



VOTE 28
Economic Development

**ESTIMATES
OF NATIONAL
EXPENDITURE** **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		11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
Less: Parliament (retained departmental receipts)		43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²		1 020.9	-	1 000.0	-	600.0	-	-	-
Plus: South African Revenue Service departmental receipts collection		58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
Total departmental receipts as per Budget Review		12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

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.

Economic Development

**National Treasury
Republic of South Africa**



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Vote 28

Economic Development

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	55 031	48 536	-	6 495	60 530	63 741
Economic Policy Development	23 327	23 327	-	-	29 322	30 886
Economic Planning and Coordination	499 898	35 075	464 823	-	566 559	599 450
Economic Development and Dialogue	16 284	16 284	-	-	18 294	19 257
Total expenditure estimates	594 540	123 222	464 823	6 495	674 705	713 334
Executive authority	Minister of Economic Development					
Accounting officer	Director General of Economic Development					
Website address	Not currently available					

Aim

Promote economic development through participatory, coherent and coordinated economic policy and planning for the benefit of all South Africans.

Programme purposes

Programme 1: Administration

Purpose: Coordinate and render an effective, efficient, strategic support and administrative service to the minister, deputy minister, director general, the department and its agencies.

Programme 2: Economic Policy Development

Purpose: Strengthen the economic development policy capacity of government. Review, develop and propose the alignment of economic policies. Develop policies aimed at broadening participation in the economy and creating decent work opportunities.

Programme 3: Economic Planning and Coordination

Purpose: Promote economic planning and coordination through developing economic planning proposals. Provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies. Contribute to the development of the green economy.

Programme 4: Economic Development and Dialogue

Purpose: Promote social dialogue, implement strategic frameworks, build capacity among social partners, and promote productivity, entrepreneurship and innovation in the workplace.

Strategic overview: 2009/10 – 2013/14

The Economic Development Department was established in July 2009 as part of the macro reorganisation of the state. The department is responsible for: coordinating the contributions of government departments, state entities and civil society to economic development; ensuring the alignment between economic policies and

government's political and economic objectives and mandate; and promoting government's goals of advancing economic development and opportunities for decent work.

Outcomes and related outputs

Transforming the economy requires a pro-employment growth path that addresses the structural constraints to absorbing large numbers of people into the economy and creating decent work. Government's new outcomes approach attempts to address this. The department contributes directly to the creation of decent work through inclusive economic growth (outcome 4), and the ministerial service delivery agreement was signed in October 2010.

The department has assumed responsibility for key outputs relating to this outcome, including the development of the New Growth Path, analysis of data on income distribution, concluding social pacts on decent work, strengthening the implementation of the framework for South Africa's response to the international economic crisis; developing spatial programmes; developing the green economy; implementing a multipronged strategy to reduce youth unemployment, an improved cost structure in the economy, and better integration of second economy activities into the mainstream economy. In addition, the department provides support to lead departments on a number of the sub-outputs that it does not lead.

The New Growth Path

During 2010/11, the department focused on the development of the New Growth Path and managed the consultation process with stakeholders. Cabinet endorsed the New Growth Path in October 2010, and set a target for the generation of 5 million new jobs by 2020 in order to significantly reduce unemployment. The New Growth Path drivers, resource drivers and institutional drivers that will help realise inclusive growth and decent employment over the next 10 years. Among the job drivers, the New Growth Path identifies the following key sectors to support employment creation: infrastructure; agriculture, rural development and agro-processing; mining and beneficiation; manufacturing, with emphasis on implementing industrial policy action plan II; the green economy; and the tourism, creative industries and business service industries. Cross cutting areas include: the public sector; knowledge-based sectors; the social economy; and African economic development.

Macro and microeconomic strategies

Macroeconomic strategies identified include a more active monetary policy to achieve growth and job targets, a more restrained fiscal stance, and the reprioritisation of public spending. Microeconomic measures include targeted measures to control inflationary pressures and support competitiveness and increased equity; as well as policies on skills, industry, small business, the labour market, rural development, African integration and trade. A key thrust will be engaging with social partners to promote a national consensus on policies regarding wages, prices and savings.

