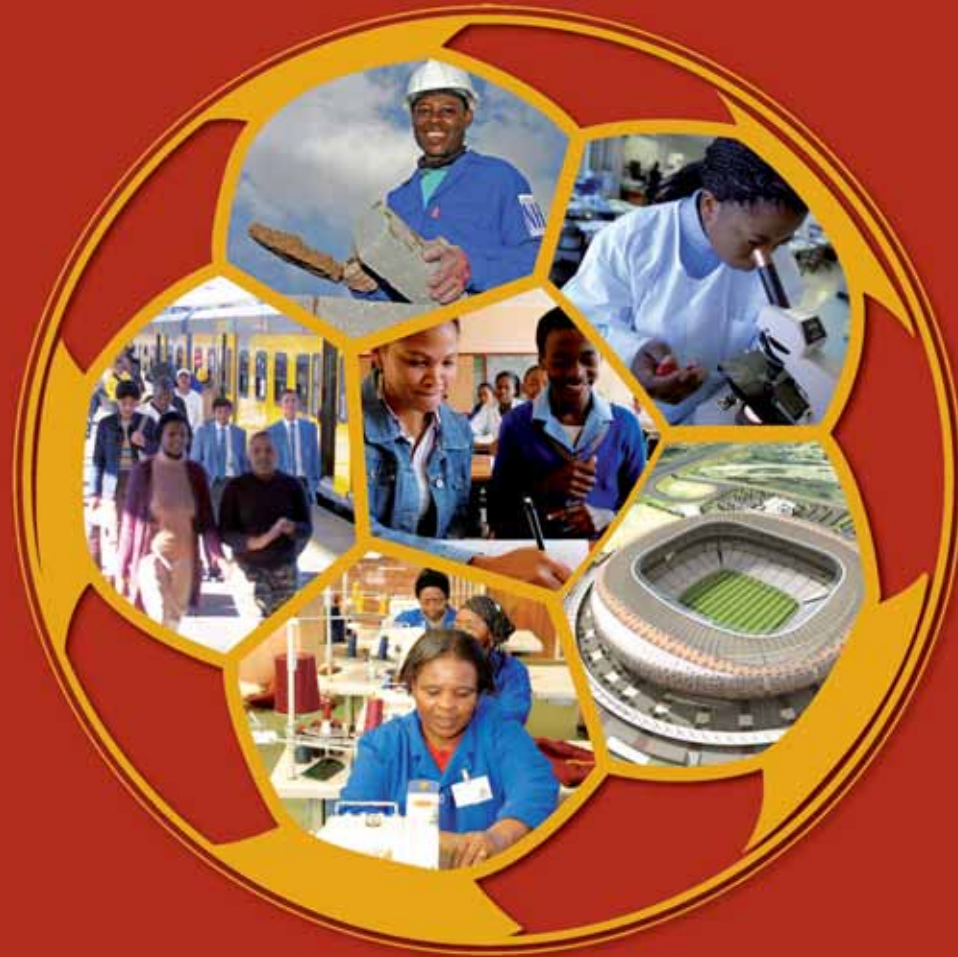


# Vote 31 Mineral Resources



# 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](http://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.

<b>Newly created vote</b>	<b>Department/s from which all or some functions have been shifted</b>
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 budget<sup>1</sup>, 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.

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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
<b>Revenue (National Revenue Fund)</b>							
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
<b>Total revenue</b>	<b>481 197.0</b>	<b>559 773.8</b>	<b>608 795.7</b>	<b>571 492.1</b>	<b>643 239.0</b>	<b>721 749.2</b>	<b>807 896.4</b>
<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>
<b>Expenditure</b>							
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 <sup>1</sup>	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 <sup>1</sup>	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
<b>Total expenditure</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>
<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>
<b>Budget deficit<sup>2</sup></b>	<b>11 004.5</b>	<b>18 278.1</b>	<b>-27 267.7</b>	<b>-177 324.3</b>	<b>-174 904.0</b>	<b>-166 588.4</b>	<b>-156 417.4</b>
<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 2012/13<sup>1</sup>**

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
<b>Central Government Administration</b>	<b>1 882.8</b>	<b>3 072.3</b>	<b>7 510.5</b>	<b>12 465.6</b>
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
<b>Financial and Administrative Services</b>	<b>1 826.9</b>	<b>1 837.5</b>	<b>1 381.0</b>	<b>5 045.4</b>
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
<b>Social Services</b>	<b>5 143.8</b>	<b>8 479.1</b>	<b>13 507.1</b>	<b>27 130.0</b>
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
<b>Justice, Crime Prevention and Security</b>	<b>3 899.4</b>	<b>4 730.2</b>	<b>6 437.0</b>	<b>15 066.6</b>
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
<b>Economic Services and Infrastructure</b>	<b>4 296.7</b>	<b>5 684.4</b>	<b>8 184.8</b>	<b>18 166.0</b>
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
<b>Total</b>	<b>17 049.6</b>	<b>23 803.6</b>	<b>37 020.3</b>	<b>77 873.6</b>

*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
<b>Central Government Administration</b>				
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
<b>Financial and Administrative Services</b>				
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
<b>Social Services</b>				
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
<b>Justice, Crime Prevention and Security</b>				
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
<b>Economic Services and Infrastructure</b>				
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
<b>Total appropriation by vote</b>	<b>262 101.6</b>	<b>309 853.1</b>	<b>370 678.0</b>	<b>442 049.4</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
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
<b>Total direct charges against the National Revenue Fund</b>	<b>208 090.9</b>	<b>231 642.6</b>	<b>265 385.4</b>	<b>313 473.5</b>
Contingency reserve	–	–	–	–
Projected underspending	–	–	–	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>



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	
				<b>Central Government Administration</b>
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
				<b>Financial and Administrative Services</b>
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
				<b>Social Services</b>
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
				<b>Justice, Crime Prevention and Security</b>
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
				<b>Economic Services and Infrastructure</b>
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
<b>437 736.1</b>	<b>461 517.9</b>	<b>486 987.8</b>	<b>520 261.0</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
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)
<b>311 080.3</b>	<b>350 625.0</b>	<b>389 349.8</b>	<b>420 052.9</b>	<b>Total direct charges against the National Revenue Fund</b>
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>	<b>Total</b>

**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
<b>Current payments</b>				
<b>Compensation of employees</b>	<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>
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
<b>Goods and services</b>	<b>28 335.8</b>	<b>32 354.3</b>	<b>38 587.4</b>	<b>44 065.4</b>
<b>Interest and rent on land</b>	<b>52 193.7</b>	<b>52 879.3</b>	<b>54 396.1</b>	<b>59 995.8</b>
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
<b>Total current payments</b>	<b>130 103.7</b>	<b>141 476.8</b>	<b>157 956.9</b>	<b>180 454.0</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	<b>205 438.3</b>	<b>243 233.9</b>	<b>289 397.3</b>	<b>345 879.0</b>
<b>Provinces</b>	<b>178 867.2</b>	<b>205 829.6</b>	<b>245 302.3</b>	<b>295 353.2</b>
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
<b>Municipalities</b>	<b>26 571.1</b>	<b>37 404.3</b>	<b>44 095.1</b>	<b>50 525.8</b>
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
<b>Departmental agencies and accounts</b>	<b>38 102.1</b>	<b>44 531.2</b>	<b>53 572.4</b>	<b>58 512.9</b>
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
<b>Universities and technikons</b>	<b>11 056.0</b>	<b>12 003.8</b>	<b>13 897.7</b>	<b>15 437.4</b>
<b>Foreign governments and international organisations</b>	<b>919.3</b>	<b>936.0</b>	<b>1 010.6</b>	<b>1 266.8</b>
<b>Public corporations and private enterprises</b>	<b>13 424.4</b>	<b>18 764.3</b>	<b>20 170.1</b>	<b>20 061.4</b>
<b>Public corporations</b>	<b>9 872.3</b>	<b>14 155.2</b>	<b>14 694.3</b>	<b>17 851.2</b>
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
<b>Private enterprises</b>	<b>3 552.1</b>	<b>4 609.0</b>	<b>5 475.8</b>	<b>2 210.2</b>
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
<b>Non-profit institutions</b>	<b>882.1</b>	<b>1 002.8</b>	<b>1 220.2</b>	<b>1 225.3</b>
<b>Households</b>	<b>62 862.9</b>	<b>70 551.4</b>	<b>79 084.5</b>	<b>91 029.5</b>
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
<b>Total transfers and subsidies</b>	<b>332 685.1</b>	<b>391 023.5</b>	<b>458 352.8</b>	<b>533 412.3</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	<b>2 481.5</b>	<b>3 838.2</b>	<b>5 566.8</b>	<b>5 961.3</b>
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
<b>Machinery and equipment</b>	<b>3 322.8</b>	<b>3 210.7</b>	<b>2 965.0</b>	<b>2 741.0</b>
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
<b>Total payments for capital assets</b>	<b>6 067.8</b>	<b>7 182.9</b>	<b>8 780.8</b>	<b>8 898.3</b>
<b>Payments for financial assets</b>	<b>1 335.8</b>	<b>1 812.5</b>	<b>10 972.9</b>	<b>32 758.3</b>
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>755 522.9</b>
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>

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

**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 <sup>1</sup>	
R million	2009/10	2010/11						
<b>Central Government Administration</b>								
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
<b>Financial and Administrative Services</b>								
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
<b>Social Services</b>								
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
<b>Justice, Crime Prevention and Security</b>								
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
<b>Economic Services and Infrastructure</b>								
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
<b>Total</b>	<b>732 562.8</b>	<b>202 296.0</b>	<b>579 667.8</b>	<b>9 290.5</b>	<b>20 888.6</b>	<b>812 142.9</b>	<b>79 580.2</b>	

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

**Table 6a. Conditional grants to provinces 2006/07 to 2012/13 <sup>1</sup>**

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	
<b>Central Government Administration</b>									
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
<b>Financial and Administrative Services</b>									
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
<b>Social Services</b>									
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
<b>Economic Services and Infrastructure</b>									
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
<b>Total</b>		<b>29 621.6</b>	<b>34 775.9</b>	<b>43 506.6</b>	<b>58 475.4</b>	<b>58 090.4</b>	<b>61 884.5</b>	<b>69 858.4</b>	<b>74 568.4</b>

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

**Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 <sup>1</sup>**

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	
<b>Central Government Administration</b>									
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
<b>Financial and Administrative Services</b>									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
<b>Social Services</b>									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
<b>Economic Services and Infrastructure</b>									
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
<b>Total</b>		<b>8 443.1</b>	<b>16 645.0</b>	<b>18 477.3</b>	<b>19 316.2</b>	<b>18 990.1</b>	<b>21 111.1</b>	<b>24 169.1</b>	<b>26 994.8</b>

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	
<b>Central Government Administration</b>								
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
<b>Financial and Administrative Services</b>								
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
<b>Social Services</b>								
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
<b>Justice, Crime Prevention and Security</b>								
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
<b>Economic Services and Infrastructure</b>								
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
<b>Total</b>		<b>1 223.1</b>	<b>1 424.2</b>	<b>1 604.9</b>	<b>1 616.8</b>	<b>2 016.3</b>	<b>2 133.7</b>	<b>2 237.8</b>

**Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Central Government Administration</b>							
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
<b>Financial and Administrative Services</b>							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
<b>Social Services</b>							
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	–	–
<b>Justice, Crime Prevention and Security</b>							
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
<b>Economic Services and Infrastructure</b>							
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
<b>Total</b>	<b>24 304.4</b>	<b>41 988.0</b>	<b>47 205.2</b>	<b>54 408.3</b>	<b>61 099.7</b>	<b>68 813.1</b>	<b>76 057.9</b>

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	
<b>Central Government Administration</b>									
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
<b>Financial and Administrative Services</b>									
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
<b>Social Services</b>									
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
<b>Justice, Crime Prevention and Security</b>									
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
<b>Economic Services and Infrastructure</b>									
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
<b>Total</b>		<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>	<b>76 008.7</b>	<b>84 093.2</b>	<b>90 167.3</b>	<b>95 232.5</b>



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

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	
<b>Central Government Administration</b>									
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
<b>Financial and Administrative Services</b>									
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
<b>Social Services</b>									
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
<b>Justice, Crime Prevention and Security</b>									
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
<b>Economic Services and Infrastructure</b>									
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
<b>Total departmental receipts as per Budget Review</b>		<b>10 843.3</b>	<b>12 692.6</b>	<b>12 616.2</b>	<b>9 825.0</b>	<b>8 982.6</b>	<b>10 380.3</b>	<b>11 483.2</b>	<b>12 379.4</b>

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](http://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
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
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								
<b>Subtotal</b>								
Direct charge against the National Revenue Fund								
Item								
Item								
<b>Total</b>								
Change to 2009 Budget estimate								

### Economic classification

<b>Current payments</b>			
Economic classification item			
Economic classification item			
<b>Transfers and subsidies</b>			
Economic classification item			
Economic classification item			
<b>Payments for capital assets</b>			
Economic classification item			
Economic classification item			
<b>Payments for financial assets</b>			
<b>Total</b>			

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								
<b>Total</b>								

## 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							
<b>Total</b>							
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							
<b>Economic classification</b>							
<b>Current payments</b>							
Economic classification item							
Economic classification item							
<b>Transfers and subsidies</b>							
Economic classification item							
Economic classification item							
<b>Payments for capital assets</b>							
Economic classification item							
Economic classification item							
<b>Payments for financial assets</b>							
<b>Total</b>							

## 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.**

# Mineral Resources

National Treasury  
Republic of South Africa



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# Vote 31

## Mineral Resources

### 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
<b>MTEF allocation</b>						
Administration	239 042	224 394	1 055	13 593	265 263	271 765
Promotion of Mine Safety and Health	145 865	140 028	5 358	479	159 613	168 887
Mineral Regulation	215 925	175 282	40 643	-	233 071	245 949
Mineral Policy and Promotion	429 184	67 559	361 625	-	454 199	481 393
<b>Total expenditure estimates</b>	<b>1 030 016</b>	<b>607 263</b>	<b>408 681</b>	<b>14 072</b>	<b>1 112 146</b>	<b>1 167 994</b>

Executive authority Minister of Mineral Resources  
Accounting officer Director-General of Mineral Resources  
Website address [www.dme.gov.za](http://www.dme.gov.za)

*The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://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 Mineral Resources is to promote and regulate the minerals and mining sector for transformation, growth and development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Strategic support and management services to the ministry and department.

