13 113	12 213	11 930	10 140
Sales of capital assets	211	9 957	330	436	436	462	500	550
Transactions in financial assets and liabilities	33 798	4 666	136 137	103 899	118 899	17 764	15 930	13 000
Total	141 086	121 136	254 006	219 749	216 699	119 256	121 484	118 229

Programme 1: Administration

Expenditure estimates

Table 25.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister ¹	582	908	1 381	1 725	1 816	1 916	2 012
Deputy Minister ¹	839	904	1 005	1 420	1 496	1 578	1 657
Management	27 246	31 270	46 179	48 156	48 108	50 894	54 371
Corporate and Financial Services	99 305	113 111	128 203	141 064	143 772	152 682	165 053
Operations Management	103 229	143 141	129 021	138 166	124 743	133 198	142 572
Office Accommodation	48 526	45 355	66 283	83 558	93 812	103 898	114 032
Total	279 727	334 689	372 072	414 089	413 747	444 166	479 697
Change to 2009 Budget estimate				25 507	(5 899)	(6 844)	408

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

Economic classification

	253 003	286 158	315 849	347 130	375 227	398 356	443 720
Current payments							
Compensation of employees	107 130	120 972	140 714	178 534	189 047	199 297	213 309
Goods and services	145 617	164 949	175 023	168 596	186 015	198 889	230 238
<i>of which:</i>							
Administrative fees	22 278	26 973	35 663	37 043	43 925	50 499	58 039
Advertising	7 262	1 886	3 198	1 837	760	988	1 486
Assets less than the capitalisation threshold	2 048	2 567	1 283	2 852	2 093	2 192	2 664
Audit cost: External	5 040	3 998	4 878	5 495	7 445	7 872	8 551
Bursaries: Employees	375	592	424	874	874	990	1 062
Catering: Departmental activities	460	531	465	444	738	789	914
Communication	8 352	10 946	15 047	15 985	12 329	13 160	15 076
Computer services	13 412	14 559	15 096	16 397	6 251	6 646	8 281
Consultants and professional services: Business and advisory services	345	1 019	182	603	1 200	1 257	1 794
Consultants and professional services: Infrastructure and planning	1 213	4 018	4 211	7 470	8 015	8 584	9 861
Consultants and professional services: Legal costs	247	960	512	195	105	122	121
Contractors	14 504	4 917	10 131	5 274	31 488	29 141	31 083
Agency and support / outsourced services	13 494	9 788	16 611	7 812	8 520	9 126	10 966
Entertainment	168	301	219	210	215	230	223
Fleet services (including government motor transport)	-	-	-	-	2 442	2 581	3 914
Inventory: Food and food supplies	-	-	-	10	2	2	2
Inventory: Fuel, oil and gas	1 808	2 106	2 883	2 520	-	-	-
Inventory: Learner and teacher support material	-	-	44	58	86	108	123
Inventory: Materials and supplies	728	440	285	815	510	567	773
Inventory: Medical supplies	-	-	-	7	7	9	45
Inventory: Other consumables	614	583	815	812	604	665	858
Inventory: Stationery and printing	5 693	5 537	4 580	4 499	3 060	3 162	4 722
Lease payments	5 069	7 337	7 638	17 516	16 187	17 264	19 217
Property payments	7 852	9 445	10 952	11 584	11 844	12 565	14 216
Travel and subsistence	18 208	33 524	24 931	18 580	16 202	17 299	20 815
Training and development	4 391	4 635	4 831	3 835	3 577	3 756	5 315
Operating expenditure	1 036	2 868	1 830	2 105	916	984	1 197
Venues and facilities	11 020	15 419	8 314	3 764	6 620	8 331	8 920
Interest and rent on land	256	237	112	-	165	170	173

Table 25.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Transfers and subsidies	11 285	33 735	39 125	39 862	35 742	37 916	25 725
Provinces and municipalities	195	123	130	80	105	105	105
Departmental agencies and accounts	540	500	586	650	1 160	1 261	1 398
Foreign governments and international organisations	9 974	32 865	35 303	35 838	34 477	36 550	24 222
Public corporations and private enterprises	14	55	591	22	-	-	-
Non-profit institutions	-	-	-	20	-	-	-
Households	562	192	2 515	3 252	-	-	-
Payments for capital assets	15 372	14 762	17 086	27 082	2 778	7 894	10 252
Buildings and other fixed structures	3 357	7 891	11 524	22 577	2 000	7 008	9 188
Machinery and equipment	11 266	6 136	5 479	4 440	728	826	994
Software and other intangible assets	749	735	83	65	50	60	70
Payments for financial assets	67	34	12	15	-	-	-
Total	279 727	334 689	372 072	414 089	413 747	444 166	479 697
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	195	123	130	80	105	105	105
Regional Services Council levies	74	-	-	-	-	-	-
Vehicle licences	81	123	130	80	105	105	105
Vehicle licences: provincial	40	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	540	500	586	650	1 160	1 261	1 398
South African Management Development Institution	70	-	-	-	-	-	-
Primary Agriculture and Sector Education Training Authority	470	500	586	650	1 160	1 261	1 398
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	14	55	591	22	-	-	-
Claims against the state	14	55	591	22	-	-	-
Foreign governments and international organisations							
Current	9 974	32 865	35 303	35 838	34 477	36 550	24 222
International Union for the Protection of New Varieties of Plants	321	-	390	400	420	441	463
Commonwealth Agricultural Bureau International	142	138	155	150	158	166	174
Consultative Group on International Agricultural Research	-	7 681	3 889	4 000	3 700	3 900	4 095
Food and Agriculture Organisation of the United Nations	-	14 498	12 000	12 000	12 720	13 483	11 054
Food and Agriculture Organisation of the United Nations	7 924	8 762	11 469	12 000	9 830	10 528	-
Foreign rates and taxes	6	97	228	110	116	122	128
International Cotton Advisory Council	149	136	193	170	173	181	190
International Dairy Federation	30	30	40	50	53	56	59
International Grains Council	129	133	134	170	179	188	197
International Seed Testing Association	42	-	53	63	66	69	73
Office International de la Vigne et du Vin	456	544	612	575	604	634	667
Office International des Epizooties	703	794	1 045	1 000	1 050	1 103	1 158
Organisation for Economic Cooperation and Development	72	52	98	150	158	166	175
International Fund for Agricultural Development	-	-	4 997	5 000	5 250	5 513	5 789

Table 25.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Non-profit institutions							
Current	-	-	-	20	-	-	-
Limpopo Youth Orchestra	-	-	-	10	-	-	-
Nokane Primary School	-	-	-	10	-	-	-
Households							
Social benefits							
Current	562	192	380	450	-	-	-
Employee Social Benefit	562	192	380	450	-	-	-
Households							
Other transfers to households							
Current	-	-	2 135	2 802	-	-	-
Female farmer competition	-	-	2 135	2 800	-	-	-
Claims against the state	-	-	-	2	-	-	-

Expenditure trends

Expenditure grew from R279.7 million in 2006/07 to R414.1 million in 2009/10 at an average annual rate of 14 per cent, and is projected to increase to R479.7 million over the medium term at an average annual rate of 5 per cent. The growth between 2006/07 and 2009/10 can be attributed to once-off allocations of R27 million to the Food and Agricultural Organisation of the United Nations for capacity building and of R25 million to the fourth world congress on rural women in 2007/08.

Spending on the *Office Accommodation* subprogramme is expected to increase from R66.3 million in 2008/09 to R83.6 million in 2009/10, due to the department having negotiated a lease for new offices in Pretoria in excess of R2 million per year and as a result of consolidating offices in other cities. The department will also be leasing press room equipment as it is more economical than buying it.

Programme 2: Production and Resources Management

- *Management*
- *Agricultural Production*

Focuses on creating an enabling environment for increased and sustainable agricultural production through appropriate policies, legislation, norms and standards, technical guidelines and other programmes and services. It also administers the Animal Improvement Act (1988), the Plant Breeders' Rights Act (1976), and the Plant Improvement Act (1976). Funding is mainly used for personnel and related costs, support projects, and animal and plant production issues.

- *Engineering and Resources Management*

Facilitates the development of agricultural infrastructure and the use of agricultural resources. Other activities include auditing natural resources, controlling migratory pests, rehabilitating and protecting agricultural land, and running the community based LandCare programme. Funding is mainly used for personnel and related costs, LandCare grants, and the restoration of degraded land.

Objectives and measures

- Stimulate the increased production of all strategically important agricultural commodities through:
 - increasing the productivity and domestic and global competitiveness of the sector by developing an agricultural production strategy by March 2010
 - developing mapping systems to identify food insecurity in South Africa by March 2013

- extending conservation projects and programmes for the sustainable use of genetic resources for food and agriculture to 2 provinces by March 2012
- improving the regulatory oversight of propagating and breeding material by implementing the relevant legislation, strategies and policies by March 2012.

Service delivery focus

In 2009, the department developed and distributed production guidelines on grain crops, fruits, vegetables, industrial crops and ornamental plants to 20 000 farmers countrywide, and a series of articles on goat production and beef cattle management were published through the National Emergent Red Meat Producers Organisation. A comprehensive manual on wildlife ranching was published and distributed to 20 000 farmers countrywide.

The Ilima/Letsema programme, aimed at using all fallow land in peri-urban areas to produce food, was implemented in 2008/09 and is managed by provincial departments.

An area of focus from 2008/09 is to ensure the integrated, sustainable and effective management of natural resources through: awareness campaigns; identifying compromised areas and implementing conservation measures; a resources audit; water management; and providing support for developing and repairing irrigation structures.

Expenditure estimates

Table 25.5 Production and Resources Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management	105	1 387	1 520	1 963	1 811	1 878	2 029
Agriculture Production	42 807	51 356	292 110	108 772	251 454	452 899	477 108
Engineering and Resource Management	182 708	180 488	201 713	220 931	196 403	211 319	225 232
Total	225 620	233 231	495 343	331 666	449 668	666 096	704 369
Change to 2009 Budget estimate				31 491	(16 087)	(17 298)	(26 810)

Economic classification

	115 267	122 019	174 638	189 202	162 810	173 433	185 195
Current payments							
Compensation of employees	61 383	67 404	85 448	104 393	107 637	116 092	122 679
Goods and services	53 854	54 588	89 162	84 809	55 122	57 289	62 463
<i>of which:</i>							
Administrative fees	178	135	638	795	1 210	1 167	1 225
Advertising	1 455	1 310	1 440	722	985	817	855
Assets less than the capitalisation threshold	615	826	789	1 218	1 282	1 209	1 228
Audit cost: External	62	–	–	20	–	–	–
Bursaries: Employees	124	259	394	856	835	776	552
Catering: Departmental activities	261	3	25	183	303	359	294
Communication	1 296	1 403	1 655	2 036	1 717	1 909	1 914
Computer services	268	484	88	622	715	463	754
Consultants and professional services: Business and advisory services	55	–	6	3 020	2 354	2 369	2 309
Consultants and professional services: Infrastructure and planning	12 526	17 369	26 341	12 767	7 986	8 204	11 099
Consultants and professional services: Laboratory services	–	–	–	41	–	–	–
Consultants and professional services: Legal costs	257	317	547	247	247	263	279
Contractors	982	1 125	4 101	3 795	389	404	436
Agency and support / outsourced services	3 201	3 751	6 196	3 349	8 284	8 122	8 321
Entertainment	28	31	29	34	34	34	34
Fleet services (including government motor transport)	–	–	–	–	1 604	1 493	1 642
Inventory: Food and food supplies	1	15	–	1	1	1	3

Table 25.5 Production and Resources Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments							
<i>Inventory: Fuel, oil and gas</i>	2 316	2 166	5 406	4 762	1 802	2 071	2 142
<i>Inventory: Learner and teacher support material</i>	2	–	3	–	51	22	28
<i>Inventory: Materials and supplies</i>	464	368	577	348	702	650	693
<i>Inventory: Medical supplies</i>	1	3	2	3	15	11	14
<i>Inventory: Other consumables</i>	6 269	3 659	6 565	15 580	4 463	4 076	3 608
<i>Inventory: Stationery and printing</i>	1 344	1 140	2 126	1 264	1 806	2 048	2 356
<i>Lease payments</i>	336	307	321	806	603	650	723
<i>Property payments</i>	27	35	65	633	234	253	296
<i>Travel and subsistence</i>	17 339	12 292	25 891	24 965	11 936	12 698	13 938
<i>Training and development</i>	1 429	2 201	1 070	1 285	997	1 167	1 244
<i>Operating expenditure</i>	717	3 231	1 232	478	533	508	590
<i>Venues and facilities</i>	2 301	2 158	3 655	4 979	4 034	5 545	5 886
Interest and rent on land	30	27	28	–	51	52	53
Transfers and subsidies	58 566	52 461	292 237	110 307	254 724	457 994	480 884
Provinces and municipalities	56 065	46 965	223 194	101 720	254 504	457 774	480 664
Departmental agencies and accounts	–	–	65 000	–	–	–	–
Universities and technikons	–	3 606	3 604	–	–	–	–
Foreign governments and international organisations	–	–	–	20	20	20	20
Public corporations and private enterprises	269	73	188	18	–	–	–
Non-profit institutions	1 115	230	100	8 000	–	–	–
Households	1 117	1 587	151	549	200	200	200
Payments for capital assets	51 405	58 751	28 454	32 076	32 134	34 669	38 290
Buildings and other fixed structures	46 161	44 072	22 835	20 460	28 892	31 438	35 045
Machinery and equipment	4 498	14 679	5 467	11 598	3 242	3 231	3 245
Software and other intangible assets	746	–	152	18	–	–	–
<i>of which:</i>							
<i>Capitalised compensation</i>	17 474	18 437	9 567	11 638	15 092	15 997	16 957
<i>Capitalised goods and services</i>	21 973	25 543	13 268	8 822	13 800	15 441	18 088
Payments for financial assets	382	–	14	81	–	–	–
Total	225 620	233 231	495 343	331 666	449 668	666 096	704 369
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	55 735	46 725	223 003	101 417	254 502	457 772	480 661
Land Care Programme Grant: Poverty Relief and Infrastructure Development Grant	55 735	46 725	51 003	51 417	54 502	57 772	60 661
Ilima / Letsema projects	–	–	96 000	50 000	200 000	400 000	420 000
Agricultural starter packs	–	–	76 000	–	–	–	–
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	330	240	191	303	2	2	3
Regional Services Council levies	59	–	–	–	–	–	–
Vehicle licences	271	240	191	303	2	2	3