Framework for South Africa's response to the international economic crisis

The department leads the implementation of the measures in the Framework for South Africa's response to the international crisis. The following measures, among others, have been implemented:

- The Industrial Development Corporation established a R6.1 billion fund to assist distressed companies. Since the fund's establishment, as at 31 December 2010, R3.6 billion has been committed, saving or creating 23 322 jobs.
- The Industrial Development Corporation established a jobs fund, financed through the issue of a R2 billion development bond, which was purchased by the Unemployment Insurance Fund. R219 million of this R2 billion is included in the R6.1 billion fund for distressed companies above.
- The Department, together with the Department of Labour, the Industrial Development Corporation and the Commission for Conciliation, Mediation and Arbitration established a R2.9 billion training layoff scheme, to provide for the training of workers as an alternative to retrenchment. As of the end of January 2011 a total of 6351 workers have benefited from the scheme. The Department of Higher Education and Training will play a central role in administering the scheme in 2011/12.

Oversight functions of other entities

The department has policy oversight over three development finance institutions: the Industrial Development Corporation, Khula Enterprise Finance and the South African Micro-finance Apex Fund. The department also promotes competitiveness and decent work through its oversight of three economic regulatory bodies: the Competition Commission, the Competition Tribunal and the International Trade Administration Commission. The first steps to align the priorities of all of these institutions with the New Growth Path were taken in 2010/11.

Savings and cost effectiveness measures

The department has built the following cost effectiveness measures into its operations: focusing on bringing in professional and specialised skills and minimising support staff to increase the impact of the department's programmes; favouring an outright purchase over leasing capital items; and partnering with other institutions to host and convene policy platforms and knowledge networks as a measure of cost sharing. Other cost containment measures have been introduced in the procurement process.

As an additional savings measure approved by Cabinet, the department's budget was reduced by R1.5 million in 2011/12, and R1.6 million in 2012/13 and 2013/14. These cuts will be effected in the *Administration* programme and will involve a reduction in spending on goods and services.

Selected performance indicators

Table 28.1 Economic Development

Indicator ¹	Programme	Past ²			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of reports on the implementation of the new growth path	Economic Policy Development	-	-	-	-	4	4	4
Number of policy and analytical papers on economic policy challenges per year	Economic Policy Development	-	-	-	10	12	12	12
Number of sector plans produced, reviewed or monitored per year	Economic Policy Development	-	-	-	5	8	10	10
Value of special financing facilitated for small businesses, targeted new growth path sectors and/or companies in distress	Economic Policy Development	-	-	-	R2bn	R5bn	R5bn	R5bn
Number of reports on the implementation of interventions to address cost drivers	Economic Policy Development	-	-	-	-	2	2	2
Number of interventions leveraging state expenditure and procurement per year	Economic Planning and Coordination	-	-	-	10	12	15	15
Number of spatial plans produced, reviewed or monitored per year	Economic Planning and Coordination	-	-	-	10	12	15	15
Number of reports on the implementation of the green economy strategy	Economic Planning and Coordination	-	-	-	-	2	2	2
Number of interventions to save or create new jobs	Economic Development and Dialogue	-	-	-	-	4	4	4
Number of policy platforms, social dialogue and capacity building engagements per year	Economic Development and Dialogue	-	-	-	10	10	10	10
Number of economic development agreements (sectoral, workplace and national) facilitated with social partners per year	Economic Development and Dialogue	-	-	-	10	10	10	10

1. Indicators have been revised to focus on implementing the new growth path and the outputs and sub-outputs of addressing decent employment through inclusive economic growth (outcome 4).