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

**Purpose:** Ensure the safe mining of minerals under healthy working conditions.

#### Programme 3: Mineral Regulation

**Purpose:** Regulate the minerals and mining sector to promote economic development, employment and ensure transformation and environmental compliance.

#### Programme 4: Mineral Policy and Promotion

**Purpose:** Develop relevant mineral policies that promote South Africa's mining and minerals industries to attract investment.

## **Strategic overview: 2006/07 – 2012/13**

The Department of Mineral Resources plays an important role in the mining and minerals sector by regulating transformation, growth and development, and ensuring that all South Africans derive sustainable benefits from the country's mineral resources.

The department is continuing with the assessment of the Broad Based Socioeconomic Charter for the South African Mining Industry, which began in 2008/09. Significant progress has been made towards quantifying the charter's impact. The charter gives effect to transformation objectives in the mining industry in response to the proclamation of the Mineral Petroleum Resources Development Amendment Act (2008).

The mining industry, development and employment task team was established in the last quarter of 2008 to mitigate the severity and impact of the global economic downturn in the mining industry, and continues to provide interventions that can be applied over the medium to long term. This has already yielded some positive results, including containing cumulative retrenchments at below 40 000.

### **Key priorities over the medium term**

#### **The minerals beneficiation strategy**

The department intends developing a rigorous implementation plan for the beneficiation strategy, which has been designed to promote the development of new industries. The implementation of the strategy is expected to yield higher local consumption of raw materials, which will be beneficiated to a higher level. The implementation of the strategy will contribute to transforming and diversifying South Africa's economy to increase exports as well as to create jobs, eradicate poverty and contribute to economic growth and development.

#### **Promoting sustainable development in the mineral and mining sector**

The department introduced a mining regulatory framework that embraces the economic, social and environmental aspects of sustainable development. As part of its commitment to the United Nations Commission on Sustainable Development, South Africa developed a report on progress in sustainable development in the mining sector for tabling at the commission's coming summit.

#### **Reducing the impact of mining on the environment**

The department has developed a strategy for managing the rehabilitation of derelict and ownerless mines. The medium term plan is to do thorough investigations for each mine categorised as a priority. This research will form the basis for ongoing rehabilitation.

The department is also involved in a water management programme to prevent surface water getting into underground workings, manage the decanting of mine polluted water, minimise the cost of pumping and treating extraneous water, protect mineral resources and people, and prevent further environmental degradation. The ultimate objective is to find management solutions, apportion pollution sources and the attendant liabilities among contributors, and improve strategies for mines that have to be closed because of water related factors.

#### **Community upliftment**

The department identified small scale mining as a prospective tool to uplift poor communities and developed a draft small scale mining strategy intended for implementation from 2010/11. The strategy focuses on increasing the impact of small scale mining on poverty nodal points with mining potential for the benefit of the communities that live there.

#### **Management of energy commodities**

The department recognises the urgency of ensuring the continuous and sustainable supply of mineral commodities consumed in the generation of electricity and is developing a strategy for this in conjunction with affected departments.

## Health and safety

Achieving health milestones in the mining sector is an ongoing challenge. Various initiatives and strategies have been implemented in a number of mines nationally. The initiatives are aimed at ensuring compliance with measures designed to eliminate noise induced hearing loss and silicosis, the incidence of which, together with silicosis and pulmonary tuberculosis, have increased.

2008 was an encouraging year in terms of safety in the South African mining industry. There was an overall decrease of 28.6 per cent in the fatality rate, from the previous year's high rate of 0.2 per cent. This decrease brought the industry back on track towards the ultimate goal of zero harm, with the lowest ever fatality rate of 0.1 per cent. The reportable injury rate dropped by 10.2 per cent from the previous year to a record low of 3.3 per cent.

The Mine Health and Safety Act (1996) was reviewed in 2009 to improve sanctions for non-compliance and to extend its application to corporate bodies. The review will facilitate the effective regulation of occupational health and safety at mines, empower the Mine Health and Safety Council to appoint committees to deal with current and emerging sector challenges, and enhance the effectiveness of the council as an advisory body.

### Review of legislative framework

The department is planning to develop, amend or review the following legislation over the medium term: the Mine Health and Safety Amendment Bill to introduce sections 50(7) and 86A, strengthen enforcement provisions, and reinforce offences and penalties; the Geoscience Amendment Bill to empower the Council for Geoscience to be an advisory authority on geohazards related to infrastructure development on dolomitic terrains; the Diamonds Act (1986) to ensure that greater emphasis is placed on the local beneficiation of diamonds; and the Minerals and Petroleum Resources Development Act (2002) to further promote the effective participation of historically disadvantaged South Africans in the mining industry.

## Savings and cost effective service delivery

The department is implementing cost containment initiatives that will produce savings of R9.3 million, R10.4 million and R10.5 million over the medium term. These are being implemented across all programmes, including in public entities that receive transfers from the department. Cost containment measures are aimed at reducing costs associated with travel and subsistence, communication, and consulting and professional services. Transfers to public entities for personnel and related operational expenditure were also targeted for efficiency savings in the entities. The savings will not have a negative impact on the department's ability to deliver services.

## Selected performance indicators

Table 31.1 Mineral Resources

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of occupational health and safety inspections and mine audits conducted per year	Promotion of Mine Safety and Health	16 354	10 491	12 700	12 700	12 700	12 700	12 700
Number of mining rights granted to historically disadvantaged South Africans per year	Mineral Regulation	-	90	152	147	27	27	27
Number of women led companies licensed per year	Mineral Regulation	5	22	34	23	18	18	18
Number of industry workshops on compliance issues per year	Mineral Regulation	1	1	9	6	9	9	9
Number of charter inspections per year	Mineral Regulation		65	140	71	140	140	140
Number of environment inspections per year	Mineral Regulation		1 200	1 742	1 067	1 380	1 380	1 380
Number of publications completed per year	Mineral Policy and Promotion	26	26	30	23	28	28	28

Table 31.1 Mineral Resources (continued)

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of exhibitions, conferences and workshops per year	Mineral Policy and Promotion	11	10	11	11	15	20	25
Number of policies developed or reviewed per year	Mineral Policy and Promotion	3	3	3	2	2	2	-
Number of new or existing small or medium mining enterprises supported per year	Mineral Policy and Promotion	18	38	45	49	40	40	35

## Expenditure estimates

Table 31.2 Mineral Resources

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	117 984	145 654	172 610	183 151	183 151	239 042	265 263	271 765
2. Promotion of Mine Safety and Health	105 130	104 283	118 822	133 027	132 400	145 865	159 613	168 887
3. Mineral Regulation	129 289	163 402	165 180	202 480	200 832	215 925	233 071	245 949
4. Mineral Policy and Promotion	324 426	344 884	355 002	406 469	407 628	429 184	454 199	481 393
<b>Total</b>	<b>676 829</b>	<b>758 223</b>	<b>811 614</b>	<b>925 127</b>	<b>924 011</b>	<b>1 030 016</b>	<b>1 112 146</b>	<b>1 167 994</b>
Change to 2009 Budget estimate				20 219	19 103	58 741	133 653	86 785

### Economic classification

	372 280	410 523	432 875	507 952	506 836	607 263	673 656	704 856
<b>Current payments</b>								
Compensation of employees	196 410	222 338	245 508	287 619	286 992	352 344	392 050	414 653
Goods and services	175 870	188 185	187 367	220 333	219 844	254 919	281 606	290 203
<i>of which:</i>								
Administrative fees	1 878	958	2 895	21 603	21 603	22 974	29 314	25 706
Advertising	9 407	15 958	13 357	14 354	14 354	15 115	15 837	16 637
Assets less than the capitalisation threshold	2 991	1 836	3 224	3 049	3 049	3 233	3 411	3 597
Audit cost: External	1 675	1 915	2 643	2 010	2 010	2 139	2 265	2 393
Bursaries: Employees	811	1 328	1 965	2 362	2 362	2 501	2 636	2 777
Catering: Departmental activities	1 484	1 558	1 568	1 666	1 666	1 806	1 905	2 008
Communication	9 780	10 875	13 925	9 947	9 947	16 350	17 241	18 177
Computer services	7 728	7 450	12 383	21 265	21 265	22 625	30 207	25 324
Consultants and professional services: Business and advisory services	23 189	10 468	10 294	17 635	18 794	15 351	16 746	18 210
Consultants and professional services: Infrastructure and planning	34 796	35 131	11 322	47 499	45 851	52 063	56 371	59 724
Consultants and professional services: Legal costs	1 905	5 353	10 837	954	954	1 130	1 192	1 256
Contractors	2 320	5 861	9 409	5 764	5 764	6 127	6 483	6 849
Agency and support / outsourced services	256	679	497	6 363	6 363	8 160	8 579	9 036
Entertainment	177	-	10	331	331	350	368	389
Inventory: Food and food supplies	4	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	12	12	18	23	23	24	26	27
Inventory: Learner and teacher support material	-	-	166	272	272	286	300	315
Inventory: Materials and supplies	32	52	141	303	303	320	335	350
Inventory: Medical supplies	2	20	29	109	109	117	123	129
Inventory: Other consumables	183	105	576	278	278	351	367	385
Inventory: Stationery and printing	3 667	3 618	5 469	6 863	6 863	7 286	7 698	8 125
Lease payments	19 433	18 443	14 871	1 735	1 735	2 084	2 200	2 321
Property payments	774	2 738	3 063	861	861	915	306	1 022
Transport provided: Departmental activity	3	-	-	53	53	56	58	61



Table 31.2 Mineral Resources (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
<b>Economic classification</b>								
Payments for capital assets	4 936	5 847	11 454	8 700	8 700	14 072	10 050	10 552
<i>Travel and subsistence</i>	44 945	50 877	51 764	39 984	39 984	47 229	50 900	57 482
<i>Training and development</i>	1 609	3 945	5 804	6 012	6 012	6 371	6 722	7 090
<i>Operating expenditure</i>	4 037	3 300	3 357	4 036	4 036	14 418	14 179	14 660
<i>Venues and facilities</i>	2 772	5 705	7 780	5 002	5 002	5 538	5 837	6 151
Transfers and subsidies	299 519	336 251	366 915	408 475	408 475	408 681	428 440	452 586
Provinces and municipalities	136	12	-	-	-	-	-	-
Departmental agencies and accounts	128 651	178 185	167 581	178 209	178 209	182 506	185 485	194 902
Public corporations and private enterprises	168 660	156 198	198 045	229 287	229 287	225 120	241 837	256 510
Machinery and equipment	4 660	4 127	9 692	7 557	7 557	14 072	10 050	10 552
Land and sub-soil assets	176	-	-	-	-	-	-	-
Software and other intangible assets	100	1 720	1 762	1 143	1 143	-	-	-
Payments for financial assets	94	5 602	370	-	-	-	-	-
<b>Total</b>	<b>676 829</b>	<b>758 223</b>	<b>811 614</b>	<b>925 127</b>	<b>924 011</b>	<b>1 030 016</b>	<b>1 112 146</b>	<b>1 167 994</b>

## Expenditure trends

Expenditure increased at an average annual rate of 11 per cent, from R676.8 million in 2006/07 to R925.1 million in 2009/10. This was due to: spending in compensation of employees, which grew at an average annual rate of 13.6 per cent; and expenditure on goods and services, which grew at an average annual rate of 7.8 per cent. The review of the department's structure and its subsequent expansion to align its resources with strategic objectives contributed to a significant increase in expenditure in compensation of employees and related expenditure in goods and services. Transfer payments to public entities and other organisations represent 18.8 per cent of the department's total expenditure over the 7-year period, and increased at an average annual rate of 6.1 per cent from 2006/07 to 2009/10.

Over the medium term, spending is projected to grow at an average annual rate of 8.1 per cent to reach R1.2 billion in 2012/13. Additional funding of R20.3 million, R33.2 million and R43 million for staff capacity, the small scale mining and beneficiation programme, and the national rural jewellery development programme was allocated over the medium term, and contributes to the anticipated increase. Compensation of employees and transfers to public entities continue to represent 74.2 per cent of the department's projected expenditure over the MTEF period.

The Council for Mineral Technology receives R11 million for 2011/12 and 2012/13 to implement the small scale mining and beneficiation programme (R5 million) and the national rural jewellery development programme (R6 million). R37.1 million and R33.4 million was allocated over the medium term for salary related adjustments for public entities and the department respectively.

The Department of Minerals and Energy was split to form the Department of Mineral Resources and the Department of Energy. The restructuring culminated an increase in the number of staff over the short to medium term, especially for support functions.