Table 25.5 Production and Resources Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	-	65 000	-	-	-	-
Eastern Cape Rural Finance Corporation	-	-	65 000	-	-	-	-
Universities and technikons							
Current	-	3 606	3 604	-	-	-	-
University of Stellenbosch	-	3 606	3 604	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	269	73	188	18	-	-	-
Claims against the state	269	73	188	18	-	-	-
Non-profit institutions							
Current	1 115	90	100	8 000	-	-	-
Food and Trees for Africa	1 000	50	-	-	-	-	-
Grassland Society	10	-	-	-	-	-	-
Milk Producers Organisation	40	-	-	-	-	-	-
World Conference on Animal Production	-	-	100	-	-	-	-
SA Pork Producers Organisation	65	-	-	-	-	-	-
Aquaculture Association of South Africa	-	40	-	-	-	-	-
Food Bank SA	-	-	-	8 000	-	-	-
Households							
Social benefits							
Current	767	1 587	147	529	200	200	200
Employee Social Benefit	767	1 587	147	529	200	200	200
Households							
Other transfers to households							
Current	350	-	3	4	-	-	-
Claims against the state	350	-	3	4	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 13.7 per cent from R225.6 million in 2006/07 to R331.7 million in 2009/10. This was mainly as a result of a once-off allocation in 2008/09 of R96 million for Ilima/Letsema and R76 million for starter packs. This also explains the 455.4 per cent increase in spending in the *Agricultural Production* programme in 2008/09.

Over the medium term, expenditure is expected to increase to R704.4 million in 2012/13, at an average annual rate of 28.5 per cent. This is due to additional allocations over the medium term of R200 million, R400 million and R420 million to further strengthen Ilima/Letsema. Spending in the *Management* subprogramme increased by 1 221.1 per cent from R105 000 in 2006/07 to R1.4 million in 2007/08 due to the filling of the deputy-director general post.

Programme 3: Agriculture Support Services

- *Management.*
- *Livelihoods Development Support*

Facilitates the provision of post-settlement support to emerging farmers, promotes broad based black economic empowerment (BEE), provides for agricultural development finance, promotes farmer cooperatives, and manages agricultural risk and disasters. It also manages the transfer of funds to the comprehensive agricultural support programme, Micro Agricultural Financial Institutions of South Africa, broad based black economic empowerment framework for agriculture (AgriBEE), Ncera Farms and for agricultural disasters.

- *Sector Services and Research*

Directs and supports agricultural education, training, extension, research and advisory services in support of targeted groups. It also manages the transfer of funds to the Agricultural Research Council.

Objectives and measures

- Increase access to services and support for producers, entrepreneurs and agribusinesses through:
 - providing production loans through Micro Agricultural Financial Institutions of South Africa to 6 000 smallholder farmers per year over the MTEF period
 - providing industry focused value chain training to 2 000 beneficiaries per year over the MTEF period
 - improving the quality of extension services by increasing the number of extension officers enrolled in skills upgrading programmes by 200 per year over the MTEF period.

Service delivery focus

From 2004/05 to 2006/07, the department developed norms and standards for agricultural extension and advisory services, thus redefining the critical role of extension officers in the public service and asserting their centrality in implementing key programmes such as the comprehensive agricultural support programme, Micro Agricultural Financial Institutions of South Africa and AgriBEE. The extension recovery plan, which was implemented in 2008, enhances the ability of extension officers and advisors to increase the productivity and profitability of black subsistence, smallholder and commercial farmers.

From 2008/09, the Micro Agricultural Financial Institutions of South Africa accredited 8 financial intermediaries to retail R95 million to 12 620 individual emerging farmers and cooperatives for cash crops, poultry, piggeries, ostriches and other livestock, and small farming equipment. The projection of the number of farmers accessing loans from 2010/11 decreased to 6 000 per year, as intermediaries will decrease to 8 against the targeted 12.

The target for beneficiaries of the comprehensive agricultural support programme for 2009/10 was set at 32 000. This was reduced to 26 300 due to higher food and input costs. Some of the achievements of the comprehensive agricultural support programme in 2008/09 were: 22 000 km of fencing, 290 km of fire belts, 105 irrigation systems, 120 stock water structures, 97 boreholes, 55 poultry housing structures and 148 vegetable gardens.

The agricultural education and training strategy for agriculture and rural development was devised in 2005 to address skills development in the sector to promote accelerated and shared economic growth. The National Agricultural Education and Training Forum is an advisory body to the minister for implementing this strategy. The forum will provide a better understanding of levels of education in the sector.

Expenditure estimates

Table 25.6 Agriculture Support Services

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management	1 393	1 846	10 691	2 110	1 946	2 064	2 230
Livelihoods Development Support	676 188	1 778 535	728 450	1 213 958	728 424	782 103	825 913
Sector Services and Research	610 407	588 866	720 125	807 628	1 000 758	1 215 541	1 346 611
Total	1 287 988	2 369 247	1 459 266	2 023 696	1 731 128	1 999 708	2 174 754
Change to 2009 Budget estimate				327 560	1 700	50 893	128 688

Economic classification

	158 248	149 589	170 528	179 205	231 382	247 505	267 865
Current payments							
Compensation of employees	55 891	62 715	70 910	83 495	88 989	94 141	100 908
Goods and services	102 291	86 808	99 546	95 710	142 340	153 310	166 901
<i>of which:</i>							
<i>Administrative fees</i>	–	–	820	531	37	40	56
<i>Advertising</i>	1 245	1 996	1 425	1 017	1 385	1 461	1 636
<i>Assets less than the capitalisation threshold</i>	755	582	666	1 829	1 195	1 250	1 332
<i>Bursaries: Employees</i>	359	108	233	317	422	451	492
<i>Catering: Departmental activities</i>	314	–	26	170	187	245	284
<i>Communication</i>	634	806	1 663	2 210	2 149	2 274	2 407
<i>Computer services</i>	57	204	103	346	584	671	742
<i>Consultants and professional services: Business and advisory services</i>	136	16	959	29 490	25 119	25 727	27 531
<i>Consultants and professional services: Infrastructure and planning</i>	46 930	35 376	20 907	12 513	10 322	10 612	12 005
<i>Consultants and professional services: Laboratory services</i>	–	–	2	106	–	–	–
<i>Consultants and professional services: Legal costs</i>	12	–	81	100	60	63	68
<i>Contractors</i>	3 353	2 269	1 273	1 373	56 552	60 865	67 663
<i>Agency and support / outsourced services</i>	10 234	6 617	19 445	6 665	7 166	7 345	8 775
<i>Entertainment</i>	33	33	33	34	34	34	34
<i>Fleet services (including government motor transport)</i>	–	–	–	–	936	864	981
<i>Inventory: Food and food supplies</i>	723	723	1 011	855	1 152	1 190	1 236
<i>Inventory: Fuel, oil and gas</i>	1 365	1 543	2 205	2 325	1 341	1 635	1 718
<i>Inventory: Learner and teacher support material</i>	–	6	146	110	112	117	123
<i>Inventory: Materials and supplies</i>	519	539	439	322	536	564	598
<i>Inventory: Medical supplies</i>	63	57	63	43	–	–	–
<i>Inventory: Other consumables</i>	1 184	869	1 463	1 640	1 678	1 792	1 956
<i>Inventory: Stationery and printing</i>	1 656	1 838	1 831	2 010	2 054	2 137	2 284
<i>Lease payments</i>	–	–	–	774	685	763	841
<i>Property payments</i>	861	483	908	976	600	700	800
<i>Travel and subsistence</i>	10 866	13 667	14 864	11 452	10 582	11 338	12 074
<i>Training and development</i>	17 922	11 016	13 777	7 887	10 473	11 573	11 776
<i>Operating expenditure</i>	570	542	676	972	586	690	800
<i>Venues and facilities</i>	2 500	7 518	14 527	9 643	6 393	8 909	8 689
<i>Interest and rent on land</i>	66	66	72	–	53	54	56

Table 25.6 Agriculture Support Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Transfers and subsidies	1 122 554	1 515 437	1 284 115	1 842 833	1 499 437	1 751 881	1 906 553
Provinces and municipalities	345 454	715 010	674 971	872 306	862 378	979 334	1 028 301
Departmental agencies and accounts	509 290	498 149	521 050	550 253	634 227	769 547	875 104
Universities and technikons	–	200	2 647	1 900	–	–	–
Public corporations and private enterprises	245 182	299 893	74 716	418 224	2 801	2 969	3 117
Non-profit institutions	2 549	2 000	10 466	–	–	–	–
Households	20 079	185	265	150	31	31	31
Payments for capital assets	7 122	4 221	4 622	1 658	309	322	336
Machinery and equipment	7 043	3 975	4 531	1 658	309	322	336
Biological assets	79	–	40	–	–	–	–
Software and other intangible assets	–	246	51	–	–	–	–
Payments for financial assets	64	700 000	1	–	–	–	–
Total	1 287 988	2 369 247	1 459 266	2 023 696	1 731 128	1 999 708	2 174 754

Details of transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	345 403	715 000	674 961	872 294	862 365	979 321	1 028 287
Comprehensive Agricultural Support Programme grant: Infrastructure	300 000	415 000	438 124	544 631	577 611	622 458	653 581
Disaster management	45 403	300 000	136 837	156 900	–	–	–
Comprehensive Agricultural Support Programme grant: Colleges for infrastructure	–	–	–	–	–	50 000	52 500
Comprehensive Agricultural Support Programme grant: Extension	–	–	100 000	170 763	284 754	306 863	322 206
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	51	10	10	12	13	13	14
Regional Services Council levies	41	–	–	–	–	–	–
Vehicle licences	10	10	10	12	13	13	14
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	452 158	438 161	458 183	481 208	515 368	557 516	685 365
Water Research Commission	–	750	–	–	–	–	–
Eisenburg Agriculture College	–	–	–	1 000	–	–	–
Taung Agricultural College	–	–	–	1 000	–	–	–
Owen Sithole Agricultural College	–	–	–	1 000	–	–	–
Timpi Seleke Agricultural Training Centre	–	–	872	1 000	1 000	–	–
Perishable Products Export Control Board	600	600	600	600	600	600	600
National Student Financial Aid Scheme	8 300	8 300	5 022	8 500	10 361	9 641	9 389
Baseline allocation	418 649	385 227	403 717	440 239	473 866	515 961	642 496
Intergis	1 723	1 809	1 896	2 023	2 144	2 273	2 387
Forum for Agricultural Research in Africa General Assembly	10 000	–	–	–	–	–	–
Crop forecast	5 460	5 678	5 905	9 127	9 675	10 256	10 769
Diagnostic services	7 426	15 797	16 171	16 719	17 722	18 785	19 724
Onderstepoort Veterinary Institute upgrading of exotic diseases	–	20 000	24 000	–	–	–	–
Biological Products	–	–	–	–	–	–	–

Table 25.6 Agriculture Support Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Capital	57 132	59 988	62 867	69 045	118 859	212 031	189 739
Baseline allocation	47 132	49 488	51 863	57 303	62 554	67 260	70 623
Renovations and upgrading	-	-	-	-	43 859	87 719	-
Agricultural research and infrastructure	10 000	10 500	11 004	11 742	12 446	13 193	13 853
Foot and Mouth Disease facility	-	-	-	-	-	43 859	105 263
Universities and technikons							
Current	-	200	2 647	1 900	-	-	-
Fort Hare University Community Development Centres	-	-	1 000	-	-	-	-
Free State University	-	-	1 640	1 900	-	-	-
University of Pretoria	-	200	-	-	-	-	-
Nelson Mandela Metropolitan University	-	-	7	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	245 177	299 866	74 495	418 160	2 800	2 968	3 116
Land Bank	196 000	248 000	22 100	367 000	-	-	-
Ncera Farms (Pty) Limited	2 177	1 866	2 395	2 550	2 800	2 968	3 116
Land Bank	47 000	50 000	50 000	48 610	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	5	27	221	64	1	1	1
Claims against the state	5	26	221	62	-	-	-
Red Meat Industry Forum	-	1	-	2	1	1	1
Non-profit institutions							
Current	2 549	2 000	10 466	-	-	-	-
Co-operative Development Initiative	324	-	-	-	-	-	-
Co-operative Development Initiative (Ag-Biz)	211	-	-	-	-	-	-
National African Farmers Union (NAFU)	1 000	-	5 000	-	-	-	-
National Movement for Rural Woman	-	1 000	966	-	-	-	-
Farmer Development Trust	1 000	-	-	-	-	-	-
Colton SA	-	-	4 500	-	-	-	-
National Red Meat Producers Organisation	-	1 000	-	-	-	-	-
Agricultural Economists of South Africa	14	-	-	-	-	-	-
Households							
Social benefits							
Current	79	185	260	150	31	31	31
Employee Social Benefit	79	185	260	150	31	31	31
Households							
Other transfers to households							
Current	20 000	-	5	-	-	-	-
Broad-based Black Economic Empowerment Programme for Agriculture (AgriBEE)	20 000	-	-	-	-	-	-
Claims against the state	-	-	5	-	-	-	-

Expenditure trends

Between 2006/07 and 2009/10, expenditure grew at an average annual rate of 16.3 per cent, from R1.3 billion to R2 billion. This was mainly due to a once-off allocation in 2007/08 of R700 million to the Land Bank for recapitalisation and R130 million to the Agricultural Research Council for upgrading infrastructure. This also explains the 163 per cent increase in spending on the *Livelihoods Development Support* subprogramme in 2007/08.