2. The Department of Economic Development was formed in 2009/10 as part of the macro reorganisation of the state.

Expenditure estimates

Table 28.2 Economic Development

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	–	–	16 653	45 127	39 785	55 031	60 530	63 741
Economic Policy Development	–	–	–	17 101	7 583	23 327	29 322	30 886
Economic Planning and Coordination	245 092	220 361	297 992	376 900	335 557	499 898	566 559	599 450
Economic Development and Dialogue	–	–	–	10 712	1 549	16 284	18 294	19 257
Total	245 092	220 361	314 645	449 840	384 474	594 540	674 705	713 334
Change to 2010 Budget estimate				31 243	(34 123)	100 117	154 439	164 453
Economic classification								
Current payments	–	–	14 214	90 041	44 969	123 222	142 933	150 484
Compensation of employees	–	–	7 865	57 723	33 650	79 200	91 781	96 524
Goods and services	–	–	6 349	32 318	11 319	44 022	51 152	53 960
<i>of which:</i>								
<i>Administrative fees</i>	–	–	–	375	206	473	555	586
<i>Advertising</i>	–	–	152	1 247	108	1 620	1 839	1 940
<i>Assets less than the capitalisation threshold</i>	–	–	9	335	47	435	493	522
<i>Audit cost: External</i>	–	–	–	150	–	195	221	232
<i>Bursaries: Employees</i>	–	–	–	100	–	130	147	156
<i>Catering: Departmental activities</i>	–	–	109	410	702	516	607	642
<i>Communication</i>	–	–	193	380	696	471	556	585
<i>Computer services</i>	–	–	–	65	65	84	96	101
<i>Consultants and professional services: Business and advisory services</i>	–	–	109	4 175	(1 706)	5 971	7 161	7 556
<i>Consultants and professional services: Legal costs</i>	–	–	–	200	200	260	295	311
<i>Contractors</i>	–	–	2	370	370	481	545	576
<i>Agency and support / outsourced services</i>	–	–	30	100	100	130	147	156
<i>Entertainment</i>	–	–	2	85	85	110	125	131
<i>Fleet services (including government motor transport)</i>	–	–	–	–	16	–	–	–
<i>Inventory: Learner and teacher support material</i>	–	–	–	–	13	–	–	–
<i>Inventory: Other consumables</i>	–	–	8	10	10	13	15	16
<i>Inventory: Stationery and printing</i>	–	–	268	730	590	931	1 083	1 140
Economic classification								
Current payments								
<i>Lease payments</i>	–	–	1 636	4 074	5 444	6 641	7 530	7 944
<i>Property payments</i>	–	–	–	–	(5 116)	–	–	–
<i>Transport provided: Departmental activity</i>	–	–	–	–	(2 151)	–	–	–
<i>Travel and subsistence</i>	–	–	3 640	11 173	7 766	14 101	16 443	17 344
<i>Operating expenditure</i>	–	–	191	2 750	2 025	3 535	4 090	4 315
<i>Venues and facilities</i>	–	–	–	5 589	1 849	7 925	9 204	9 707
Transfers and subsidies	245 092	220 361	297 992	355 010	332 544	464 823	524 266	554 931
Departmental agencies and accounts	171 597	150 429	232 011	278 461	255 995	301 911	340 358	366 848
Universities and technikons	–	–	–	6 820	6 820	–	–	–
Public corporations and private enterprises	73 495	69 932	65 981	69 729	69 729	162 912	183 908	188 083
Payments for capital assets	–	–	2 439	4 789	6 961	6 495	7 506	7 919
Machinery and equipment	–	–	2 439	3 789	5 961	5 196	6 005	6 335
Software and other intangible assets	–	–	–	1 000	1 000	1 299	1 501	1 584
Total	245 092	220 361	314 645	449 840	384 474	594 540	674 705	713 334

Expenditure trends

The spending focus over the medium term will be on making transfers to entities to allow them to: provide development finance, implement competition policy effectively, and create an efficient system of trade administration. The department will also focus spending on recruiting professional staff and strengthening corporate services.

Over the medium term, expenditure is expected to increase from R449.8 million to R713.3 million, at an average annual rate of 16.6 per cent. The increased spending will mainly be in the *Economic Planning and Co-ordination* programme and will be used for transfers and subsidies. The largest increases in transfers are to the Industrial Development Corporation of South Africa, for the capitalisation of the Agro-processing Competitiveness Fund, and for funding capacity increases in the Competition Commission.