The activities of the Department of Mineral Resources are predominantly regulatory, and as a result the use of consultants is limited to ad hoc and highly technical activities. Over the medium term, the use of consultants will be minimal.

The department's approved establishment for 2009/10 is 1 082 posts, of which 1 076 are filled. The establishment is expected to grow to 1 183 in 2012/13. Over the same period compensation of employees is expected to increase from R287.6 million to R414.7 million. Vacancies mainly exist at line function

programmes due to the shortage of technical skills on mining and environmental management. The department is running learnership and internship programmes to address this.

## Departmental receipts

Royalties, surface rental and prospecting fees collected from mining companies continue to be major sources of receipts. Combined, these represented 95.8 per cent of total annual departmental revenue in 2007/08 and 2008/09. In 2006/07, transfers contributed 95 per cent of revenue. The change in the usual trend can be attributed to the receipt of non-departmental revenue of R466.5 million in 2006/07 from the sale of assets from the Lebowa Minerals Trust. This once-off receipt was surrendered to the National Revenue Fund. Departmental revenue is expected to increase from R161.8 million in 2009/10 to R213.9 million in 2012/13. Royalties, surface rental and prospecting fees will remain the main sources of income over the medium term, and are expected to represent 99 per cent of the department's total revenue. Other sources of revenue mostly relate to administrative fees for licence applications and commission on insurance.

Table 31.3 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
<b>Departmental receipts</b>	<b>190 969</b>	<b>267 104</b>	<b>261 304</b>	<b>161 847</b>	<b>161 847</b>	<b>205 596</b>	<b>211 789</b>	<b>213 932</b>
Sales of goods and services produced by department	1 751	2 157	2 291	1 176	1 176	1 196	1 250	1 289
Sales of scrap, waste, arms and other used current goods	3	4	4	1	1	1	1	1
Fines, penalties and forfeits	458	218	112	169	169	144	149	150
Interest, dividends and rent on land	188 515	244 126	256 089	160 172	160 172	203 858	209 981	212 084
Transactions in financial assets and liabilities	242	20 599	2 808	329	329	397	408	408
<b>Extraordinary receipts</b>	<b>466 511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lebowa Minerals trust abolition	466 511	-	-	-	-	-	-	-
<b>Total</b>	<b>657 480</b>	<b>267 104</b>	<b>261 304</b>	<b>161 847</b>	<b>161 847</b>	<b>205 596</b>	<b>211 789</b>	<b>213 932</b>

## Programme 1: Administration

### Expenditure estimates

Table 31.4 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 <sup>1</sup>	845	1 083	1 503	1 725	1 816	1 916	2 012
Management	9 575	11 333	13 446	13 937	25 839	28 217	27 917
Corporate Services	91 521	117 196	141 966	146 961	188 737	211 028	216 410
Office Accommodation	16 043	16 042	15 695	20 528	22 650	24 102	25 426
<b>Total</b>	<b>117 984</b>	<b>145 654</b>	<b>172 610</b>	<b>183 151</b>	<b>239 042</b>	<b>265 263</b>	<b>271 765</b>
Change to 2009 Budget estimate				9 086	48 033	62 601	43 971

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.

Table 31.4 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
<b>Economic classification</b>							
<b>Current payments</b>	<b>112 441</b>	<b>139 124</b>	<b>160 182</b>	<b>173 982</b>	<b>224 394</b>	<b>254 603</b>	<b>260 572</b>
Compensation of employees	39 203	54 138	65 886	73 851	109 221	123 337	130 104
Goods and services	73 238	84 986	94 296	100 131	115 173	131 266	130 468
<i>of which:</i>							
<i>Administrative fees</i>	<i>1 302</i>	<i>345</i>	<i>1 812</i>	<i>20 528</i>	<i>21 843</i>	<i>28 129</i>	<i>24 463</i>
<i>Advertising</i>	<i>688</i>	<i>955</i>	<i>1 123</i>	<i>1 072</i>	<i>1 141</i>	<i>1 208</i>	<i>1 276</i>
<i>Assets less than the capitalisation threshold</i>	<i>1 556</i>	<i>1 667</i>	<i>1 821</i>	<i>2 098</i>	<i>2 232</i>	<i>2 364</i>	<i>2 498</i>
<i>Audit cost: External</i>	<i>1 675</i>	<i>1 915</i>	<i>2 643</i>	<i>2 010</i>	<i>2 139</i>	<i>2 265</i>	<i>2 393</i>
<i>Bursaries: Employees</i>	<i>786</i>	<i>740</i>	<i>840</i>	<i>1 335</i>	<i>1 420</i>	<i>1 504</i>	<i>1 589</i>
<i>Catering: Departmental activities</i>	<i>984</i>	<i>1 101</i>	<i>837</i>	<i>1 077</i>	<i>1 186</i>	<i>1 256</i>	<i>1 327</i>
<i>Communication</i>	<i>4 697</i>	<i>5 118</i>	<i>7 816</i>	<i>4 427</i>	<i>10 143</i>	<i>10 742</i>	<i>11 353</i>
<i>Computer services</i>	<i>7 718</i>	<i>7 324</i>	<i>7 351</i>	<i>21 192</i>	<i>22 548</i>	<i>30 126</i>	<i>25 239</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>4 710</i>	<i>5 916</i>	<i>5 127</i>	<i>6 130</i>	<i>3 839</i>	<i>4 065</i>	<i>4 297</i>
<i>Consultants and professional services: Legal costs</i>	<i>502</i>	<i>1 168</i>	<i>2 529</i>	<i>660</i>	<i>702</i>	<i>744</i>	<i>786</i>
<i>Contractors</i>	<i>1 952</i>	<i>5 524</i>	<i>9 140</i>	<i>5 300</i>	<i>5 639</i>	<i>5 972</i>	<i>6 312</i>
<i>Agency and support / outsourced services</i>	<i>225</i>	<i>668</i>	<i>147</i>	<i>3 639</i>	<i>3 872</i>	<i>4 100</i>	<i>4 334</i>
<i>Entertainment</i>	<i>148</i>	<i>-</i>	<i>5</i>	<i>152</i>	<i>162</i>	<i>171</i>	<i>181</i>
<i>Inventory: Food and food supplies</i>	<i>4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Inventory: Fuel, oil and gas</i>	<i>5</i>	<i>11</i>	<i>15</i>	<i>21</i>	<i>22</i>	<i>24</i>	<i>25</i>
<i>Inventory: Learner and teacher support material</i>	<i>-</i>	<i>-</i>	<i>82</i>	<i>15</i>	<i>16</i>	<i>17</i>	<i>17</i>
<i>Inventory: Materials and supplies</i>	<i>15</i>	<i>31</i>	<i>115</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>14</i>
<i>Inventory: Medical supplies</i>	<i>2</i>	<i>20</i>	<i>27</i>	<i>98</i>	<i>104</i>	<i>110</i>	<i>116</i>
<i>Inventory: Other consumables</i>	<i>137</i>	<i>34</i>	<i>404</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>14</i>
<i>Inventory: Stationery and printing</i>	<i>3 400</i>	<i>3 197</i>	<i>4 990</i>	<i>5 386</i>	<i>5 731</i>	<i>6 069</i>	<i>6 414</i>
<i>Lease payments</i>	<i>18 846</i>	<i>17 954</i>	<i>14 500</i>	<i>1 210</i>	<i>1 531</i>	<i>1 621</i>	<i>1 713</i>
<i>Property payments</i>	<i>686</i>	<i>2 620</i>	<i>2 721</i>	<i>766</i>	<i>815</i>	<i>201</i>	<i>912</i>
<i>Travel and subsistence</i>	<i>18 144</i>	<i>19 892</i>	<i>22 342</i>	<i>13 828</i>	<i>19 625</i>	<i>19 496</i>	<i>23 513</i>
<i>Training and development</i>	<i>1 606</i>	<i>2 411</i>	<i>2 348</i>	<i>3 960</i>	<i>4 213</i>	<i>4 462</i>	<i>4 716</i>
<i>Operating expenditure</i>	<i>2 776</i>	<i>2 887</i>	<i>2 441</i>	<i>2 523</i>	<i>3 129</i>	<i>3 314</i>	<i>3 502</i>
<i>Venues and facilities</i>	<i>674</i>	<i>3 488</i>	<i>3 120</i>	<i>2 680</i>	<i>3 095</i>	<i>3 278</i>	<i>3 464</i>
<b>Transfers and subsidies</b>	<b>910</b>	<b>769</b>	<b>1 265</b>	<b>979</b>	<b>1 055</b>	<b>1 118</b>	<b>1 174</b>
Provinces and municipalities	27	12	-	-	-	-	-
Households	883	757	1 265	979	1 055	1 118	1 174
<b>Payments for capital assets</b>	<b>4 539</b>	<b>5 761</b>	<b>10 944</b>	<b>8 190</b>	<b>13 593</b>	<b>9 542</b>	<b>10 019</b>
Machinery and equipment	4 263	4 041	9 182	7 047	13 593	9 542	10 019
Land and sub-soil assets	176	-	-	-	-	-	-
Software and other intangible assets	100	1 720	1 762	1 143	-	-	-
<b>Payments for financial assets</b>	<b>94</b>	<b>-</b>	<b>219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>117 984</b>	<b>145 654</b>	<b>172 610</b>	<b>183 151</b>	<b>239 042</b>	<b>265 263</b>	<b>271 765</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	27	12	-	-	-	-	-
Regional Services Council levies	27	12	-	-	-	-	-
<b>Households</b>							
<b>Social benefits</b>							
Current	883	726	1 208	979	1 055	1 118	1 174
Leave payments	883	726	1 208	979	1 055	1 118	1 174
<b>Households</b>							
<b>Other transfers to households</b>							
Current	-	31	57	-	-	-	-
Donations	-	31	57	-	-	-	-

## Expenditure trends

Expenditure increased at an average annual rate of 15.8 per cent, from R118 million in 2006/07 to R183.2 million in 2009/10. The increase can be attributed to the expansion of the corporate services function in line with the restructuring of the department and the consequent increase in expenditure in compensation of employees and related services provided to line functions.

Expenditure is projected to continue to increase over the medium term at an average annual rate of 14.1 per cent, from R183.2 million in 2009/10 to R271.8 million in 2012/13. Subsistence, transport, inventory, computer services and accommodation lease payments remain the major spending items over this period. Spending over the MTEF period will focus on establishing human resource management functions and compliance and monitoring functions over public entities.

## Programme 2: Promotion of Mine Safety and Health

- *Governance Policy and Oversight* develops policy and legislation. Funding will mainly be used for compensation of employees and related expenditure on goods and services.
- *Mine Health and Safety (Regions)* is responsible for mine surveying, and legal and engineering expertise and inspections services at regional offices. Funding will mainly be used for compensation of employees and related expenditure on goods and services.

## Objectives and measures

- Contribute to the reduction of mining related deaths, injuries and ill health by:
  - reviewing the Mine Health and Safety Act (1996) along with supporting regulations and aligning it with changes in the mining sector each year
  - monitoring compliance with mining safety and health standards by conducting 12 700 mine inspections and 700 audits each year.

## Service delivery focus

There has been a 47 per cent reduction in rock-related fatalities in the platinum sector and 22 per cent in the gold sectors since 2007/08. Transportation and mining fatalities decreased by 25 per cent in 2008/09 in the platinum sector, but there was a 42 per cent increase in the gold sector. Illegal and criminal miners remain the biggest threat to the health and safety of mine employees. Although there has been progress towards achieving zero harm to mining employees, fatalities and injuries are still high, and a significant effort is still needed to achieve the milestones of the 2003 mine health and safety summit.

In 2009/10, the Mine Health and Safety Inspectorate continued developing the skills and knowledge base of its staff members to meet new challenges posed by the restructuring process. 14 staff members in the inspectorate attended 9 managerial and administrative courses and 5 technical courses. In 2008/09, the inspectorate embarked on addressing skills shortages and past imbalances in the mining sector by: training 23 engineering and occupational hygiene learner inspectors; training 4 female and 15 male engineering learner inspectors in mechanical engineering or electrical engineering; appointing 4 female occupational hygiene learner inspectors; and permanently employing 1 learner inspector. In 2009/10, the inspectorate offered 11 bursaries totalling R1 million to students in mine surveying and engineering.

The inspectorate's structure provides for 319 positions, of which 220 are filled. At the end of 2008/09, the vacancy rate was 31 per cent (99 vacancies). Since April 2008, 52 inspectorate staff members have resigned. Women account for 38.6 per cent of the total staff complement, constituting an improvement of 2.7 per cent from 2007/08.

Since the promulgation of the Minerals and Petroleum Resources Development Act (2004), 152 mining permits were issued to small, medium and micro enterprises (SMMEs) against a targeted 27. In light of this, the inspectorate conducted more inspections of these types of operations in 2009/10 and continues to offer training and assistance to small scale miners. Most small scale operations are in the diamond sector, and are thus located in Northern Cape and North West.