Spending is projected to increase marginally over the medium term at an average annual rate of 2.4 per cent to reach R2.2 billion in 2012/13. The 38.7 per cent increase in 2009/10 relates to transfers and can be attributed to the allocation of once-off additional amounts of R345 million for the Micro Agricultural Financial Institutions of South Africa scheme and R176 million for the comprehensive agricultural support programme.

Over the medium term, the *Agricultural Support Services* programme's spending emphasis will be on making production loans available to emerging and upcoming farmers.

Public entities and trading entities

Ncera Farms

Strategic overview 2006/07 – 2012/13

Ncera Farms is a schedule 3B company in terms of the Public Finance Management Act (1999). The company has a mandate to perform development functions on identified land administered by the Department of Agriculture, Forestry and Fisheries. The service centre at Ncera provides the following services to farmers on Ncera land and neighbouring communities: agricultural extension and advisory services; land layout and use, including LandCare; land preparation, including contract ploughing; suitable crops maintenance; animal husbandry, including stock improvement; agricultural mechanical services; preparation of business plans and record keeping; and free training in life skills to the community at large.

Since 2008/09, the focus has been on providing a service and training centre for farmers.

Savings and cost effective service delivery

Ncera Farms has identified savings in goods and services in 2010/11 and will continue to look at ways to cut costs.

Selected performance indicators

Table 25.7 Ncera Farms

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of people attending training in life skills per year	Service centre	–	90	100	100	100	100	100
Number of people completing technical training courses per year	Service centre	–	–	12	15	15	15	25
Number of people completing training in farming and agricultural practices per year	Service centre	–	–	5	5	5	5	35
Number of hectares of land belonging to disadvantaged farmers ploughed and disked per year	Service centre	–	–	80	90	100	120	120
Number of hectares of land belonging to disadvantaged farmers sprayed per year	Service centre	–	–	22	50	50	60	60
Number of hectares of land belonging to disadvantaged farmers planted per year	Service centre	–	–	25	60	60	80	80

Service delivery focus

Mechanical services and preventative maintenance training are provided to the surrounding communities on an ongoing basis. From 2007 to the end of 2009, 315 adults and school leavers were trained in financial planning, budgeting, life skills, computer literacy and money management. The farm workshop continued to provide mechanical services to the farm and the surrounding community in 2008/09.

Expenditure estimates

Table 25.8 Ncera Farms: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Dairy, contract ploughing and training	2 768	2 981	3 358	3 930	4 181	4 384	4 581
Total expense	2 768	2 981	3 358	3 930	4 181	4 384	4 581

Table 25.9 Ncera Farms: Financial information

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Revenue							
Non-tax revenue	892	1 046	1 174	1 380	1 381	1 416	1 465
Sale of goods and services other than capital assets	868	1 027	1 113	1 363	1 338	1 373	1 422
<i>of which:</i>							
<i>Sales by market establishments</i>	868	1 027	1 113	1 363	1 338	1 373	1 422
<i>Other non-tax revenue</i>	24	19	61	17	43	43	43
Transfers received	2 177	1 866	2 395	2 550	2 800	2 968	3 116
Total revenue	3 069	2 912	3 569	3 930	4 181	4 384	4 581
Expenses							
Current expense	2 768	2 981	3 358	3 930	4 181	4 384	4 581
Compensation of employees	–	–	2 090	2 444	2 769	2 910	3 056
Goods and services	2 673	2 852	1 162	1 368	1 294	1 356	1 420
Depreciation	95	129	106	118	118	118	105
Total expenses	2 768	2 981	3 358	3 930	4 181	4 384	4 581
Surplus / (Deficit)	301	(69)	211	–	–	–	–
Statement of financial position							
Carrying value of assets	2 277	1 926	2 052	1 934	1 816	1 698	1 593
<i>of which: Acquisition of assets</i>	871	35	232	–	–	–	–
Inventory	798	761	920	894	894	894	894
Receivables and prepayments	27	16	10	16	16	16	16
Cash and cash equivalents	296	598	602	237	237	239	239
Total assets	3 398	3 301	3 584	3 081	2 963	2 847	2 742
Accumulated surplus/deficit	(26 800)	(26 869)	(26 658)	(26 658)	(26 658)	(26 658)	(26 658)
Capital and reserves	30 065	30 064	30 063	27 008	24 090	21 006	17 787
Trade and other payables	96	59	103	105	105	105	105
Provisions	37	47	76	76	76	76	76
Liabilities not classified elsewhere	–	–	–	2 550	5 350	8 318	11 432
Total equity and liabilities	3 398	3 301	3 584	3 081	2 963	2 847	2 742

Expenditure trends

Ncera Farms is primarily funded through a transfer from the Department of Agriculture, Forestry and Fisheries. Revenue is also generated from the sale of dairy products (mainly milk), livestock and vegetables.

Between 2006/07 and 2009/10, transfers increased from R2.2 million to R2.6 million at an average annual rate of 5.4 per cent, and are expected to increase to R3.1 million over the medium term at an average annual rate of 6.9 per cent. The 14.3 per cent reduction in transfers in 2007/08 was due to a once-off allocation for erecting a service centre, completed in 2005/06.

Expenditure increased from R2.8 million in 2006/07 to R3.9 million in 2009/10 at an average annual rate of 12.4 per cent, and is expected to increase to R4.6 million over the medium term at an average annual rate of 5.2 per cent. The increase between 2006/07 and 2009/10 was due to the construction of infrastructure for training purposes whereas the increase over the medium term is due to inflation related adjustments.

Agricultural Research Council

Strategic overview 2006/07 – 2012/13

The Agricultural Research Council is a science institution that conducts fundamental and applied research with partners to generate knowledge, develop human capital, and foster innovation in agriculture by developing technology and disseminating information. It also commercialises research results.

The following six objectives form the basis of its strategic plan: generate, develop and apply new knowledge, science and technology for agriculture to meet the demands for increased food production, food security and poverty alleviation; promote the sustainable use and management of natural resources to ensure a competitive agriculture sector and increase wealth for people and industries dependent on natural resources based agriculture; improve nutrition and food security and safety by improving crop and livestock production systems,

including seed security; provide information and technical solutions that enable the agriculture sector to manage and mitigate agricultural risks, including threats to the agricultural production value chain from natural disasters, diseases, pests and agricultural practice; disseminate information and transfer technology emanating from research and development; and achieve organisational growth and sustainability.

In 2008/09, the focus for the medium term was set on researching infrastructure upgrades.

Savings and cost effective service delivery

Cost containment measures focus on: reviewing projects and programmes to identify areas that do not contribute to key performance targets and redirecting the funds; leveraging the relationships between the council and industry partners to optimise costs along the value chain, as well as identifying areas for further collaboration; increasing the use of PhD students on projects to reduce personnel costs; and minimising the use of external consultants on projects. In addition, filling vacancies is being delayed to improve cash flow. This resulted in savings of about R30 million in 2009/10.

The council will ensure that service delivery is not compromised, although there will be a decline in research outputs over the MTEF period.

Selected performance indicators

Table 25.10 Agricultural Research Council

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of articles published in scientific journals or other publications per year:	Research							
- peer reviewed		152	162	225	139	148	150	150
- non-peer reviewed		974	979	861	1 199	1 469	1 500	1 575
Number of patents and other intellectual property filed for registration per year	Research	30	41	25	55	10	13	15
Number of Agricultural Research Council scientists and researchers invited to publish or present papers per year	Research	16	21	45	93	109	115	121
Number of Agricultural Research Council personnel registered for postgraduate training per year	Personnel development	118	108	96	104	110	115	121
Number of marketable products produced and released	Commercial	8	32	26	49	15	20	30
Number of technology solutions developed and disseminated per year:	Research							
- commercial farmers		100	160	192	239	38	40	42
- resource poor farmers		72	115	78	56	45	58	65
- all types of farmers		-	-	-	-	221	230	242

Service delivery focus

Since 2007/08, the council and the Onderstepoort Veterinary Institute have focused on developing new laboratory based diagnostic technologies to accurately identify animal pathogens. In 2008/09, researchers made advances in developing and implementing technologies for diagnosing several high priority diseases affecting the agro-economy of South Africa. Focusing on these diagnostic tools has been prioritised over the medium term.

To enhance nutrition, food security and safety, the council planted 21 076 fruit and nut trees in 1 500 homesteads in the OR Tambo and Amatole districts in Eastern Cape, increasing the total to 72 000 subtropical trees grown in these areas. Many beneficiary farmers are harvesting and selling fruits such as avocado, mango and banana. Since 2006/07, approximately 200 training and demonstration workshops have been conducted at 52 participating villages in Eastern Cape on all aspects of subtropical crop production.

The council exceeded its target of publishing peer reviewed scientific articles and chapters in books by 107 per cent (201 articles) with a research staff complement of 180 with PhD degrees. Further improvements will be achieved through innovative efforts to recruit and retain staff and additional resources.

Expenditure estimates

Table 25.11 Agricultural Research Council: Programme information

R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
General, develop and apply new knowledge and technology	100 394	103 707	112 337	115 763	124 036	143 328	154 814
Sustainable use and management of natural resources	140 550	145 190	157 272	161 081	174 280	201 386	217 525
Enhance nutrition, food security and safety	133 858	138 276	149 783	154 350	165 381	191 103	206 419
Enhance the ability of the agricultural sector to manage and mitigate agricultural risks	140 550	145 190	157 272	162 067	173 649	200 658	216 740
Technology transfer	87 007	89 879	97 358	100 326	107 497	124 216	134 171
Other programmes	92 704	95 764	103 733	106 103	114 535	132 350	142 957
Total expense	695 063	718 006	777 755	799 691	859 378	993 041	1 072 626

Table 25.12 Agricultural Research Council: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	202 827	278 188	291 680	288 036	302 309	320 447	339 674
Sale of goods and services other than capital assets <i>of which:</i>	169 269	265 749	282 035	275 775	292 322	309 861	328 452
<i>Research income</i>	169 269	265 749	282 035	275 775	292 322	309 861	328 452
<i>Other non-tax revenue</i>	33 558	12 439	9 645	12 261	9 987	10 587	11 222
Transfers received	500 390	451 770	469 993	537 153	622 266	759 306	865 115
Total revenue	703 217	729 958	761 673	825 189	924 575	1 079 753	1 204 789
Expenses							
Current expense	695 063	718 006	777 755	799 691	859 378	993 041	1 072 626
Compensation of employees	415 974	416 080	467 039	500 467	530 495	610 069	658 875
Goods and services	267 964	288 532	296 292	283 856	312 249	359 086	380 631
Depreciation	10 608	13 385	14 253	15 161	16 406	23 635	32 844
Interest, dividends and rent on land	517	9	171	207	228	250	276
Total expenses	695 063	718 006	777 755	799 691	859 378	993 041	1 072 626
Surplus / (Deficit)	8 154	11 952	(16 082)	25 498	65 197	86 712	132 163
Statement of financial position							
Carrying value of assets	578 569	607 551	654 622	680 988	770 995	946 198	1 089 240
<i>of which: Acquisition of assets</i>	63 575	42 668	62 102	41 383	106 413	198 838	175 886
Investments	2 231	2 227	2 236	2 237	2 237	2 237	2 237
Inventory	16 331	14 435	18 075	12 213	12 946	13 723	14 546
Receivables and prepayments	60 849	80 326	63 869	79 075	62 873	67 274	72 656
Cash and cash equivalents	96 656	59 103	34 966	32 409	27 369	18 012	41 462
Total assets	754 636	763 642	773 768	806 922	876 420	1 047 445	1 220 142
Capital and reserves	260 955	272 906	256 822	258 289	291 640	371 771	444 358
Post-retirement benefits	30 345	27 451	28 796	27 171	28 801	30 328	31 935
Trade and other payables	420 211	425 975	444 073	473 298	504 925	591 229	686 484
Provisions	43 125	37 310	44 077	48 164	51 054	54 117	57 364
Total equity and liabilities	754 636	763 642	773 768	806 922	876 420	1 047 445	1 220 142

Expenditure trends

The Agricultural Research Council is primarily funded from a transfer from the Department of Agriculture, Forestry and Fisheries. Additional revenue is received from the provision of research services to external clients.