The Budget sets out additional funding of R423.7 million over the medium term as follows:

- R10 million, R45 million and R55 million for the Competition Commission to expand capacity and create a cartel unit
- R34 million in 2011/12, and R108 million in 2012/13 and 2013/14 for the Industrial Development Corporation for the capitalisation of the Agro-Processing Competitiveness Fund
- R55 million in 2011/12 to implement the Khula Direct Pilot project
- R2.6 million, R3 million and R3.1 million for improved conditions of service in the department and International Trade Administration Commission.

Personnel information

The department has an approved establishment of 265 posts. The number of posts filled is expected to grow from 63 in 2010/11 to 142 in 2013/14. Vacancies exist as the department is newly established and will be conducting a recruitment drive to fill at least 142 positions over the medium term. The ratio of administrative staff to line function staff is 1:0.9.

Departmental receipts

Revenue is generated mostly from dividends received from the Industrial Development Corporation, and fines and penalties instituted by the Competition Commission and the Competition Tribunal against companies that have been found guilty of violating competition laws. Over the seven-year period, revenue increases from R229.3 million in 2007/08 to R263.8 million in 2013/14, at an average annual rate of 2.4 per cent.

Table 28.3 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	229 291	244 395	456 000	230 000	366 293	243 800	250 000	263 750
Fines, penalties and forfeits	154 291	144 395	336 000	140 000	366 197	148 400	150 000	158 250
Interest, dividends and rent on land	75 000	100 000	120 000	90 000	96	95 400	100 000	105 500
Total	229 291	244 395	456 000	230 000	366,293	243,800	250,000	263 750

Programme 1: Administration

Expenditure estimates

Table 28.4 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	-	-	16 653	17 367	19 595	21 120	22 221
Office of the Director-General	-	-	-	4 640	5 846	6 328	6 659
General Management Services	-	-	-	23 120	29 590	33 082	34 861
Total	-	-	16 653	45 127	55 031	60 530	63 741
Change to 2010 Budget estimate				325	(1 017)	(788)	(959)

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

Economic classification

Current payments	-	-	14 214	40 338	48 536	53 024	55 822
Compensation of employees	-	-	7 865	25 664	30 237	32 145	33 795
Goods and services	-	-	6 349	14 674	18 299	20 879	22 027
<i>of which:</i>							
Administrative fees	-	-	-	135	176	199	210
Advertising	-	-	152	1 247	1 620	1 839	1 940
Assets less than the capitalisation threshold	-	-	9	315	410	464	490
Audit cost: External	-	-	-	150	195	221	232
Bursaries: Employees	-	-	-	100	130	147	156
Catering: Departmental activities	-	-	109	195	253	288	304
Communication	-	-	193	120	156	177	187
Computer services	-	-	-	65	84	96	101
Consultants and professional services: Business and advisory services	-	-	109	1 265	162	305	322
Consultants and professional services: Legal costs	-	-	-	200	260	295	311
Contractors	-	-	2	370	481	545	576
Agency and support / outsourced services	-	-	30	100	130	147	156
Entertainment	-	-	2	85	110	125	131
Current payments							
Inventory: Other consumables	-	-	8	10	13	15	16
Inventory: Stationery and printing	-	-	268	300	390	443	466
Lease payments	-	-	1 636	4 074	6 641	7 530	7 944
Travel and subsistence	-	-	3 640	3 948	4 495	5 101	5 380
Operating expenditure	-	-	191	860	1 117	1 268	1 338
Venues and facilities	-	-	-	1 135	1 476	1 674	1 767
Payments for capital assets	-	-	2 439	4 789	6 495	7 506	7 919
Machinery and equipment	-	-	2 439	3 789	5 196	6 005	6 335
Software and other intangible assets	-	-	-	1 000	1 299	1 501	1 584
Total	-	-	16 653	45 127	55 031	60 530	63 741

Expenditure trends

Spending commenced slowly in mid 2009/10 as the department is newly established. The increase in spending of R28.4 million in 2010/11 was mainly for capacity in the administrative functions including human resource management, information technology, and planning and reporting. Over the medium term, spending is expected to increase from R45.1 million in 2010/11 to R63.7 million in 2013/14, at an average annual rate of 12.2 per cent. The majority of this increased spending will be on compensation of employees and goods and services as the programme builds capacity in support services.

