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VOTE 26
Agriculture, Forestry
and Fisheries

**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**



national treasury

Department:
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REPUBLIC OF SOUTH AFRICA

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2011

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury

Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p> <p>Outcome 6: An efficient, competitive and responsive economic infrastructure network</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 8: Sustainable human settlements and improved quality of household life</p> <p>Outcome 9: A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p>Outcome 1: Improved quality of basic education</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p>Outcome 9: A responsive, accountable, effective and efficient local government system</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
For various functions				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
Economic affairs				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	-	-	200 000
: unallocated	-	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	-	-	55 000
Housing and community amenities				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
Education				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
Health				
Public health services	600 000	1 400 000	2 000 000	4 000 000
Public order and safety				
Police capacity and border control	100 000	400 000	900 000	1 400 000
Defence				
Border control	100 000	200 000	300 000	600 000
Total	6 488 990	11 122 188	15 433 595	33 044 773

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

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

Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	-	-	-	-2 900.0	-	-	-
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
GDP	2 078 822.0	2 312 965.0	2 442 593.0	2 666 893.9	2 914 861.7	3 201 299.3	3 536 001.5

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

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

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

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

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

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Central Government Administration				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote	309 800.8	370 620.6	436 383.5	466 338.6
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund	231 642.6	265 332.8	310 813.2	351 040.0
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
				Compensation of employees
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
46 980.3	52 944.2	55 829.0	59 536.1	Goods and services
66 579.3	76 606.4	90 838.6	104 067.6	Interest and rent on land
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
				Transfers and subsidies to:
384 334.3	428 131.5	457 512.2	486 602.9	Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
55 866.1	68 241.9	73 170.5	78 537.2	Departmental agencies and accounts
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
17 571.1	19 365.4	20 766.7	21 953.2	Universities and technikons
1 358.2	1 463.4	1 723.6	1 830.5	Foreign governments and international organisations
20 459.5	23 642.9	25 011.7	25 561.1	Public corporations and private enterprises
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
2 278.9	3 208.8	3 269.3	3 498.0	Private enterprises
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
1 461.7	1 500.4	1 874.8	2 099.0	Non-profit institutions
97 282.0	106 151.3	115 494.5	124 154.6	Households
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
				Payments for capital assets
5 615.9	7 845.0	10 560.6	14 057.6	Buildings and other fixed structures
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
3 144.0	3 302.7	3 202.5	3 344.4	Machinery and equipment
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

R million	Appropriated (including direct charges) 2010/11	Current payments	Transfers and subsidies	Payments for capital assets 2011/12	Payments for financial assets	To be appropriated	Increase/ Decrease	
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
Total	812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0	

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

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10	–	–	4 200.0	–	–	–	–	–
Social Services								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Central Government Administration								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
Justice, Crime Prevention and Security								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total		49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

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 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government and Administration									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total		56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government Administration									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
Financial and Administrative Services									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure									
Total departmental receipts as per Estimates of National Expenditure									
Less: Parliament (retained departmental receipts)									
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²									
Plus: South African Revenue Service departmental receipts collection									
Total departmental receipts as per Budget Review									
Total departmental receipts as per Budget Review									

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

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.

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 main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. 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. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

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

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 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 a department for its operational requirements.

Transfers and subsidies are payments made by a 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 votes 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, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 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 2012 Budget.

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

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

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

Aim

The aim of the vote captures the department's mandate, strategic objectives or 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: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These 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		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

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. It should, however, contain key performance indicators that form part of the service delivery agreements.

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 vote 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		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2010 Budget estimate								

Economic classification

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

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

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

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 any changes made to the appropriation voted in the main 2010 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 were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 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 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 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 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. 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 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

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 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 after consideration of savings, cost reduction and reprioritisation opportunities.

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.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

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

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 the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

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		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure 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

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 as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements 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 that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

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 and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved 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 personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

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 for 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 as a proportion of compensation of employees, 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.

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.

Unitary charge or fee refers to the total payment made to the private party for the provision of the various services.

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.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

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.

Departmental infrastructure refers to direct spending by a department on infrastructure assets which the department will own.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions 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 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 expenditure and revenue tables a dash (-) indicates that information is unavailable or zero.

Agriculture, Forestry and Fisheries

**National Treasury
Republic of South Africa**



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Vote 26

Agriculture, Forestry and Fisheries

Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 296 958	531 544	759 191	6 223	1 460 960	1 433 107
Agricultural Production, Health and Food Safety	891 923	442 884	406 966	42 073	994 257	1 048 396
Food Security and Agrarian Reform	1 244 195	157 179	1 049 684	37 332	1 379 713	1 558 992
Trade Promotion and Market Access	191 766	90 518	100 637	611	183 426	193 498
Forestry	770 711	683 579	60 834	26 298	902 477	935 692
Fisheries	324 188	133 689	190 499	–	391 199	333 523
Total expenditure estimates	4 719 741	2 039 393	2 567 811	112 537	5 312 032	5 503 208
Executive authority	Minister of Agriculture, Forestry and Fisheries					
Accounting officer	Director General of Agriculture, Forestry and Fisheries					
Website address	www.daff.gov.za					

Aim

Lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance their sustainable use, and to achieve economic growth, job creation, food security, rural development and transformation.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the department.

Programme 2: Agricultural Production, Health and Food Safety

Purpose: Manage the risks associated with animal diseases, plant pests, genetically modified organisms and registration of products used in agriculture. Promote food safety and create an enabling environment for increased and sustainable agricultural production.

Programme 3: Food Security and Agrarian Reform

Purpose: Facilitate and promote food security and agrarian reform programmes and initiatives.

Programme 4: Trade Promotion and Market Access

Purpose: Ensure value chain integration. Facilitate market access for agriculture, forestry and fisheries products.

Programme 5: Forestry

Purpose: Develop and facilitate the implementation of policies and targeted programmes to ensure the management of forests, and the sustainable use and protection of land and water. Manage agricultural risks and disasters.

Programme 6: Fisheries

Purpose: Promote the conservation and sustainable use of fisheries resources.

Strategic overview: 2007/08 – 2013/14

The department's legal mandate covers the agriculture, forestry and fisheries value chains: from inputs, production and value adding to retailing.

Over the years, the department has facilitated the increased profitability of food production and of processed fibre and timber by all categories of producers (subsistence, smallholder and commercial); sustained the management of all state and privately owned natural resources; carried out effective regulatory services and risk management systems; overseen a transformed and united sector; facilitated the increased contribution of the sector to economic growth and development; and ensured the effective and efficient governance of the sector.

The sector contributed 2.3 per cent to GDP in 2009. However, this contribution has been declining annually, reflecting an economy that is increasingly dependent on manufacturing and services. In total, the agriculture, forestry and fisheries sector employs 660 000 workers. The 10 000 jobs that were lost between the first and third quarters of 2010 can be explained by the reduced contribution of the sector to GDP, as well as the effects of the recent global economic downturn. The agriculture value chain is one of the priority sectors in government's industrial policy action plan for economic growth and job creation. With the implementation of agro-processing initiatives under the this plan, as well as plans to elevate agriculture as one of the priority sectors in the new growth path, the department will try and optimise the potential for reversing the declining employment trends over the medium to long term.

Current challenges

Equity and transformation

Despite certain achievements over the past 15 years, satisfactory levels of transformation in terms of broad based black economic empowerment (BEE) and equity targets in relation to markets and information have not been achieved. The implementation of the current AgriBEE Sector Charter and Forest Sector Transformation Charter needs to be fast-tracked. A fisheries sector charter is being drafted.

Competitiveness and profitability

The sector needs to contribute to economic growth and competitiveness while addressing equity and transformation, decent job creation, national food security and sustainability. Constraining factors are the slow progress in increasing production efficiency, poor innovation systems, high costs of doing business, the slow rate of opening up new markets and exploiting value adding opportunities, and the effects of globalisation and free trade on South Africa's competitiveness in global markets.

Environmental sustainability

Agricultural practices impact directly on biodiversity and the productivity of land, and indirectly on downstream water quality and flows and the health of aquatic ecosystems. Plantation forestry displaces indigenous vegetation such as grasslands and impacts on stream flows. This, in turn, has an impact on biodiversity and other production systems, such as the spreading of invasive species. Fish stocks have been exploited beyond sustainable levels and some resource stocks have been completely depleted or are no longer commercially viable.

Outcomes and related outputs

In relation to government's 12 outcomes, the department contributes directly to three: decent employment through inclusive economic growth (outcome 4), through improved support to small business and cooperatives (output 6); vibrant, equitable and sustainable rural communities and food security for all (outcome 7), through sustainable agrarian reform (output 1), improved access to affordable and diverse food (output 2), improved rural services to support livelihoods (output 3), rural job creation and promoting economic livelihoods (output 4); and environmental assets and natural resources that are well protected and continually enhanced (outcome 10), though protected biodiversity (output 4).

Focus over the medium term

Concrete ways in which the department will contribute to realising the outcomes over the medium term include: increasing the number of smallholder farmers from 200 000 to 250 000 by 2014 through assessment, training and post-settlement extension services; establishing a joint venture funding model together with smallholders, which would facilitate the development of micro-financing lending outlets; creating an effective and efficient extension and technical support capacity for the development of agriculture and aquaculture production infrastructure in targeted areas; accelerating the implementation of the national extension recovery plan by recruiting 1 000 extension and technical services officers over the medium term; implementing the market identification strategy to ensure that products produced by smallholder farmers have a domestic market and integrating viable smallholders with established commercial producer export networks; establishing crop, forestry, fisheries and livestock production schemes for 300 000 smallholder farmers by 2015; developing the agro-processing strategy by June 2011 and creating capacity to implement the strategy through provincial and local role players, with the aim of creating 145 000 jobs in agro-processing by 2020; and developing domestic capacity for the production and processing of aquaculture products.

Savings and cost effectiveness measures

Over the medium term, efficiency savings of R33.1 million, R37.9 million and R150.2 million have been identified across all programmes in spending on goods and services as follows: R 11.2 million from agency and support services, R4.5 million from travel and subsistence, R2 million from contractors, R575 000 from inventory, R1 million from training and development, R8.5 million from consultants and professional services, and R5.4 million from transfers and subsidies. The following cost effectiveness measures will continue to be applicable in 2011/12: more cost efficient ways of travelling for business purposes; making use of video links where possible to limit unnecessary travel; venues on departmental premises will be used for meetings and workshops, rather than outside venues; and catering services and contractor costs will be reduced. The department has reprioritised budget items by identifying savings and shifting funds to other priority items so that it can continue delivering on its mandate. The R111.1 million allocated for the foot and mouth disease facility ends in 2012/13. These savings will not impact on service delivery.

During 2010/11, the department underwent major restructuring and a new budget structure was approved. The budget was reprioritised in order to deliver on its new focus areas and outcomes.

Selected performance indicators

Table 26.1 Agriculture, Forestry and Fisheries

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of trainees on industry focused farmer training programmes per year	Food Security and Agrarian Reform	903	1 000	2 000	3 000	3 000	4 000	2 000
Number of beneficiaries accessing the comprehensive agricultural support programme per year	Food Security and Agrarian Reform	51 276	37 900	26 300	32 000	33 000	35 000	35 000
Number of farmers awarded production loans under the Micro Agricultural Financial Institutions of South Africa scheme per year	Agricultural production, Health and Food Safety	2 200	150	5 324	5 500	6 000	6 500	7 000
Number of smallholder farmers supported per year to increase production	Agricultural production, Health and Food Safety	-	-	-	18 194	18 026	18 104	17 754
Number of new smallholder farmers established per year	Food Security and Agrarian Reform	-	-	-	10 000	10 000	10 000	10 000
Number of new jobs created in agro-processing per year	Trade Promotion and Market Access	-	-	11 400	33 103	32 567	32 706	30 982
Number of smallholders grouped into commodity associations and cooperatives per year	Trade Promotion and Market Access	-	-	-	5 000	15 000	20 000	20 000
Number of hectares revitalised for irrigation per year	Forestry	-	28 874ha	30 000ha	33 000ha	250ha	250ha	250ha
Number of trees planted in the Million Trees programme	Forestry	900 000	1 million	1 million	1 million	100 000	120 000	150 000
Number of jobs created through community works programme and expanded public works programme in rural areas per year	Forestry	-	-	-	-	1 300	1 300	1 300
Number of hectares of degraded indigenous forests and woodlands rehabilitated (3 200ha by 2015)	Forestry	-	-	-	-	800ha	800ha	800ha
Number of hectares of land under rehabilitation	Forestry	-	-	-	-	150 000ha	150 000ha	150 000ha
Number of annual assessments conducted per year to determine the state of resources in the fisheries sector	Fisheries	21	21	21	21	21	21	21
Number of research projects conducted per year on the feasibility of South Africa's aquaculture (fish farming) species	Fisheries	2	2	2	2	3	3	3
Number of aquaculture (fish farming) pilot projects launched per year	Fisheries	0	2	3	4	5	6	7
Number of jobs created through the alternative livelihoods programme	Fisheries	-	-	-	-	1 100	1 000	1 200

Expenditure estimates

Table 26.2 Agriculture, Forestry and Fisheries

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	1 725 837	944 910	1 322 213	1 117 555	1 121 350	1 296 958	1 460 960	1 433 107
Agricultural Production, Health and Food Safety	380 467	653 085	492 077	610 243	606 848	891 923	994 257	1 048 396
Food Security and Agrarian Reform	628 584	797 934	900 619	1 092 041	1 091 641	1 244 195	1 379 713	1 558 992
Trade Promotion and Market Access	191 494	186 614	185 218	145 553	145 553	191 766	183 426	193 498
Forestry	881 012	804 143	861 587	754 998	754 998	770 711	902 477	935 692
Fisheries	149 832	178 213	200 041	283 464	283 464	324 188	391 199	333 523
Total	3 957 226	3 564 899	3 961 755	4 003 854	4 003 854	4 719 741	5 312 032	5 503 208
Change to 2010 Budget estimate				345 870	345 870	358 381	571 484	501 930

Table 26.2 Agriculture, Forestry and Fisheries (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Economic classification								
Current payments	1 406 721	1 602 689	1 724 288	1 849 323	1 849 683	2 039 393	2 303 309	2 437 707
Compensation of employees	811 125	931 287	1 082 214	1 199 569	1 199 569	1 273 000	1 395 250	1 474 463
Goods and services	594 763	671 399	641 323	648 274	648 634	764 707	906 193	961 300
<i>of which:</i>								
Administrative fees	28 222	38 744	51 509	47 449	47 449	54 056	61 727	70 725
Advertising	11 786	14 906	10 311	9 288	9 288	9 503	10 100	10 983
Assets less than the capitalisation threshold	8 336	8 131	7 344	13 255	13 225	41 843	15 336	16 645
Audit cost: External	3 998	4 878	7 339	7 243	7 243	11 994	12 918	13 705
Bursaries: Employees	1 852	1 887	2 439	2 914	2 914	2 934	3 487	3 623
Catering: Departmental activities	1 551	1 844	1 462	2 525	2 505	2 729	3 046	2 833
Communication	23 983	30 824	31 079	24 388	24 388	21 596	29 749	31 558
Computer services	17 684	24 877	21 065	26 537	25 537	32 462	32 918	35 445
Consultants and professional services: Business and advisory services	34 807	27 820	49 547	36 679	41 474	37 324	45 056	46 798
Consultants and professional services: Infrastructure and planning	61 379	62 585	34 175	30 634	30 484	31 264	39 316	41 044
Consultants and professional services: Laboratory services	-	459	834	426	426	504	755	809
Consultants and professional services: Legal costs	1 977	2 122	3 095	1 306	1 306	1 968	1 729	1 826
Contractors	15 112	14 268	12 787	24 884	24 884	88 727	93 576	88 260
Agency and support / outsourced services	52 118	76 298	51 875	101 852	101 572	103 256	121 417	131 920
Entertainment	432	341	321	436	436	413	413	403
Fleet services (including government motor transport)	-	-	-	232	232	163	3 237	3 765
Inventory: Food and food supplies	738	1 474	1 938	1 443	1 443	2 659	2 117	2 186
Inventory: Fuel, oil and gas	13 202	17 583	17 228	15 822	15 822	15 543	38 490	38 647
Inventory: Learner and teacher support material	11	228	147	265	265	281	330	365
Inventory: Materials and supplies	5 116	6 259	7 435	7 098	7 098	7 911	9 619	9 055
Inventory: Medical supplies	2 242	2 570	10 252	261	261	2 307	5 303	5 316
Inventory: Medicine	-	-	-	8 830	8 830	963	26 534	38 601
Inventory: Other consumables	54 379	57 651	56 107	23 346	23 056	40 238	42 039	43 496
Inventory: Stationery and printing	13 349	14 263	12 129	17 200	17 200	20 784	28 085	29 181
Lease payments	13 308	13 441	17 479	29 831	29 831	24 008	24 316	24 635
Property payments	20 674	23 652	20 190	23 285	23 025	46 416	50 285	47 449
Transport provided: Departmental activity	370	-	21	73	73	56	68	70
Travel and subsistence	151 688	164 731	175 689	116 630	116 151	120 328	147 858	160 005
Training and development	20 311	23 061	14 543	38 941	38 941	13 118	14 853	25 468
Operating expenditure	9 653	6 444	7 341	10 668	10 638	11 239	18 462	19 143
Venues and facilities	26 485	30 058	15 642	24 533	22 637	18 120	23 054	17 341
Interest and rent on land	833	3	751	1 480	1 480	1 686	1 866	1 944
Transfers and subsidies	2 503 597	1 903 756	2 155 041	2 069 848	2 069 848	2 567 811	2 924 288	2 977 409
Provinces and municipalities	762 240	898 309	974 202	1 167 340	1 167 340	1 487 476	1 684 353	1 867 356
Departmental agencies and accounts	600 331	696 896	682 353	843 545	843 545	994 919	1 164 152	1 029 723
Universities and technikons	3 806	6 251	1 900	2 100	2 100	1 400	2 000	3 000
Foreign governments and international organisations	32 865	35 303	29 667	38 207	38 207	35 238	21 959	22 115
Public corporations and private enterprises	1 002 441	98 340	438 790	3 767	3 767	32 969	35 217	37 635
Non-profit institutions	9 680	17 232	14 300	8 784	8 784	14 256	14 851	15 749
Households	92 234	151 425	13 829	6 105	6 105	1 553	1 756	1 831