Total revenue increased from R703 million in 2006/07 to R825 million in 2009/10, at an average annual rate of 5.5 per cent. This is due to an increase in transfers in 2007/08. Over the medium term, total revenue is expected to increase to R1.2 billion, at an average annual rate of 12.7 per cent. This is reflected in the projected increase in transfers from R537.2 million in 2009/10 to R865.1 billion in 2012/13, at an average annual rate of 17.2 per cent. This increase can mainly be attributed to additional allocations of R50 million in 2011/12 and R120 million in 2012/13 to renovate buildings and upgrade and replace machinery and equipment.

Expenditure increased steadily between 2006/07 and 2009/10 at an average annual rate of 4.8 per cent, driven largely by inflationary increases in compensation of employees and goods and services spending. Expenditure is expected to increase at an average annual rate of 10.3 per cent over the medium term to reach R1.1 billion in 2012/13. This is due to the construction of a new foot and mouth disease vaccine facility.

Programme 4: Trade and Agricultural Development

- *Management.*
- *Trade and Marketing Development*

Facilitates domestic and international market access for South African agricultural products. It also manages the transfer of funds to the National Agricultural Marketing Council.

- *Economic and Statistical Services*

Provides for agricultural statistical services in support of economic growth and development and an equitable agriculture sector. It also monitors and evaluates the economic performance of the sector and generates national agricultural statistics. Funding will mainly be used for personnel related costs and costs related to the collection of statistical data.

Objectives and measures

- Improve equitable market access for agricultural products by:
 - training an average of 500 developing farmers per year on agricultural marketing over the MTEF period
 - increasing the access of agricultural products into international markets by concluding 6 negotiation sessions per year over the MTEF period
 - facilitating the establishment of 1 marketing infrastructure, such as units for storing, grading and packing fresh produce, per province per year over the MTEF period
 - producing quarterly economic analysis and forecast reports
 - producing monthly crop estimates reports
 - developing a farmer register over the MTEF period
 - undertaking regular agricultural economic research and giving continuous policy advice.

Service delivery focus

In 2009/10, the department achieved the target of training 450 emerging farmers in agricultural marketing. The department will continue implementing strategies and interventions aimed at improving market access, such as training developing farmers, providing marketing information, and facilitating the establishment of agricultural marketing infrastructure, and working with other government departments to improve the efficiency and economic viability of the agro-logistics system.

More time and resources have been allocated to supporting participation in trade negotiations sessions aimed at improving the access of South African agricultural products in international markets.

The department has invested R2.1 million in improving the accuracy of crop estimates.

In the medium term, the department will develop a farmer register and will continue to undertake agricultural economic research and provide policy advice.

Expenditure estimates

Table 25.13 Trade and Agricultural Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management	1 455	1 235	1 201	2 067	2 221	2 344	2 533
Trade and Marketing Development	30 842	36 255	43 815	54 459	56 155	63 158	67 739
Economic and Statistical Services	15 089	23 451	31 194	20 259	22 373	23 843	25 720
Total	47 386	60 941	76 210	76 785	80 749	89 345	95 992
Change to 2009 Budget estimate				(322)	(3 519)	(1 875)	210
Economic classification							
Current payments	33 849	42 816	51 226	47 926	49 381	52 683	57 100
Compensation of employees	24 333	26 327	30 003	38 224	41 404	44 342	47 070
Goods and services	9 489	16 461	21 192	9 702	7 963	8 327	10 015
<i>of which:</i>							
<i>Administrative fees</i>	–	–	213	99	83	95	98
<i>Advertising</i>	276	460	495	278	170	173	191
<i>Assets less than the capitalisation threshold</i>	262	156	257	348	175	198	223
<i>Bursaries: Employees</i>	247	155	183	147	194	216	224
<i>Catering: Departmental activities</i>	12	10	–	92	71	72	84
<i>Communication</i>	306	254	470	244	363	425	462
<i>Computer services</i>	541	442	553	564	96	108	519
<i>Consultants and professional services: Business and advisory services</i>	33	8 067	1	16	5	5	5
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	5 040	116	60	50	50
<i>Consultants and professional services: Legal costs</i>	–	16	56	–	–	–	–
<i>Contractors</i>	138	53	162	73	28	49	60
<i>Agency and support / outsourced services</i>	1 166	527	8 038	1 881	1 843	1 955	2 114
<i>Entertainment</i>	17	19	21	25	25	25	25
<i>Inventory: Fuel, oil and gas</i>	10	8	155	43	20	20	25
<i>Inventory: Materials and supplies</i>	103	3	25	64	1	1	1
<i>Inventory: Medical supplies</i>	–	–	–	2	–	–	–
<i>Inventory: Other consumables</i>	28	46	8	24	30	44	54
<i>Inventory: Stationery and printing</i>	826	1 106	789	698	330	361	385
<i>Lease payments</i>	–	–	–	183	135	152	156
<i>Travel and subsistence</i>	4 087	4 012	3 877	3 237	2 516	2 444	2 955
<i>Training and development</i>	652	586	202	269	338	362	565
<i>Operating expenditure</i>	237	357	146	230	104	115	150
<i>Venues and facilities</i>	548	184	475	1 069	1 376	1 457	1 669
Interest and rent on land	27	28	31	–	14	14	15
Transfers and subsidies	12 736	17 590	22 461	28 374	31 194	36 424	38 678
Provinces and municipalities	17	–	–	–	–	–	–
Departmental agencies and accounts	12 710	17 020	22 459	28 360	31 194	36 261	38 508
Public corporations and private enterprises	4	–	2	14	–	–	–
Households	5	570	–	–	–	163	170
Payments for capital assets	801	535	2 523	485	174	238	214
Machinery and equipment	801	535	2 452	474	129	183	164
Software and other intangible assets	–	–	71	11	45	55	50
Total	47 386	60 941	76 210	76 785	80 749	89 345	95 992

Table 25.13 Trade and Agricultural Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	17	-	-	-	-	-	-
Regional Services Council levies	17	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	12 710	17 020	22 459	28 360	31 194	36 261	38 508
National Agricultural Marketing Council	12 710	17 020	22 459	28 360	31 194	36 261	38 508
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	4	-	2	14	-	-	-
Claims against the state	4	-	2	14	-	-	-
Households							
Social benefits							
Current	5	570	-	-	-	163	170
Employee Social Benefit	5	570	-	-	-	163	170

Expenditure trends

Expenditure grew from R47.4 million in 2006/07 to R76.8 million in 2009/10, at an average annual rate of 17.5 per cent. This was due to an increase in the baseline for the Agricultural Marketing Council from R12.7 million in 2006/07 to R28.4 million in 2009/10.

Over the medium term, expenditure is expected to increase to R96 million at an average annual rate of 7.7 per cent, due to increased capacity and increased transfers to the Agricultural Marketing Council. The decrease in the *Economic and Statistical Services* subprogramme in 2009/10 is due to an exceptional expense on the agricultural survey in 2008/09. Provision was made for the appointment of a deputy director-general under *Management* in 2009/10, resulting in an increase of 72.1 per cent.

Public entities and trading entities

National Agricultural Marketing Council

Strategic overview: 2006/07 – 2012/13

The National Agricultural Marketing Council was established in terms of the Marketing of Agricultural Products Act (1996) to provide strategic agricultural marketing advice to the Minister of Agriculture, Forestry and Fisheries in order to improve market efficiency and market access by all participants, optimise export earnings, and improve the viability of the agriculture sector. The council raised over R300 million per year indirectly through statutory levies such as on citrus fruit, cotton lint, dairy products, potatoes and red meat. The introduction of statutory measures assists the sectors to raise money through consultative processes before the levy is implemented. The funds are used in the specific sectors to finance generic functions such as research, the gathering and dissemination of information, food safety compliance and promotions.

The dualistic nature of South African agriculture means that particular efforts are made to allow new entrants into agriculture to gain access to markets. The transformation activities of the council include direct support to new farmers and are compatible with World Trade Organisation recommendations. Examples include: marketing support measures and incentives by the council in collaboration with the department and executed by the private sector with government assistance to assist black farmers to get products certified for the export

market; and assisting black farmers and farmer groups to lower the transaction costs associated with private standards certification, allowing them to be able to export their products.

Over the medium term, the National Agricultural Marketing Council will focus on fast-tracking two marketing schemes to help black farmers' access markets, and on helping black farmers increase their export products. 100 farmers will be assisted to meet export standards and visit export markets to negotiate trade opportunities.

The Marketing of Agricultural Products Act (1996) is expected to be amended over the MTEF period as a result of the review of the agricultural marketing environment. The new act will aim to clearly articulate the new role of the council in relation to a range of functions. The council's new mandate will result in changes to spending plans.

Savings and cost effective service delivery

Savings have been identified in compensation of employees, travel and subsistence allowances and procurement. The council will also put value for money controls in place, including building key strategic partnerships to improve the coordination of the council's activities.

Selected performance indicators

Table 25.14 National Agricultural Marketing Council

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of agro-food chains and section 7 investigation reports published per year	Mapping and understanding food chains	3	3	3	7	8	10	11
Number of quarterly food price trend reports published per year	Information management	4	4	4	4	4	4	4
Number of annual food cost reviews published per year	Information management	1	1	1	1	1	1	1
Number of annual input cost trends reports published per year	Information management	-	1	1	4	4	4	6
Number of statutory measures investigations undertaken per year	Statutory measures	8	5	9	15	18	21	25
Number of marketing schemes aimed at providing markets for black farmers designed and implemented per year	Agribusiness development	-	2	2	2	2	2	3
Number of black owned agribusinesses attending local and international trade shows per year	Promotions	-	15	30	40	50	60	100

Service delivery focus

In 2009, the council commissioned service providers to do GlobalGap analyses on a number of fruit farms in Western Cape, Eastern Cape and Limpopo. Certification enables farmers to access the European export market.

Expenditure estimates

Table 25.15 National Agricultural Marketing Council: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Promotions	-	-	830	460	768	1 229	-
Training	150	180	622	950	1 586	2 538	-
Agribusiness Development	250	500	1 037	320	534	854	-
Statutory Measures	1 400	1 756	1 358	1 166	1 306	1 437	1 523
Market Innovation	-	-	1 037	910	1 520	2 432	-
Other programmes	17 179	15 103	19 861	26 400	26 780	29 222	30 185
Total expense	18 979	17 539	24 747	30 206	32 494	37 711	31 708

Table 25.16 National Agricultural Marketing Council: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	929	542	3 568	4 234	1 300	1 450	1 200
<i>Other non-tax revenue</i>	929	542	3 568	4 234	1 300	1 450	1 200
Transfers received	12 710	17 020	22 459	28 360	31 194	36 261	38 508
Total revenue	13 639	17 562	26 027	32 594	32 494	37 711	39 708
Expenses							
Current expense	18 979	17 539	24 747	30 206	32 494	37 711	31 708
Compensation of employees	8 243	9 069	11 610	13 900	17 233	22 220	16 673
Goods and services	10 346	8 128	12 697	15 707	14 891	15 140	14 671
Depreciation	321	254	388	565	321	300	301
Interest, dividends and rent on land	69	88	52	34	49	51	63
Total expenses	18 979	17 539	24 747	30 206	32 494	37 711	31 708
Surplus / (Deficit)	(5 340)	23	1 280	2 388	-	-	8 000
Statement of financial position							
Carrying value of assets	969	749	1 563	1 276	1 189	1 157	1 161
<i>of which: Acquisition of assets</i>	145	48	1 245	278	234	268	305
Receivables and prepayments	70	68	62	65	68	72	75
Cash and cash equivalents	253	1 618	2 424	52	37	35	32
Total assets	1 292	2 435	4 049	1 393	1 294	1 264	1 268
Accumulated surplus/deficit	(143)	(120)	1 160	-	-	-	-
Trade and other payables	860	2 082	2 137	750	635	520	480
Liabilities not classified elsewhere	575	473	752	643	659	744	788
Total equity and liabilities	1 292	2 435	4 049	1 393	1 294	1 264	1 268

Expenditure trends

The National Agricultural Marketing Council is primarily funded from a transfer payment from the Department of Agriculture, Forestry and Fisheries. Additional revenue is received from sponsorship income raised from private institutions and donors.

Between 2006/07 and 2009/10, transfers grew at an average annual rate of 30.7 per cent from R12.7 million to R28.4 million, due to funding for capacity building (R4.3 million), an agricultural survey (R8 million) and the expansion of the export promotion programme, which will provide 100 emerging agribusinesses with opportunities to participate in international trade (R3 million). Over the medium term, transfers are expected to grow at an average annual rate of 10.7 per cent to reach R38.5 million. This is due to the further allocation of R13 million towards the export promotion programme and additional allocations of R2.9 million in 2010/11, R3.5 million in 2011/12 and R3.7 million in 2012/13 in compensation of employees for inflation related adjustments and additional capacity.