Programme 2: Economic Policy Development

- *Growth Path and Creation of Decent Work* focuses on the implementation of the New Growth Path together with other subprogrammes within the department, other government departments, provincial administrations, municipalities, state owned enterprises and entities. This subprogramme has a total budget of R5.2 million, of which 74 per cent is used for compensation of employees.
- *Economic Policy* evaluates macro and microeconomic policy tools used by government to promote its developmental agenda and improve the alignment, efficiency and impact of policy tools. This subprogramme has a total budget of R6.6 million, of which 71 per cent is used for compensation of employees. A policy package has been developed as part of the New Growth Path, which will be a key focus for the subprogramme. The subprogramme will also use a formal and quantified framework to establish synergy between various policies.
- *Broad Based Black Economic Empowerment* aims to enable the meaningful participation of citizens in the economy by focusing on employment equity, staff training, preferential procurement, enterprise development and the advancement of cooperatives. This subprogramme has a total budget of R3.3 million in 2010/11, of which 65 per cent is used for goods and services.
- *Second Economy* develops policies that will create and sustain livelihoods and transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and included in the country's tax and other regulatory arrangements. This subprogramme also ensures decent incomes for entrepreneurs and workers. The subprogramme is developing strategies for youth unemployment and the second economy. The total budget for this subprogramme is R2.1 million in 2010/11, of which 56 per cent is used for goods and services.

Objectives and measures

- Monitor implementation of the New Growth Path by producing quarterly reports, to reduce unemployment significantly by 2020.
- Add to the body of knowledge on macroeconomic and microeconomic matters by periodically issuing policy papers.
- Disseminate knowledge of policy options and challenges by periodically convening policy platforms.
- Provide analytical data on the real economy by establishing an economic database or knowledge repository by 2012.
- Improve the measurement of economic development over time by establishing a new economic development index by 2012.
- Identify synergies between various policies by developing a formal and quantified framework (model) by 2012.
- Contribute to the alignment of Broad Based Black Economic Empowerment with the New Growth Path by developing Broad Based Black Economic Empowerment policy frameworks.
- Establishment of an Economic Development Institute which would draw down on the skills and talents of various stakeholders in particular higher learning and research institutions.
- Address youth unemployment and the integration of the second economy into the mainstream economy by developing, implementing, monitoring and evaluating relevant strategies.

Expenditure estimates

Table 28.5 Economic Policy Development

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							
Growth Path and Creation of Decent Work	-	-	-	5 226	6 139	7 899	8 316
Economic Policy	-	-	-	6 555	8 400	10 801	11 372
Broad Based Black Economic Empowerment	-	-	-	3 252	6 130	7 338	7 738
Second Economy	-	-	-	2 068	2 658	3 284	3 460
Total	-	-	-	17 101	23 327	29 322	30 886
Change to 2010 Budget estimate				(1 049)	191	319	295
Economic classification							
Current payments	-	-	-	17 101	23 327	29 322	30 886
Compensation of employees	-	-	-	10 592	12 940	17 335	18 242
Goods and services	-	-	-	6 509	10 387	11 987	12 644
<i>of which:</i>							
Administrative fees	-	-	-	60	78	90	95
Assets less than the capitalisation threshold	-	-	-	5	7	7	8
Catering: Departmental activities	-	-	-	60	74	90	96
Communication	-	-	-	75	91	106	111
Consultants and professional services: Business and advisory services	-	-	-	1 400	2 470	2 850	3 006
Inventory: Stationery and printing	-	-	-	80	107	121	127
Travel and subsistence	-	-	-	2 300	3 510	4 050	4 273
Operating expenditure	-	-	-	895	1 164	1 343	1 417
Venues and facilities	-	-	-	1 634	2 886	3 330	3 511
Total	-	-	-	17 101	23 327	29 322	30 886

Expenditure trends

Spending over the medium term will be focused in the *Economic Policy* and *Growth Path and Creation of Decent Work* subprogrammes as the department implements aspects of the New Growth Path and decent employment through inclusive economic growth (outcome 4).