Table 26.2 Agriculture, Forestry and Fisheries (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Payments for capital assets	46 589	57 507	81 952	84 683	84 323	112 537	84 435	88 092
Buildings and other fixed structures	8 597	22 494	22 807	44 435	44 435	42 114	42 563	43 259
Machinery and equipment	36 349	34 036	58 619	38 068	37 708	69 640	41 083	44 016
Biological assets	165	550	111	19	19	-	-	-
Software and other intangible assets	1 478	427	415	2 161	2 161	783	789	817
<i>of which:</i>								
Capitalised compensation	18 437	9 567	11 638	20 521	20 521	15 000	15 750	16 537
Capitalised goods and services	25 543	13 268	8 822	34 930	34 930	22 000	21 750	21 463
Payments for financial assets	319	947	474	-	-	-	-	-
Total	3 957 226	3 564 899	3 961 755	4 003 854	4 003 854	4 719 741	5 312 032	5 503 208

Expenditure trends

The spending focus over the medium term will be on making transfer payments to the Agricultural Research Council (R755 million), conditional grants to provinces for the comprehensive agricultural support programme, LandCare and Ilima/Letsema (R1.4 billion), public corporation and private enterprises (R33 million) and international organisations for membership fees (R35 million).

Expenditure increased from R3.9 billion in 2007/08 to R4 billion in 2010/11 and is projected to increase to R5.5 billion, at an average annual rate of 11.2 per cent over the medium term. The increase over the medium term is due to increases in the conditional grant allocation for the comprehensive agricultural support programme, Ilima/Letsema and LandCare. These allocations increased from R1.5 billion in 2010/11 to R1.9 billion in 2013/14. In addition, funds shifted from the Departments of Water Affairs and the Department of Environmental Affairs for the forestry and fishery function in 2009/10 and 2010/11 also led to increased expenditure.

The ratio of administrative costs to line function costs is 1:4.

The department receives additional allocations of R391.5 million, R609.3 million and R 652.1 million over the medium term for the following:

- R34 million, R57 million and R60 million to provide for baseline amounts that were not funded for the management of forestry operations in Mpumalanga
- R41.8 million, R45.4 million and R47 million to improve conditions of service
- R5 million in 2012/13 and R7 million in 2013/14 to upgrade IT systems
- R5 million, R60 million and R60 million for the Marine Living Resources Fund for the maintenance of patrol vessels
- R63.3 million, R63.3 million and R 63.4 million for the prevention and mitigation of disaster risks
- An additional R400 million was allocated to the comprehensive agricultural support programme over the medium term and a further R100 million for LandCare for fencing for agricultural projects
- R197.4 million, R203.6 million and R139.7 million for carry through cost of funds shifted in 2010/11 from the Department of Environmental Affairs for the fisheries function.

The ratio of consultancy costs to department personnel costs is 1:18 over the medium term.

Infrastructure spending

The department is funding a number of small infrastructure projects at a total project cost of R1.2 billion, including: R28 million for fences to manage the spread of foot and mouth disease, R7 million to drill and fit boreholes for agricultural purposes, and R2 million for the Lesotho border fence. R55 million and R45 million in 2012/13 and 2013/14 will be used for fencing purposes under the LandCare programme grant. The department spent R149.4 million from 2007/08 to 2009/10 and is projecting to spend R175 million over the medium term.

Personnel information

The department has an establishment of 7 016 funded posts, a further 100 posts are being considered. The number of filled posts increased from 2 639 in 2007/08 to 6 278 in 2010/11, due to the amalgamation of the forestry and fisheries function in 2010/11. Filled posts are expected to increase to 6 378 over the medium term as a result of the restructuring and integration of the forestry and fisheries functions into the department.

There are 738 vacancies within the department, of which 458 are in salary levels 7 to 9. The main reasons for the vacancies are due to the restructuring process and the moratoriums placed on filling posts. Most of these vacancies are in the *Forestry* programme (207 posts).

The ratio of support staff to line staff is 1:8 and the ratio of consultants to departmental personnel is 1:1444.

Departmental receipts

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

Between 2007/08 and 2010/11, revenue decreased from R121.1 million to R119.3 million, at an average annual rate of 0.5 per cent. Included in the 2009/10 revenue is the once-off income of R112 million from the provincial departments of agriculture in Limpopo, Northern Cape, KwaZulu-Natal and Free State for unspent conditional grants. The forestry function that was transferred to the department also generated revenue of R28 million from the sale of wood products. Revenue is projected to increase from R119 million in 2010/11 to R123.6 million in 2013/14, at an average rate of 1.2 percent due to revision of tariffs.

Table 26.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	121 136	254 006	250 534	119 293	119 343	121 484	118 229	123 580
Sales of goods and services produced by department	104 228	107 693	108 742	88 809	88 853	93 113	94 531	96 500
Sales of scrap, waste, arms and other used current goods	204	4	145	5	5	8	5	6
Transfers received	26	80	9	10	8	-	-	-
Fines, penalties and forfeits	92	10	53	30	27	3	3	4
Interest, dividends and rent on land	1 963	9 752	12 519	12 213	12 224	11 930	10 140	11 000
Sales of capital assets	9 957	330	1 605	462	462	500	550	570
Transactions in financial assets and liabilities	4 666	136 137	127 461	17 764	17 764	15 930	13 000	15 500
Total	121 136	254 006	250 534	119 293	119 343	121 484	118 229	123 580

Programme 1: Administration

Expenditure estimates

Table 26.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry ¹	33 082	22 095	24 119	22 560	20 715	21 755	22 950
Department Management	-	15 155	17 405	18 418	16 810	18 545	19 530
Financial Administration	957 998	137 094	481 425	132 842	142 252	152 882	161 789
Internal Audit	-	3 455	4 758	7 175	7 306	7 832	8 257
Corporate Services	119 413	79 794	85 083	103 320	107 395	115 427	123 028
Stakeholder Relations, Communication and Legal Services	58 039	31 615	34 254	34 905	40 080	41 930	44 190
Policy, Planning, Monitoring and Evaluation	511 950	589 419	592 319	703 655	854 239	984 950	930 271
Office Accommodation	45 355	66 283	82 850	94 680	108 161	117 639	123 092
Total	1 725 837	944 910	1 322 213	1 117 555	1 296 958	1 460 960	1 433 107
Change to 2010 Budget estimate				42 500	8 706	12 531	(96 192)

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 26.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	273 893	372 135	381 724	476 483	531 544	581 557	625 063
Compensation of employees	141 910	181 642	208 395	243 616	283 546	305 840	327 391
Goods and services	131 983	190 493	173 329	232 601	247 729	275 380	297 308
<i>of which:</i>							
Administrative fees	26 925	35 519	49 143	43 687	50 489	57 975	66 575
Advertising	1 944	3 522	2 132	831	1 501	1 677	1 807
Assets less than the capitalisation threshold	1 409	1 294	1 016	2 383	2 151	2 585	2 890
Audit cost: External	3 998	4 878	7 339	7 225	11 994	12 918	13 705
Bursaries: Employees	654	555	824	685	934	1 100	1 167
Catering: Departmental activities	189	265	309	485	792	843	810
Communication	10 517	14 985	15 906	11 330	8 177	8 677	9 173
Computer services	14 622	15 193	14 909	16 105	21 308	22 748	25 292
Consultants and professional services: Business and advisory services	9 086	92	16 491	23 632	22 442	23 202	24 945
Consultants and professional services: Infrastructure and planning	-	14 084	-	(259)	317	334	352
Consultants and professional services: Legal costs	840	557	415	105	90	106	117
Contractors	4 800	2 156	3 748	19 005	851	1 006	1 079
Agency and support / outsourced services	6 603	35 865	12 574	35 876	19 321	21 072	22 744
Entertainment	226	226	163	260	249	252	251
Inventory: Food and food supplies	-	463	-	-	-	-	-
Inventory: Fuel, oil and gas	1 991	2 553	2 862	2 407	1 433	1 608	1 680
Inventory: Learner and teacher support material	-	70	38	40	50	84	107
Inventory: Materials and supplies	431	291	1 006	703	517	650	721
Inventory: Medical supplies	-	-	8	12	5	5	6
Inventory: Medicine	-	-	-	-	-	1	-
Inventory: Other consumables	604	762	879	809	875	1 032	1 511
Inventory: Stationery and printing	5 589	4 919	4 423	4 901	5 613	6 631	6 674
Lease payments	5 552	7 592	7 535	24 455	19 599	19 758	20 232
Property payments	9 445	8 404	4 612	11 938	38 431	40 414	37 103
Travel and subsistence	17 372	20 613	17 218	18 272	26 401	31 927	36 694
Training and development	4 668	4 997	3 392	3 633	4 107	4 867	15 146
Operating expenditure	1 023	1 717	1 868	1 917	1 643	2 168	2 298
Venues and facilities	3 495	8 921	4 519	2 164	8 439	11 740	4 229
Interest and rent on land	-	-	-	266	269	337	364
Transfers and subsidies	1 437 835	545 464	909 030	626 048	759 191	873 192	801 565
Provinces and municipalities	124	130	156	105	100	120	130
Departmental agencies and accounts	488 999	515 142	537 803	623 426	756 783	870 637	798 866
Public corporations and private enterprises	948 049	22 677	367 443	-	-	-	-
Non-profit institutions	-	5 000	30	2 188	2 308	2 435	2 569
Households	663	2 515	3 598	329	-	-	-
Payments for capital assets	14 075	27 299	31 421	15 024	6 223	6 211	6 479
Buildings and other fixed structures	7 891	19 200	22 490	3 444	3 000	3 000	3 000
Machinery and equipment	5 449	7 945	8 638	10 216	3 176	3 152	3 408
Software and other intangible assets	735	154	293	1 364	47	59	71
Payments for financial assets	34	12	38	-	-	-	-
Total	1 725 837	944 910	1 322 213	1 117 555	1 296 958	1 460 960	1 433 107

Table 26.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	429 011	452 275	468 758	504 567	544 752	680 898	709 744
Primary Agriculture and Sector Education Training Authority	500	586	650	1 160	1 273	1 395	1 475
Agricultural Research Council: Contribution to operations	428 511	451 689	468 108	503 407	543 479	679 503	708 269
Capital	59 988	62 867	69 045	118 859	212 031	189 739	89 122
Agricultural Research Council: Capital contributions to operations	59 988	62 867	69 045	118 859	212 031	189 739	89 122
Households							
Households social benefits							
Current	663	380	1 065	329	-	-	-
Employee social benefit	663	380	1 065	329	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	124	130	156	105	100	120	130
Vehicle licences fees	124	130	156	105	100	120	130
Non-profit institutions							
Current	-	5 000	30	2 188	2 308	2 435	2 569
Limpopo Youth Orchestra	-	-	10	-	-	-	-
Nokane Primary School	-	-	10	-	-	-	-
Agri South Africa	-	-	10	-	-	-	-
National African Farmers Union	-	5 000	-	-	-	-	-
Forest Sector Charter Council: Contribution to operations	-	-	-	2 188	2 308	2 435	2 569
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	49	577	443	-	-	-	-
Claims against the state	49	577	443	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	948 000	22 100	367 000	-	-	-	-
Landbank	948 000	22 100	367 000	-	-	-	-
Households							
Households other transfers							
Current	-	2 135	2 533	-	-	-	-
Claims against the state	-	-	3	-	-	-	-
Female Farmer Competition	-	2 135	2 530	-	-	-	-

Expenditure trends

Expenditure decreased from R1.7 billion in 2007/08 to R1.1 billion in 2010/11, at an average annual rate of 13.5 per cent, due to the allocation of once-off amounts of R248 million in 2007/08, R22.1 million in 2008/09 and R367 million for the Micro Agricultural Financial Institutions of South Africa scheme. Expenditure is projected to increase from R1.1 billion in 2010/11 to R1.4 billion in 2013/14, at an average rate of 8.6 per cent. The main contributor to the increase is the incorporation of the fishery and forestry functions as a result of the function shift and restructuring of the department. Furthermore, the oversight role of the Micro-Agricultural Financial Institutions of South Africa and the transfer payment to the Agricultural Research Council are now included in this programme. Spending in the *Office Accommodation* subprogramme increased from R83 million in 2009/10 to R95 million in 2010/11, due to the department's negotiated lease for new offices in Pretoria to accommodate the forestry personnel and as a result of consolidating offices in other cities. Expenditure is projected to increase to R123 million over the medium term.

Programme 2: Agricultural Production, Health and Food safety

- *Management* oversees and manages the programme. This budget is used for compensation of employees and goods and services.
- *Inspection and Laboratory Services* provides leadership, guidance and support to ensure compliance with agricultural legislation and regulatory frameworks, and oversees the effective implementation of risk management strategies and plans for regulated agricultural products. This subprogramme has a staff complement of 878 and a total budget of R249.2 million, of which 75 per cent is used for compensation of employees. The baseline of inspections conducted is 49 000 and this is expected to increase to 52 700 in 2011/12. The target for laboratory samples to be analysed is 30 000.
- *Plant Production and Health* increases agricultural productivity by emphasising a sustainable plant production system, efficient use of genetic resources and managing risks associated with plant pests, diseases and genetically modified organisms. This subprogramme has a staff complement of 185 and a total budget of R477.9 million, of which 84 per cent is used for Ilima/Letsema. In 2010/11, sustainable plant production was supported through various regulatory and technical support interventions. Surveillance programmes of plant pest diseases were conducted in production areas of northern Limpopo, Mpumalanga, KwaZulu-Natal and Eastern Cape. Particular emphasis was given to the surveillance of the emerging threat among honeybees (American foulbrood) in Western Cape and Eastern Cape. Appropriation plant production practices were promoted among the 3 500 farmers across South Africa in collaboration with provincial departments. As products of biotechnology continue to be used as a tool in production, the relevant regulatory oversight was maintained to ensure the safety and responsible use of such technologies.
- *Animal Production and Health* improves livestock production by implementing animal production and health strategies, projects and programmes founded on sound animal disease risk management principles, an informed extension service and sustainable natural resource management. This subprogramme has a staff complement of 415 and a total budget of R162.9 million, of which 49 per cent is used for the primary animal healthcare programme and for the appointment of vets through the compulsory community service programme, and provision of toolkits to animal health technicians.