## Expenditure estimates

Table 31.5 Promotion of Mine Safety and Health

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							
Governance Policy and Oversight	52 702	36 259	53 722	54 927	46 904	52 732	55 864
Mine Health and Safety (Regions)	52 428	68 024	65 100	78 100	98 961	106 881	113 023
<b>Total</b>	<b>105 130</b>	<b>104 283</b>	<b>118 822</b>	<b>133 027</b>	<b>145 865</b>	<b>159 613</b>	<b>168 887</b>
Change to 2009 Budget estimate				-	3 175	8 442	10 157
<b>Economic classification</b>							
<b>Current payments</b>	<b>100 195</b>	<b>99 452</b>	<b>113 414</b>	<b>127 453</b>	<b>140 028</b>	<b>153 425</b>	<b>162 389</b>
Compensation of employees	77 246	79 604	85 240	99 198	114 007	124 367	131 386
Goods and services	22 949	19 848	28 174	28 255	26 021	29 058	31 003
<i>of which:</i>							
<i>Administrative fees</i>	283	249	214	764	804	842	883
<i>Advertising</i>	514	1 159	1 381	551	580	607	637
<i>Assets less than the capitalisation threshold</i>	34	69	18	223	235	246	256
<i>Bursaries: Employees</i>	21	491	979	477	501	525	551
<i>Catering: Departmental activities</i>	67	157	144	113	119	125	131
<i>Communication</i>	1 073	991	919	1 128	1 587	1 662	1 745
<i>Computer services</i>	10	-	2 156	15	16	17	18
<i>Consultants and professional services: Business and advisory services</i>	7 455	1 508	4 470	5 091	370	387	406
<i>Consultants and professional services: Legal costs</i>	45	27	-	127	133	139	146
<i>Contractors</i>	213	103	172	195	205	215	226
<i>Agency and support / outsourced services</i>	1	-	1	2 193	3 747	3 914	4 110
<i>Entertainment</i>	29	-	4	64	68	71	75
<i>Inventory: Fuel, oil and gas</i>	-	-	1	-	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	73	27	29	30	32
<i>Inventory: Materials and supplies</i>	3	9	4	8	9	9	9
<i>Inventory: Medical supplies</i>	-	-	-	6	7	7	7
<i>Inventory: Other consumables</i>	2	19	2	65	69	72	76
<i>Inventory: Stationery and printing</i>	51	107	81	99	105	110	116
<i>Lease payments</i>	53	70	28	66	70	73	77
<i>Property payments</i>	-	-	1	-	-	-	-
<i>Travel and subsistence</i>	12 399	13 032	13 595	14 581	14 777	17 295	18 652
<i>Training and development</i>	3	1 531	3 253	1 700	1 788	1 872	1 966
<i>Operating expenditure</i>	537	147	478	449	472	494	519
<i>Venues and facilities</i>	156	179	200	313	330	346	363
<b>Transfers and subsidies</b>	<b>4 822</b>	<b>4 788</b>	<b>4 923</b>	<b>5 118</b>	<b>5 358</b>	<b>5 680</b>	<b>5 965</b>
Provinces and municipalities	55	-	-	-	-	-	-
Departmental agencies and accounts	4 452	4 674	4 909	5 118	5 358	5 680	5 965
Households	315	114	14	-	-	-	-
<b>Payments for capital assets</b>	<b>113</b>	<b>43</b>	<b>480</b>	<b>456</b>	<b>479</b>	<b>508</b>	<b>533</b>
Machinery and equipment	113	43	480	456	479	508	533
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>105 130</b>	<b>104 283</b>	<b>118 822</b>	<b>133 027</b>	<b>145 865</b>	<b>159 613</b>	<b>168 887</b>

Table 31.5 Promotion of Mine Safety and Health (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	55	-	-	-	-	-	-
Regional Services Council levies	55	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	4 452	4 674	4 909	5 118	5 358	5 680	5 965
Mine Health and Safety Council	4 452	4 674	4 909	5 118	5 358	5 680	5 965
Households							
Social benefits							
Current	315	98	6	-	-	-	-
Leave payments	315	98	6	-	-	-	-
Households							
Other transfers to households							
Current	-	16	8	-	-	-	-
Excess claims: Subsidised vehicles	-	16	8	-	-	-	-

## Expenditure trends

Expenditure in this programme increased at an average annual rate of 8.2 per cent, from R105.1 million in 2006/07 to R133 million in 2009/10. The increase relates to annual inflation related salary adjustments and the restructuring of the Mine Health and Safety Inspectorate.

Expenditure is projected to increase over the medium term at an average annual rate of 8.3 per cent, from R133 million in 2009/10 to R168.9 million in 2012/13, due to increased human resource capacity. The inspectorate's functions are mostly human resource driven, hence expenditure in compensation of employees accounts for 76 per cent of the inspectorate's total annual expenditure over the 7-year period.

Spending over the MTEF period focuses on increasing the capacity of the inspectorate aimed at reducing mine related deaths, injuries and ill health.

## Public entity

### Mine Health and Safety Council

#### Strategic overview: 2006/07 – 2012/13

The Mine Health and Safety Council was established in terms of the Mine Health and Safety Act (1996), as amended. The council's mandate is to advise the Minister of Mineral Resources on all occupational health and safety issues in the mining industry, and to develop legislation, do research, promote mine health and safety, and liaise with other bodies. The council's objective is to assist the industry to sustain and improve health and safety by significantly reducing fatalities, injuries and occupational diseases.

Key priorities are to advise the minister, influence the legislative environment, promote occupational health and safety culture, improve tripartite partnership and cooperation, drive the implementation of the 2003 mine health and safety summit's 2013 action plan, build health and safety capacity, manage research, share best practice and maintain effective financial management.

Following its review of the outcomes of the presidential mine health and safety audit, the council has prepared a responsive action plan in line with the council's mandate.

## Savings and cost effective service delivery

The Mine Health and Safety Council will implement cost containment measures on IT and other administration costs over the medium term.

## Selected performance indicators

Table 31.6 Mine Health and Safety Council

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of research programmes and reviews conducted per year	Research programme	47	27	18	18	18	18	18
Number of scheduled advice processes with the minister per year	Provide advice and reliable information on occupational health and safety	14	10	5	5	4	6	8
Number of skills development projects per year	Research programme	10	5	10	2	5	5	5
Percentage implementation of the occupational health and safety culture framework plan	Promote health and safety culture in the mining industry	-	-	-	-	90%	100%	100%
Percentage compliance with policy requirements	Regular and timeous feedback	-	-	-	-	100%	100%	100%
Number of high level tripartite partnership discussions per year	Strengthen tripartite partnership	-	-	-	-	2	2	2
Percentage of tripartite partnership initiatives implemented (safety summit's 2013 action plan)	Strengthen tripartite partnership	-	-	-	-	80%	90%	100%

## Service delivery focus

The key outcomes of the presidential summit in 2008 and audit in 2009 were developed into an action plan, approved by stakeholders and included in the council's 2009-2012 strategic plan.

Submissions were made on the Mine Health and Safety Amendment Bill, and the Mine Health and Safety Amendment Act (2008) was subsequently approved in 2008. In 2009/10, 2 regulations aimed at regulating health and safety at mines were submitted to the department. This enabled the council to appoint committees to deal with sector challenges and enhance the effectiveness of the council as an advisory body.

Developing the health and safety culture transformation framework started in July 2009 and is on track for completion by the end of March 2010. In 2009/10, a communications plan was implemented to promote health and safety culture. Quarterly reports were profiled, publications were distributed, other media were utilised, and forums were hosted and attended. In 2009, a silicosis education and prevention road show targeted 150 000 mine workers in 3 provinces covering 15 mines.

To improve tripartite partnership and cooperation, Mine Health and Safety Council meetings are conducted in various mining regions.

Research needs and their management were reviewed in relation to the safety summit's 2013 commitments and sharing best practice and research in areas of high levels of accidents. The primary focus for 2009/10 was on silicosis and falls of ground research.

In 2009, a training programme through the Mining Qualification Authority was developed to ensure that occupational health and safety representatives, unions and supervisors receive training. A 5-year rollout plan was developed to train 40 000 occupational health and safety representatives and shop stewards.

In 2008, a strategic review was conducted, and a restructuring programme resulted in appointing a chief executive officer, chief financial officer and chief research and operations officer. An internal audit team was contracted.

## Expenditure estimates

Table 31.7 Mine Health and Safety Council: Project information

R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Safety	18 258	19 990	14 244	7 640	8 098	8 584	9 099
Health	12 410	13 577	17 507	8 555	9 068	9 612	10 189
Special projects	15 492	4 296	4 548	51 929	55 044	58 348	61 849
<b>Total expense</b>	<b>46 160</b>	<b>37 862</b>	<b>36 299</b>	<b>68 124</b>	<b>72 211</b>	<b>76 545</b>	<b>81 137</b>

Table 31.8 Mine Health and Safety 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
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>47 376</b>	<b>51 386</b>	<b>57 473</b>	<b>63 006</b>	<b>66 853</b>	<b>70 865</b>	<b>75 172</b>
Sale of goods and services other than capital assets <i>of which:</i>	42 208	44 916	46 875	49 632	52 677	55 838	59 244
<i>Admin fees</i>	194	516	378	1 200	1 272	1 348	1 429
<i>Sales by market establishments</i>	42 014	44 400	46 497	48 432	51 405	54 490	57 815
<i>Other non-tax revenue</i>	5 168	6 470	10 598	13 374	14 176	15 027	15 928
Transfers received	4 453	4 674	4 909	5 118	5 358	5 680	5 965
<b>Total revenue</b>	<b>51 829</b>	<b>56 060</b>	<b>62 382</b>	<b>68 124</b>	<b>72 211</b>	<b>76 545</b>	<b>81 137</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>46 160</b>	<b>37 862</b>	<b>36 299</b>	<b>68 124</b>	<b>72 211</b>	<b>76 545</b>	<b>81 137</b>
Compensation of employees	5 729	5 807	8 966	12 987	13 766	14 592	15 468
Goods and services	39 194	31 385	26 653	53 807	57 249	60 637	64 354
Depreciation	1 237	670	680	1 330	1 196	1 316	1 315
<b>Total expenses</b>	<b>46 160</b>	<b>37 862</b>	<b>36 299</b>	<b>68 124</b>	<b>72 211</b>	<b>76 545</b>	<b>81 137</b>
<b>Surplus / (Deficit)</b>	<b>5 669</b>	<b>18 198</b>	<b>26 083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	2 912	2 403	3 321	3 321	3 321	3 321	3 321
<i>of which: Acquisition of assets</i>	226	191	1 598	1 330	1 196	1 316	1 315
Receivables and prepayments	14 081	14 672	19 815	19 815	19 815	19 815	19 815
Cash and cash equivalents	48 139	59 836	80 544	79 214	78 018	76 702	75 387
<b>Total assets</b>	<b>65 132</b>	<b>76 911</b>	<b>103 680</b>	<b>102 350</b>	<b>101 154</b>	<b>99 838</b>	<b>98 523</b>
Accumulated surplus/deficit	48 953	67 150	93 233	91 903	90 707	89 391	88 076
Post-retirement benefits	688	667	844	844	844	844	844
Trade and other payables	13 048	7 349	9 046	9 046	9 046	9 046	9 046
Provisions	566	148	178	178	178	178	178
Liabilities not classified elsewhere	1 877	1 597	379	379	379	379	379
<b>Total equity and liabilities</b>	<b>65 132</b>	<b>76 911</b>	<b>103 680</b>	<b>102 350</b>	<b>101 154</b>	<b>99 838</b>	<b>98 523</b>

## Expenditure trends

The Mine Health and Safety Council is funded partly by a transfer from the department and partly by a levy from mines. Levies from mines are used for research only. The transfer from the department increased from R5.1 million in 2009/10 to R6.0 million in 2012/13.

Spending increased from R46.2 million in 2006/07 to R68.1 million in 2009/10 at an average annual rate of 13.8 per cent, mainly due to inflation related salary adjustments. Over the medium term, expenditure is expected to increase from R68.1 million in 2009/10 to R81.1 million in 2012/13 at an average annual rate of 6 per cent, mainly due to inflation adjustments.



Spending over the medium term focuses on promoting mine health and safety and assisting the mining industry to sustain and improve health and safety.

### Programme 3: Mineral Regulation

- *Management* provides overall management of the programme. Funding will mainly be used for compensation of employees and related expenditure on goods and services.
- *Mineral Regulation and Administration* is responsible for the administration of prospecting and mining rights licensing, and compliance with the Mineral and Petroleum Resource Development Act (2002), including mine compliance with environmental protection requirements. Funding will mainly be used for compensation of employees and related expenditure on goods and services.
- The *South African Diamond and Precious Metals Regulator* was established in terms of the Diamonds Act (1986) as amended, and the Precious Metals Act (2005). The regulator is responsible for issuing licences and permits related to the trade in diamonds, gold and platinum, and monitoring activities related to trade in the diamond, platinum and gold sectors. Funding will mainly be used for transfers to the regulator and to perform mandated functions.

### Objectives and measures

- Contribute to broad based black economic empowerment (BEE) and transformation in the minerals and mining sector by issuing 27 new mining rights a year to historically disadvantaged South Africans.
- Contribute to sustainable development in the minerals and mining sector by conducting 1 380 environmental compliance inspections and 140 charter inspections a year.
- Promote investment and job creation in the minerals and mining sector by processing mining and prospecting rights applications within the specified timeframes according to the Minerals Petroleum Resources Act (2002).

### Service delivery focus

By end of March 2009, the department had received 20 163 applications, of which 16 190 were accepted, 3 653 rejected and 5 805 issued. In 2008/09, the target for granting rights to historically disadvantaged South Africans was surpassed by 462 per cent (27 rights targeted, 152 rights granted). This continued in 2009/10, with the number of rights granted by the end of September 2009 at 147 against the target same target of 27. In 2008/09, there was an increase in the number of rights granted to women led entities (34 granted, against a target of 18). At the end of September 2009, 23 such rights had been granted against the same target of 18.