Expenditure increased strongly between 2006/07 and 2009/10, from R19 million to R30.2 million, at an average annual rate of 16.8 per cent due to funding for capacity building and the export promotion programme. Expenditure is expected to rise at a marginal average annual rate of 1.6 per cent over the medium term to reach R31.7 million in 2012/13. The deficit in 2006/07 was as a result of under-funding, hence the increase in the transfers to R17 million in the following year.

Programme 5: Food safety and biosecurity

- *Management*
- *Plant Health and Inspection Services*

Focuses on sound plant health risk management frameworks, contributes to a compliance system for assessing the potential risks associated with genetically modified organisms, and regulates border and national inspection services on regulated agricultural products intended for import, export and local trade.

- *Food and Veterinary Services*

Manages animal diseases, assists with negotiating protocols for importing and exporting animals and animal products, and ensures that animal products are of good quality and safe for human consumption.

Objectives and measures

- Develop surveillance programmes and monitor the incidence of plant and animal diseases by March 2011.
- Improve biosecurity by:
 - strengthening compliance with and implementation of regulations by March 2012
 - facilitating the registration of agricultural production inputs and genetically modified organisms by March 2012
 - negotiating 5 priority African country sanitary, phyto and zoo sanitary protocols over the MTEF period.
- Improve access to biosecurity services for all beneficiaries by facilitating the development of 7 initiatives over the MTEF period.
- Improve biosecurity by facilitating the registration of agricultural production inputs and genetically modified organisms by March 2012.
- Relieve the shortage in veterinarians in rural areas by implementing compulsory community service for veterinarians over the MTEF period.

Service delivery focus

In 2009, the department strengthened ports of entry by appointing 90 more inspectors. The department has prioritised ensuring that all agricultural products imported into South Africa are safe for consumption and will not cause disease outbreaks during the 2010 FIFA World Cup. In 2009, surveillance programmes were introduced in various production systems to ensure an early warning system to mitigate all food security risks. Over the medium term, the focus will be on disseminating information to all foreign missions to ensure that visitors are informed about all agricultural regulatory systems. In 2010, the department, in consultation with other departments, will start a project to put a recall system in place which will mitigate the risks that impact agricultural production and human health. This project will allow for products to be returned to their countries of origin if contaminated.

In 2009, various genetically modified organism activities were reviewed with a view to imposing national standards over the MTEF period. Awareness and communication tools are now being developed. Developing new systems to improve the registration of agricultural inputs will be prioritised over the medium term. Another area of focus is improving biosecurity measures on farms, with the emphasis on developing biosecurity systems which support smallholder production systems. In 2010, smallholder farmers will be taken through the food safety system to ensure access to national and international markets.

Maintaining existing international markets and negotiating new protocols for agricultural products will contribute positively to the economy and ensure food safety. Promoting intra-regional trade through the SADC protocol will be prioritised.

Expenditure estimates

Table 25.17 Food Safety and Bio-security

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management	1 777	645	1 547	2 120	1 942	2 056	2 221
Plant Health and Inspection Services	87 447	102 209	138 051	186 739	226 256	255 230	276 485
Food and Veterinary Services	294 011	231 807	305 382	149 601	130 624	217 444	268 506
Total	383 235	334 661	444 980	338 460	358 822	474 730	547 212
Change to 2009 Budget estimate				7 701	(31 212)	46 697	97 859

Economic classification

	284 327	225 997	255 836	325 461	349 800	431 635	536 558
Current payments							
Compensation of employees	168 628	152 911	171 998	231 853	269 088	297 813	367 819
Goods and services	115 555	72 938	83 718	93 608	80 566	133 673	168 586
<i>of which:</i>							
<i>Administrative fees</i>	–	–	319	156	175	1 699	4 723
<i>Advertising</i>	1 368	3 396	2 530	2 387	1 939	2 191	2 392
<i>Assets less than the capitalisation threshold</i>	1 562	1 282	1 574	5 180	6 030	27 534	6 563
<i>Audit cost: External</i>	–	–	–	–	18	20	24
<i>Bursaries: Employees</i>	506	563	528	790	1 007	1 079	1 125
<i>Catering: Departmental activities</i>	33	3	3	73	47	81	86
<i>Communication</i>	2 775	2 740	3 013	2 712	4 232	4 673	5 026
<i>Computer services</i>	904	497	8 535	14 975	9 867	11 391	11 507
<i>Consultants and professional services: Business and advisory services</i>	12	1	34	192	689	1 274	6 050
<i>Consultants and professional services: Infrastructure and planning</i>	1 732	1 876	2 960	1 136	880	926	985
<i>Consultants and professional services: Laboratory services</i>	–	–	457	597	451	484	526
<i>Consultants and professional services: Legal costs</i>	1 289	666	926	1 025	1 092	1 165	1 235
<i>Contractors</i>	2 318	2 684	2 149	1 361	1 663	5 484	1 950
<i>Agency and support / outsourced services</i>	29 767	17 964	12 658	9 847	10 330	10 973	11 793
<i>Entertainment</i>	21	22	20	31	31	31	31
<i>Fleet services (including government motor transport)</i>	–	–	–	–	1 132	1 376	1 381
<i>Inventory: Food and food supplies</i>	7	–	–	167	262	273	284
<i>Inventory: Fuel, oil and gas</i>	2 639	3 615	4 142	2 441	694	653	746
<i>Inventory: Learner and teacher support material</i>	5	5	9	33	80	90	99
<i>Inventory: Materials and supplies</i>	892	505	690	627	560	579	626
<i>Inventory: Medical supplies</i>	3 026	2 152	2 461	16 238	889	15 948	41 414
<i>Inventory: Other consumables</i>	5 196	5 448	7 713	3 308	6 347	6 974	7 782
<i>Lease payments</i>	3 462	1 007	815	2 054	998	1 129	1 288
<i>Property payments</i>	39	41	327	1 576	1 284	1 344	1 482
<i>Travel and subsistence</i>	51 385	21 694	21 991	17 729	19 942	25 191	43 671
<i>Training and development</i>	1 808	1 422	2 424	2 421	2 306	2 467	2 638
<i>Operating expenditure</i>	1 838	1 480	1 267	1 350	1 826	2 121	2 408
<i>Venues and facilities</i>	607	674	2 431	1 600	2 287	1 653	1 929
<i>Interest and rent on land</i>	144	148	120	–	146	149	153

Table 25.17 Food Safety and Bio-security (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Transfers and subsidies	84 643	97 010	172 897	6 589	6 596	6 906	7 251
Provinces and municipalities	74	1	1	1	-	-	-
Departmental agencies and accounts	8 000	4 000	-	-	-	-	-
Public corporations and private enterprises	13	24	21 435	20	-	-	-
Non-profit institutions	4 000	3 550	6 666	6 270	6 596	6 906	7 251
Households	72 556	89 435	144 795	298	-	-	-
Payments for capital assets	13 294	11 369	15 327	6 394	2 426	36 189	3 403
Buildings and other fixed structures	235	-	2 058	-	-	-	-
Machinery and equipment	12 829	10 484	12 915	6 368	1 936	35 689	2 903
Biological assets	-	527	311	-	-	-	-
Software and other intangible assets	230	358	43	26	490	500	500
Payments for financial assets	971	285	920	16	-	-	-
Total	383 235	334 661	444 980	338 460	358 822	474 730	547 212
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	74	1	1	1	-	-	-
Regional Services Council levies	74	-	-	-	-	-	-
Vehicle licences	-	1	1	1	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	8 000	4 000	-	-	-	-	-
Agricultural Research Council	8 000	-	-	-	-	-	-
Perishable Products Export Control Board	-	4 000	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	13	24	21 435	20	-	-	-
Claims against the state	13	24	342	20	-	-	-
Bluelilliesbush Dairy Farming	-	-	21 093	-	-	-	-
Non-profit institutions							
Current	4 000	3 550	6 666	6 270	6 596	6 906	7 251
Entomology Congress	-	500	-	-	-	-	-
Collaborative International Pesticides Analytical Council	-	50	-	-	-	-	-
Deciduous Fruit Producers Trust	4 000	3 000	6 000	6 270	6 596	6 906	7 251
Onderstepoort Centenary Organising Committee	-	-	666	-	-	-	-

Table 25.17 Food Safety and Bio-security (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Households							
Social benefits							
Current	288	1 059	1 196	287	-	-	-
Employee Social Benefit	288	1 059	1 196	287	-	-	-
Households							
Other transfers to households							
Current	72 268	88 376	143 599	11	-	-	-
Claims against the state	150	-	8	8	-	-	-
Avian influenza	12 467	-	-	-	-	-	-
Classical swine fever	59 624	88 376	143 565	-	-	-	-
Foot and mouth disease - KwaZulu-Natal	27	-	-	-	-	-	-
Foot and mouth disease - Limpopo	-	-	21	-	-	-	-
Claims against the state	-	-	5	3	-	-	-

Expenditure trends

Expenditure in this programme is affected by unforeseen and unavoidable outbreaks of animal and plant diseases and pests and fluctuates quite significantly as a result. Between 2006/07 and 2009/10, expenditure decreased at an average annual rate of 4.1 per cent, from R383.2 million to R338.5 million. This was mainly due to once-off expenditure to contain the outbreaks of avian influenza, foot and mouth disease and classical swine fever in 2006/07 and 2008/09. From 2006/07 to 2009/10, R72.6 million, R89.4 million and R144.8 million were transferred to households as compensation payments to farmers whose pigs were culled in the classical swine fever combating campaign.

Over the medium term, expenditure is expected to increase significantly at an average annual rate of 17.4 per cent, from R338.5 million to R547.2 million. This is due to additional allocations for implementing compulsory community service for veterinarians.

Programme 6: Forestry

- *Management.*
- *Forestry Regulation and Oversight*

Is responsible for: developing policies and strategies to support sustainable forest management; international liaison on sustainable forest management; sector liaison; sector foresight; research; administering the National Forests Act (1998) and the National Veld and Forest Fire Act (1998); and managing forestry data, spatial and non-spatial information, and knowledge systems.

- *Forestry Development*

Develops forest enterprise development programmes that support BEE and strategies and interventions that enable communities to make use of forest resources products to improve their livelihoods. The subprogramme manages transfer processes and post-transfer administration and regulation, including the management of delegations and lease agreements.

- *Forestry Operations*

Is responsible for the implementation of forestry related programmes and strategies in the provinces. The subprogramme ensures the sustainable management of state forests, implements and enforces the National Forests Act (1998) and the National Veld and Forest Fire Act (1998), implements forest enterprise development and livelihood programmes, monitors lease agreements, gathers forestry information and ensures access to forestry information.

Objectives and measures

- Ensure the sustainable management of the department's plantations, natural forests (indigenous forests) and woodlands to realise their social, environmental and economic benefit by continuously administering, implementing and enforcing the National Forests Act (1998) and the National Veld and Forest Fire Act (1998).
- Increase the contribution of the forestry sector to improving livelihoods by implementing the greening programme, including the Million Trees programme, and by establishing support mechanisms for participatory forest management and community forestry over the MTEF period.
- Accelerate the transformation and growth of the forestry sector in line with the targets in the Forest Sector Charter by implementing the charter over the MTEF period.

Service delivery focus

In May 2008, the minister and forestry stakeholders signed the Forest Sector Charter, which was published in the government gazette in June 2009 in terms of sections 9 and 12 of the Broad Based Black Economic Empowerment Act (2003).

In 2008, the department embarked on a national afforestation programme to expand timber resources, minimise timber imports and optimise enterprise development opportunities in the timber production and processing sector. The department and the industry have committed to afforesting 10 000ha per year, in terms of the charter.

In 2008/09, 1.85 million trees (fruit trees and ornamental indigenous species) were planted countrywide. This includes trees that were planted by projects assisted by the department and other organisations.

Regulations supporting the National Forests Act (1998) will guide and support implementing legislation to ensure suitably managed forests. In 2008/09, a forest licensing tracking system was developed and deployed to all regional offices. 38 fire protection associations covering an area of approximately 7 million hectares were registered in terms of the National Veld and Forest Fire Act (1998) in 2008/09. 35 of these were registered in high to extreme fire risk areas by March 2009.

Commercial plantations, earmarked for the land reform programme, are managed according to best practice with growing stock management plans. Approximately 1 110ha of plantations managed by the department and 65 933ha managed by the forestry industry were damaged by fires.

The minister signed a head lease agreement with the KwaMbonambi community in KwaZulu-Natal in 2009. The department released 3 729ha of state forest land in Dukuduku, KwaZulu-Natal, to the provincial department of housing to respond to the illegal invasion of the Dukuduku forests.