Objectives and measures

- Improve compliance with legislation, biosecurity and food safety regulatory frameworks by:
 - increasing the number of regulatory interventions (inspection quarantine and audits) from 49 000 to 63 700 by March 2012
 - continuing with four major surveillance programmes to monitor incidences of animal and plant diseases and pests
 - facilitating the registration of 2 400 agricultural production inputs and food business operators by March 2012
 - improving food safety and compliance with food processing legislation by 50 per cent by developing a food control policy framework by March 2012

- strengthening the regulatory framework for animal disease control and veterinary public health through implementing animal health and production schemes, projects and programmes by March 2012 .
- Support increased trade in animal and animal products by increasing the regularity of audits and compliance inspections by 100 per cent by March 2012
- Support smallholder farmers towards sustainable production by:
 - maintaining regulatory support services and the development and implementation of technical support (norms and standards and guidelines) in 2011/12
 - improving the competitiveness of smallholder farmers in grain and fruit production through the implementation of the respective production strategies in 2011/12.

Expenditure estimates

Table 26.5 Agricultural Production, Health and Food Safety

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Management	1 387	1 520	1 870	1 838	1 878	2 029	2 140
Inspection and Laboratory Services	102 878	169 021	193 708	236 181	249 172	277 786	295 656
Plant Production and Health	44 395	219 375	104 185	261 291	477 939	505 025	530 232
Animal Production and Health	231 807	263 169	192 314	110 933	162 934	209 417	220 368
Total	380 467	653 085	492 077	610 243	891 923	994 257	1 048 396
Change to 2010 Budget estimate				6 569	-	-	-
Economic classification							
Current payments	264 905	298 805	400 573	392 993	442 884	560 127	590 804
Compensation of employees	179 053	200 919	253 196	297 869	294 493	349 307	368 083
Goods and services	85 852	97 886	147 377	94 933	148 331	210 757	222 661
<i>of which:</i>							
<i>Administrative fees</i>	1	509	183	401	469	464	513
<i>Advertising</i>	3 797	2 848	5 169	2 889	2 761	2 947	3 284
<i>Assets less than the capitalisation threshold</i>	1 569	1 753	2 014	3 280	32 228	3 938	4 290
<i>Audit cost: External</i>	-	-	-	18	-	-	-
<i>Bursaries: Employees</i>	687	743	793	987	743	997	1 078
<i>Catering: Departmental activities</i>	3	27	25	77	170	225	140
<i>Communication</i>	3 135	3 663	3 893	3 772	3 748	10 077	10 427
<i>Computer services</i>	568	8 537	3 358	5 859	7 826	5 500	4 436
<i>Consultants and professional services: Business and advisory services</i>	1	37	139	53	2 330	2 734	2 543
<i>Consultants and professional services: Infrastructure and planning</i>	2 397	3 288	2 209	695	1 035	1 078	1 117
<i>Consultants and professional services: Laboratory services</i>	-	457	707	310	452	702	756
<i>Consultants and professional services: Legal costs</i>	666	927	2 310	864	1 472	1 370	1 429
<i>Contractors</i>	3 110	2 440	2 001	2 411	11 878	11 845	7 204
<i>Agency and support / outsourced services</i>	18 853	13 931	23 893	10 207	10 382	18 293	18 570
<i>Entertainment</i>	38	34	38	49	44	40	31
<i>Inventory: Food and food supplies</i>	-	-	21	3	248	10	275
<i>Inventory: Fuel, oil and gas</i>	4 165	4 671	6 009	4 957	4 744	25 419	25 441
<i>Inventory: Learner and teacher support material</i>	5	9	1	43	40	45	48
<i>Inventory: Materials and supplies</i>	527	841	1 209	683	705	737	760
<i>Inventory: Medical supplies</i>	2 153	2 463	10 151	149	2 186	5 201	5 204
<i>Inventory: Medicine</i>	-	-	-	8 782	902	26 456	38 511
<i>Inventory: Other consumables</i>	5 665	7 927	6 074	4 717	15 791	16 992	17 184

Table 26.5 Agricultural Production, Health and Food Safety (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments							
<i>Inventory: Stationery and printing</i>	3 874	4 447	3 911	5 134	6 452	10 625	11 156
<i>Lease payments</i>	1 702	1 438	3 567	1 454	516	557	585
<i>Property payments</i>	62	351	1 642	2 460	2 736	4 651	4 781
<i>Travel and subsistence</i>	26 862	28 179	64 082	29 225	29 369	44 566	47 221
<i>Training and development</i>	3 023	3 211	1 793	2 522	3 516	3 737	3 884
<i>Operating expenditure</i>	1 760	1 420	1 955	2 316	4 740	10 509	10 722
<i>Venues and facilities</i>	1 229	3 735	230	616	848	1 042	1 071
Interest and rent on land	-	-	-	191	60	63	60
Transfers and subsidies	102 771	337 641	80 099	211 546	406 966	427 271	450 769
Provinces and municipalities	1	96 001	50 001	200 000	400 000	420 000	443 100
Departmental agencies and accounts	750	65 000	-	-	-	-	-
Universities and technikons	3 806	3 604	-	-	-	-	-
Public corporations and private enterprises	80	21 475	20 073	966	-	-	-
Non-profit institutions	8 630	6 766	6 270	6 596	6 906	7 251	7 649
Households	89 504	144 795	3 755	3 984	60	20	20
Payments for capital assets	12 506	15 719	11 126	5 704	42 073	6 859	6 823
Buildings and other fixed structures	527	2 058	-	-	639	726	816
Machinery and equipment	11 621	13 307	11 036	5 159	40 934	5 633	5 507
Biological assets	-	311	78	-	-	-	-
Software and other intangible assets	358	43	12	545	500	500	500
Payments for financial assets	285	920	279	-	-	-	-
Total	380 467	653 085	492 077	610 243	891 923	994 257	1 048 396
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	750	65 000	-	-	-	-	-
Eastern Cape Rural Finance Corporation	-	65 000	-	-	-	-	-
Water research commission	750	-	-	-	-	-	-
Households							
Households social benefits							
Current	1 128	1 196	2 649	65	60	20	20
Employee social benefit	1 128	1 196	2 649	65	60	20	20
Universities and technikons							
Current	3 806	3 604	-	-	-	-	-
University of Stellenbosch	3 606	3 604	-	-	-	-	-
University of Pretoria	200	-	-	-	-	-	-
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	-	96 000	50 000	200 000	400 000	420 000	443 100
Ilima Letsema projects	-	96 000	50 000	200 000	400 000	420 000	443 100

Table 26.5 Agricultural Production, Health and Food Safety (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	1	1	1	-	-	-	-
Vehicle licences fees	1	1	1	-	-	-	-
Non-profit institutions							
Current	8 630	6 766	6 270	6 596	6 906	7 251	7 649
Deciduous Fruit Producers Trust	3 000	6 000	6 270	6 596	6 906	7 251	7 649
Aquaculture Association of South Africa	40	-	-	-	-	-	-
National Red Meat Producers Organisation: Sponsorship	1 040	-	-	-	-	-	-
South African Sheep Shearing Federation: Sponsorship	-	100	-	-	-	-	-
Entomology Congress	500	-	-	-	-	-	-
Collaborative International Pesticides Analytical Council	50	-	-	-	-	-	-
Perishable Products Export Control Board	4 000	-	-	-	-	-	-
Onderstepoort Centenary Organising Committee	-	666	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	80	21 475	20 073	966	-	-	-
Claims against the state	80	382	20 073	-	-	-	-
Bluebellies Dairy Farming	-	21 093	-	-	-	-	-
Grasslands Group of Companies	-	-	-	966	-	-	-
Households							
Households other transfers							
Current	88 376	143 599	1 106	3 919	-	-	-
Claims against the state	-	13	26	-	-	-	-
Classical Swine Fever	88 376	143 565	1 080	3 919	-	-	-
Foot and mouth disease: Limpopo	-	21	-	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on providing rural animal healthcare services to support livestock production, food security, animal welfare and trade in animal products. In respect of plant production and health spending, the department will continue to focus on maintaining and developing a bio-safety regulatory framework to ensure the safe and responsible use of technology. Furthermore, spending will be geared towards strengthening pre-border, border and post-border inspections.

Expenditure increased from R380.5 million in 2007/08 to R610.2 million in 2010/11, at an average annual rate of 17.1 per cent and is projected to increase to R1 billion, at an average annual rate of 19.8 per cent over the medium term. The increase over the medium term is due to additional allocations of R200 million, R400 million and R420 million to further strengthen Ilima/Letsema projects and a new allocation of R326 million over the medium term, for the implementation of compulsory community services for veterinarians in the primary animal health care programme. Furthermore, the growth in goods and services of 32.9 per cent over the medium term is due to the increase in operational costs resulting from the expansion of the border control inspection service.

The ratio of administrative costs to line function costs is 1:4.

Programme 3: Food Security and Agrarian Reform

- *Management* oversees and manages the programme. This subprogramme's budget is used for compensation of employees and goods and services.
- *Food Security* facilitates subsistence farming and smallholder development, and provides support for inputs, implements and infrastructure. This subprogramme has a staff complement of 263 and a total budget of R777.2 million, of which 87 per cent is used on infrastructure development. Activities are geared towards increasing the number of smallholder farmers from 200 000 to 250 000 by 2014 through assessment, training and post-settlement extension services.
- *Sector Capacity Development* provides sector education and training, sectoral colleges and sector transformation in support of sustainable growth and equitable participation in the sector. This subprogramme has a staff complement of 222 and a total budget of R125.1 million, of which 40 per cent is used for agricultural colleges training support. The programme facilitates the transformation of colleges of agriculture into national agricultural training institutes through the promulgation of the Agricultural Training Institutes Bill in 2011/12. In 2011/12, colleges of agriculture will be strengthened in terms of infrastructure and training programmes.
- *National Extension Support Services* develops national extension policies, and provides training and national extension support to provinces. This subprogramme has a staff complement of 8 and a total budget of R339.8 million, of which 90 per cent is used for extension recovery. This subprogramme's activities will be geared towards accelerating the implementation of the national extension recovery plan by recruiting 1 000 extension and technical service officers over the medium term.

Objectives and measures

- Enhance the provision of support services to promote and facilitate agricultural development targeting subsistence and smallholder producers through:
 - empowering subsistence and smallholder producers to increase their productivity through technical and advisory services; training and capacity building programmes; on and off farm infrastructure development, marketing and business development, information and knowledge management, and the facilitation of financial services
 - providing targeted sectoral training and capacity development programmes for 4 000 beneficiaries over the MTEF period
 - continuing to provide national extension and advisory services support programmes to 2 800 extension officers in all provinces
 - improving the planning and implementation of agrarian reform policies and strategies over the MTEF period
 - facilitating the improvement of the production systems of subsistence and smallholder farmers to achieve food security and livelihoods.

Expenditure estimates

Table 26.6 Food Security and Agrarian Reform

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand				2010/11			
Management	1 846	10 691	2 891	14 946	2 064	2 230	2 353
Food Security	528 321	610 660	649 550	686 474	777 200	886 972	1 039 284
Sector Capacity Development	89 617	70 961	68 315	95 642	125 124	133 292	141 214
National Extension Support Services	8 800	105 622	179 863	294 979	339 807	357 219	376 141
Total	628 584	797 934	900 619	1 092 041	1 244 195	1 379 713	1 558 992
Change to 2010 Budget estimate				43 189	50 000	120 000	230 000

Table 26.6 Food Security and Agrarian Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	187 537	168 490	153 041	169 428	157 179	169 186	179 209
Compensation of employees	77 818	76 147	89 127	79 728	88 537	94 265	99 512
Goods and services	109 719	92 343	63 914	89 650	68 595	74 873	79 648
<i>of which:</i>							
<i>Administrative fees</i>	228	809	688	181	496	415	484
<i>Advertising</i>	2 196	1 369	719	884	1 193	1 421	1 389
<i>Assets less than the capitalisation threshold</i>	703	589	645	621	394	705	439
<i>Bursaries: Employees</i>	212	282	373	359	360	387	410
<i>Catering: Departmental activities</i>	3	26	25	132	143	167	184
<i>Communication</i>	917	1 847	1 891	2 078	2 298	2 477	2 603
<i>Computer services</i>	426	164	326	216	805	1 093	1 381
<i>Consultants and professional services: Business and advisory services</i>	16	899	273	329	449	474	588
<i>Consultants and professional services: Infrastructure and planning</i>	42 353	12 533	7 124	9 682	5 972	6 904	6 836
<i>Consultants and professional services: Laboratory services</i>	–	2	127	56	50	50	50
<i>Consultants and professional services: Legal costs</i>	–	81	290	100	60	70	80
<i>Contractors</i>	2 256	7 930	5 885	241	1 461	1 425	1 401
<i>Agency and support / outsourced services</i>	2 879	4 576	3 031	11 921	27 709	29 465	32 452
<i>Entertainment</i>	33	30	33	35	31	31	31
<i>Inventory: Food and food supplies</i>	738	1 011	1 917	957	1 048	1 103	1 160
<i>Inventory: Fuel, oil and gas</i>	6 458	7 150	5 708	1 533	2 948	3 006	3 041
<i>Inventory: Learner and teacher support material</i>	6	147	108	32	27	27	29
<i>Inventory: Materials and supplies</i>	400	2 033	1 965	(445)	560	598	618
<i>Inventory: Medical supplies</i>	57	64	55	14	11	11	11
<i>Inventory: Medicine</i>	–	–	–	48	51	64	77
<i>Inventory: Other consumables</i>	11 886	2 920	3 866	3 230	5 397	5 757	5 910
<i>Inventory: Stationery and printing</i>	1 616	1 615	1 267	1 739	1 955	2 229	2 346
<i>Lease payments</i>	337	315	436	633	265	275	289
<i>Property payments</i>	485	915	574	1 814	602	642	682
<i>Transport provided: Departmental activity</i>	–	–	21	–	–	–	–
<i>Travel and subsistence</i>	16 974	17 507	15 630	9 132	10 937	12 416	13 262
<i>Training and development</i>	10 982	13 576	7 464	28 949	1 911	2 015	2 102
<i>Operating expenditure</i>	660	583	676	476	697	788	843
<i>Venues and facilities</i>	6 898	13 370	2 797	14 703	765	858	950
<i>Interest and rent on land</i>	–	–	–	50	47	48	49
Transfers and subsidies	426 433	622 829	735 749	879 721	1 049 684	1 170 323	1 338 076
Provinces and municipalities	415 250	614 325	715 654	862 528	1 029 584	1 148 550	1 315 106
Departmental agencies and accounts	8 800	5 622	9 100	10 825	11 738	12 575	12 509
Universities and technikons	–	7	–	2 100	1 400	2 000	3 000
Foreign governments and international organisations	–	–	–	20	500	525	551
Public corporations and private enterprises	2 065	2 476	2 619	2 801	2 969	3 117	3 288
Non-profit institutions	–	–	8 000	–	2 000	2 000	2 000
Households	318	399	376	1 447	1 493	1 556	1 622

Table 26.6 Food Security and Agrarian Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Payments for capital assets	14 614	6 612	11 732	42 892	37 332	40 204	41 707
Buildings and other fixed structures	91	-	-	40 853	37 020	37 592	38 095
Machinery and equipment	14 277	6 540	11 719	2 039	312	2 612	3 612
Biological assets	-	40	13	-	-	-	-
Software and other intangible assets	246	32	-	-	-	-	-
<i>of which:</i>							
Capitalised compensation	18 437	9 567	11 638	20 521	15 000	15 750	16 537
Capitalised goods and services	25 543	13 268	8 822	34 930	22 000	21 750	21 463
Payments for financial assets	-	3	97	-	-	-	-
Total	628 584	797 934	900 619	1 092 041	1 244 195	1 379 713	1 558 992
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	8 800	5 622	9 100	10 825	11 738	12 575	12 509
Water research commission	-	-	-	600	600	1 000	1 000
Perishable Products Export Control Board	500	600	600	600	600	600	632
National Student Financial Aid Scheme: Agricultural bursaries	8 300	5 022	8 500	9 625	10 538	10 975	10 877
Households							
Households social benefits							
Current	318	399	374	245	231	231	231
Employee social benefit	318	399	374	245	231	231	231
Foreign governments and international organisations							
Current	-	-	-	20	500	525	551
International Tropical Timber Organisation	-	-	-	-	500	525	551
Commission International European Union Genie Rural	-	-	-	20	-	-	-
Universities and technikons							
Current	-	7	-	2 100	1 400	2 000	3 000
University of Pretoria	-	-	-	900	600	900	1 500
Fort Hare University Community Development Centres	-	-	-	300	300	300	500
University of KwaZulu Natal	-	-	-	900	500	800	1 000
Nelson Mandela Metropolitan University	-	7	-	-	-	-	-
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	415 000	614 124	715 394	862 365	1 029 321	1 148 287	1 314 843
Comprehensive Agricultural Support Programme grant: Infrastructure	415 000	438 124	544 631	577 611	672 458	773 581	919 528
Comprehensive Agricultural Support Programme grant: Extension	-	100 000	170 763	284 754	306 863	322 206	339 927
Agricultural starter packs	-	76 000	-	-	-	-	-
Comprehensive Agricultural Support Programme grant: Colleges for infrastructure	-	-	-	-	50 000	52 500	55 388

Table 26.6 Food Security and Agrarian Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	250	201	260	163	263	263	263
Vehicle licences	250	201	260	163	263	263	263
Non-profit institutions							
Current	-	-	8 000	-	2 000	2 000	2 000
Sectoral Colleges	-	-	-	-	2 000	2 000	2 000
Food Bank South Africa	-	-	8 000	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	198	81	69	1	-	-	-
Claims against the state	198	81	69	1	-	-	-
Households							
Households other transfers							
Current	-	-	2	1 202	1 262	1 325	1 391
Claims against the state	-	-	2	-	-	-	-
Bursaries Non-employees	-	-	-	1 202	1 262	1 325	1 391
Public corporations and private enterprises							
Public corporations							
Public corporations - subsidies on products and production							
Current	1 867	2 395	2 550	2 800	2 969	3 117	3 288
Ncera Farms (Pty) Limited	1 866	2 395	2 550	2 800	2 968	3 116	3 287
Red Meat Industry Forum	1	-	-	-	1	1	1

Expenditure trends

The spending focus over the medium term will be on contributing to the creation of vibrant, equitable and sustainable rural communities (government outcome 7), facilitating the increase in the number of farmers generating produce for sale from the current 4 per cent to 10 per cent over the medium term, and accelerating the national extension recovery plan.