In 2008/09, another area of growth was observed: 1 742 environmental inspections were conducted against the planned 1 380. In the first half of 2009/10, 1 067 inspections were conducted. 140 charter inspections were planned for 2008/09, but only 19 achieved. 71 were completed by the end of September 2009 against the same target of 140.

In 2008/09, the department implemented and complete 5 mine rehabilitation projects, which included the revegetation and fencing of the Asbes, Bestwell, Corheim, Hartland and Kuruman sites. In a separate process in 2008/09, the department entered into a contract with the Council for Mineral Technology and Research to undertake 13 projects to the value of R40 million. This was subsequently reduced to 5 projects at a value of R19 million. These projects have not been commissioned yet, as contracts have only recently been finalised. The department is in the process of formulating a strategy for managing and rehabilitating derelict and ownerless sites. Implementation will be over a 3-year period.

## Expenditure estimates

Table 31.9 Mineral Regulation

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	13 423	7 102	7 655	5 619	5 788	6 132	6 440
Mineral Regulation and Administration	115 866	136 300	117 525	157 447	169 494	184 646	195 088
South African Diamond and Precious Metal Regulator	-	20 000	40 000	39 414	40 643	42 293	44 421
<b>Total</b>	<b>129 289</b>	<b>163 402</b>	<b>165 180</b>	<b>202 480</b>	<b>215 925</b>	<b>233 071</b>	<b>245 949</b>
Change to 2009 Budget estimate				(5 000)	(11 674)	3 700	(1 471)

## Economic classification

<b>Current payments</b>	<b>128 181</b>	<b>136 867</b>	<b>125 026</b>	<b>163 012</b>	<b>175 282</b>	<b>190 778</b>	<b>201 528</b>
Compensation of employees	59 941	66 512	71 776	85 224	91 318	100 431	106 253
Goods and services	68 240	70 355	53 250	77 788	83 964	90 347	95 275
<i>of which:</i>							
<i>Administrative fees</i>	15	81	66	269	283	297	312
<i>Advertising</i>	7 517	13 408	10 448	12 496	13 146	13 762	14 451
<i>Assets less than the capitalisation threshold</i>	1 316	77	1 364	375	395	413	434
<i>Bursaries: Employees</i>	4	26	91	166	175	183	192
<i>Catering: Departmental activities</i>	132	187	282	389	409	428	449
<i>Communication</i>	3 783	4 549	4 996	3 685	3 876	4 058	4 261
<i>Computer services</i>	-	1	2 533	54	57	60	63
<i>Consultants and professional services: Business and advisory services</i>	8 071	2	33	2	2	2	2
<i>Consultants and professional services: Infrastructure and planning</i>	34 796	35 131	11 322	47 499	52 063	56 371	59 724
<i>Consultants and professional services: Legal costs</i>	1 358	3 793	7 802	167	295	309	324
<i>Contractors</i>	92	210	94	267	281	294	309
<i>Agency and support / outsourced services</i>	29	11	8	10	10	11	12
<i>Entertainment</i>	-	-	1	69	72	76	80
<i>Inventory: Fuel, oil and gas</i>	-	-	1	2	2	2	2
<i>Inventory: Learner and teacher support material</i>	-	-	11	13	13	14	15
<i>Inventory: Materials and supplies</i>	12	12	22	43	46	48	50
<i>Inventory: Medical supplies</i>	-	-	2	5	6	6	6
<i>Inventory: Other consumables</i>	43	52	170	201	269	281	295
<i>Inventory: Stationery and printing</i>	90	50	72	131	138	145	152
<i>Lease payments</i>	519	413	332	459	483	506	531
<i>Property payments</i>	88	118	337	95	100	105	110
<i>Transport provided: Departmental activity</i>	3	-	-	53	56	58	61
<i>Travel and subsistence</i>	9 504	11 552	10 834	9 210	9 550	10 574	10 978
<i>Training and development</i>	-	-	126	31	32	34	36
<i>Operating expenditure</i>	341	56	50	833	876	918	964
<i>Venues and facilities</i>	527	626	2 253	1 264	1 329	1 392	1 462
<b>Transfers and subsidies</b>	<b>858</b>	<b>20 902</b>	<b>40 010</b>	<b>39 414</b>	<b>40 643</b>	<b>42 293</b>	<b>44 421</b>
Provinces and municipalities	40	-	-	-	-	-	-
Departmental agencies and accounts	-	20 000	40 000	39 414	40 643	42 293	44 421
Households	818	902	10	-	-	-	-
<b>Payments for capital assets</b>	<b>250</b>	<b>31</b>	<b>11</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	250	31	11	54	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>5 602</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>129 289</b>	<b>163 402</b>	<b>165 180</b>	<b>202 480</b>	<b>215 925</b>	<b>233 071</b>	<b>245 949</b>

Table 31.9 Mineral Regulation (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
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	40	-	-	-	-	-	-
Regional Services Council levies	40	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	-	20 000	40 000	39 414	40 643	42 293	44 421
South African Diamond and Precious Metal Regulator	-	20 000	40 000	39 414	40 643	42 293	44 421
<b>Social benefits</b>							
Current	-	3	7	-	-	-	-
Donations to private enterprises	-	3	7	-	-	-	-
<b>Households</b>							
<b>Other transfers to households</b>							
Current	818	899	3	-	-	-	-
Leave payments households	818	899	3	-	-	-	-

## Expenditure trends

Expenditure for the *Mineral Regulation* programme increased at an average annual rate of 16.1 per cent, from R129.3 million in 2006/07 to R202.5 million in 2009/10. The increase is attributable to the expansion of administrative and regulatory services as a result of the ongoing implementation of the Minerals and Petroleum Resources Development Act (2002). Expenditure is projected to increase at an average annual rate of 6.7 per cent over the medium term, from R202.5 million in 2009/10 to R245.9 million in 2012/13. This is due to inflation related salary adjustments.

Spending in the *Mineral Regulation and Administration* subprogramme grew by 34 per cent in 2009/10 due to increased capacity for inspections and enforcing compliance with the Minerals and Petroleum Resources Development Act (2008).

Over the medium term, spending will focus on consulting services and contractors associated with the rehabilitation of derelict and ownerless mines, compliance workshops, and inspections and enforcement activities.

## Public entity

### South African Diamond and Precious Metals Regulator

Strategic overview: 2006/07 – 2012/13

The South African Diamond and Precious Metals Regulator was established in terms of the Diamond Amendment Act (2005) and the Precious Metals Act (2005), which came into effect in July 2007. The acts mandate the regulator to regulate the diamond, platinum and gold industries, and to accelerate beneficiation in the jewellery industry.

The number of historically disadvantaged people participating in the industry has increased significantly since 2007 as a result of their being granted licences and through partnerships and shareholding. The regulator's objectives in relation to precious metals are to: ensure that the country's precious metal resources are exploited and developed in the best interests of South Africans; promote equitable access to, and local beneficiation of,

the country's precious metals; promote the sound development of precious metal enterprises in the country; and advance broad based socioeconomic empowerment.

The regulator identified a need to decentralise its services to cover the provinces where most of the diamond and precious metals beneficiation licences have been issued and where significant trading takes place. The services will not only benefit clients and make the regulator accessible, but will also improve compliance with the legislation. Durban and Cape Town have been prioritised and the necessary budget has been allocated. The regulator is reviewing a business case for decentralising the services of the Diamond Exchange and Export Centre within the free trade zone to be established at OR Tambo International Airport.

### Savings and cost effective service delivery

Cost saving measures will target overseas trips, office decorations, air travel, communications and newspapers. It is estimated that 12 per cent of the total budget will be saved.

### Selected performance indicators

Table 31.10 South African Diamond and Precious Metals Regulator

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Percentage implemented versus planned: legal opinions and advice drafted, contracts reviewed and negotiated, and legislation managed and implemented	Licensing	–	100%	100%	80%	100%	100%	100%
Percentage of diamond beneficiation and diamond dealing licensees evaluated	Licensing	–	20%	30%	52%	65%	100%	100%
Percentage of precious metals beneficiation licences evaluated	Licensing	–	–	20%	35%	65%	85%	95%
Percentage of licences granted to BEE and women in beneficiation industries	Licensing	–	5%	12%	16%	19%	21%	25%
Number of diamond beneficiation and diamond dealing licences issued per year	Licensing	–	704	1,009	431	372	229	1,026
Number of precious metals beneficiation licences issued per year	Licensing	–	32	89	332	281	312	347
Number of diamond evaluators trained per year	Inspections: Diamonds	–	–	4	1	4	6	8
Rating by industry on trained precious metals specialist inspectors	Inspections: Precious metals	–	–	80%	55%	85%	90%	95%
Number of initiatives mentored and paired with sustainable business (small businesses) per year	Inspections: Diamonds	–	–	–	–	2	5	7
Percentage of unpolished diamonds exports valued	Inspections: Diamonds	–	–	100%	100%	100%	100%	100%
Percentage of unpolished diamonds imports valued	Inspections: Precious metals	–	–	100%	100%	100%	100%	100%
Percentage of valued unpolished diamonds offered to State Diamond Trader	Inspections: Diamonds	–	–	100%	100%	100%	100%	100%

### Service delivery focus

Transitional arrangements for licensing the precious metals industry in terms of the Precious Metals Act (2005) were successfully completed in 2009. 1 090 diamond beneficiation and dealing licences were issued in 2008/09. 52 per cent of these licences were evaluated. 35 per cent of precious metals beneficiation licences were issued, with the remaining 65 per cent pending inspection of the premises.

## Expenditure estimates

Table 31.11 South African Diamond and Precious Metals Regulator: Objective information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Diamond and Precious Metals Regulation	19 100	23 696	51 449	43 025	52 862	56 519	55 732
<b>Total expense</b>	<b>19 100</b>	<b>23 696</b>	<b>51 449</b>	<b>43 025</b>	<b>52 862</b>	<b>56 519</b>	<b>55 732</b>

Table 31.12 South African Diamond and Precious Metals Regulator: 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
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>28 060</b>	<b>23 295</b>	<b>25 332</b>	<b>9 236</b>	<b>16 181</b>	<b>19 075</b>	<b>20 907</b>
Sale of goods and services other than capital assets of which:	25 356	19 634	18 554	4 586	8 997	11 319	12 675
Admin fees	2 398	691	2 128	–	–	–	–
Sales by market establishments	22 958	18 943	16 426	4 586	8 997	11 319	12 675
Other non-tax revenue	2 704	3 661	6 778	4 650	7 184	7 756	8 232
Transfers received	–	20 000	40 000	39 414	40 643	42 293	44 421
<b>Total revenue</b>	<b>28 060</b>	<b>43 295</b>	<b>65 332</b>	<b>48 650</b>	<b>56 824</b>	<b>61 368</b>	<b>65 328</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>19 100</b>	<b>23 696</b>	<b>51 449</b>	<b>42 959</b>	<b>52 800</b>	<b>56 452</b>	<b>55 660</b>
Compensation of employees	7 786	11 029	21 012	23 565	34 648	37 300	35 554
Goods and services	9 879	11 521	27 384	16 749	15 906	17 078	18 254
Depreciation	1 098	994	2 913	2 507	2 196	2 020	1 794
Interest, dividends and rent on land	337	152	140	138	50	54	58
Transfers and subsidies	–	–	–	66	62	67	72
<b>Total expenses</b>	<b>19 100</b>	<b>23 696</b>	<b>51 449</b>	<b>43 025</b>	<b>52 862</b>	<b>56 519</b>	<b>55 732</b>
<b>Surplus / (Deficit)</b>	<b>8 960</b>	<b>19 599</b>	<b>13 883</b>	<b>5 625</b>	<b>3 962</b>	<b>4 849</b>	<b>9 596</b>

Table 31.12 South African Diamond and Precious Metals Regulator: Financial Information (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
Carrying value of assets	2 749	8 186	8 660	9 308	8 975	8 031	7 049
<i>of which: Acquisition of assets</i>	235	7 314	13 685	3 341	2 113	1 124	842
Inventory	–	–	80	26	48	56	71
Receivables and prepayments	523	494	748	712	624	513	482
Cash and cash equivalents	32 199	49 771	63 801	68 366	71 243	76 874	87 394
Assets not classified elsewhere	–	–	414	–	–	–	–
<b>Total assets</b>	<b>35 471</b>	<b>58 451</b>	<b>73 703</b>	<b>78 412</b>	<b>80 890</b>	<b>85 474</b>	<b>94 996</b>
Accumulated surplus/deficit	33 431	54 728	68 610	74 235	78 197	83 046	92 642
Trade and other payables	1 291	3 147	4 079	3 124	1 865	1 742	1 852
Managed funds	–	–	412	–	–	–	–
Liabilities not classified elsewhere	749	576	602	1 053	828	686	502
<b>Total equity and liabilities</b>	<b>35 471</b>	<b>58 451</b>	<b>73 703</b>	<b>78 412</b>	<b>80 890</b>	<b>85 474</b>	<b>94 996</b>

### Expenditure trends

The main source of revenue is transfers from the department, with the balance of revenue generated from service and licensing fees and interest earned.

Transfers to the South African Diamond and Precious Metals Regulator increased at an average annual rate of 40.4 per cent, from R20 million in 2007/08 to R39.4 million in 2009/10. Payments are for compensation of employees and related operational expenditure. The growth in expenditure is due to costs associated with: the regulator's expanded mandate from July 2007; additional divisions; increased establishment; and the creation of regional offices and the substantial related costs. Transfer payments are expected to increase to R44.4 million over the medium term at an average annual rate of 4.1 per cent, mainly due to inflation adjustments.