Expenditure estimates

Table 25.18 Forestry

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management	276	1 582	2 491	3 934	3 778	4 022	4 344
Forestry Regulation and Oversight	23 555	32 713	39 800	42 141	51 786	56 917	61 159
Forestry Development	8 469	10 207	5 530	16 950	18 478	22 543	24 200
Forestry Operations	409 216	408 157	461 318	516 079	427 410	474 476	513 176
Total	441 516	452 659	509 139	579 104	501 452	557 958	602 879
Change to 2009 Budget estimate				49 182	(50 214)	(55 083)	(40 527)

Table 25.18 Forestry (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	423 806	447 587	498 221	563 150	488 808	543 481	587 029
Compensation of employees	254 458	275 323	301 765	397 549	331 874	369 438	399 076
Goods and services	168 604	171 431	196 325	164 819	155 968	172 982	186 814
<i>of which:</i>							
<i>Administrative fees</i>	<i>1 179</i>	<i>1 107</i>	<i>777</i>	<i>2 091</i>	<i>3 123</i>	<i>3 472</i>	<i>3 754</i>
<i>Advertising</i>	<i>568</i>	<i>3 786</i>	<i>6 024</i>	<i>1 495</i>	<i>3 880</i>	<i>4 314</i>	<i>4 663</i>
<i>Assets less than the capitalisation threshold</i>	<i>2 110</i>	<i>2 663</i>	<i>1 916</i>	<i>12 665</i>	<i>5 656</i>	<i>6 288</i>	<i>6 798</i>
<i>Bursaries: Employees</i>	<i>149</i>	<i>111</i>	<i>46</i>	<i>64</i>	<i>337</i>	<i>374</i>	<i>405</i>
<i>Catering: Departmental activities</i>	<i>398</i>	<i>1 018</i>	<i>2 141</i>	<i>236</i>	<i>1 741</i>	<i>1 936</i>	<i>2 092</i>
<i>Communication</i>	<i>7 597</i>	<i>7 242</i>	<i>7 367</i>	<i>5 793</i>	<i>5 687</i>	<i>6 322</i>	<i>6 835</i>
<i>Computer services</i>	<i>95</i>	<i>2 514</i>	<i>1 280</i>	<i>1 150</i>	<i>3 482</i>	<i>3 871</i>	<i>4 185</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>2 344</i>	<i>28 305</i>	<i>4 364</i>	<i>23 977</i>	<i>10 981</i>	<i>12 208</i>	<i>13 197</i>
<i>Consultants and professional services: Infrastructure and planning</i>	<i>27 652</i>	<i>2 532</i>	<i>1 450</i>	<i>9 549</i>	<i>4 831</i>	<i>5 370</i>	<i>5 806</i>
<i>Consultants and professional services: Legal costs</i>	<i>-</i>	<i>18</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Contractors</i>	<i>2 947</i>	<i>537</i>	<i>4 683</i>	<i>4 021</i>	<i>4 557</i>	<i>5 065</i>	<i>5 476</i>
<i>Agency and support / outsourced services</i>	<i>18 663</i>	<i>12 198</i>	<i>64 825</i>	<i>20 527</i>	<i>25 123</i>	<i>28 474</i>	<i>30 478</i>
<i>Entertainment</i>	<i>219</i>	<i>26</i>	<i>1</i>	<i>2</i>	<i>28</i>	<i>28</i>	<i>28</i>
<i>Inventory: Food and food supplies</i>	<i>-</i>	<i>-</i>	<i>436</i>	<i>621</i>	<i>418</i>	<i>465</i>	<i>502</i>
<i>Inventory: Fuel, oil and gas</i>	<i>-</i>	<i>25</i>	<i>6 125</i>	<i>2 152</i>	<i>4 507</i>	<i>5 010</i>	<i>5 416</i>
<i>Inventory: Learner and teacher support material</i>	<i>-</i>	<i>-</i>	<i>24</i>	<i>-</i>	<i>105</i>	<i>116</i>	<i>126</i>
<i>Inventory: Materials and supplies</i>	<i>3 876</i>	<i>2 650</i>	<i>4 996</i>	<i>7 152</i>	<i>4 968</i>	<i>5 523</i>	<i>5 971</i>
<i>Inventory: Medical supplies</i>	<i>3</i>	<i>27</i>	<i>24</i>	<i>33</i>	<i>57</i>	<i>64</i>	<i>69</i>
<i>Inventory: Other consumables</i>	<i>26 095</i>	<i>30 751</i>	<i>10 192</i>	<i>8 959</i>	<i>9 554</i>	<i>10 622</i>	<i>11 483</i>
<i>Inventory: Stationery and printing</i>	<i>189</i>	<i>761</i>	<i>2 551</i>	<i>2 324</i>	<i>2 864</i>	<i>3 184</i>	<i>3 442</i>
<i>Lease payments</i>	<i>1 521</i>	<i>2 133</i>	<i>10 964</i>	<i>2 233</i>	<i>2 407</i>	<i>2 724</i>	<i>2 976</i>
<i>Property payments</i>	<i>7 740</i>	<i>12 256</i>	<i>1 759</i>	<i>2 600</i>	<i>5 234</i>	<i>5 819</i>	<i>6 290</i>
<i>Transport provided: Departmental activity</i>	<i>208</i>	<i>370</i>	<i>46</i>	<i>154</i>	<i>86</i>	<i>95</i>	<i>103</i>
<i>Travel and subsistence</i>	<i>62 506</i>	<i>58 270</i>	<i>61 063</i>	<i>54 205</i>	<i>45 521</i>	<i>49 608</i>	<i>53 713</i>
<i>Training and development</i>	<i>1 105</i>	<i>460</i>	<i>1 892</i>	<i>645</i>	<i>2 392</i>	<i>2 659</i>	<i>2 875</i>
<i>Operating expenditure</i>	<i>1 104</i>	<i>1 019</i>	<i>653</i>	<i>1 753</i>	<i>4 842</i>	<i>5 383</i>	<i>5 820</i>
<i>Venues and facilities</i>	<i>336</i>	<i>652</i>	<i>726</i>	<i>418</i>	<i>3 587</i>	<i>3 988</i>	<i>4 311</i>
Interest and rent on land	744	833	131	782	966	1 061	1 139
Transfers and subsidies	13 029	2 624	5 150	6 683	2 525	3 263	3 750
Provinces and municipalities	222	140	1 432	-	100	100	100
Public corporations and private enterprises	12 807	2 450	-	2 683	-	-	-
Non-profit institutions	-	-	-	-	2 188	2 200	2 250
Households	-	34	3 718	4 000	237	963	1 400
Payments for capital assets	4 681	2 448	5 768	9 271	10 119	11 214	12 100
Buildings and other fixed structures	-	88	1 236	-	-	-	-
Machinery and equipment	4 681	2 056	4 305	9 020	9 853	10 919	11 781
Biological assets	-	165	198	-	-	-	-
Software and other intangible assets	-	139	29	251	266	295	319
Total	441 516	452 659	509 139	579 104	501 452	557 958	602 879

Table 25.18 Forestry (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	222	140	1 432	-	100	100	100
City Greening	-	-	1 419	-	-	-	-
Vehicle licenses	222	40	13	-	-	-	-
Arbor City Award	-	100	-	-	100	100	100
Public corporations and private enterprises							
Public corporations							
Subsidies on production or products							
Current	-	2 450	-	2 683	-	-	-
Indigenous Knowledge Systems of South Africa Trust	-	-	-	100	-	-	-
Forestry and Agricultural Biotechnology Institution	-	-	-	100	-	-	-
International Forestry Students Symposium	-	-	-	100	-	-	-
Forestry SA - Subsidy Research	-	-	-	2 383	-	-	-
South African Forestry Company	-	2 450	-	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	12 807	-	-	-	-	-	-
YORKOR	12 807	-	-	-	-	-	-
Non-profit institutions							
Current	-	-	-	-	2 188	2 200	2 250
Forest Sector Charter Council	-	-	-	-	2 188	2 200	2 250
Households							
Social benefits							
Current	-	-	-	4 000	237	354	383
Employee Social Benefit	-	-	-	4 000	237	354	383
Households							
Other transfers to households							
Current	-	34	3 718	-	-	609	1 017
Bursaries non-employees	-	34	3 718	-	-	609	1 017

Expenditure trends

Expenditure grew from R441.5 million in 2006/07 to R579.1 million in 2009/10, at an average annual rate of 9.5 per cent. This was mainly due to additional allocations in 2009/10 of R40 million to develop the Forest Sector Charter, R12 million for the Million Trees programme, and R46 million for commercial forestry operations in Mpumalanga.

Expenditure is expected to increase marginally at an average annual rate of 1.4 per cent over the medium term, to reach R602.9 million.

The 142.5 per cent increase in spending in *Management* between 2006/07 and 2009/10 was due to an increase from a very low base in 2006/07. The 206.5 per cent increase in spending in *Forestry Development* in 2009/10 was due to the introduction of the Forest Sector Charter.

The 13.4 per cent decrease in total programme spending in 2010/11 was due to the once-off increase in 2009/10 for commercial forestry operations in Mpumalanga.

Programme 7: Fisheries

- *Management*
- *Administrative Support Services*

Provides for the overall administration of the programme activities. The funds are use for the compensation of employees working for the *Marine Living Resource Fund*.

- *Marine Living Resources Fund*

Receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, for permits and application fees and the proceeds from the sale of confiscated fish and fish products. Funding is based on the approved business plan of the entity.

Objectives and measures

- Manage, regulate and monitor the orderly utilisation of South Africa's marine resources by reviewing 70 per cent of rights holders in the fishing industry by 2012/13 to ensure that they conform with the conditions under which they were granted.

Service delivery focus

In addition to administering fishing rights in the 21 commercial fishing sectors, the medium term focus will be on finalising and allocating rights in the subsistence, large pelagics and recreational sectors. The performance of the rights holders in the commercial fishing sectors will be also reviewed to assess whether they have conformed with the conditions under which the rights were granted. The first phase is due for completion in March 2010 and the second phase by the end of 2010/11.

Expenditure estimates

Table 25.19 Fisheries

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Management	-	-	832	876	922	969	1 017
Administrative Support Services	45 530	73 174	107 160	103 564	115 196	122 088	128 328
Marine Living Resources Fund	-	-	-	6 300	6 300	6 300	6 300
Total	45 530	73 174	107 992	110 740	122 418	129 357	135 645

Economic classification

Current payments	45 530	73 174	107 992	104 440	116 118	123 057	129 345
Compensation of employees	45 530	73 174	107 992	104 440	116 118	123 057	129 345
Transfers and subsidies	-	-	-	6 300	6 300	6 300	6 300
Departmental agencies and accounts	-	-	-	6 300	6 300	6 300	6 300
Total	45 530	73 174	107 992	110 740	122 418	129 357	135 645

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	-	-	-	6 300	6 300	6 300	6 300
Marine Living Resources Fund	-	-	-	6 300	6 300	6 300	6 300

Expenditure trends

The Marine Living Resources Fund was transferred to the department from the Department of Environmental Affairs in 2009/10. The administrative and management functions in the fund did not receive any government

grants before the shift. From 2009/10 and over the MTEF period, transfers of R6.3 million per year have been allocated to the *Marine Living Resources Fund* subprogramme to supplement the fund's revenue.

Approximately 70 per cent of the *Administrative Support Services* subprogramme moved to the Department of Agriculture, Forestry and Fisheries (70 per cent of R155 million in 2010/11, R172 million in 2011/12 and R182 million in 2012/13). The *Antarctic Supply Vessels* subprogramme and the *Antarctic and Island Research* subprogramme remain with the Department of Environmental Affairs.

Personnel employed by the Marine Living Resources Fund are remunerated through the *Administrative Support Services* subprogramme, which grew strongly by 31.6 per cent from R45.5 million in 2006/7 to R104 million in 2009/10. Over the MTEF period, expenditure on personnel will increase at an average annual rate of 5.5 per cent, from R116.1 million in 2010/11 to R129.3 million in 2012/13.

Public entities

Marine Living Resources Fund

Strategic overview: 2006/07 – 2012/13

The Marine Living Resources Fund was established in terms of the Marine Living Resources Act (1998). The mandate and core business of the fund is to manage the development and sustainable use of South Africa's marine and coastal resources, as well as to protect the integrity and quality of the marine and coastal ecosystem.

The organisation regulates the use of marine resources through administering fishing rights, permits and licences. Key activities include: developing and implementing a policy framework for allocating and managing long term fishing rights in 20 commercial fishing sectors; facilitating and managing the transfer of commercial fishing rights; conserving and protecting seals, seabirds and shorebirds; developing a policy and management framework for the subsistence fishing sector; and monitoring fish stocks to prevent overexploitation or negative impacts on the integrity of marine ecosystems; and developing management strategies to rebuild depleted fish stocks.

Some key policy development issues that will be addressed in the medium term include finalising a national plan of action for sharks, a rights allocation process in the large pelagics sector, processing appeals for the boat based whale watching and white shark cage diving rights allocation process, and amending the Marine Living Resources Act (1998) to deal with these issues.

Savings and cost effective service delivery

The Marine Living Resources Fund underwent a mid-term budget review in October 2009 where cost centre managers were given the opportunity to revise and realign budgets. The fund also identified areas of possible savings over the medium term, which include: reduced days at sea so as only to perform critical research voyages; making use of the resources of other government departments to supplement monitoring, control and surveillance efforts; cost efficient ways of travelling for business purposes; making use of video links at meetings to reduce travelling; investment in research technology to reduce the use of outsourced services; and no catering for internal meetings.

Selected performance indicators

Table 25.20 Marine Living Resources Fund

Indicator	Programme/ Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of annual assessments conducted to determine the state of resources in the fisheries sectors	Marine research	21	21	21	21	21	21	221
Number of research projects conducted on the feasibility of South Africa's aquaculture species	Aquaculture research	2	2	2	2	2	3	3
Number of aquaculture (fish farming) pilot projects launched per year	Integrated coastal management	-	-	2	3	4	5	6

Service delivery focus

In 2009/10, the organisation carried out scientific surveys and research to determine the total allowable catch, and made recommendations on 21 fishing sectors. A strategy aimed at protecting hake and recovering abalone was developed and implemented.