Expenditure increased from R628.6 million in 2007/08 to R1.1 billion in 2010/11, at an average annual rate of 20.2 per cent, due to a once-off allocation in 2007/08 of R700 million for the Land Bank recapitalisation. The significant increase is due to the 222.3 per cent expenditure increase in the *National Extension Support Services* subprogramme as a result of the comprehensive agricultural support programme grant: extension that was introduced in 2008/09. Expenditure is projected to increase to R1.6 billion over the medium term, at an average annual rate of 12.6 per cent. This growth is due to the increase in allocations of R400 million over the medium term for the comprehensive agricultural support programme. The 23.5 per cent decrease in 2011/12 in goods and services over the MTEF period is due to a once-off allocation for the outbreak of avian influenza and classical swine fever.

The ratio of administrative costs to line function costs is 1: 1.

Programme 4: Trade Promotion and Market Access

- *Management* oversees and manages the programme. This subprogramme's budget is used for compensation of employees and goods and services.

- *International Relations and Trade* promotes, facilitates, coordinates and supports international relations and international trade for the agriculture, forestry and fisheries sector through developing and implementing appropriate policies and programmes. This subprogramme has a staff complement of 76 and a total budget of R81.8 million, of which 42 per cent is used for membership fees of international organisations.
- *Cooperatives and Rural Business Development* provides leadership and support in implementing programmes and initiatives to ensure the promotion and participation of emerging businesses. This subprogramme has a staff complement of 52 and a total budget of R60.2 million, of which 50 per cent is used for AgriBEE. The activities of the subprogramme will be geared towards accelerating the implementation of AgriBEE equity projects in 2011/12.
- *Agro-processing and Marketing* facilitates access to markets by facilitating small and medium scale agro-processing enterprises. This subprogramme has a staff complement of 26 and a total budget of R47.4 million, of which 76 per cent is used as a transfer payment to the National Agricultural Marketing Council. The activities of the subprogramme will be geared towards accelerating the training of smallholder farmers in marketing in 2011/12.

Objectives and measures

- Facilitate market access for South African and African products by participating in 6 multilateral and bilateral trade negotiations, and monitoring the implementation of current trade agreements on an ongoing basis.
- Undertake domestic and international trade intelligence research and provide trade intelligence research outcomes to potential exporters through training and information sharing sessions twice a year as a measure to promote trade.
- Strengthen South Africa's relations in agriculture, forestry and fisheries with international organisations by increasing South Africa's participation in multilateral agencies.
- Promote BEE in agriculture, forestry and fisheries sectors by facilitating the development and implementation of sector charters and strategies by the end of 2011.
- Facilitate involvement in commodity associations, cooperatives and rural enterprises through ensuring that 30 per cent of smallholders are incorporated into commodity associations, cooperatives and enterprises by 2014, by:
 - facilitating the establishment of partnerships to support entrepreneurial development and assisting with the establishment of marketing and trade linkages by 2011/14
 - facilitating and ensuring that 30 per cent of smallholder producers are organised into commodity associations and cooperatives by 2014/15.

Expenditure estimates

Table 26.7 Trade Promotion and Market Access

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management	1 235	1 201	709	2 239	2 344	2 533	2 672
International Relations and Trade	90 767	83 376	79 602	81 239	81 846	72 991	76 999
Co-operatives and Rural Business Development	63 237	70 746	67 305	20 216	60 165	65 376	68 520
Agro-processing and Marketing	36 255	31 291	37 602	41 859	47 411	42 526	45 307
Total	191 494	186 614	185 218	145 553	191 766	183 426	193 498
Change to 2010 Budget estimate				(49 441)	–	–	–

Table 26.7 Trade Promotion and Market Access (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	90 050	69 305	75 130	75 639	90 518	98 950	104 484
Compensation of employees	32 380	37 401	41 274	45 362	52 475	54 705	57 345
Goods and services	57 670	31 904	33 856	30 264	38 031	44 230	47 124
<i>of which:</i>							
<i>Administrative fees</i>	48	683	207	180	526	560	592
<i>Advertising</i>	572	509	546	270	784	892	885
<i>Assets less than the capitalisation threshold</i>	1 321	436	427	456	855	945	969
<i>Bursaries: Employees</i>	100	96	156	297	276	303	333
<i>Catering: Departmental activities</i>	352	200	94	152	94	110	123
<i>Communication</i>	719	640	632	476	690	722	796
<i>Computer services</i>	379	466	459	463	258	703	725
<i>Consultants and professional services: Business and advisory services</i>	–	92	8	127	2 324	4 245	3 904
<i>Consultants and professional services: Infrastructure and planning</i>	4 018	4 217	7 440	7 936	8 562	9 114	9 617
<i>Consultants and professional services: Laboratory services</i>	–	–	–	60	–	–	–
<i>Consultants and professional services: Legal costs</i>	136	11	24	50	–	–	7
<i>Contractors</i>	172	158	43	60	244	254	263
<i>Agency and support / outsourced services</i>	7 362	4 680	3 626	7 272	8 197	8 580	9 101
<i>Entertainment</i>	97	23	44	40	30	31	31
<i>Inventory: Fuel, oil and gas</i>	196	350	243	430	499	558	575
<i>Inventory: Learner and teacher support material</i>	–	–	–	36	70	72	74
<i>Inventory: Materials and supplies</i>	12	21	141	108	186	193	205
<i>Inventory: Medical supplies</i>	–	–	–	6	3	3	3
<i>Inventory: Other consumables</i>	25	63	45	28	77	80	82
<i>Inventory: Stationery and printing</i>	1 277	928	737	815	1 078	1 368	1 258
<i>Lease payments</i>	2 850	700	2 938	274	1 055	928	1 107
<i>Property payments</i>	–	2 548	636	–	8	18	22
<i>Travel and subsistence</i>	22 098	12 390	7 716	7 473	7 981	8 687	9 195
<i>Training and development</i>	647	238	577	393	646	968	954
<i>Operating expenditure</i>	2 232	474	1 418	728	402	447	495
<i>Venues and facilities</i>	13 057	1 981	5 699	2 134	3 186	4 449	5 808
Interest and rent on land	–	–	–	13	12	15	15
Transfers and subsidies	100 983	116 916	109 595	69 381	100 637	83 829	88 320
Departmental agencies and accounts	17 020	23 332	29 360	31 194	35 899	30 115	32 220
Universities and technikons	–	2 640	1 900	–	–	–	–
Foreign governments and international organisations	32 865	35 303	29 667	38 187	34 738	21 434	21 564
Public corporations and private enterprises	50 000	50 175	48 623	–	30 000	32 100	34 347
Non-profit institutions	1 000	5 466	–	–	–	–	–
Households	98	–	45	–	–	180	189
Payments for capital assets	461	393	489	533	611	647	694
Machinery and equipment	461	393	489	528	606	642	689
Software and other intangible assets	–	–	–	5	5	5	5
Payments for financial assets	–	–	4	–	–	–	–
Total	191 494	186 614	185 218	145 553	191 766	183 426	193 498

Table 26.7 Trade Promotion and Market Access (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	17 020	23 332	29 360	31 194	35 899	30 115	32 220
National Agricultural Marketing Council	17 020	22 459	28 360	31 194	35 899	30 115	32 220
Tomp Seleke Agricultural Training Centre	-	873	1 000	-	-	-	-
Households							
Households social benefits							
Current	98	-	45	-	-	180	189
Employee social benefit	98	-	45	-	-	180	189
Foreign governments and international organisations							
Current	32 865	35 303	29 667	38 187	34 738	21 434	21 564
Consultative Group on International Agricultural Research	7 681	3 889	4 043	7 410	3 700	3 750	3 755
International Union for the Protection of New Varieties of Plants	-	390	405	420	400	401	402
Commonwealth Agricultural Bureau International	138	155	144	158	170	171	172
Food and Agriculture Organisation of the United Nations	8 762	11 469	11 083	9 830	11 000	11 005	11 007
Foreign rates and taxes	97	228	144	116	45	49	53
International Cotton Advisory Council	136	193	-	173	160	160	162
International Dairy Federation	30	40	50	53	55	56	57
International Grains Council	133	134	144	179	50	51	52
International Seed Testing Association	-	53	60	66	55	60	65
Office International de la Vigne et du Vin	544	612	582	604	500	501	502
Office International des Epizooties	794	1 045	967	1 050	850	855	857
Organisation for Economic Cooperation and Development	52	98	45	158	270	275	280
International Fund for Agricultural Development	-	4 997	-	5 250	4 000	4 100	4 200
Food and Agriculture Organisation of the United Nations: Capacity building	14 498	12 000	12 000	12 720	13 483	-	-
Universities and technikons							
Current	-	2 640	1 900	-	-	-	-
Fort Hare University Community Development Centres	-	1 000	-	-	-	-	-
Free State University	-	1 640	1 900	-	-	-	-
Non-profit institutions							
Current	1 000	5 466	-	-	-	-	-
National Movement for Rural Woman	1 000	966	-	-	-	-	-
Cotton South Africa	-	4 500	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	-	175	13	-	-	-	-
Claims against the state	-	175	13	-	-	-	-

Table 26.7 Trade Promotion and Market Access (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	50 000	50 000	48 610	-	30 000	32 100	34 347
Land Bank	50 000	50 000	48 610	-	30 000	32 100	34 347

Expenditure trends

The spending focus over the medium term will be on supporting the objectives of government's new growth path and implementing the integrated growth and development strategy in the sector. Particular emphasis will be placed on: promoting market access and trade; strengthening the participation of the department in multilateral agencies; establishing market infrastructure; providing market information, trade intelligence and training; developing entrepreneurs; developing and implementing the sector charter and strategies; and creating an enabling environment to support SMMEs within the sector.

Expenditure decreased from R191.5 million in 2007/08 to R145.6 million in 2010/11, at an average annual rate of 8.7 per cent. The decrease is due to a reprioritisation of the budget in 2010/11 in relation to AgriBEE. A new memorandum of agreement was entered into with the Land Bank, in which the allocation was reinstated from 2011/12 for AgriBEE equity projects. Over the medium term, expenditure is projected to increase from R145.6 million in 2010/11 to R193.5 million in 2013/14, at an average annual rate of 10 per cent. The increase provides for adjustments for inflation.

The ratio of administrative costs to line function costs is 1:7.

Programme 5: Forestry

- *Management* oversees and manages the programme. This subprogramme's budget is used for compensation of employees and on goods and services.
- *Forestry Operations* implements forestry related programmes and strategies in all provinces by ensuring sustainable management of state forests, implementing and enforcing relevant legislation, implementing forest enterprise development and livelihood programmes, monitoring lease agreements, gathering forestry information, and ensuring access to that information. This subprogramme has a staff complement of 2 295 and a total budget of R369.9 million, of which 69 per cent is used for compensation of employees. The subprogramme focuses on the maintenance of forestry operations by performing sustainable forest management audits by applying the criteria, indicators and standards for plantations and indigenous forests, and through the development and implementation of annual plans on operations.
- *Forestry Oversight and Regulation* develops national norms and standards to support sustainable forest management; ensures compliance with regional and international standards for sustainable forest management; administers relevant legislation; and manages forestry data, spatial and non-spatial information, and knowledge systems. This subprogramme has a staff complement of 51 and a total budget of R78.2 million, of which 58 per cent is used for operational costs. The subprogramme has developed national forest programme strategies for saw log and forest protection, and will focus on the preparation for the international year of forests that will promote the image of forestry internationally. In 2009/10, the subprogramme spent R800 000 on the greening programme (Million Trees and Arbour Week) and planted 1.3 million trees. In 2010/11, over 1 million trees will be planted through the greening programme.
- *Natural Resources Management* facilitates the development of infrastructure and the sustainable use of natural resources by: providing an enabling framework for the sustainable management of woodlands and indigenous forests; ensuring the efficient development and revitalisation of irrigation schemes and efficient water use by the sector; facilitating climate change mitigation and adaptation, risk and disaster management; and promoting, regulating and coordinating the sustainable use of natural agricultural resources. This

subprogramme has a staff complement of 735 and a total budget of R319.1 million, of which 43 per cent is used for compensation of employees and 18 per cent for LandCare. In 2009/10, the subprogramme rehabilitated 57 488 hectares of degraded land and is planning to rehabilitate 150 000 hectares of degraded land and 800 hectares degraded indigenous and woodlands in 2010/11.

Objectives and measures

- Increase growth, income and sustainable job opportunities in the value chain through the expansion of the commercial forest estate by creating an enabling environment for planting 30 000ha (10 000ha per year as per the Forest Sector Transformation Charter) over the medium term.
- Increase forestry's contribution to improved livelihoods by facilitating the creation of 1 300 jobs per year through the expanded public works programme.
- Contribute to sustainable agrarian reform by providing support to 7 500 small growers (2 500 small growers per year) over the medium term.
- Ensure the sustainable management and efficient use of natural resources by:
 - developing and implementing climate change adaption and mitigation strategies with a view to reducing climate change impacts in the sector
 - rehabilitating about 800 000ha of degraded land and 800ha of degraded indigenous forests and woodlands per year
 - conducting natural resources assessment and systematic conservation planning for indigenous forests and woodlands
 - over the medium term revitalising 0.5 per cent in smallholder government irrigation schemes.