The spending focus over the MTEF period will be on inspections, diamond valuations, data capturing and information management, as well as international cooperation and the Kimberley process certification scheme.

## Programme 4: Mineral Policy and Promotion

- *Management* provides overall management of the programme.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to transform the minerals and mining industry.
- *Mineral Promotion* promotes mineral development and gives advices on trends in the mining industry to attract investment.
- *Economic Analysis* conducts ongoing macroeconomic analysis and locates developments in the mining industry within the country's macroeconomic environment.
- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure issues, including management of derelict and ownerless mines, management of financial provisions for mine rehabilitation and mine environmental research.
- *Assistance to Mines* aims to prevent the uncontrollable movement of water into and out of underground mine openings or holdings in the Witwatersrand area. The subprogramme provides assistance in the form of subsidies to marginal mines to pump extraneous water from underground holdings and to research, develop and implement strategic solutions for mine water management, including managing the decant of contaminated water.
- *Council for Mineral Technology and Research* partially funds the Council for Mineral Technology, which provides research, development and technology that fosters the development of businesses in the mineral and mineral products industries.
- The *Council for Geoscience* partially funds the Council for Geoscience; a national agency tasked with the development and maintenance of the national geoscience knowledge infrastructure for both land and ocean environments.

Funding for the *Management, Mineral Policy, Mineral Promotion* and *Economic Analysis* subprogrammes is mainly for compensation of employees and related expenditure on goods and services.

## Objectives and measures

- Promote South Africa's mining and minerals industry to attract investment across the commodities value chain by:
  - providing relevant information on the South African mining industry to investors and the industry by producing 84 quality publications by 2012/2013
  - disseminating relevant information by participating in 60 local and international conferences and exhibitions as well as other platforms such as seminars and workshops, by 2012/2013
  - establishing and supporting small scale mining and minerals beneficiation projects in line with the new small scale mining strategy
  - facilitating the transformation of the mining industry by reviewing mining and minerals policies and legislation regularly between 2010/11 and 2011/2012.
- Increase mineral value add by adopting the beneficiation strategy as policy in 2009/10 and completing the implementation plan for prioritised value chains in 2010/11.

## Service delivery focus

African Union (AU) recognition of the African mining partnership in February 2009 was a major milestone, which resulted in the department being mandated to lead the process of merging the partnership with the AU conference of ministers responsible for mineral resources development.

In March 2009, the department, along with other key stakeholders, unveiled the mineral beneficiation strategy, which supports programmes such as the national industrial policy framework. Consultations are in progress and the strategy will be resubmitted to Cabinet for endorsement as a policy by the end of 2009/10.

In 2008/09, 33 existing small scale mining projects continued to receive technical and financial support from the department through the small scale mining directorate. 15 new small scale mining projects were established and supported.

Since the global economic downturn began in October 2008, the department has led a multi-stakeholder (government, business and labour) task team to recommend short, medium and long term interventions, and was mandated to develop recommendations for the optimal development of the mining industry in the post-crisis period. As a result of the department's recommendations, the mining industry was able to reduce the number of anticipated job losses from the forecasted 100 000 to less than 38 000 by November 2009.

## Expenditure estimates

Table 31.13 Mineral Policy and Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Management	7 645	5 330	5 522	7 645	16 629	21 581	24 686
Mineral Policy	23 704	20 391	5 578	13 389	9 061	9 758	10 246
Mineral Promotion	43 974	47 833	47 218	48 529	55 875	56 986	59 585
<i>Mineral Economics</i>	<i>12 568</i>	<i>13 658</i>	<i>14 401</i>	<i>14 266</i>	<i>21 723</i>	<i>20 642</i>	<i>21 423</i>
<i>Beneficiation Economics</i>	<i>5 217</i>	<i>6 261</i>	<i>3 354</i>	<i>3 599</i>	<i>4 713</i>	<i>5 172</i>	<i>5 431</i>
<i>Small-Scale Mining</i>	<i>26 189</i>	<i>27 914</i>	<i>29 463</i>	<i>30 664</i>	<i>29 440</i>	<i>31 172</i>	<i>32 731</i>
Assistance to Mines	37 339	24 139	38 178	43 121	35 671	37 480	38 917
Council for Geoscience	93 100	122 622	122 672	132 677	136 505	137 512	144 516

Table 31.13 Mineral Policy and Promotion (continued)

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							
Council for Mineral Technology	118 664	124 569	135 834	161 108	165 840	179 332	191 316
Economic Advisory Services	-	-	-	-	4 628	4 979	5 228
Mine Environmental Management	-	-	-	-	4 975	6 571	6 899
<b>Total</b>	<b>324 426</b>	<b>344 884</b>	<b>355 002</b>	<b>406 469</b>	<b>429 184</b>	<b>454 199</b>	<b>481 393</b>
Change to 2009 Budget estimate				16 133	19 207	58 910	34 128
<b>Economic classification</b>							
<b>Current payments</b>	<b>31 463</b>	<b>35 080</b>	<b>34 253</b>	<b>43 505</b>	<b>67 559</b>	<b>74 850</b>	<b>80 367</b>
Compensation of employees	20 020	22 084	22 606	29 346	37 798	43 915	46 910
Goods and services	11 443	12 996	11 647	14 159	29 761	30 935	33 457
<i>of which:</i>							
<i>Administrative fees</i>	<i>278</i>	<i>283</i>	<i>803</i>	<i>42</i>	<i>44</i>	<i>46</i>	<i>48</i>
<i>Advertising</i>	<i>688</i>	<i>436</i>	<i>405</i>	<i>235</i>	<i>246</i>	<i>260</i>	<i>273</i>
<i>Assets less than the capitalisation threshold</i>	<i>85</i>	<i>23</i>	<i>21</i>	<i>353</i>	<i>371</i>	<i>388</i>	<i>407</i>
<i>Bursaries: Employees</i>	<i>-</i>	<i>71</i>	<i>55</i>	<i>384</i>	<i>405</i>	<i>424</i>	<i>445</i>
<i>Catering: Departmental activities</i>	<i>301</i>	<i>113</i>	<i>305</i>	<i>87</i>	<i>92</i>	<i>96</i>	<i>101</i>
<i>Communication</i>	<i>227</i>	<i>217</i>	<i>194</i>	<i>707</i>	<i>744</i>	<i>779</i>	<i>818</i>
<i>Computer services</i>	<i>-</i>	<i>125</i>	<i>343</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>2 953</i>	<i>3 042</i>	<i>664</i>	<i>6 412</i>	<i>11 140</i>	<i>12 292</i>	<i>13 505</i>
<i>Consultants and professional services: Legal costs</i>	<i>-</i>	<i>365</i>	<i>506</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Contractors</i>	<i>63</i>	<i>24</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>
<i>Agency and support / outsourced services</i>	<i>1</i>	<i>-</i>	<i>341</i>	<i>521</i>	<i>531</i>	<i>554</i>	<i>582</i>
<i>Entertainment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>46</i>	<i>48</i>	<i>50</i>	<i>53</i>
<i>Inventory: Fuel, oil and gas</i>	<i>7</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Inventory: Learner and teacher support material</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>217</i>	<i>228</i>	<i>239</i>	<i>251</i>
<i>Inventory: Materials and supplies</i>	<i>2</i>	<i>-</i>	<i>-</i>	<i>240</i>	<i>252</i>	<i>264</i>	<i>277</i>
<i>Inventory: Other consumables</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Inventory: Stationery and printing</i>	<i>126</i>	<i>264</i>	<i>326</i>	<i>1 247</i>	<i>1 312</i>	<i>1 374</i>	<i>1 443</i>
<i>Lease payments</i>	<i>15</i>	<i>6</i>	<i>11</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Property payments</i>	<i>-</i>	<i>-</i>	<i>4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Travel and subsistence</i>	<i>4 898</i>	<i>6 401</i>	<i>4 993</i>	<i>2 365</i>	<i>3 277</i>	<i>3 535</i>	<i>4 339</i>
<i>Training and development</i>	<i>-</i>	<i>3</i>	<i>77</i>	<i>321</i>	<i>338</i>	<i>354</i>	<i>372</i>
<i>Operating expenditure</i>	<i>383</i>	<i>210</i>	<i>388</i>	<i>231</i>	<i>9 941</i>	<i>9 453</i>	<i>9 675</i>
<i>Venues and facilities</i>	<i>1 415</i>	<i>1 412</i>	<i>2 207</i>	<i>745</i>	<i>784</i>	<i>821</i>	<i>862</i>
<b>Transfers and subsidies</b>	<b>292 929</b>	<b>309 792</b>	<b>320 717</b>	<b>362 964</b>	<b>361 625</b>	<b>379 349</b>	<b>401 026</b>
Provinces and municipalities	14	-	-	-	-	-	-
Departmental agencies and accounts	124 199	153 511	122 672	133 677	136 505	137 512	144 516
Public corporations and private enterprises	168 660	156 198	198 045	229 287	225 120	241 837	256 510
Households	56	83	-	-	-	-	-
<b>Payments for capital assets</b>	<b>34</b>	<b>12</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	34	12	19	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>324 426</b>	<b>344 884</b>	<b>355 002</b>	<b>406 469</b>	<b>429 184</b>	<b>454 199</b>	<b>481 392</b>



Table 31.13 Mineral Policy and Promotion (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
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	14	-	-	-	-	-	-
Regional Services Council levies	14	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	114 382	143 203	111 846	115 597	121 477	122 471	128 718
Council for Geoscience: Mine environmental research and development	9 300	8 000	-	-	-	-	-
Council for Geoscience: Small scale mining	21 799	22 889	-	-	-	-	-
State Diamond Trader	-	-	-	1 000	-	-	-
Council for Geoscience	83 283	112 314	111 846	114 597	121 477	122 471	128 718
Capital	9 817	10 308	10 826	18 080	15 028	15 041	15 798
Council for Geoscience	9 817	10 308	10 826	18 080	15 028	15 041	15 798
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
Current	118 128	120 261	147 476	163 381	172 248	190 025	202 544
Industrial Development Corporation of SA: Small scale mining	-	-	24 033	25 058	23 609	25 025	26 277
Council for Science and Industrial Research: Mine environmental research and development	5 335	3 800	-	-	-	-	-
Council for Mineral Technology Research: Mine environmental research and development	5 365	3 690	-	-	-	-	-
Council for Mineral Technology	107 428	112 771	123 443	138 323	148 639	165 000	176 267
Capital	11 236	11 798	12 391	22 785	17 201	14 332	15 049
Council for Mineral Technology	11 236	11 798	12 391	22 785	17 201	14 332	15 049
<b>Public corporations and private enterprises</b>							
<b>Private enterprises</b>							
<b>Subsidies on production or products</b>							
Current	37 339	24 139	38 178	43 121	35 671	37 480	38 917
Assistance to mines	37 339	24 139	38 178	43 121	35 671	37 480	38 917
<b>Other transfers</b>							
Current	1 957	-	-	-	-	-	-
Chamber of Mines of South Africa	1 957	-	-	-	-	-	-
<b>Households</b>							
<b>Social benefits</b>							
Current	56	83	-	-	-	-	-
Leave payments	56	83	-	-	-	-	-

## Expenditure trends

Expenditure in the *Mineral Policy and Promotion* programme increased at an average annual rate of 7.8 per cent, from R324.4 million in 2006/07 to R406.5 million in 2009/10. Expenditure includes transfer payments for core funding for the Council for Geoscience and the Council for Mineral Technology and Research. Other transfer payments include pumping subsidies paid to marginal mines in the *Assistance to Mines* subprogramme. Transfer payments represented 89.3 per cent of total expenditure in 2009/10.

In 2009/10, spending in compensation of employees grew by 29.6 per cent and in goods and services by the *Mineral Policy and Promotion* programme. The establishment of the chief directorate for economic advisory services, which includes the Mining, Mineral and Petroleum Development Board, also contributed to this increase.

Expenditure is projected to increase at an average annual rate of 5.8 per cent over the medium term, from R406.5 million in 2009/10 to R481.4 million in 2012/13, due to inflationary adjustments.

Major spending focus areas over the medium term will include promoting investment in the mining industry through disseminating information, implementing the beneficiation strategy, continuing to fund and support small scale mining projects, rehabilitating ownerless and derelict mines, and developing and reviewing legislation and policies.

## **Public entities**

### **Council for Mineral Technology and Research**

#### **Strategic overview: 2006/07 – 2012/13**

The continual development and application of innovative and knowledge intensive technologies is essential to achieving the national objectives of a developmental state. The Council for Mineral Technology and Research is committed to developing technologies that will not only strengthen the competitiveness of the traditional minerals processing cluster and foster new opportunities within it, but will also enhance the wellbeing of all South Africans.

The council has identified the following areas as critical priorities for the medium term, in line with global trends:

The council's capacity growth is being threatened by inadequate investment in human resources. To this end an ongoing effort will be made to properly develop and manage people. In addition, the council aims to further reduce professional staff turnover from 16 per cent to 10 per cent or less in 2009/10, compared to the 25 per cent staff turnover in the last 2 years. Currently, the turnover rate is 5 per cent.