The Integrated Coastal Management Act (2008) was promulgated in December 2008 and the terms of reference for developing the enforcement manual was drafted and submitted for approval to appoint a service provider. A joint SADC monitoring, control and enforcement patrol was carried out in 2009 in partnership with Mozambique, Tanzania and Kenya.

Expenditure estimates

Table 25.21 Marine Living Resources Fund: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration	45 591	61 789	62 692	70 012	55 826	53 064	56 764
Marine Resource Management	12 351	9 307	7 669	10 502	14 887	14 150	15 137
Integrated Coastal Management	13 752	24 279	20 207	21 004	18 609	17 688	18 921
Research, Antarctica and Islands	88 034	78 856	103 636	115 519	44 660	42 451	45 411
Monitoring, Control and Surveillance	118 669	81 633	117 922	133 022	52 104	49 527	52 980
Total expense	278 397	255 864	312 126	350 059	186 085	176 881	189 213

Table 25.22 Marine Living Resources Fund: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	179 323	154 875	128 659	135 904	175 905	170 831	183 063
Sale of goods and services other than capital assets	174 098	146 916	119 515	127 156	154 476	165 600	177 583
<i>of which:</i>							
<i>Admin fees</i>	91 866	87 248	81 620	92 156	144 476	155 600	167 583
<i>Licenses and permits</i>	58 076	40 051	22 062	-	-	-	-
<i>Levies on fish and fish products</i>	24 156	19 617	15 833	35 000	10 000	10 000	10 000
Other non-tax revenue	5 225	7 959	9 144	8 748	21 429	5 231	5 480
Transfers received	151 388	144 350	209 190	217 986	10 830	6 300	6 300
Total revenue	330 711	299 225	337 849	353 890	186 735	177 131	189 363
Expenses							
Current expense	278 397	255 864	312 126	350 059	186 085	176 881	189 213
Goods and services	274 196	249 282	304 222	339 326	176 235	167 261	180 063
Depreciation	3 956	6 582	7 897	10 733	9 850	9 620	9 150
Interest, dividends and rent on land	245	-	7	-	-	-	-

Table 25.22 Marine Living Resources Fund: Financial information (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Total expenses	278 397	255 864	312 126	350 059	186 085	176 881	189 213
Surplus / (Deficit)	52 314	43 361	25 723	3 831	650	250	150
Statement of financial position							
Carrying value of assets	14 466	15 226	25 148	41 601	42 251	42 501	42 651
of which: Acquisition of assets	10 471	7 342	17 819	27 186	10 500	9 870	9 300
Inventory	17 647	3 475	4 553	-	-	-	-
Receivables and prepayments	6 821	22 899	10 023	9 000	8 000	7 500	7 000
Cash and cash equivalents	28 103	60 232	78 858	61 913	59 383	58 383	56 883
Total assets	67 037	101 832	118 582	112 514	109 634	108 384	106 534
Accumulated surplus/deficit	(12 929)	30 430	56 153	59 984	60 634	60 884	61 034
Borrowings	378	-	-	-	-	-	-
Trade and other payables	41 469	45 281	35 526	36 000	35 000	34 000	33 000
Liabilities not classified elsewhere	38 119	26 121	26 903	16 530	14 000	13 500	12 500
Total equity and liabilities	67 037	101 832	118 582	112 514	109 634	108 384	106 534

Expenditure trends

The Marine Living Resources Fund receives transfers from the department and generates revenue from levies on fish and fish products, licence and permit fees, fines and confiscations, and harbour fees. Revenue increased from R330.7 million in 2006/07 to R353.9 million in 2009/10, at an average annual rate of 2.3 per cent. Total revenue between 2007/08 and 2008/09 increased by 13 per cent as a result of an increase in financial assistance from the department for vessel operating costs, setting the total allowable catch, and the increased visibility at sea of the marine patrol vessels.

This was offset slightly by the decrease in 2007/08 which was as a result of less income from chartering vessels and confiscating fish and fish products.

Estimated revenue over the medium term takes into consideration the significant increase in levies, licences, permits and application fees due to the new proposal, which has been gazetted for public comment.

In 2006/07 to 2007/08, government transfers to the fund reduced from R151.4 million to R144.4 million. This resulted in a reduction in days at sea for patrol and research vessels used for research and surveillance. However, expenditure on these activities increased between 2007/08 and 2008/09 by 22 per cent, from R255.8 million to R312.1 million, when the financial assistance from government for vessel operating costs was increased. The functions to operate these research and surveillance vessels and the allocated funds have not been transferred to the department along with the fund.

The Marine Living Resources Fund, will not receive the government grant initially allocated over the MTEF period as its functions have been split between departments. The only guaranteed financial assistance for the fund is the R6.3 million per year government grant for the marine aquaculture function. As a result, expenditure is expected to decrease from R350.1 million in 2009/10 to R189.2 million in 2012/13. The compensation of employees is funded by the department through the *Administrative Support Services* subprogramme.

Onderstepoort Biological Products

Strategic overview 2006/07 – 2012/13

Onderstepoort Biological Products operates in terms of the Onderstepoort Biological Products Incorporation Act (1999). It is a state owned company, and it develops, manufactures and distributes more than 40 different vaccines against viral, bacterial and protozoal diseases for veterinary use. The company also distributes other biological products such as therapeutic serum and, in terms of an agreement with the Agricultural Research Institute, diagnostic reagents.

The company is renowned for its knowledge of tropical diseases in Africa and the rest of the world. This includes re-emerging trans-boundary diseases as well as diseases that have been spreading into new areas, such as Bluetongue in Europe and Rift Valley Fever in the northern parts of Africa and the Middle East. These present not only new markets for the company's portfolio of products but also an opportunity to strengthen its position with new products. As part of a growth initiative, the company also intends investigating sourcing products from overseas partners for the local poultry market.

Over the medium term, the company will focus on the partnership with a European company to make a vaccine available to the European market and charge a royalty for each vaccine sold.

Selected performance indicators

Table 25.23 Onderstepoort Biological Products

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of publications supporting Onderstepoort Biological Products vaccines per year	Research	-	-	-	4	4	4	3
Number of doses of vaccines (various products) produced per year	Production	-	-	-	73 million	83 million	90 million	101 million
Percentage cost of sales/sales	Financial performance	31%	34%	33%	34%	34%	36%	37%

Service delivery focus

In 2007/08, the company qualified for the ISO9001:2000 certificate, which recognises and assures customer satisfaction. The company has since retained the certification, based on subsequent audits of compliance.

In 2008/09, the company established an intellectual property management system supported by its intellectual property policy and earns royalties from its intellectual property.

While the company develops and produces vaccines, its facilities are not compliant with good manufacturing principles. Initiatives to achieve compliance with good manufacturing practice are at an advanced stage and this will, over the medium term, alleviate problems encountered in production.

Expenditure estimates

Table 25.24 Onderstepoort Biological Products: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Facility upgrade	76 498	79 030	87 967	97 408	104 447	111 090	118 816
Total expense	76 498	79 030	87 967	97 408	104 447	111 090	118 816

Table 25.25 Onderstepoort Biological Products: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	71 424	80 076	94 576	99 600	106 648	114 991	136 624
Sale of goods and services other than capital assets <i>of which:</i>	64 704	70 385	85 816	90 900	97 718	105 535	135 000
Admin fees	64 704	70 385	85 816	90 900	97 718	105 535	135 000
Other non-tax revenue	6 720	9 691	8 760	8 700	8 930	9 456	1 624
Total revenue	71 424	80 076	94 576	99 600	106 648	114 991	136 624
Expenses							
Current expense	76 498	79 030	87 967	97 408	104 447	111 090	118 816
Compensation of employees	31 781	33 337	38 426	43 400	46 872	50 153	53 664
Goods and services	37 021	36 270	38 963	43 800	47 304	50 615	54 158
Depreciation	9 531	9 480	8 629	10 208	10 271	10 322	10 994
Total expenses	76 498	79 030	87 967	97 408	104 447	111 090	118 816
Surplus / (Deficit)	(5 074)	1 046	6 609	2 192	2 201	3 901	17 808

Table 25.25 Onderstepoort Biological Products: Financial information (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Statement of financial position							
Carrying value of assets	84 226	78 515	69 962	65 102	57 296	50 492	50 640
<i>of which: Acquisition of assets</i>	7 907	4 112	1 681	5 603	2 466	3 517	7 760
Inventory	15 234	15 891	19 741	27 523	29 063	35 545	39 786
Receivables and prepayments	4 383	2 468	8 259	10 187	11 426	5 983	8 678
Cash and cash equivalents	73 121	79 542	81 179	88 726	95 431	105 265	90 523
Assets not classified elsewhere	-	-	1 166				-
Total assets	176 964	176 416	180 307	191 538	193 216	197 285	189 627
Accumulated surplus/deficit	162 590	163 634	171 771	175 030	175 471	178 119	169 098
Trade and other payables	12 136	10 428	6 918	13 467	14 478	15 636	16 897
Provisions	1 398	1 571	1 618	2 029	2 181	2 356	2 534
Liabilities not classified elsewhere	840	783	(0)	1 012	1 086	1 174	1 098
Total equity and liabilities	176 964	176 416	180 307	191 538	193 216	197 285	189 627

Expenditure trends

Revenue is derived mainly from vaccines and is classified as sales of goods and services.

Revenue increased from R71.4 million in 2006/07 to R99.6 million in 2009/10, at an average annual rate of 11.7 per cent. This was due to an increase in the sale of vaccines during a number of outbreaks of infectious diseases. Total revenue is projected to grow at an average annual rate of 11.1 per cent over the MTEF period to reach R136.6 million. The major contributor is the two annual price increases which usually average between 10 per cent and 15 per cent.

Spending grew from R76.5 million in 2006/07 to R97.4 million in 2009/10, at an average annual rate of 8.4 per cent. Spending over the MTEF period is projected to grow at an average annual rate of 6.8 per cent to reach R118.8 million. The increases in both periods are due to increases in compensation of employees and goods and services spending. Spending in compensation of employees grew by 15.3 per cent in 2008/09 due to salary increases, the filling of new posts, training, and bursaries for staff. Goods and services expenditure grew at an average annual rate of 5.8 per cent between 2006/07 and 2009/10. Over the MTEF period, this increases to an average annual rate of 7.3 per cent due to increased commodity prices.

The deficit recorded in 2006/07 was due to lower sales. In the following year's efforts to increase sales and lower costs yielded surpluses, which are projected to increase over the medium term.

Perishable Products Export Control Board

Strategic overview 2006/07 – 2012/13

The Perishable Products Export Control Board is an official certification agency operating on behalf of government to control all perishable export products. The board operates under the mandate of two acts: the Perishable Products Export Control Act (1983) broadly requires the board to ensure the orderly export of perishables and monitor the maintenance of a continuous cold chain; the Agricultural Products Standards Act (1990) broadly requires the board to monitor minimum quality standards and bilateral agreements with importing countries.

The board's strategic objectives over the medium term are to: investigate alternative sampling methods to evaluate product quality in partnership with government; implement an inspections harmonisation programme; consolidate and fast-track the electronic data interchange project among industry role players; initiate a Perishable Products Export Control Board training academy; and assist government in benchmarking South African food safety systems against globally recognised good agricultural practice.

Selected performance indicators

Table 25.26 Perishable Products Export Control Board

Indicator	Programme/Activity	Past			Current	Projected		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of phytosanitary incidents reported per year	Enhance credibility of export certificate	–	–	130	120	110	100	90
Number of previously disadvantaged students sponsored to attend training courses per year	Capacity building	30	25	26	30	30	30	30
Number of emerging farmers certified by GlobalGap per year	Support export competitiveness of South African perishable product industries	–	–	22	44	52	62	70
Value of investment in industry supported research and development programmes per year	Support export competitiveness of South African perishable product industries	R1.8m	R1.4m	R4.2m	R4.2m	R4.7m	R5.2m	R5.7m
Percentage accuracy of export statistics provided to perishable export industry and stakeholders	Support export competitiveness of South African perishable product industries	90%	96%	98%	98%	98%	98%	98%

Service delivery focus

In 2008/09, the organisation achieved the following: benchmarking the organisation against similar organisations internationally for guidance on the board's development; advancements in implementing the organisation's equity plan; and extensive interaction with all stakeholders.