Expenditure estimates

Table 26.8 Forestry

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Management	1 582	2 479	3 765	3 872	3 968	4 286	4 522
Forestry Operations	341 070	385 845	416 120	313 184	369 487	419 210	439 259
Forestry Oversight and Regulation	43 142	44 902	51 926	125 652	78 171	85 328	92 953
Natural Resources Management	495 218	370 917	389 776	312 290	319 085	393 653	398 958
Total	881 012	804 143	861 587	754 998	770 711	902 477	935 692
Change to 2010 Budget estimate				107 425	97 300	175 300	168 400

Economic classification

Current payments	525 266	603 537	619 869	629 416	683 579	753 115	790 752
Compensation of employees	314 894	344 761	396 271	427 630	420 260	450 759	474 737
Goods and services	209 539	258 773	222 847	200 826	262 021	300 953	314 559
<i>of which:</i>							
Administrative fees	1 020	1 224	1 288	3 000	2 076	2 313	2 561
Advertising	3 277	6 658	1 745	4 414	3 264	3 163	3 618
Assets less than the capitalisation threshold	3 334	4 059	3 242	6 515	6 215	7 163	8 057
Bursaries: Employees	199	211	293	586	621	700	635
Catering: Departmental activities	1 004	1 326	1 009	1 679	1 530	1 701	1 576
Communication	8 695	9 689	8 757	6 732	6 683	7 796	8 559
Computer services	1 689	517	2 013	3 894	2 265	2 874	3 611
Consultants and professional services: Business and advisory services	25 704	26 700	32 636	12 538	9 779	14 401	14 818

Table 26.8 Forestry (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments							
<i>Consultants and professional services: Infrastructure and planning</i>	12 611	28 463	17 402	12 580	15 378	21 886	23 122
<i>Consultants and professional services: Laboratory services</i>	–	–	–	–	2	3	3
<i>Consultants and professional services: Legal costs</i>	335	546	56	187	346	183	193
<i>Contractors</i>	4 774	1 584	1 110	3 167	74 293	79 046	78 313
<i>Agency and support / outsourced services</i>	16 421	17 246	8 751	36 576	37 647	44 007	49 053
<i>Entertainment</i>	38	28	43	52	59	59	59
<i>Fleet services (including government motor transport)</i>	–	–	–	232	163	3 237	3 765
<i>Inventory: Food and food supplies</i>	–	–	–	483	1 363	1 004	751
<i>Inventory: Fuel, oil and gas</i>	392	2 859	2 406	6 495	5 919	7 899	7 910
<i>Inventory: Learner and teacher support material</i>	–	2	–	114	94	102	107
<i>Inventory: Materials and supplies</i>	3 746	3 073	3 114	6 049	5 943	7 441	6 751
<i>Inventory: Medical supplies</i>	32	43	38	80	102	83	92
<i>Inventory: Medicine</i>	–	–	–	–	10	13	13
<i>Inventory: Other consumables</i>	36 199	45 979	45 243	14 562	18 098	18 178	18 809
<i>Inventory: Stationery and printing</i>	993	2 354	1 791	4 611	5 686	7 232	7 747
<i>Lease payments</i>	2 867	3 396	3 003	3 015	2 573	2 798	2 422
<i>Property payments</i>	10 682	11 434	12 726	7 073	4 639	4 560	4 861
<i>Transport provided: Departmental activity</i>	370	–	–	73	56	68	70
<i>Travel and subsistence</i>	68 382	86 042	71 043	52 528	45 640	50 262	53 633
<i>Training and development</i>	991	1 039	1 317	3 444	2 938	3 266	3 382
<i>Operating expenditure</i>	3 978	2 250	1 424	5 231	3 757	4 550	4 785
<i>Venues and facilities</i>	1 806	2 051	2 397	4 916	4 882	4 965	5 283
<i>Interest and rent on land</i>	833	3	751	960	1 298	1 403	1 456
Transfers and subsidies	350 813	193 110	214 478	105 052	60 834	118 848	112 551
Provinces and municipalities	346 865	187 853	208 391	104 707	57 792	115 683	109 020
Departmental agencies and accounts	–	4	–	–	–	–	–
Public corporations and private enterprises	2 247	1 537	32	–	–	–	–
Non-profit institutions	50	–	–	–	3 042	3 165	3 531
Households	1 651	3 716	6 055	345	–	–	–
Payments for capital assets	4 933	7 484	27 184	20 530	26 298	30 514	32 389
Buildings and other fixed structures	88	1 236	317	138	1 455	1 245	1 348
Machinery and equipment	4 541	5 851	26 737	20 126	24 612	29 044	30 800
Biological assets	165	199	20	19	–	–	–
Software and other intangible assets	139	198	110	247	231	225	241
Payments for financial assets	–	12	56	–	–	–	–
Total	881 012	804 143	861 587	754 998	770 711	902 477	935 692
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	4	–	–	–	–	–
Claims against the state	–	4	–	–	–	–	–

Table 26.8 Forestry (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Households							
Households social benefits							
Current	1 617	14	339	345	-	-	-
Employee social benefit	1 617	14	339	345	-	-	-
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Current	346 725	187 840	208 317	104 502	57 772	115 661	108 997
Disaster Management	300 000	136 837	156 900	50 000	-	-	-
Land Care Programme Grant: Poverty Relief and Infrastructure Development Grant	46 725	51 003	51 417	54 502	57 772	115 661	108 997
Municipalities							
Municipal bank accounts							
Current	140	13	74	205	20	22	23
Vehicle licences	140	13	74	105	20	22	23
Forestry Arbor City Awards	-	-	-	100	-	-	-
Non-profit institutions							
Current	50	-	-	-	3 042	3 165	3 531
Food and trees for Africa	50	-	-	-	-	-	-
Forest Sector Charter Council: Contribution to operations	-	-	-	-	3 042	3 165	3 531
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	29	129	32	-	-	-	-
Claims against the state	29	129	32	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	2 218	1 408	-	-	-	-	-
Forest Sector Charter Council	2 218	1 297	-	-	-	-	-
Forestry and Agriculture Biotechnology Institution	-	111	-	-	-	-	-
Households							
Households other transfers							
Current	34	3 702	5 716	-	-	-	-
Claims against the state	-	2	7	-	-	-	-
Bursaries non employees	34	3 700	5 709	-	-	-	-

Expenditure trends

The spending focus over the medium term will be on the management of forestry operations, amendment and implementation of the National Forests Act (1998) and the new National Veld and Forest Fire Act (1998). This includes: the implementation of policies that promote forestry growth; the participation of communities in forestry; activities related to the Forest Sector Transformation Charter and forestry protection; conducting the forestry resource assessment; rehabilitating indigenous forests and woodlands; LandCare; climate change; afforestation; and the Million Trees programme.

Expenditure decreased from R881 million in 2007/08 to R755 million in 2010/11, at an average annual rate of 5 per cent. The decrease was due to the once off allocations for disaster management, which decreased from R300 million in 2007/08 to R50 million in 2010/11. Expenditure is expected to increase from R755 million in 2010/11 to R935.7 million in 2013/14, at an average rate of 7.4 per cent. This is due to an increase of R55 million in 2012/13 and R45 million in 2013/14 for the LandCare fencing project and the increase in the baseline of R34 million in 2011/12, R57 million in 2012/13 and R60 million in 2013/14 to provide funding for forestry operations in Mpumalanga.

The ratio of administrative costs to line function costs is 1:4.

Programme 6: Fisheries

- *Management* oversees and manages the programme. This subprogramme's budget is used for compensation of employees and goods and services.
- *Aquaculture* manages and develops a profitable, diverse and sustainable marine aquaculture industry in South Africa to ensure food security and rural development. This subprogramme has a staff complement of 120 and a total budget of R24.6 million, of which 100 per cent is used for compensation of employees.
- *Administrative Support Services* provides for the overall administration of the programme's activities, which manage the development and sustainable use of South Africa's marine resources and protect the integrity and quality of the marine ecosystem. This subprogramme has a staff complement of 480 and a total budget of R108.8 million, of which 100 per cent is used for compensation of employees. All other expenses such as monitoring, control and surveillance, and marine resources management and fisheries research and development are carried by the Marine Living Resource Fund.
- *Marine Living Resources Fund* receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, for permits and application fees, and the proceeds from the sale of confiscated fish and fish products.

Objectives and measures

- Promote the conservation and sustainable use of marine resources by rebuilding depleted fish stocks through:
 - developing the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish by 2011/12
 - undertaking fishery specific research to inform the setting of total allowable catches and total allowable efforts in 21 fishing sectors per year until 2013/14
 - finalising and implementing the small scale fisheries policy by 2011/12.
- Grow the marine fisheries sector by broadening the scope of the aquaculture sector through the national aquaculture strategy by 2011/12 and establishing 7 smallholder producer associations by 2013/14.
- Improve compliance and enforcement efforts by developing and implementing the integrated fisheries security strategy by 2011/12.
- Facilitate transformation, job creation and the promotion of economic livelihoods through the Working for Fisheries programmes by implementing 40 community projects by 2013/14 and by developing and finalising the Fisheries Sector Charter by 2013/14.

Expenditure estimates

Table 26.9 Fisheries

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Management	–	832	885	964	264	277	290
Aquaculture	9 361	13 710	14 206	14 737	24 620	25 852	27 145
Administrative support services	55 709	75 875	78 860	89 663	108 805	114 245	119 960
Marine Living Resources Fund	84 762	87 796	106 090	178 100	190 499	250 825	186 128
Total	149 832	178 213	200 041	283 464	324 188	391 199	333 523
Change to 2010 Budget estimate				195 628	202 375	263 653	199 722
Economic classification							
Current payments	65 070	90 417	93 951	105 364	133 689	140 374	147 395
Compensation of employees	65 070	90 417	93 951	105 364	133 689	140 374	147 395
Transfers and subsidies	84 762	87 796	106 090	178 100	190 499	250 825	186 128
Departmental agencies and accounts	84 762	87 796	106 090	178 100	190 499	250 825	186 128
Total	149 832	178 213	200 041	283 464	324 188	391 199	333 523
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	84 762	87 796	106 090	178 100	190 499	250 825	186 128
Marine Living Resources Fund: Expanded Public Works Programme: Fisheries Projects	–	–	–	71 800	71 805	71 805	–
Marine Living Resources Fund: Vessels Operations	84 762	87 796	99 790	100 000	112 394	172 720	179 482
Marine Living Resources Fund: Contribution to operations	–	–	6 300	6 300	6 300	6 300	6 646

Expenditure trends

Spending over the medium term will be focused on: conducting fishery specific research to inform the setting of total allowable catches in 22 fishing sectors; implementing the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish; finalising and implementing the small scale subsistence fisheries policy; broadening the scope of the aquaculture sector; developing and implementing a proactive stakeholder engagement strategy; developing and finalising a fishery charter to meet transformation targets within the fishing sector; developing and implementing the integrated fisheries security strategy to ensure better compliance, monitoring and enforcement efforts; and promoting job creation and sustainable economic livelihoods.

Expenditure increased from R149.8 million in 2007/08 to R283.5 million 2010/11, at an average annual rate of 23.7 per cent and is projected to increase to R333.5 million over the medium term, at an average annual rate of 5.6 per cent. The increase in both periods is due to increased allocations for vessel operations and function shifts from the Department of Environmental Affairs.

The ratio of administrative costs to line function costs is 1: 3.

Public entities and other agencies

Agricultural Research Council

Strategic overview: 2007/08 – 2013/14

The council is a science institution established by the Agricultural Research Act (1990). In terms of the act, the objectives of the council are to conduct fundamental and applied research, drive research and development, drive technology development and transfer (dissemination) to promote agriculture and related industries, contribute to a better quality of life, facilitate and ensure natural resource conservation, and alleviate poverty.

The council's strategic objectives and related outputs are aligned with the department's mission and are directed at: ensuring access to sufficient, safe and nutritious food; eliminating skewed participation and inequality in the sector; maximising growth, employment and income in agriculture; and enhancing the sustainable management of natural agricultural resources and ecological systems. To deliver on the department's priorities, in particular the council's research, technology development and transfer are aimed at improving agricultural production, food security and growth, which, in turn, will result in poverty alleviation.

The council's performance is aligned with national priorities as outlined in the medium term strategic framework. These are further refined through the council's annual strategic review process to ensure effective delivery by alignment with the department's priorities, and with those of the Department of Science and Technology.

The council carries out its functions in accordance with approved strategic and business plans, notwithstanding the funding challenges it continues to face. In addition, since 2007/08, the council has met, and in some cases exceeded, the performance targets as set out in the business plan.

The following six objectives form the basis of its strategic plan over the medium term: generate, develop and apply new knowledge, science and technology for agriculture to meet the demands for increased food production, food security and poverty alleviation; promote the sustainable use and management of natural resources to ensure a competitive agriculture sector and increase wealth for people and industries dependent on natural resources based agriculture; improve nutrition and food security and safety by improving crop and livestock production systems, including seed security; provide information and technical solutions that enable the agriculture sector to manage and mitigate agricultural risks, including threats to the agricultural production value chain from natural disasters, diseases, pests and agricultural practice; disseminate information and transfer technology emanating from research and development; and achieve organisational growth and sustainability.

Savings and cost effectiveness measures

The council has implemented measures to realise savings, including effectively controlling project management and monitoring expenditure by continuously reviewing projects and programmes to identify areas that do not have a direct contribution to the key performance targets. Funds are then redirected to areas that improve performance and results. The council has also leveraged off the relationships with industry partners with a view to reduce costs. Other measures include increasing the use of PhD students on projects to help reduce personnel costs and minimising the use of external consultants on projects that can be internally handled.

A review of the 2009/10 annual report shows that operating costs excluding compensation of employees decline from R296 million in 2008/09 to R264 million in 2009/10, thus a saving of R32 million was realised. The saving on total operating costs for the comparative periods 2008/09 and 2009/10 was R5 million. Over the MTEF period, the council anticipates savings of R6 million in 2010/11, R3 million in 2011/12, R4 million in 2012/13 and R4 million in 2013/14.

Selected performance indicators

Table 26.10 Agricultural Research Council

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/0	2010/11	2011/12	2012/13	2013/14
Number of scientific publications produced per year	All	218	1 242	149	168	178	189	200
Number of scientific presentations conducted per year	All	463	347	80	93	271	323	342
Number of methods developed per year to improve scientific output or production	All	275	384	123	321	892	1 039	1 101
Number of accessions/genetic stock maintained	All	–	–	68 951	4 259 072	5 097 264	6 116 717	6 483 720
Number of talks or presentations at non-scientific events each year	All	734	770	1 722	1 454	1 830	2 408	2 552
Number of training courses per year	Technology Transfer and Commercialisation	148	150	2 001	1 396	6 121	7 131	7 559
Number of new Intellectual Property rights filings completed per year	Technology Transfer and Commercialisation	55	10	27	21	15	18	19
Number of Technology Packages per year (packaged solutions /licences)	Technology Transfer and Commercialisation	441	500	215	5	3	3	3
Number of Services provided per year	Technology Transfer and Commercialisation	–	–	245 023	98 123	252 692	303 232	321 426
Number of new agri-products developed per year	Technology Transfer and Commercialisation	49	26	48	14	15	16	17

Details of programmes/objectives/activities

Table 26.11 Agricultural Research Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
General, develop and apply new knowledge and technology	100 521	108 886	108 188	115 732	124 808	133 791	142 125
Sustainable use and management of natural resources	143 601	155 551	154 554	165 331	178 297	191 130	203 036
Enhance nutrition, food security and safety	143 601	155 551	154 554	157 065	169 382	181 573	192 884
Enhance the ability of the agricultural sector to manage and mitigate agricultural risks	143 601	155 551	154 554	165 331	178 297	191 130	203 036
Technology transfer and Commercialisation	93 341	101 108	100 460	111 599	120 351	129 013	137 049
Other Objectives	93 341	101 108	100 460	111 599	120 351	129 013	137 049
Total expense	718 006	777 756	772 768	826 657	891 486	955 650	1 015 179

The council conducts fundamental and applied research with partners to generate knowledge, develop human capital and foster innovation in agriculture through technology development and dissemination, and the commercialisation of research results. The council's main focus is on agricultural research and development, and technology transfer in the agricultural sector. In addition, the council's core business, which is research and development and technology transfer, spends 86 per cent of its total budget, with the remaining 14 per cent spent on support services. The council recently developed a blushed pear, called Cheeky, which will play a major role in establishing early blush pears for the South African pear industry. The prediction is that by the end of 2012, the total number of hectares under the cultivation of Cheeky will be 37 per cent of the total early blushed pears in South Africa, with a potential earning of R354 million per annum. Cheeky is part of the outputs expected from the strategic objective: generate, develop and apply new knowledge, science and technology for agriculture to meet the demands for increased food production, food security and poverty alleviation, the budget for which is R144 million in 2011/12.