In the ongoing upswing in the uranium market, the council has established itself as one of the foremost uranium laboratories in South Africa. Research on processing uranium in South Africa aims to provide enabling beneficiation technology and is growing. An increase in uranium related studies has led to the demand for laboratory and pilot plant feasibility work. A mineral liberation analyser was commissioned as part of a major uranium research programme. The council will continue to prioritise uranium research in the medium to long term.

There is a growing need to establish a South African titanium industry in response to the emergence of this industry and other light metals industries internationally. A medium to long term project to develop a titanium powder manufacturing process was started in 2008/09, funded by the Department of Science and Technology. The production of titanium is complex and expensive, and ways to reduce production and manufacturing costs are being investigated.

Efficient water and energy use in mining and minerals processing are key to sustainability. The council is developing new technologies and investigating the application of the water and energy efficient technologies used in other sectors.

#### **Savings and cost effective service delivery**

The council's most significant cost saving effort is a demand side management system implemented in 2009/10, which changed all the council's lighting to energy saving units. The full effect will be seen in years to come. Freezing vacant positions had the most impact this year, with only crucial positions filled, and savings of about R30 million (17 per cent) on salary costs. Double sided printing reduced the use of paper.

These small changes together with cautious spending throughout the council have resulted in significantly lower costs than budgeted.

## Selected performance indicators

Table 31.14 Council for Mineral Technology and Research

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new or improved mineral technologies developed per year	Develop new technologies	4	5	10	5	6	6	8
Number of new or improved mining and minerals processing products and services developed per year	Development new improved products	11	16	13	14	14	15	13
Number of demonstrations for council products and technologies per year	Develop new applications or markets for minerals and metals	3	5	1	3	3	1	2
Number of water and energy efficient flow sheets developed per year	Sustainable development	-	-	2	2	1	2	2
Number of junior resource companies supported per year	Technical assistance to junior research companies projects	13	40	18	25	28	40	20
Number of technologies relevant to SMMEs developed per year	SMME research and interventions	2	2	2	2	3	3	2
Number of bursaries granted per year	Human capital development	78	80	116	85	90	90	100
Number of trainees employed per year	Human capital development	50	41	45	53	58	58	40
Number of interns employed per year	Human capital development	15	5	5	12	15	15	5
Number of strategies developed per year to support regional development	Minerals strategies	4	6	6	5	6	7	6

## Service delivery focus

The council is realigning its key programmes by developing skills in the mining and minerals sector through several training initiatives and second economy interventions. The aim is to support the department's strategic objective of redressing past imbalances and bridging the gap between the first and second economies. Key challenges include the highly technical nature of the industry and the skills required to ensure high impact. Interventions include SMME development and providing training and bursaries.

As part of forming national and international alliances, the council established South Africa's first independent smelter on its premises in 2008. In 2008, there was an increase in investigations to support projects for uranium, iron ore beneficiation and nickel, and a steady demand for platinum group metals work. Project AuTEK, a joint initiative with industry and other research and development organisations to develop new uses for gold, continues to advance in areas of biomedicine, catalysis and nanotechnology. The council also continued regional economic studies to support mineral project development and related economic diversification.

The council continues to develop monitoring technologies and maintenance programmes to sustain and improve the health and safety standards of the mining industry, and remains a centre of excellence in cyanide monitoring and applying advanced control strategies for metallurgical processes.

## Expenditure estimates

Table 31.15 Council for Mineral Technology and Research: 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
Develop efficient mineral processing technologies and sustainable value added products and services	202 898	224 479	237 298	248 220	256 539	272 533	281 756
Second economy interventions	13 924	13 689	18 267	15 884	17 790	19 925	22 316
Support regional interventions	12 789	12 574	10 317	30 502	24 253	22 361	21 444
Human and organisational development	23 735	23 335	22 640	14 638	21 395	23 362	25 565
Quality, Environment and Safety	1 681	1 653	1 838	1 981	2 219	2 485	2 783
Other programmes	83 741	100 481	96 415	86 242	96 592	105 272	119 068
<b>Total expense</b>	<b>338 768</b>	<b>376 211</b>	<b>386 775</b>	<b>397 467</b>	<b>418 788</b>	<b>445 938</b>	<b>472 932</b>

Table 31.16 Council for Mineral Technology Research: 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
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>247 694</b>	<b>263 412</b>	<b>290 559</b>	<b>236 897</b>	<b>254 709</b>	<b>269 182</b>	<b>285 304</b>
Sale of goods and services other than capital assets <i>of which:</i>	200 358	238 227	256 213	225 873	242 362	255 354	269 817
<i>Sales by market establishments</i>	200 358	238 227	256 213	225 873	242 362	255 354	269 817
<i>Other non-tax revenue</i>	47 336	25 185	34 346	11 024	12 347	13 828	15 487
<b>Transfers received</b>	<b>104 120</b>	<b>128 259</b>	<b>135 834</b>	<b>161 108</b>	<b>165 511</b>	<b>178 971</b>	<b>190 952</b>
<b>Total revenue</b>	<b>351 814</b>	<b>391 671</b>	<b>426 393</b>	<b>398 005</b>	<b>420 220</b>	<b>448 153</b>	<b>476 256</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>333 878</b>	<b>361 042</b>	<b>386 775</b>	<b>397 467</b>	<b>418 788</b>	<b>445 938</b>	<b>472 932</b>
Compensation of employees	196 478	210 093	216 433	226 528	239 181	255 924	271 279
Goods and services	112 680	128 449	145 965	155 413	163 184	172 975	183 854
Depreciation	14 884	15 333	15 500	15 526	16 423	17 039	17 799
Interest, dividends and rent on land	3 421	6 134	8 546	–	–	–	–
<b>Transfers and subsidies</b>	<b>4 890</b>	<b>15 169</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>338 768</b>	<b>376 211</b>	<b>386 775</b>	<b>397 467</b>	<b>418 788</b>	<b>445 938</b>	<b>472 932</b>
<b>Surplus / (Deficit)</b>	<b>13 046</b>	<b>15 460</b>	<b>39 618</b>	<b>538</b>	<b>1 432</b>	<b>2 215</b>	<b>3 324</b>
<b>Statement of financial position</b>							
Carrying value of assets	155 768	210 098	204 320	213 855	225 467	238 794	256 091
<i>of which: Acquisition of assets</i>	19 274	19 880	10 923	25 061	28 035	30 366	35 096
Investments	89 491	100 795	136 292	151 474	177 148	205 579	235 054
Inventory	3 279	2 948	5 089	5 730	6 418	7 188	8 050
Loans	25 143	–	–	–	–	–	–
Receivables and prepayments	84 224	110 935	82 423	42 180	47 242	52 911	59 260
Cash and cash equivalents	30 523	49 038	79 624	100 575	112 644	126 161	141 301
<b>Total assets</b>	<b>388 428</b>	<b>473 814</b>	<b>507 748</b>	<b>513 814</b>	<b>568 919</b>	<b>630 633</b>	<b>699 756</b>
Accumulated surplus/deficit	236 028	300 746	340 363	312 874	343 864	378 574	417 449
Capital and reserves	–	–	–	110 256	123 487	138 305	154 902
Borrowings	1 352	1 025	667	–	–	–	–
Post-retirement benefits	62 700	79 921	32 586	29 089	32 580	36 489	40 868
Trade and other payables	66 554	51 664	54 774	17 392	19 480	21 817	24 435
Provisions	482	410	848	8 538	9 563	10 710	11 995
Liabilities not classified elsewhere	21 312	40 048	78 510	35 665	39 945	44 738	50 107
<b>Total equity and liabilities</b>	<b>388 428</b>	<b>473 814</b>	<b>507 748</b>	<b>513 814</b>	<b>568 919</b>	<b>630 633</b>	<b>699 756</b>

### Expenditure trends

Revenue is generated largely from sales of services and technologies, with transfers from the department contributing 36.3 per cent of revenue over the 7-year period. Transfers increased at an average annual rate of 15.7 per cent from R104.1 million in 2006/7 to R161.1 million in 2009/10, and are expected to increase at an average annual of 5.8 per cent to reach R191 million in 2012/13. The council's own revenue from sales of services and technologies increases at an average annual rate of 4.1 per cent between 2006/07 to 2009/10, and is expected to reach R269.5 million in 2012/13, growing at an average annual rate of 6.1 per cent.

Over the MTEF period, expenditure is expected to increase from R397.5 million in 2009/10 to R472.9 million in 2012/13 at an average annual rate of 6 per cent. 60 per cent of the allocation is used to defray compensation of employees costs and the remainder is mainly directed towards acquiring research materials.

## Council for Geoscience

### Strategic overview: 2006/07 – 2012/13

The Council for Geoscience was established in terms of the Geoscience Act (1993). The council is mandated to carry out systematic geological, geophysical, geochemical, marine geoscience, metallogenic and engineering geological mapping of South Africa. In addition, the Council for Geoscience can also provide commercial geoscientific services.

The council developed its current strategy in response to the various mandates it operates under and government's primary directive to free the potential of individuals by improving the quality of life of all South Africans, assisting in the growth of South Africa and eradicating poverty, especially in rural areas. The council's technical and social programmes thus address the following strategic priorities, among others: contribute to the development of the second economy; provide assistance in the development of Africa by upgrading the continent's geoscience infrastructure; build capacity in scientific, administrative, managerial and leadership skills; and transform business.

A substantial part of the commercial commitment of the council still resides with its international mapping projects procured through the European Union (EU) and the World Bank's economic development fund. As long as the council's business model stays as it is, the organisation will have to pursue these projects to subsidise its technical programme.

Over the MTEF period, the council will play a greater role in proposing geoscience solutions to the threat posed by South Africa's long mining legacy and the contamination of associated water and soil resources.

### Savings and cost effective service delivery

The Council for Geoscience has not been able to generate budgeted commercial revenues due to, among others: including a R37 million project with Eskom in its budget; terminating a small scale mining project from which R10 million was expected; and the decrease in projects and tenders advertised by both the World Bank and the EU due to the global economic downturn.

Measures to reduce costs and increase effectiveness include cancelling or suspending the following: the use of private vehicles for official purposes; training, unless externally sponsored; catering at certain gatherings; procuring direct materials or services for statutory projects (only labour expenditure is allowed); new bursaries; the year end function; insensitive bonuses; new vacancies; and the extension of temporary employment contracts. The organisation also closed for longer over the December holidays to reduce overheads and leave costs.

The council reduced its deficit from R11.3 million at 30 September 2009 to R8.5 million at 31 December 2009.

### Selected performance indicators

Table 31.17 Council for Geoscience

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of maps and publications published per year	Publications, and service delivery to stakeholders and customers	50	32	117	5	20	25	30
Number of papers and articles published per year	Publications	62	90	109	60	30	35	40
Number of small scale mining investigations completed per year	Service delivery to stakeholders and customers	--	--	35	0	40	40	40
Number of rural development projects in progress per year	Service delivery to stakeholders and customers	33	38	43	33	25	25	25
Number of regional and African development projects in progress per year	Service delivery to stakeholders and customers	36	30	32	33	20	22	22

Table 31.17 Council for Geoscience (continued)

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of projects with external collaborators per year	Attract and retain skilled workforce	57	57	62	65	52	55	58
Percentage of satisfied customers (of total customers completing satisfaction questionnaire)	Service delivery to stakeholders and customers	85.7%	84.6%	88.2%	80%	80%	80%	80%

### Service delivery focus

In 2008/09, the council met the majority of its targeted performance objectives, with the overall performance index for its technical programme reaching 92 per cent. This is particularly evident in the increase in the number of maps and publications and the number of papers and articles published in 2008/09. However, future performance targets for these indicators were lowered substantially because of a lack of funding, thus affecting the delivery of basic research outputs over the MTEF period.

As a service delivery strategy, the council focuses on projects relating to rural and African development, research projects with external collaborators, and small scale mining investigations such as investigating the impact geoscience information has on rural development, particularly where knowledge of the rock and mineral resources of a region can be used to initiate local small scale mining projects. The council also anticipates playing a greater role in mitigating the risk to housing and infrastructure on sinkhole prone dolomitic areas, particularly in Gauteng at the Centurion and Delmas sites.