Expenditure estimates

Table 25.27 Perishable Products Export Control Board: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Perishable Export Quality	65 527	71 813	88 840	93 820	105 728	116 268	127 852
Technical Research and Development	812	1 159	1 219	1 555	1 755	1 930	2 122
Industry Training and Development	2 514	1 861	1 447	6 600	2 955	3 249	3 573
Value Added Services	8 113	8 542	8 410	7 611	9 180	10 096	11 101
Other programmes	19 923	20 845	25 450	29 175	35 022	38 514	42 351
Total expense	96 888	104 221	125 366	138 761	154 640	170 058	187 000

Table 25.28 Perishable Products Export Control Board: Financial information

Statement of financial performance		Audited outcome			Revised estimate	Medium-term estimate		
R thousand		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue								
Non-tax revenue								
Sale of goods and services other than capital assets		85 317	97 535	118 515	111 776	130 472	144 081	159 034
<i>of which:</i>								
<i>Admin fees</i>		85 317	97 535	118 515	111 776	130 472	144 081	159 034
<i>Other non-tax revenue</i>		18 598	20 483	24 209	26 875	23 568	25 377	27 366
Transfers received		–	–	–	600	600	600	600
Total revenue		103 915	118 018	142 724	139 251	154 640	170 058	187 000
Expenses								
Current expense								
Compensation of employees		69 637	76 103	89 885	92 570	103 400	113 740	125 114
Goods and services		26 242	27 410	34 628	44 489	49 105	54 015	59 417
Depreciation		1 002	700	836	1 702	2 135	2 302	2 469
Interest, dividends and rent on land		7	8	17	–	–	–	–
Total expenses		96 888	104 221	125 366	138 761	154 640	170 058	187 000
Surplus / (Deficit)		7 027	13 797	17 358	490	–	–	–

Table 25.28 Perishable Products Export Control Board: Financial information (continued)

Statement of financial performance	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
Statement of financial position							
Carrying value of assets	6 096	13 419	16 640	18 710	19 175	17 873	16 404
<i>of which: Acquisition of assets</i>	86	350	4 057	3 772	2 600	1 000	1 000
Investments	23 041	28 190	46 370	58 868	58 403	59 705	61 174
Receivables and prepayments	13 157	15 783	20 803	20 580	20 580	20 580	20 580
Cash and cash equivalents	15 652	26 272	25 182	6 297	6 297	6 297	6 297
Total assets	57 946	83 664	108 995	104 455	104 455	104 455	104 455
Accumulated surplus/deficit	39 135	60 609	77 967	78 458	78 458	78 458	78 458
Trade and other payables	18 181	21 867	22 570	8 408	8 408	8 408	8 408
Provisions	630	1 188	8 458	17 589	17 589	17 589	17 589
Managed funds	-	-	-	-	-	-	-
Total equity and liabilities	57 946	83 664	108 995	104 455	104 455	104 455	104 455

Expenditure trends

The Perishable Products Export Control Board's primary sources of income are fees and levies for statutory services to the perishable products industry. These make up 83 per cent of total income for 2008/09.

Total income increased from R103.9 million in 2006/07 to R139.3 million in 2009/10 at an average annual rate of 10.3 per cent, due to the combined effect of consumer price index increases, increases in levies, and growth in the volume of exports. The decrease in 2009/10 of 2.4 per cent is due to the reduced demand for South African export products, particularly citrus fruit, due to adverse global economic conditions. Income is expected to increase to R187 million over the medium term, at an average annual rate of 10.3 per cent. This projection is based on the same principle applied for the previous three years: a combination of consumer price index based levy increases and growth in the volume of exports.

Expenditure increased from R96.9 million in 2006/07 to R138.8 million in 2009/10, at an average annual rate of 12.7 per cent. This was due to several factors that impact on activity costs, including higher export volumes and the decentralisation of container points and pack houses. Over the medium term, expenditure is expected to increase to R187 million, at an average annual rate of 10.5 per cent.

Management has taken steps to reduce expenditure for 2009/10 in line with the expected reduction in income to R138.8 million. This should result in a near break even position for that year. The board is also projected to break even over the medium term.

Expenditure in compensation of employees comprises the bulk of the board's expenditure. In 2008/09 is 72 per cent of total expenditure. Cash reserves will be maintained as operations are project to at break even over the MTEF period. Capital expenditure is an exception and is expected to range between R1 million and R2 million per year, mainly to maintain IT equipment and infrastructure.

Additional tables

Table 25.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2008/09		2008/09	2009/10			2009/10
1. Administration	356 094	368 649	372 072	–	414 089	414 089	394 089
2. Production and Resources Management	259 062	553 357	495 343	–	331 666	331 666	301 666
3. Agriculture Support Services	1 545 999	1 475 309	1 459 266	–	2 023 696	2 023 696	1 714 696
4. Trade and Agricultural Development	69 107	69 186	76 210	–	76 785	76 785	76 785
5. Food Safety and Bio-security	304 409	471 247	444 980	–	338 460	338 460	268 460
6. Forestry	448 687	448 687	509 139	–	579 104	579 104	459 104
7. Fisheries	107 992	107 992	107 992	–	110 740	110 740	90 740
Total	3 091 350	3 494 427	3 465 002	–	3 874 540	3 874 540	3 305 540

Economic classification

Current payments	1 567 209	1 537 749	1 574 290	–	1 756 514	1 756 514	1 456 514
Compensation of employees	1 002 109	956 632	908 830	–	1 138 488	1 138 488	938 488
Goods and services	564 358	580 375	664 966	–	617 244	617 244	517 244
Interest and rent on land	742	742	494	–	782	782	782
Transfers and subsidies	1 476 038	1 891 650	1 815 985	–	2 040 948	2 040 948	1 771 948
Provinces and municipalities	584 301	898 378	899 728	–	974 107	974 107	974 107
Departmental agencies and accounts	548 627	612 723	609 095	–	585 563	585 563	585 563
Universities and technikons	7 604	6 245	6 251	–	1 900	1 900	1 900
Foreign governments and international organisations	26 618	33 830	35 303	–	35 858	35 858	35 858
Public corporations and private enterprises	302 142	158 343	96 932	–	420 981	420 981	151 981
Non-profit institutions	6 400	17 632	17 232	–	14 290	14 290	14 290
Households	346	164 499	151 444	–	8 249	8 249	8 249
Payments for capital assets	48 103	65 028	73 780	–	76 966	76 966	76 966
Buildings and other fixed structures	23 104	37 100	37 653	–	43 037	43 037	43 037
Machinery and equipment	24 383	26 788	35 149	–	33 558	33 558	33 558
Biological assets	–	320	549	–	–	–	–
Software and other intangible assets	616	820	429	–	371	371	371
Payments for financial assets	–	–	947	–	112	112	112
Total	3 091 350	3 494 427	3 465 002	–	3 874 540	3 874 540	3 305 540

Table 25.B Detail of approved establishment and personnel numbers according to salary level ¹

Department	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year ²	Medium-term estimate		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Department	9 342	6 567	70	2 615	2 640	2 690	5 924	7 555	8 823	9 817
Salary level 1 – 6	6 785	4 370	48	1 441	1 384	1 370	4 178	4 941	6 065	6 851
Salary level 7 – 10	2 187	1 839	15	969	1 034	1 084	1 470	2 166	2 291	2 489
Salary level 11 – 12	286	274	3	152	166	178	204	333	349	357
Salary level 13 – 16	84	84	4	53	56	58	72	115	118	120
Administration	987	987	4	652	659	705	848	963	963	963
Salary level 1 – 6	552	552	2	359	345	391	481	543	543	543
Salary level 7 – 10	343	343	1	242	258	238	287	326	326	326
Salary level 11 – 12	60	60	–	37	41	50	53	61	61	61
Salary level 13 – 16	32	32	1	14	15	26	27	33	33	33

Table 25.B Detail of approved establishment and personnel numbers according to salary level ¹ (continued)

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year ²	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Production and Resources Management	601	601	11	476	480	537	519	601	601	601
Salary level 1 – 6	337	337	2	263	251	325	298	327	327	327
Salary level 7 – 10	227	227	8	176	189	185	193	236	236	236
Salary level 11 – 12	27	27	1	27	30	18	19	28	28	28
Salary level 13 – 16	10	10	–	10	10	9	9	10	10	10
Agriculture Support Services	407	407	12	322	325	323	347	407	407	407
Salary level 1 – 6	182	182	5	178	171	152	161	182	182	182
Salary level 7 – 10	182	182	4	120	127	139	151	182	182	182
Salary level 11 – 12	33	33	2	18	20	23	26	33	33	33
Salary level 13 – 16	10	10	1	6	7	9	9	10	10	10
Trade and Agricultural Development	129	129	–	102	103	105	108	129	129	129
Salary level 1 – 6	16	16	–	55	52	14	14	16	16	16
Salary level 7 – 10	92	92	–	37	40	57	76	92	92	92
Salary level 11 – 12	14	14	–	7	7	29	12	14	14	14
Salary level 13 – 16	7	7	–	3	4	5	6	7	7	7
Food Safety and Bio-security	1 335	1 335	–	1 063	1 073	1 020	1 078	1 343	1 343	1 343
Salary level 1 – 6	549	549	–	586	565	488	499	557	557	557
Salary level 7 – 10	692	692	–	394	420	465	511	692	692	692
Salary level 11 – 12	84	84	–	63	68	58	59	84	84	84
Salary level 13 – 16	10	10	–	20	20	9	9	10	10	10
Forestry	5 883	3 108	43	–	–	–	3 024	3 489	4 757	5 751
Salary level 1 – 6	5 149	2 734	39	–	–	–	2 725	3 139	4 263	5 049
Salary level 7 – 10	651	303	2	–	–	–	252	293	418	616
Salary level 11 – 12	68	56	–	–	–	–	35	43	59	67
Salary level 13 – 16	15	15	2	–	–	–	12	14	17	19
Fisheries	–	–	–	–	–	–	–	623	623	623
Salary level 1 – 6	–	–	–	–	–	–	–	177	177	177
Salary level 7 – 10	–	–	–	–	–	–	–	345	345	345
Salary level 11 – 12	–	–	–	–	–	–	–	70	70	70
Salary level 13 – 16	–	–	–	–	–	–	–	31	31	31

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

2. As at 30 September 2009.

Table 25.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	671 823	707 752	804 361	1 034 048	1 035 110	1 128 587	1 258 698
Training expenditure (R thousand)	27 307	20 320	24 216	16 411	19 983	21 834	23 313
Training as percentage of compensation	4.1%	2.9%	3.0%	1.6%	1.9%	1.9%	1.9%
Total number trained in department (head count)	3 744	3 795	3 408	1 671			
<i>of which:</i>							
Employees receiving bursaries (head count)	160	238	173	173			
Leaverships trained (head count)	35	58	23	12			
Internships trained (head count)	188	190	202	219			
Households receiving bursaries (R thousand)	149	111	46	318	337	374	405
Households receiving bursaries (head count)	33	40	44	45			

Table 25.D Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Conditional grants to provinces							
2. Production and Resources Management							
Land Care Programme Grant: Poverty Relief and Infrastructure	55 735	46 725	51 003	51 417	54 502	57 772	60 661
Ilima/Letsema Projects Grant	-	-	96 000	50 000	200 000	400 000	420 000
Comprehensive Agricultural Support Programme Grant	-	-	76 000	-	-	-	-
3. Agriculture Support Services							
Comprehensive Agricultural Support Programme Grant	300 000	415 000	538 124	715 394	862 365	979 321	1 028 287
Disaster Management	45 403	300 000	136 837	156 900	-	-	-
Total	401 138	761 725	897 964	973 711	1 116 867	1 437 093	1 508 948

1. Detail provided in the Division of Revenue Act (2010)

Table 25.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Foreign												
In cash												
European Union	South African pesticides initiative programme portfolio 791	Food Safety and Bio-security	-	Foreign governments and international organisations	Reduction in pesticide trace elements in fruit exported to European Union countries	8 025	21 403	-	-	-	-	-
Total			-			8 025	21 403	-	-	-	-	-

Table 25.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
New Quarantine Station: Durban	Quarantine facilities	Design	33 000	-	7 891	2 693	16 408	1 000	5 008	-
New hostel at Gadi	Hostel for students	Various	30 600	-	-	-	-	500	1 000	5 688
New laboratory at Roodeplaat, Pretoria	Laboratory facilities	Design	20 000	-	-	-	-	500	1 000	3 500
New Admin Building: Stellenbosch, PHQS	Additional office building	Various	16 325	3 357	-	-	-	-	-	-
New Admin Support Building: Stellenbosch	Additional office building	Construction	15 000	-	-	8 831	6 169	-	-	-
Mobile homes	Accommodation at ports of entry, plantations and engineering sites	Handed over	10 423	6 949	180	3 294	-	-	-	-
Border Fence to prevent foot and mouth disease	36 km elephant control fence and 10 km normal fence per year	Construction	300 000	31 542	38 373	20 425	17 543	25 020	26 893	30 023
Drilling of Boreholes	150 boreholes per year	Various	300 000	7 905	5 607	2 410	2 917	3 872	4 545	5 022
Infrastructure transfers to other spheres, agencies and departments										
Renovations and upgrading	Research infrastructure	Various	406 223	47 132	49 488	51 863	57 303	62 554	67 260	70 623
Agricultural infrastructure	Research infrastructure	Various	214 316	10 000	10 500	11 004	11 742	56 305	100 912	13 853
Foot and Mouth Disease facility	Vaccine production facility	Feasibility	149 122	-	-	-	-	-	43 859	105 263

Table 25.F Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Maintenance										
Ad hoc projects	Maintenance	Various	81 844	-	-	-	979	18 510	16 055	10 300
Various Repairs and Maintenance Projects	Maintenance	Various	55 349	13 096	-	8 095	1 961	4 667	4 266	9 207
Total			1 632 202	119 981	112 039	108 615	115 022	172 928	270 798	253 479