Expenditure estimates

Table 26.12 Agricultural Research Council

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	278 188	291 680	298 212	292 233	296 743	305 521	315 026
Sale of goods and services other than capital assets	265 749	255 722	292 524	276 699	283 892	292 409	301 181
<i>of which:</i>							
Research Income	265 749	255 722	292 524	276 699	283 892	292 409	301 181
Other non-tax revenue	12 439	35 958	5 688	15 534	12 851	13 112	13 845
Transfers received	451 770	469 993	532 850	590 419	709 395	801 920	738 563
Total revenue	729 958	761 673	831 062	882 652	1 006 138	1 107 441	1 053 589
Expenses							
Current expense	718 006	777 755	772 769	826 657	891 486	955 650	1 015 179
Compensation of employees	416 080	467 039	490 215	507 411	537 856	570 127	604 335
Goods and services	288 532	296 292	264 753	298 555	316 469	335 458	355 583
Depreciation	13 385	14 253	17 795	20 679	37 148	50 050	55 245
Interest, dividends and rent on land	9	171	6	12	13	15	16
Total expenses	718 006	777 755	772 769	826 657	891 486	955 650	1 015 179
Surplus / (Deficit)	11 952	(16 081)	58 293	55 995	114 652	151 791	38 410
Acquisition of assets	42 668	62 100	17 721	88 805	253 989	249 194	97 182

Expenditure trends

The Agricultural Research Council is funded mainly from government transfers and income generated from research and other projects. Total revenue increased from R730 million in 2007/08 to R882.6 million in 2010/11, at an average annual rate of 6.5 per cent and is projected to increase to R1 billion over the medium term, at an average annual rate of 6.1 per cent. The growth in both periods is driven by the growth in transfers, which increase to fund the renovation of buildings, and upgrading and replacing of machinery and equipment.

Expenditure grew from R718 million in 2007/08 to R826.7 million in 2010/11, at an average annual rate of 4.8 per cent. The growth was driven by spending on capital items. These were funded from the cash reserves as there was not enough cash from operating activities. Capital expenditure transfers are projected to grow from R69 million in 2009/10 to R189.7 million in 2012/13 before declining to R89 million in 2013/14. This is due to the foot and mouth disease facility project that is coming to an end in 2012/13. Over the medium term, expenditure is expected to increase to R1 billion at an average annual rate of 7.1 per cent.

Personnel information

Table 26.13 Agricultural Research Council

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Board members	5	5	-	6	5	5	5	8	8	8
Executive management	29	26	4	41	23	25	24	30	35	40
Senior management	114	97	29	82	100	85	81	97	114	120
Middle management	1 059	832	320	806	781	739	740	882	950	1 100
Professionals	1 109	934	205	920	891	904	877	934	990	1 109
Semi-skilled	600	504	113	602	551	487	476	504	534	600
Total	2 916	2 398	671	2 457	2 351	2 245	2 203	2 455	2 631	2 977
Compensation (R thousand)				416 080	467 039	490 215	507 411	597 671	680 115	815 838
Unit cost (R thousand)				169	199	218	230	243	259	274

1. As at 30 September 2010.

The total number of employees decreased from 2 351 in 2008/09 to 2 245 in 2009/10, and is set to further decline to 2 203 in 2010/11. The reason for the decrease was mainly due to the number of employees leaving the

council exceeding the number of new employees, and the council could not adequately replace and fill vacant positions due to funding constraints.

Over the MTEF period, the council expects to fill 671 positions, which will result in the employee count reaching 2 977 by the end of 2013/14. However, the above positions will only be filled if adequate funding is secured to cover the increase in personnel costs and associated operating expenditure.

National Agricultural Marketing Council

Strategic overview:2007/08 – 2013/14

The National Agricultural Marketing Council was established in terms of the Marketing of Agricultural Products Act (1996) to provide strategic agricultural marketing advice to the Minister of Agriculture, Forestry and Fisheries. The council aims to improve market efficiency and market access by all participants, optimise export earnings, and improve the viability of the agricultural sector.

The council supports the vision of a united and prosperous agricultural sector, recognising the need to increase the competitiveness of the sector for it to remain internationally competitive.

Over the medium term, the council will address high food prices and high input costs, and look at opportunities for trade and collaboration with all relevant parties.

The council promotes facilitating the entry of new players into the market; and focuses on export coaching, training and promoting emerging black farmers with the aim of increasing the market access for the targeted group.

The department is currently in the process of reviewing the Marketing of Agricultural Products Act (1996).

Savings and cost effectiveness measures

The department has implemented measures to realise savings from non-core goods and services, particularly communications costs, staff costs, travelling costs and procurement. The council will also collaborate with industry and the donors committee for mutually beneficial programmes.

Measures to be implemented to realise savings from non-core goods and services include: reviewing areas and/or programmes that do not contribute directly to the key performance areas and are currently not yielding results and redirect the funds to areas that are going to yield and influence results; building partnerships with the key strategic industry partners and/or stakeholders to better coordinate the activities and maximise leveraging; considering alternative funding mechanisms such as public private partnership; implementing a monitoring and evaluation plan to manage relevant risk factors, feasibility studies and implementation readiness; and minimising labour costs.

Selected performance indicators

Table 26.14 National Agricultural Marketing Council

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of agro-food chains and section 7 investigation reports published per year	Mapping and Understanding Food Chains	3	3	7	3	10	11	12
Number of quarterly food price trend reports published per year	Information Management	4	4	4	1	4	4	4
Number of annual food cost reviews published per year	Information Management	1	1	1	1	1	1	1
Number of annual food cost trends reports published per year	Information Management	1	1	4	4	4	6	6
Number of statutory measures investigations undertaken per year	Statutory Measures	5	9	15	12	21	25	28
Number of marketing schemes designed and implemented per year aimed at providing markets for black farmers	Agribusiness Development	2	2	2	2	2	3	4
Number of black owned agribusinesses attending local and international trade shows per year	Promotions	15	30	40	56	120	150	180

Details of programmes/objectives/activities

Table 26.15 National Agricultural Marketing Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Markets and Economic Research Council	5 524	6 912	9 351	10 659	11 905	9 686	10 253
Statutory Measures	1 756	1 358	1 432	1 537	1 660	2 054	2 174
Agribusiness Development	680	3 527	3 907	3 423	3 526	3 156	3 202
Agricultural Trusts	–	623	1 194	1 406	1 513	1 263	1 333
Finance and Administration	6 059	7 216	7 691	8 396	11 029	7 952	9 116
Other Objectives	3 520	5 111	6 553	7 073	7 616	7 404	7 542
Total expense	17 539	24 747	30 128	32 494	37 249	31 515	33 620

The budget allocation for the following two projects totals 15 per cent of the overall budget allocation.

Development Schemes designs development schemes in collaboration with the department, industries and the private sector institutions to uplift emerging producers in the agricultural sector and encourage their integration into the commercial mainstream. The development schemes provide incentives to the market to increase the quality of production from the emerging sector and increase procurement from these producers. Schemes in the grain, citrus and vineyard areas are being partially implemented through the private and public sector.

Eastern Cape Red Meat Project increases the income that developing livestock farmers throughout South Africa earn from raising cattle, on a sustained basis, by: enabling them to participate more fully and beneficially in formal and informal red meat markets; improving the quality and increasing the quantity of cattle that they market; and collaborating with local long term stakeholders, in particular provincial departments of agriculture, to develop and progressively transfer the programme. A secondary objective is to increase income and employment opportunities in local and regional communities through sourcing inputs such as maize from local farmers; creating additional business opportunities in transport, construction and manufacturing (for example, tanning and meat processing); and using manure from feedlots to nurture local food gardens programmes.

Table 26.16 National Agricultural Marketing Council

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	542	3 568	3 148	1 300	1 350	1 400	1 400
Other non-tax revenue	542	3 568	3 148	1 300	1 350	1 400	1 400
Transfers received	17 020	22 459	28 360	31 194	35 899	30 115	32 220
Total revenue	17 562	26 027	31 508	32 494	37 249	31 515	33 620
Expenses							
Current expense	17 539	24 747	30 128	32 494	37 249	31 515	33 620
Compensation of employees	9 069	11 610	15 125	18 896	22 464	22 357	21 618
Goods and services	8 128	12 697	14 501	13 032	14 373	8 726	11 251
Depreciation	254	388	474	530	374	390	707
Interest, dividends and rent on land	88	52	28	36	38	42	44
Total expenses	17 539	24 747	30 128	32 494	37 249	31 515	33 620
Surplus / (Deficit)	23	1 280	1 380	–	–	–	–
Acquisition of assets	48	1 245	503	267	308	338	158

Expenditure trends

Over the medium term, the council will focus its spending on agribusiness development, which will continue with the export promotions programme that will afford 100 emerging agribusinesses the opportunity to participate in international trade. An amount of R 5 million was allocated to this programme in 2010/11 and a further R 8 million in 2011/12. Some portion of expenditure will be directed to travelling expenditure as it is crucial in meeting the agricultural marketing objectives of the council. The council is funded from a grant received from the department. Additional income is from interest earned from investments in interest bearing accounts and from sponsorships projects. Total revenue increased from R17.6 million in 2007/08 to R32.5 million in 2010/11, at an average annual rate of 22.8 per cent, and is projected to increase to R33.6 million over the medium term, at an average annual rate of 1.2 per cent. Transfers constitute 96 per cent of total revenue and increased in both periods as a result of normal inflation provisions.

Expenditure increased from R17.5 million in 2007/08 to R32.5 million in 2010/11, at an average annual rate of 22.8 per cent. Over the medium term, expenditure is expected to increase to R33.6 million, at an average annual rate of 1.2 per cent. The increase in general expenditure in both periods is due to an overall increase in prices of goods and services, as well as the increase in the staff complement which lead to an increase in the operating and administrative costs.

The ratio of administrative costs to line function costs is 3:1.

Personnel information

The headcount grew from 41 to 45 in 2010/11 as a result of the expanding research and agribusiness activities to ensure that the council meets its set targets and strategic objectives. Over the medium term it is anticipated that the staff complement will increase from 45 to 47 employees to meet the growing needs of the organisation.

There are 2 vacancies within the council; one is for a senior economist in the statutory measures division and the other in the agricultural trusts division. The ratio of support staff to line function staff is 1:1.

Marine Living Resources Fund

Strategic overview: 2007/08 – 2013/14

The Marine Living Resources Fund was established in terms of the Marine Living Resources Act (1998). The fund is the main source of funding for marine fisheries and coastal management, which is a branch of the national Department of Agriculture, Forestry and Fisheries. The mandate and core business of the fund is to manage the development and sustainable use of South Africa's marine and coastal resources, as well as to protect the integrity and quality of the marine and coastal ecosystem.

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

In terms of a government proclamation of February 2010, fisheries related functions had been transferred to the department while environmental/conservation functions remained within the Department of Environmental Affairs. Part of this transfer involves the fund moving to the Department of Agriculture, Forestry and Fisheries with effect from 1 April 2010 to support the operational activities related to the management of South Africa's marine wild capture fisheries as well as aquaculture.

The research fleet is nearing the end of its lifespan and must be replaced to minimise the risk of high maintenance costs and sea days available for surveys.

The key strategic priorities for the fisheries sector over the medium term include: conducting fishery specific research to inform the setting of total allowable catches and effort in 22 fishing sectors; implementing the stock recovery strategy for hake, abalone, West Coast rock lobster, and line fish; finalising and implementing the small scale subsistence fisheries policy; broadening the scope of the aquaculture sector; developing and

implementing a proactive stakeholder engagement strategy; developing and finalising a fisheries charter to meet transformation targets within the fishing sector; developing and implementing the integrated fisheries security strategy to ensure better compliance, monitoring and enforcement efforts; and promoting job creation and sustainable economic livelihoods.

Savings and cost effectiveness measures

The fund has identified areas of possible savings over the medium term, which include: reducing days at sea by performing only critical research voyages; using the resources of other departments to supplement monitoring, control and surveillance efforts; travelling more cost efficiently; using assets more efficiently; and investing in research technology to reduce the use of outsourcing. These measures are not expected to impact on the fund's ability to deliver on its mandate.

Selected performance indicators

Table 26.17 Marine Living Resources Fund

Indicators	Programme/Activity	Performance						
		Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of annual assessments conducted per year to determine the state of resources in the fisheries sector	Resource Research	22	22	22	22	22	22	22
Number of research projects conducted per year on the feasibility of South Africa's aquaculture (fish farming) species	Agriculture	2	2	2	2	3	3	3
Number of aquaculture pilot projects launched per year	Agriculture	0	2	3	4	5	6	7
Number of jobs created through the alternative livelihoods programme per year	Social Economic Development	-	-	-	-	1 100	1 000	1 200

Details of programmes/objectives/activities

Table 26.18 Marine Living Resources Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Administration	61 789	84 848	74 928	73 518	67 380	80 604	68 860
Marine Resource Management	9 307	12 780	9 166	8 993	8 243	9 860	8 424
Aquaculture and Harbour Management	24 279	33 339	24 151	23 696	21 718	25 980	22 195
Resource Research	78 856	108 284	123 863	121 533	111 386	133 246	113 832
Monitoring Control and Surveillance	81 633	112 098	140 937	138 286	126 741	151 613	129 524
Total expense	255 864	351 349	373 044	366 026	335 469	401 303	342 835

The fund manages the development and sustainable use of South Africa's marine resources, and protects the integrity and quality of the marine ecosystem. This entails performing specific research to inform the setting of total allowable catches and effort in 22 fishing sectors, and also ensures the intensification and visibility of compliance, monitoring and enforcement efforts. The fund allocates 40 per cent of its annual budget to vessel operating costs for fisheries research and patrol efforts. The department achieved 100 per cent landings monitored in abalone, hake long line, pelagic, Western Cape rock lobster and squid at a cost of R12 million in 2010/11.

Expenditure estimates

Table 26.19 Marine Living Resources Fund

Statement of financial performance

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	154 875	128 659	130 182	187 476	144 215	149 978	156 207
Sale of goods and services other than capital assets	146 916	119 515	120 148	154 476	113 015	120 225	128 489
<i>of which:</i>							
<i>Admin fees</i>	87 248	81 620	93 823	144 476	103 015	110 225	118 489
<i>Sales by market establishments</i>	40 051	-	3	-	-	-	-
<i>Other sales</i>	19 617	37 895	26 322	10 000	10 000	10 000	10 000
<i>Other non-tax revenue</i>	7 959	9 144	10 034	33 000	31 200	29 753	27 718
Transfers received	144 350	212 463	236 057	178 550	191 254	251 325	186 628
Total revenue	299 225	341 122	366 239	366 026	335 469	401 303	342 835
Expenses							
Current expense	255 864	351 349	373 044	366 026	335 469	401 303	342 835
Goods and services	249 282	307 495	331 023	326 476	298 369	365 153	307 635
Depreciation	6 582	43 847	42 021	39 550	37 100	36 150	35 200
Interest, dividends and rent on land	-	7	-	-	-	-	-
Total expenses	255 864	351 349	373 044	366 026	335 469	401 303	342 835
Surplus / (Deficit)	43 361	(10 227)	(6 805)	-	-	-	-
Statement of financial position							
Carrying value of assets	15 226	433 332	417 347	389 347	363 647	339 647	317 847
<i>of which: Acquisition of assets</i>	7 342	17 819	26 257	11 550	11 400	12 150	13 400
Inventory	3 475	4 553	2 747	-	-	-	-
Receivables and prepayments	22 899	10 023	11 404	12 500	12 000	10 500	10 186
Cash and cash equivalents	60 232	78 858	85 134	86 335	80 000	70 000	62 000
Total assets	101 832	526 766	516 632	488 182	455 647	420 147	390 033
Accumulated surplus/deficit	30 430	464 337	457 532	429 532	403 832	379 833	358 033
Trade and other payables	45 281	35 526	33 321	36 395	30 000	25 000	20 000
Liabilities not classified elsewhere	26 121	26 903	25 779	22 255	21 815	15 314	12 000
Total equity and liabilities	101 832	526 766	516 632	488 182	455 647	420 147	390 033

Expenditure trends

The fund receives transfers from the department and generates revenue from levies on fish and fish products, license and permit fees, fines and confiscations, and harbour fees. Revenue increased from R299.2 million in 2007/08 to R366 million in 2009/10, at an average annual rate of 6.9 per cent, as a result of an increase in financial assistance for vessel operating costs, setting the total allowable catch and increased visibility at sea of marine patrol vessels. Over the medium term, revenue is expected to decrease from R366 million in 2010/11 to R342.8 million in 2013/14, at an average annual rate of 2.2 per cent, mainly due to a decrease in financial assistance for the expanded public works programme projects in 2013/14. Revenue over the medium term takes into consideration the increase in levies, licences, permits and application fees, effective from October 2010.