### Expenditure estimates

Table 31.18 Council for Geoscience: Project information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Commercial Projects: Local	97 701	89 070	110 602	110 000	117 700	125 939	137 483
Commercial Projects: Foreign	13 416	23 134	17 498	6 500	6 955	7 442	8 186
Statutory Projects	79 722	87 963	123 671	127 805	136 751	146 324	160 957
<b>Total expense</b>	<b>190 839</b>	<b>200 167</b>	<b>251 771</b>	<b>244 305</b>	<b>261 406</b>	<b>279 705</b>	<b>306 626</b>

Table 31.19 Council for Geoscience: 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
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>111 117</b>	<b>97 337</b>	<b>127 280</b>	<b>111 628</b>	<b>124 901</b>	<b>142 193</b>	<b>162 110</b>
Sale of goods and services other than capital assets <i>of which:</i>	97 701	74 203	110 602	105 128	117 946	134 751	153 923
<i>Sales by market establishments</i>	97 701	74 203	110 602	105 128	117 946	134 751	153 923
<i>Other non-tax revenue</i>	13 416	23 134	16 678	6 500	6 955	7 442	8 187
Transfers received	95 949	125 378	126 008	132 677	136 505	137 512	144 516
<b>Total revenue</b>	<b>207 066</b>	<b>222 715</b>	<b>253 288</b>	<b>244 305</b>	<b>261 406</b>	<b>279 705</b>	<b>306 626</b>
Compensation of employees	22 767	18 645	17 646	21 074	22 549	24 128	25 817
Goods and services	154 560	170 009	220 345	205 871	221 371	237 356	261 816
Depreciation	13 462	11 487	13 765	17 340	17 465	18 198	18 968
Interest, dividends and rent on land	50	26	15	20	21	23	25
<b>Total expenses</b>	<b>190 839</b>	<b>200 167</b>	<b>251 771</b>	<b>244 305</b>	<b>261 406</b>	<b>279 705</b>	<b>306 626</b>
<b>Surplus / (Deficit)</b>	<b>16 227</b>	<b>22 548</b>	<b>1 517</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

Table 31.19 Council for Geoscience: Financial information (continued)

Statement of financial performance	Audited outcome			Revised 2009/10	Medium term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
<b>Statement of financial position</b>							
Carrying value of assets	162 177	181 895	195 472	208 877	198 411	187 703	176 599
<i>of which: Acquisition of assets</i>	111 107	31 233	30 212	30 745	7 000	7 490	7 865
Receivables and prepayments	72 141	78 139	79 644	87 608	93 741	100 303	119 404
Cash and cash equivalents	157 238	171 259	113 498	89 498	95 763	102 466	112 713
Assets not classified elsewhere	1 062	-	-	-	-	-	-
<b>Total assets</b>	<b>392 618</b>	<b>431 293</b>	<b>388 614</b>	<b>385 983</b>	<b>387 915</b>	<b>390 472</b>	<b>408 716</b>
Accumulated surplus/deficit	183 972	206 520	208 037	208 037	208 037	208 037	208 037
Post-retirement benefits	-	54	18 838	18 838	18 838	18 838	20 722
Trade and other payables	107 493	125 161	63 957	63 472	67 915	72 669	79 936
Provisions	4 055	5 216	6 776	7 386	7 903	8 456	9 302
Liabilities not classified elsewhere	97 098	94 342	91 006	88 250	85 222	82 472	90 719
<b>Total equity and liabilities</b>	<b>392 618</b>	<b>431 293</b>	<b>388 614</b>	<b>385 983</b>	<b>387 915</b>	<b>390 472</b>	<b>408 716</b>

### Expenditure trends

The Council for Geosciences' main sources of revenue are fees for geological services and transfers from the department. Between 2006/07 and 2009/10, total revenue increased at an average annual rate of 5.7 per cent, from R207.1 million to R244.3 million. This was mainly as a result of transfers received for inflation related salary adjustments. Over the medium term, revenue is expected to increase to R306.6 million at an average annual rate of 7.9 per cent, due to annual inflation and salary related adjustments.

From 2006/07 to 2009/10, expenditure increased at an average annual rate of 8.6 per cent, from R190.8 million to R244.3 million. In 2008/09, spending on compensation of employees increased by 18 per cent due to an increase of 22 personnel. The council has halted new recruits and replacements due to financial constraints, which results in slower growth over the MTEF period at an average annual rate of 6.2 per cent. Spending on goods and services, which is mainly for research, is expected to increase at an average annual rate of 5.8 per cent over the medium term. R111.1 million was spent in 2006/07 to purchase a building, for repairs and maintenance to the existing building, and to purchase drilling machinery.

The large surpluses of R16.2 million in 2006/7 and R22.5 million in 2007/08 are because the Council for Geoscience operates in an uncertain environment and needs to have reserves to serve as buffer cash.

### State Diamond Trader

#### Strategic overview: 2006/07 – 2012/13

The State Diamond Trader was established in terms of section 14 of the Diamonds Amendment Act (2005). Its main purpose is to promote equitable access to diamonds and local beneficiation.

Over the medium term, the State Diamond Trader will focus on: contributing to the sustainable development of the local diamond beneficiation sector by purchasing up to 10 per cent of unpolished diamonds from local producers and selling these to diamond processors; seeking regulatory amendments on its mandate to ensure that it trades profitably; promoting equitable access to and beneficiation of diamond resources, addresses distortions in the diamond industry, and corrects historical market failures to develop and grow South Africa's diamond cutting and polishing industry and has a legislated mandate to buy up to 10 per cent of all rough diamonds from each mining company each year and sell those to local manufactures to be locally benefited; and accelerating the development and acquisition of appropriate human resource capacity by facilitating developmental support services such as access to training and development, finance, local and international diamond and jewellery markets, and access to diamond resources.

Over the medium term, the State Diamond Trader will focus on: contributing to the sustainable development of the local diamond beneficiation sector by purchasing up to 10 per cent of unpolished diamonds from local producers and selling these to diamond processors; seeking regulatory amendments on its mandate to ensure that it trades profitably; and accelerating the development and acquisition of appropriate human resource capacity.

## Selected performance indicators

Table 31.20 State Diamond Trader

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10 (Up to Nov 09)	2010/11	2011/12	2012/13
Revenue per year	–	R48m	R117m	R161m	R489m	R584m	R635m
Purchases of rough diamonds		R43m	R115m	R155m	R474m	R565m	R615m
Net expenditure before taxation (excluding purchases of rough diamonds) per year	–	R4m	R7m	R1m	R17m	R17m	R19m
Number of diamond producers selling unpolished diamonds to the State Diamond Trader per year	–	1	10	7	15	17	19
Number of clients of the State Diamond Trader per year	–	78	105	105	130	145	165
Number of diamond production inspections per year	–	10	15	20	20	25	30
Number of trainees employed per year	–	1	4	4	7	10	10

## Service delivery focus

The closing down of factories and job losses since the global economic downturn present a serious threat to South Africa's beneficiation policy goals. With the support of the Minister of Mineral Resources, the State Diamond Trader initiated a review of its funding model in 2009 using information and practical experience gathered over the last 2 years.

The organisation purchased around 3 per cent of rough diamonds from South Africa's largest producers in the first half of 2009/10 against its legislated mandate of 10 per cent. The diamonds were made available to clients and there was an average 1.5 per cent gross margin on these trading activities. In 2007/08, the trader had registered 105 clients, of which 68 made purchases during the year. According to the segmentation of the clients based on size of the operation, 4 were large, 12 medium and 52 small. The organisation continues to build capacity in the diamond industry.

## Expenditure estimates

Table 31.21 State Diamond Trader: 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
Sale of rough diamonds	–	48 000	117 000	161 000	489 000	584 000	635 000
Total expense	–	48 000	117 000	161 000	489 000	584 000	635 000

Table 31.22 State Diamond Trader: 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
Revenue							
Non-tax revenue	–	48 000	117 000	161 000	489 000	584 000	635 000
Sale of goods and services other than capital assets	–	48 000	117 000	161 000	489 000	584 000	635 000
of which:							
Sales by market establishments	–	48 000	117 000	161 000	489 000	584 000	635 000
Total revenue	–	48 000	117 000	161 000	489 000	584 000	635 000



Table 31.22 State Diamond Trader: Financial information (continued)

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
<b>Expenses</b>							
Current expense	-	48 000	117 000	161 000	489 000	584 000	635 000
Goods and services	-	47 985	116 824	160 456	488 313	583 171	634 033
Depreciation	-	15	176	544	687	829	967
<b>Total expenses</b>	-	48 000	117 000	161 000	489 000	584 000	635 000
<b>Surplus / (Deficit)</b>	-	-	-	-	-	-	-
<b>Statement of financial position</b>							
Carrying value of assets	-	534	1 231	2 111	2 848	3 443	3 900
<i>of which: Acquisition of assets</i>	-	549	632	1 424	1 424	1 424	1 424
<b>Total assets</b>	-	534	1 231	2 111	2 848	3 443	3 900
Liabilities not classified elsewhere	-	534	1 231	2 111	2 848	3 443	3 900
<b>Total equity and liabilities</b>	-	534	1 231	2 111	2 848	3 443	3 900

### Expenditure trends

The State Diamond Trader generates its revenue from selling rough diamonds, mainly to diamond polishers and cutters. Revenue increased at an average annual rate of 83.1 per cent from R48 million in 2007/08 to R161 million in 2009/10, because the entity was not in full operation in the first year. There was a decline in gross margin percentage, from 11 per cent in 2008 to 1.5 per cent in 2009, due to the market and economic conditions.

For the same period, administrative expenses increased by 103 per cent compared with the previous year, which covered less than a full year because the State Diamond Trader was only established in the course of 2008.

Revenue and expenditure are expected to increase from R161 million in 2009/10 to R635 million in 2012/13 at an average annual rate of 58 per cent.

Spending over the MTEF period will therefore be driven by the purchase of rough diamonds towards the target of 10 per cent.

## Additional tables

Table 31.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	146 820	157 478	172 610	174 065	9 086	183 151	183 151
2. Promotion of Mine Safety and Health	129 753	126 953	118 822	133 027	–	133 027	132 400
3. Mineral Regulation	207 161	202 141	165 180	207 480	(5 000)	202 480	200 832
4. Mineral Policy and Promotion	357 219	364 629	355 002	390 336	16 133	406 469	407 628
<b>Total</b>	<b>840 953</b>	<b>851 201</b>	<b>811 614</b>	<b>904 908</b>	<b>20 219</b>	<b>925 127</b>	<b>924 011</b>

### Economic classification

<b>Current payments</b>	<b>464 687</b>	<b>469 898</b>	<b>432 875</b>	<b>497 731</b>	<b>10 221</b>	<b>507 952</b>	<b>506 836</b>
Compensation of employees	264 160	254 870	245 508	289 096	(1 477)	287 619	286 992
Goods and services	200 527	215 028	187 367	208 635	11 698	220 333	219 844
<b>Transfers and subsidies</b>	<b>369 482</b>	<b>369 625</b>	<b>366 915</b>	<b>398 542</b>	<b>9 933</b>	<b>408 475</b>	<b>408 475</b>
Departmental agencies and accounts	167 581	167 581	167 581	174 018	4 191	178 209	178 209
Public corporations and private enterprises	201 045	201 145	198 045	223 545	5 742	229 287	229 287
Households	856	899	1 289	979	–	979	979
<b>Payments for capital assets</b>	<b>6 784</b>	<b>11 678</b>	<b>11 454</b>	<b>8 635</b>	<b>65</b>	<b>8 700</b>	<b>8 700</b>
Machinery and equipment	5 507	9 380	9 692	7 492	65	7 557	7 557
Land and sub-soil assets	–	798	–	–	–	–	–
Software and other intangible assets	1 277	1 500	1 762	1 143	–	1 143	1 143
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>370</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>840 953</b>	<b>851 201</b>	<b>811 614</b>	<b>904 908</b>	<b>20 219</b>	<b>925 127</b>	<b>924 011</b>

Table 31.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup>

	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 <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Department</b>	<b>1 082</b>	<b>1 082</b>	<b>55</b>	<b>563</b>	<b>613</b>	<b>1 037</b>	<b>1 076</b>	<b>1 178</b>	<b>1 183</b>	<b>1 183</b>
Salary level 1 – 6	320	320	27	164	305	348	330	371	371	371
Salary level 7 – 10	410	410	22	168	89	379	433	384	389	389
Salary level 11 – 12	276	276	2	187	184	214	243	330	330	330
Salary level 13 – 16	76	76	5	44	35	97	71	93	93	93
<b>Administration</b>	<b>278</b>	<b>278</b>	<b>34</b>	<b>250</b>	<b>286</b>	<b>348</b>	<b>271</b>	<b>416</b>	<b>416</b>	<b>416</b>
Salary level 1 – 6	121	121	20	106	160	155	124	163	163	163
Salary level 7 – 10	104	104	11	101	65	120	116	157	157	157
Salary level 11 – 12	29	29	–	20	41	22	14	58	58	58
Salary level 13 – 16	24	24	4	23	20	52	18	38	38	38
<b>Promotion of Mine Safety and Health</b>	<b>348</b>	<b>348</b>	<b>11</b>	<b>313</b>	<b>327</b>	<b>327</b>	<b>329</b>	<b>311</b>	<b>311</b>	<b>311</b>
Salary level 1 – 6	65	65	3	58	145	74	68	76	76	76
Salary level 7 – 10	75	75	7	67	24	71	82	17	17	17
Salary level 11 – 12	183	183	1	167	143	155	154	197	197	197
Salary level 13 – 16	25	25	–	21	15	27	25	21	21	21
<b>Mineral Regulation</b>	<b>352</b>	<b>352</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>362</b>	<b>370</b>	<b>339</b>	<b>339</b>	<b>339</b>
Salary level 1 – 6	110	110	4	–	–	119	114	103	103	103
Salary level 7 – 10	186	186	4	–	–	188	190	171	171	171
Salary level 11 – 12	39	39	–	–	–	37	49	47	47	47
Salary level 13 – 16	17	17	–	–	–	18	17	18	18	18

Table 31.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup> (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 <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Mineral Policy and Promotion</b>	104	104	2	-	-	-	106	112	117	117
Salary level 1 – 6	24	24	-	-	-	-	24	29	29	29
Salary level 7 – 10	45	45	-	-	-	-	45	39	44	44
Salary level 11 – 12	25	25	1	-	-	-	26	28	28	28
Salary level 13 – 16	10	10	1	-	-	-	11	16	16	16

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 31.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)	196 410	222 217	233 582	280 479	352 344	392 050	414 653
Training expenditure (R thousand)	1 457	1 709	3 832	9 074	3 523	3 921	4 147
Training as percentage of compensation	0.7%	0.8%	1.6%	3.2%	1.0%	1.0%	1.0%
Total number trained in department (head count)	436	195	195	195			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	82	47	47	47			
<i>Internships trained (head count)</i>	229	195	195	195			