Expenditure increased from R255.9 million in 2007/08 to R366 million in 2010/11, at an average annual rate of 12.7 per cent, due to an increase in financial assistance for vessel operating costs. There was an increase in research voyages for the setting of total allowable catch as well as an increase in patrol voyages due to increased visibility at sea by the marine patrol vessels. Expenditure decreased from R373 million in 2009/10 to R366 million in 2010/11, due to a decrease in financial assistance for vessel operating costs. Over the medium term, expenditure is expected to decrease to R342.8 million, at an average annual rate of 2.2 per cent, mainly due to the rollout of the small scale fisheries policy, the decentralisation of services and the planned replacement of the research fleet.

Personnel information

Compensation of employees is funded by the department through the *Administrative Support Services* subprogramme. The vacancy rate of 14 per cent in 2011/12, due to the current moratorium on the filling of posts, is expected to decrease to 12 per cent in 2013/14.

Ncera Farms

Strategic overview:2007/08 – 2012/14

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

Since 2008/09, the focus has been on providing a service and training centre for farmers. The focus over the medium term is to transfer Ncera into an academy for farmer development and support services.

Savings and cost effectiveness measures

Ncera Farms has applied for accreditation for its training programmes, which are currently provided for free. Once accredited, the courses will be provided on a cost recovery basis. This is expected to reduce expenditure over the medium term.

Selected performance indicators

Table 26.20 Ncera Farms

Indicators	Programme/Activity	Past			Current	Projected			
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Number of hectares of land serviced for disadvantaged farmers per year:	Service Centre								
		- ploughed	80ha	30ha	36ha	85ha	45ha	50ha	55ha
		- disked	80ha	30ha	36ha	85ha	45ha	5ha	55ha
		- sprayed	22ha	5ha	6ha	5ha	5ha	5ha	5ha
		- planted	25ha	20ha	30ha	40ha	20ha	20ha	25ha
Number of people trained per year in:	Service Centre								
		- life skills	90	57	90	65	45	50	55
		- technical	12	12	25	10	10	10	10
		- agriculture	6	5	36	5	5	5	6

Details of programmes/activities/objectives

Table 26.21 Ncera Farms

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Dairy, contract ploughing and training	2 981	3 358	3 673	4 181	4 384	4 579	4 620
Total expense	2 981	3 358	3 673	4 181	4 384	4 579	4 620

The organisation provides for the upliftment of agriculture, food production, adult education and life skills training to the rural community. This entails conducting training and hosting workshops in farming communities. The organisation has a total budget of R4.4 million, of which 66 per cent is used for personnel and other related costs. Over the medium term, the organisation will train 119 school leavers and 31 adults (70 per cent male, 30 per cent female) in life skills, computer literacy, communication, budgeting and banking. This cost consists mainly of the salaries of the two trainers plus stationary costs projected at about R370 114 per annum.

Expenditure estimates

Table 26.22 Ncera Farms

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	1 046	1 174	957	1 381	1 416	1 465	1 333
Sale of goods and services other than capital assets	1 027	1 113	884	1 338	1 373	1 422	1 122
<i>of which:</i>							
<i>Sales by market establishments</i>	1 027	1 113	884	1 338	1 373	1 422	1 122
<i>Other non-tax revenue</i>	19	61	73	43	43	43	211
Transfers received	1 866	2 395	2 550	2 800	2 968	3 114	3 287
Total revenue	2 912	3 569	3 507	4 181	4 384	4 579	4 620
Expenses							
Current expense	2 981	3 358	3 673	4 181	4 384	4 579	4 620
Compensation of employees	-	2 090	2 391	2 769	2 910	3 084	3 119
Goods and services	2 852	1 162	1 164	1 294	1 356	1 420	1 460
Depreciation	129	106	118	118	118	75	41
Total expenses	2 981	3 358	3 673	4 181	4 384	4 579	4 620
Surplus / (Deficit)	(69)	211	(166)	-	-	-	-
Acquisition of assets	35	232	-	-	-	-	-

Expenditure trends

The organisation generates revenue mainly from transfers from the department. Revenue is also generated from the sale of dairy products, livestock and vegetables. Transfers received over the seven-year period grow at an average annual rate of 8.9 per cent to reach R3.3 million in 2013/14. Revenue grew at an average annual rate of 12.8 per cent, from R2.9 million in 2007/08 to R4.2 million in 2010/11 and is expected to grow at an average annual rate of 3.4 per cent over the medium term to R4.6 million in 2013/14. The growth in both periods is attributed to an increase in transfers received and sales by market establishment.

Expenditure grew from R3 million in 2007/08 to R4.2 million in 2010/11, at an average annual rate of 11.9 per cent. Over the medium term, expenditure is expected to grow to R4.6 million, at an average annual rate of 3.4 per cent. The increase in both periods is mostly due to spending on feeds and licks, medicines, spare parts, fuel and lubricants, stationery and services such as electricity, telephone and in compensation of employees. This is mainly due to increase in salaries and wages as well as cost increase.

Personnel information

Table 26.23 Ncera Farms

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	2	2	1	-	-	981 708	1 060 200	1 113 260	1 168 920	1 215 670
Senior management	4	4	-	-	-	641 664	705 830	769 350	807 820	840 130
Professionals	29	25	4	-	-	768 228	901 170	1 027 390	1 107 360	1 161 000
Total	35	31	5	-	-	2 391 600	2 667 200	2 910 000	3 084 100	3 216 800
Compensation (R thousand)				-	2 090	2 391	2 769	2 910	3 084	3 119
Unit cost (R thousand)				-	-	-	-	-	-	-

1. As at 30 September 2010.

The entity has an establishment of 35 posts. Filled posts decreased from 35 in 2007/08 to 30 in 2010/11, as a result of resignations and retirements, and are expected to return to 35 over the medium term.

There are 5 vacancies within the entity. The posts of chief executive officer and training manager will be filled once the entity has its board in place. The remaining 3 vacant posts will be filled when necessary, and have no effect on service delivery.

Onderstepoort Biological Products Limited

Strategic overview: 2009/10 – 20013/14

Onderstepoort Biological Products operates in terms of the Onderstepoort Biological Products Incorporation Act (1999). It is a state owned company, whose mandate is to prevent and control animal diseases that impact on food security, human health and livelihoods. To this end it develops, manufactures and distributes more than 40 different vaccines against viral, bacterial and protozoal diseases for veterinary use. The company also distributes other biological products such as therapeutic serum and, in terms of an agreement with the Agricultural Research Institute, diagnostic reagents.

Its vision is to become a global biotech manufacturer of animal health products, supported by a skilled, innovative and dedicated staff.

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

The global animal health industry is estimated to be worth \$18.5 billion and is driven by the increased demand in meat and related meat products as a result of the growing human population, urbanisation and an increase in disposable income, presenting an opportunity for growing the livestock sector in the developing world. The South African animal health industry has seen good growth in the last 10 years, including the vaccine business. With government's drive to deliver services focusing on the 12 key outcomes, livestock production has been identified as a critical component for achieving vibrant, equitable and sustainable rural communities and food security for all (outcome 7). The aging facilities are making it necessary for the manufacturing plant to be recapitalised to ensure that the business is competitive, profitable and sustainable.

The company's 2009 – 2013 strategy identifies seven objectives that are critical for the continued delivery of its mandate. These are to: increase net profitability; increase both sales value and market share; build strategic partnerships with provincial governments to gain access and provide support to rural farmers; develop a vaccine bank in partnership and collaboration with government; secure government or third party funding for recapitalising the manufacturing plant; developing new products; and developing human capital.

Savings and cost effectiveness measures:

The entity has implemented measures to reduce cost of sales from the current 40 per cent of sales (R56.4 million) to 32 per cent of sales (R50.2 million) in 2013/14. This will save R23.6 million over the three-year period on manufacturing costs. Savings will be re-invested in manufacturing capacity to ensure that the entity is able to increase vaccine doses outputs to meet the demand from the market. The cost savings be effected by: procurement of input raw materials through long term and sustainable contracts to ensure security of supply; initiatives to change bottling and packing materials to cheaper materials for key products; and dose reduction to increase manufacturing outputs and capacity without investing in new equipment.

Selected performance indicators

Table 26.24 Onderstepoort Biological Products Limited

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of publications supporting Onderstepoort Biological Products vaccines per year	Research and Development	–	–	0 ¹	4	4	3	3
Number of doses of vaccines (various products) produced per year	Production	–	–	74 million	83 million	90 million	101 million	106 million
Percentage training budget	Human Resources	–	–	0.9% (R880 000)	0.4% (R500 000)	1% (R1.2m)	1% (R1.3m)	1% (R1.5m)
Percentage cost of sales to sales	Financial Performance	67% (R47.2m)	63% (R52.8m)	46% (R46m)	40% (R56.4m)	36% (R46.8m)	36% (R51.5m)	32% (R50.2m)

1. Research and Development – 2009/10 target: no publications submitted to scientific journals as the focus was placed on completing research work for the 4 new products launched in 2010/11.

Details of programmes/activities/objectives

Table 26.25 Onderstepoort Biological Products Limited

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Facility upgrade	79 030	96 369	97 173	120 450	124 478	136 565	150 441
Total expense	79 030	96 369	97 173	120 450	124 478	136 565	150 441

Total expenses incurred by this entity in 2010/11 were R120 million, of which 92 per cent was used for the Production and Financial Performance; Human Resources and Research and Development objectives.

Production and Financial Performance builds a profitable, sustainable and socially responsible bio-manufacturing company. Key activities to ensure profitability and sustainability include increased sales and marketing initiatives and a goods manufacturing plant upgrade feasibility study to develop a full project plan for the shareholders to co-fund by September 2011. The total budget for key activities is R5.3 million, with R4.3 million (81 per cent) allocated for marketing and product launches.

Human Resources builds an innovative, passionate and high performance culture through a highly skilled workforce focusing on innovation and high performance to improve manufacturing efficiencies and to develop new products that address unmet animal health needs in South Africa, especially those affecting small scale and emerging rural farmers. Over the medium term, steps will be taken to implement effective performance management, development through training, and a related rewards system to retain critical skills and high performers. In 2011/12, R1.2 million is budgeted for employee training and skills development, with R300 000 going towards bursaries and R900 000 for training.

Research and Development focuses on core competencies in technical knowledge, unique strains and products for developing new products that will drive future growth. In 2011/12, R8.5 million has been allocated to this objective, with 90 per cent of the funds going toward new product development. The 2011/12 allocation has increased this objective's budget from 2 per cent (R2 million) of sales in the last 5 years to 7 per cent, which is in line with the organisation's goal of achieving an industry and global benchmark of 10 per cent.

Expenditure estimates

Table 26.26 Onderstepoort Biological Products Limited

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	80 076	102 977	115 743	146 450	137 478	145 130	159 701
Sale of goods and services other than capital assets	70 385	83 801	100 042	141 000	130 460	143 506	157 857
<i>of which:</i>							
<i>Sales by market establishments</i>	70 385	83 801	100 042	141 000	130 460	143 506	157 857
<i>Other non-tax revenue</i>	9 691	19 176	15 701	5 450	7 018	1 624	1 844
Total revenue	80 076	102 977	115 743	146 450	137 478	145 130	159 701
Expenses							
Current expense	79 087	94 421	93 892	120 450	124 478	136 565	150 441
Compensation of employees	33 337	38 426	40 067	51 000	55 285	60 814	66 895
Goods and services	36 270	47 365	47 657	60 220	58 871	64 758	71 233
Depreciation	9 480	8 629	6 168	9 230	10 322	10 994	12 313
Total expenses	79 030	96 369	97 173	120 450	124 478	136 565	150 441
Surplus / (Deficit)	1 046	6 609	18 569	26 000	13 000	8 565	9 259
Acquisition of assets	4 112	1 681	4 286	-	5 099	11 142	18 390

Expenditure trends

The spending focus over the medium term will be on research and development in new vaccines to address customer demands, the maintenance of ageing manufacturing plant to improve efficiencies and to secure vaccine availability and the replacement of critical manufacturing equipment.

Total revenue increased at an average annual rate of 22.3 per cent, from R80.1 million in 2007/08 to R146.5 million in 2010/11, primarily due to sales by market establishment. Over the medium term, revenue is expected to increase to R159.7 million, at an average annual rate of 2.9 per cent, due to new product launches and entry into new market segments.

Expenditure increased from R79 million in 2007/08 to R120.5 million in 2010/11, at an average annual rate of 15.1 per cent. Spending is projected to increase to R150.4 million over the medium term, at an average annual rate of 7.7 per cent. Personnel costs are expected to increase from the revised estimate of R51 million to R55 million in 2011/12, due to a budgeted cost of living increase of 8 per cent and the provision for performance bonuses. There is also an increase in the training budget, from R500 000 in 2010/11 to R1.2 million in 2011/12, which supports the entity's objective of building an innovative and high performance team. These increases will continue over the MTEF period.

The increase in spending on goods and services is attributable to research and development costs, which increase to R9.4 million in 2011/12, compared to the revised estimate of R2.7 million in 2010/11. The costs will continue to increase to R10.4 million in 2012/13 and R11.4 million in 2013/14 due to the new product development initiatives the company is planning to embark on to ensure continued competitiveness and future sustainability. Spending on consulting and contractors will increase by R1.5 million in 2011/12, due to the company planning to upgrade the manufacturing plant. The increase in depreciation by R1 million in 2011/12 is attributable to the fact that the company is planning to acquire more capital assets, so the depreciation charge would increase as a result.

The ratio of administrative costs to core function costs is 30:70.

Personnel information

The entity has an establishment of 223 posts, of which 215 are funded and there are no additional posts to the approved establishment. The number of posts filled as at 30 September 2010 is 205, and is projected to decrease to 203 over the medium term.

There are 17 vacancies within the entity, of which 2 are executive management; 3 for middle management; 9 for professionals; 1 for semi-skilled and 2 for very low skilled. The vacancies for this year were not identified as critical to delivering strategic goals and there are plans to fill them in the next three years.

The ratio of support staff to core function staff is 30: 70 and the ratio of total expenditure on consultants to staff is 10: 90.

Perishable Products Export Control Board

Strategic overview: 2007/08 – 2013/14

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

The board's strategic objectives over the medium term are to: enhance confidence in South Africa's exporting systems and products; support the competitiveness of South Africa's perishable product industries in relation to exporting; strengthen the board's capacity to be a credible source of information; support government in ensuring sustained confidence in its quality assurance and food safety systems for local perishable product markets; support government in developing systems to ensure compliance with South African food safety and quality standards for imported perishable products; to approve the employment equity strategy with specific targets, supported by a training programme; implement the harmonisation programme, which is aimed at ensuring consistency in the execution of the board's legislative mandate for product quality inspections; form standing committees between the department and the board to deal with particular technical issues affecting the board's statutory functions; establish a training academy aimed at assisting all stakeholders in the perishable export industry; and assist government in benchmarking South African food safety systems against globally recognised good agricultural practice.

Savings and cost effectiveness measures

The entity reviews expenses against budgets approved by the executive committee. Expenditure is reprioritised with a view to diverting resources to the provision of core services and core strategic initiatives by cutting down on international travel by R120 000 without compromising international relations, reducing the overreliance on consultants (IT related support) by R200 000, stationery and postage by R120 000, centralising all procurement procedures, and reviewing discretion projects and rescheduling timeframes for some projects.

Selected performance indicators

Table 26.27 Perishable Products Export Control Board

Indicator	Programme/Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
Number of phytosanitary incidents reported per year	Enhance credibility of export certificates	-	130	120	110	100	90	110
Number of previously disadvantaged students sponsored to attend courses per year	Capacity building	25	26	30	30	30	30	30
Number of emerging farmers certified by Global Gap per year	Support export competitiveness of South African perishable products industries	-	22	44	52	62	70	82
Value of investment in industry supports research and development programmes per year	Support export competitiveness of South African perishable products industries	R1.4m	R4.2m	R4.2m	R4.7m	R5.2m	R5.7m	R6m
Percentage accuracy of export statistics provided to perishable export industry and stakeholders	Support export competitiveness of South African perishable products industries	90% (R199 million)	96% (R193.3 million)	98% (202.4 million)	98% (R198 million)	98% (R208 million)	98% (R213 million)	99% (R217 million)

Details of programmes/activities/objectives

Table 26.28 Perishable Products Export Control Board

R thousand	Audited outcome			Revised estimate 2010/11	2011/12		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Perishable Export Quality (Core Function)	92 658	114 290	114 587	132 994	158 440	170 386	186 371
Technical Rand D	1 159	1 219	781	1 510	2 021	2 490	2 695
Industry Training and Development	1 861	1 447	3 228	6 769	9 654	6 980	6 539
Value Added Services	8 542	8 410	8 580	11 479	11 534	11 910	12 717
Total expense	104 221	125 366	127 176	152 752	181 649	191 766	208 322

The total budget allocated to the board for 2010/11 was R164.3 million, of which 93 per cent was used in the Statutory Programme, Value Added Programme, Development Programme and Governance and Corporate Services Programme.

Statutory Programme: R107 million (with a total budget of R110 million) went to delivering quality inspections and temperature management in the cold chain. The harmonisation programme is a subprogramme within inspection services with a total expense of R5 million (from a total budget of R6 million), consisting of employee and activity expenses. Major expenses are employee costs (R65 million) and activity expenses (R35 million). A significant project is the investigation of an alternative inspection methodology that is based on risk management principles. The outcome is aimed at improving process efficiencies and reducing the board's costs without increasing the risk of failure. Expenses for the first phase are minimal as it involves desktop research and the development of a report for discussion at policy level. The first phase is expected to be completed in 2011. Continuation will be dependent on approval of the research report.

Value Added Programme: R12 million (with a total budget of R12 million) went to delivering third party certifications and laboratory services. Expenses for the laboratory, totalling R4.6 million, are fully recovered from a total income of R6.8 million. Income from certification services is R5.1 million, with expenses at R4.8 million.

Development Programme includes the Agri-Technologist and Research and Development subprogrammes. In 2010/11, the Agri-Technologist subprogramme trained a total of 30 students at a total cost of R1.7 million (total budget of R1.7 million). It is expected that another 30 students will be trained in 2011/12. The Research and Development subprogramme includes 5 projects with a total value of R1.5 million including employee costs, namely, alternative methodologies for improvement of the cold chain (R90 000), developing shipping recommendations for exporting flowers via sea freight (R43 000), developing non-destructive quality measurement technology in inspections (R86 000) and investigating the groundnut supply chain for improved efficiencies (R280 000). All projects are ongoing with completion dates in 2012/13.

Governance and Corporate Services Programme has an expenditure of R25 million (with a total budget R27.7 million). Included is the development of the electronic export certification system at a total cost of R2.1 million, which includes capital expenditure of R700 000. Outputs achieved are the completion of the standardised codes for products, varieties, destination markets with the industry. The project is expected to be completed by December 2011.

Expenditure estimates

Table 26.29 Perishable Products Export Control Board

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	118 018	142 724	147 290	163 700	181 649	191 766	208 321
Sale of goods and services other than capital assets	97 535	118 515	127 777	158 216	175 782	185 488	201 603
<i>of which:</i>							
Admin fees	97 535	118 515	127 777	158 216	175 782	185 488	201 603
Other non-tax revenue	20 483	24 209	19 513	5 484	5 867	6 278	6 718
Transfers received	-	-	-	600	-	-	-
Total revenue	118 018	142 724	147 290	164 300	181 649	191 766	208 321

Table 26.29 Perishable Products Export Control Board (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Expenses							
Current expense	104 221	125 366	127 176	152 752	181 649	191 767	208 321
Compensation of employees	76 103	89 885	91 715	104 177	117 957	129 753	142 728
Goods and services	27 410	34 628	33 582	46 337	61 231	59 307	62 617
Depreciation	700	836	1 879	2 238	2 461	2 706	2 977
Interest, dividends and rent on land	8	17	-	-	-	-	-
Total expenses	104 221	125 366	127 176	152 752	181 649	191 767	208 321
Surplus / (Deficit)	13 797	17 358	20 114	11 548	-	-	-
Acquisition of assets	350	4 057	1 069	-	2 910	3 201	3 521

Expenditure trends

Over the medium term, the board's focus is to build competitive capacity in people, systems and industries to instill worldwide confidence in South African exports.

The primary source of income is fees and levies for statutory services to the perishable industry. Revenue increased from R118 million in 2007/08 to R164.3 million in 2010/11 at an average annual rate of 11.7 per cent. Over the medium term, revenue is expected to increase to R208.3 million, at an average annual rate of 8.2 per cent.

Expenditure increased at an average annual rate of 13.6 per cent, from R104 million in 2007/08 to R152.7 million in 2010/11. Spending is projected to increase from R152.7 million in 2010/11 to R208.3 million in 2013/14, at an average annual rate of 10.9 per cent. The cost drivers are expenditure in compensation of employees and on goods and services, which increase over the MTEF period by 11 per cent and 10.6 per cent. The main reasons for the increase is the filling of positions with trainees, accelerated training and development programmes and career pathing. Higher than inflationary increases are expected to continue in: office rentals (R6.1 million, with annual increases of between 8 per cent and 10 per cent); travelling caused by decentralised inspection and loading points; uncertainty about the oil prices; and accommodation for staff on relief duty in rural production areas.

Personnel information

Table 26.30 Perishable Products Export Control Board

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Board members	-	-	-	-	-	-	10	10	10	10
Board members	-	-	-	-	-	-	5	6	6	6
Executive management	-	-	-	-	-	-	13	13	13	13
Senior management	-	-	-	-	-	-	40	43	43	43
Middle management	-	-	-	-	-	-	120	120	120	120
Professionals	-	-	-	-	-	-	342	353	353	353
Semi-skilled	-	-	-	-	-	-	5	5	5	5
Total	-	-	-	-	-	-	535	550	550	550
Compensation (R thousand)				76 103	89 885	91 715	104 177	117 957	129 753	142 728
Unit cost (R thousand)				-	-	-	195	214	236	260

1. As at 30 September 2010.

The number of employees is projected to increase from 535 to 550 over the medium term.

Additional tables

Table 26.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	2009/10		2009/10	2010/11			2010/11
Administration	-	1 329 392	1 322 213	1 075 055	42 500	1 117 555	1 121 350
Agricultural Production, Health and Food Safety	-	496 346	492 077	603 674	6 569	610 243	606 848
Food Security and Agrarian Reform	-	902 617	900 619	1 048 852	43 189	1 092 041	1 091 641
Trade Promotion and Market Access	-	192 598	185 218	194 994	(49 441)	145 553	145 553
Forestry	-	876 184	861 587	647 573	107 425	754 998	754 998
Fisheries	-	77 403	200 041	137 836	145 628	283 464	283 464
Total	-	3 874 540	3 961 755	3 707 984	295 870	4 003 854	4 003 854
Economic classification							
Current payments	-	1 756 514	1 724 288	1 773 526	75 797	1 849 323	1 849 683
Compensation of employees	-	1 138 488	1 082 214	1 144 157	55 412	1 199 569	1 199 569
Goods and services	-	617 244	641 323	627 974	20 300	648 274	648 634
Interest and rent on land	-	782	751	1 395	85	1 480	1 480
Transfers and subsidies	-	2 040 948	2 155 041	1 886 518	183 330	2 069 848	2 069 848
Provinces and municipalities	-	974 107	974 202	1 117 087	50 253	1 167 340	1 167 340
Departmental agencies and accounts	-	585 563	682 353	722 881	120 664	843 545	843 545
Universities and technikons	-	1 900	1 900	-	2 100	2 100	2 100
Foreign governments and international organisations	-	35 858	29 667	34 497	3 710	38 207	38 207
Public corporations and private enterprises	-	420 981	438 790	2 801	966	3 767	3 767
Non-profit institutions	-	14 290	14 300	8 784	-	8 784	8 784
Households	-	8 249	13 829	468	5 637	6 105	6 105
Payments for capital assets	-	76 966	81 952	47 940	36 743	84 683	84 323
Buildings and other fixed structures	-	43 037	22 807	30 892	13 543	44 435	44 435
Machinery and equipment	-	33 558	58 619	16 197	21 871	38 068	37 708
Biological assets	-	-	111	-	19	19	19
Software and other intangible assets	-	371	415	851	1 310	2 161	2 161
Payments for financial assets	-	112	474	-	-	-	-
Total	-	3 874 540	3 961 755	3 707 984	295 870	4 003 854	4 003 854

Table 26.B Detail of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Department	6 304	6 304	83	1 187	2 803	6 304	6 304	7 099	6 304	6 304
Salary level 1 – 6	4 126	4 126	48	725	1 409	4 126	4 126	4 921	4 126	4 126
Salary level 7 – 10	1 825	1 825	23	378	1 156	1 825	1 825	1 825	1 825	1 825
Salary level 11 – 12	268	268	5	57	179	268	268	268	268	268
Salary level 13 – 16	85	85	7	27	59	85	85	85	85	85
Administration	831	831	11	674	704	831	831	831	831	831
Salary level 1 – 6	425	425	2	399	390	425	425	425	425	425
Salary level 7 – 10	312	312	4	212	238	312	312	312	312	312
Salary level 11 – 12	61	61	1	43	50	61	61	61	61	61
Salary level 13 – 16	33	33	4	20	26	33	33	33	33	33

Table 26.B Detail of approved establishment and personnel numbers according to salary level ¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Agricultural Production, Health and Food Safety	601	601	1	513	537	601	601	601	601	601
Salary level 1 – 6	327	327	–	326	325	327	327	327	327	327
Salary level 7 – 10	236	236	–	166	185	236	236	236	236	236
Salary level 11 – 12	28	28	1	14	18	28	28	28	28	28
Salary level 13 – 16	10	10	–	7	9	10	10	10	10	10
Food Security and Agrarian Reform	407	407	5	–	322	407	407	407	407	407
Salary level 1 – 6	182	182	2	–	152	182	182	182	182	182
Salary level 7 – 10	182	182	1	–	139	182	182	182	182	182
Salary level 11 – 12	33	33	2	–	23	33	33	33	33	33
Salary level 13 – 16	10	10	–	–	8	10	10	10	10	10
Trade Promotion and Market Access	125	125	5	–	114	125	125	125	125	125
Salary level 1 – 6	16	16	4	–	21	16	16	16	16	16
Salary level 7 – 10	89	89	–	–	57	89	89	89	89	89
Salary level 11 – 12	13	13	–	–	29	13	13	13	13	13
Salary level 13 – 16	7	7	1	–	7	7	7	7	7	7
Forestry	1 338	1 338	5	–	1 126	1 338	1 338	1 338	1 338	1 338
Salary level 1 – 6	555	555	4	–	521	555	555	555	555	555
Salary level 7 – 10	689	689	–	–	537	689	689	689	689	689
Salary level 11 – 12	84	84	1	–	59	84	84	84	84	84
Salary level 13 – 16	10	10	–	–	9	10	10	10	10	10
Fisheries	3 002	3 002	56	–	–	3 002	3 002	3 797	3 002	3 002
Salary level 1 – 6	2 621	2 621	36	–	–	2 621	2 621	3 416	2 621	2 621
Salary level 7 – 10	317	317	18	–	–	317	317	317	317	317
Salary level 11 – 12	49	49	–	–	–	49	49	49	49	49
Salary level 13 – 16	15	15	2	–	–	15	15	15	15	15

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

2. As at 30 September 2010.

Table 26.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	931 287	1 082 214	1 144 157	1 199 569	1 273 000	1 395 250	1 474 463
Training expenditure (R thousand)	20 320	24 216	16 411	19 983	13 118	14 853	25 468
Training as percentage of compensation of employees	2.2%	2.2%	1.4%	1.7%	1.0%	1.1%	1.7%
Total number trained in department (head count)	3 795	3 408	1 671	1 456			
<i>of which:</i>							
Employees receiving bursaries (head count)	238	173	173	238			
Learnerships trained (head count)	58	23	12	27			
Internships trained (head count)	190	202	219	–			
Households receiving bursaries (R thousand)	111	46	318	337	374	405	405
Households receiving bursaries (head count)	40	44	45	–			

Table 26.D Summary of conditional grants to provinces and municipalities ¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Conditional grants to provinces							
Agricultural production, health and food safety							
Ilima/Letsema Projects Grant	–	96 000	50 000	200 000	400 000	420 000	443 100
Food security and agrarian reform							
Comprehensive Agricultural Support Programme Grant	415 000	538 124	715 394	862 365	1 029 321	1 148 287	1 314 843
Agricultural starter packs	–	76 000	–	–	–	–	–
Forestry							
Land Care Programme Grant: Poverty Relief and Infrastructure	46 725	51 003	51 417	54 502	57 772	115 661	108 997
Disaster Management	300 000	136 837	156 900	50 000	–	–	–
Total	761 725	897 964	973 711	1 166 867	1 487 093	1 683 948	1 866 940

1. Detail provided in the Division of Revenue Act (2011).

Table 26.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
Foreign In cash												
European Union	South African pesticides initiative programme (portfolio 791)	Agricultural Production, Health and Food Safety	-	Foreign governments and international organisations	Reduce pesticide trace elements in fruit exported to European Union countries	21 403	-	-	15 000	-	-	-
Total			-			21 403	-	-	15 000	-	-	-

Table 26.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand										
Departmental infrastructure										
Foot and mouth disease border fence	20km elephant control fence and 20km normal fence	Various	600 000	32 000	28 000	30 000	31 000	28 000	28 000	28 000
Drilling	120 boreholes per year	Various	500 000	13 000	5 000	15 000	6 000	7 000	7 500	8 000
Lesotho	500km border fence erected and maintained by farmers, and compensated, as per court order	Various	60 000	-	-	-	4 000	2 000	2 000	2 000
Durban	Quarantine station	Identification	17 663	-	2 693	12 399	100	-	-	-
Stellenbosch	Additional administrative building	Construction	16 325	-	8 831	2 500	1 700	-	-	-
King Shaka International Airport	Sniffer dog kennels	Feasibility	3 526	-	-	-	-	771	1 941	1 174
Upington	Office and laboratory building	Feasibility	1 520	-	-	-	-	332	837	506
Upington	Store at locust control depot	Feasibility	1 520	-	-	-	484	1 169	-	-
Upington	Perimeter fence at locust control site	Feasibility	400	-	-	-	400	-	-	-
Stellenbosch	Chemical store	Tender	1 400	-	-	-	1 400	-	-	-
Grooffontein Agricultural Development Institute	New hostel accommodation for students	Feasibility	40 000	-	-	-	-	-	-	6 839
Cape Town	Sniffer dog kennels	Feasibility	3 526	-	-	-	-	771	1 941	1 174

Table 26.F Summary of expenditure on infrastructure (continued)

R thousand	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Infrastructure transfers to other spheres, agencies and departments										
Renovations and upgrading	Research	Various	406 223	49 488	51 863	57 303	62 554	67 260	70 623	74 507
Agricultural research and infrastructure	Research	Various	214 316	10 500	11 004	11 742	56 305	100 912	13 853	14 615
Foot and mouth disease facility	Foot and mouth disease vaccine	Various	149 122	-	-	-	-	43 859	105 263	-
Maintenance										
Spitskop conservation area	Repair and maintenance of existing soil conservation infrastructure	Various	-	322	2 942	2 750	935	4 000	4 000	4 200
Stellenbosch: Upgrading of existing buildings	Upgrading of existing buildings	Tender	6 200	-	-	-	6 200	-	-	-
Middelburg: Upgrading of existing buildings	Upgrading of existing buildings	Tender	3 500	-	-	-	3 500	-	-	-
Pretoria: Upgrading of Agriculture Place	Upgrading of existing buildings	Construction	5 000	-	-	-	2 100	-	-	-
Pretoria: Upgrading of Sefala Building	Upgrading of existing buildings	Construction	12 540	-	-	-	5 000	4 000	3 300	-
Total			2 042 781	105 310	110 333	131 694	181 678	260 074	239 258	141 015



**ESTIMATES
OF NATIONAL
EXPENDITURE 2011**

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126