The programme has only begun to incur expenditure in 2010/11 as it is newly established. Over the medium term, spending is expected to increase from R17.1 million to R30.9 million, at an average annual rate of 21.8 per cent. The bulk of the increase is on spending in compensation of employees and goods and services, which are projected to increase by R7.6 million and R6.1 million as the programme is brought to full capacity. The ratio of administrative costs to line function costs in this programme is 1:0.3.

Programme 3: Economic Planning and Coordination

- *Spatial, Sector and Planning* focuses on developing and coordinating economic plans for South Africa which help realise government's broader goals. This entails identifying distressed regions and labour-absorbing sectors, and monitoring the impact of government's work. The subprogramme will prepare economic plans for submission to the National Planning Commission, Cabinet and provinces. The total budget for this subprogramme is R10.5 million in 2010/11, of which 53 per cent is for compensation of employees.
- *Economic Development, Financing and Procurement* undertakes research and analysis on development programmes and processes, budgeting and procurement within the state to identify opportunities to improve local procurement and production and meet broader economic development goals. This subprogramme has a total budget of R3.8 million in 2010/11, of which 67 per cent is for compensation of employees.
- *Investment for Economic Development* provides policy oversight and strategic direction to the Industrial Development Corporation of South Africa, Khula Enterprise Finance, the South African Micro-finance Apex

Fund, as well as provincial agencies. This entails transfers to these entities to facilitate the provision of development finance at concessionary rates. This subprogramme has a total budget of R162.2 million, of which 97 per cent is for transfers and subsidies. The Industrial Development Corporation shall establish the Agro-Processing Competitiveness Fund to boost competitiveness by encouraging new entrants in the agro-processing sector.

- *Competitiveness and Trade for Decent Work* provides policy oversight and strategic direction to the Competition Commission, Competition Tribunal and the International Trade Administration Commission. This entails reducing anti-competitive practices in the economy through investigation and prosecution of offenders in key sectors. The subprogramme has a total budget of R200.4 million, of which 98 per cent is for transfers and subsidies. The subprogramme provides information and analysis regarding the use of competition and trade measures to promote economic development goals. It also develops proposals for promoting economic goals through regional, continental and international economic engagement.
- *Green Economy* identifies, develops and supports projects, incentives and other measures; and engages with government and non-governmental stakeholders to maximise the job creation potential of green economic activities.

Objectives and measures

- Promote economic planning and coordination by:
 - periodically submitting economic planning proposals to the National Planning Commission, Cabinet and the provinces
 - coordinating and developing sector plans for key sectors
 - developing proposals for harmonising national, provincial and local economic development plans
 - developing spatial economic development action plans
 - exercising policy, strategy and budgetary oversight over identified development finance institutions and economic regulatory bodies
 - developing a strategy to enhance investment for economic development
 - periodically disseminating research papers on government's developmental priorities and the ways in which measures such as procurement and expenditure can enhance these priorities.
- Promote South Africa's international relations strategy and economic development by engaging with regional and international agencies and multilateral institutions.
- Grow the green economy sector through coordinating government and private sector players, including by establishing a dedicated fund.
- Grow the agro-processing sector by coordinating government and private sector players, including by establishing a dedicated fund to support enhanced competitiveness.

Expenditure estimates

Table 28.6 Economic Planning and Coordination

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Spatial, Sector and Planning	–	–	–	10 494	16 810	20 273	21 342
Economic Development, Financing and Procurement	–	–	–	3 806	5 165	6 228	6 556
Investment for Economic Development	157 494	108 025	143 328	162 204	260 097	284 990	294 703
Competitiveness and Trade for Decent Work	87 598	112 336	154 664	200 395	217 826	255 068	276 849
Green Economy	–	–	–	1	–	–	–
Total	245 092	220 361	297 992	376 900	499 898	566 559	599 450
Change to 2010 Budget estimate				32 498	100 780	154 635	164 872
Economic classification							

Table 28.6 Economic Planning and Coordination (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
Current payments	-	-	-	21 890	35 075	42 293	44 519
Compensation of employees	-	-	-	14 960	25 206	30 314	31 883
Goods and services	-	-	-	6 930	9 869	11 979	12 636
<i>of which:</i>							
Administrative fees	-	-	-	165	199	244	257
Assets less than the capitalisation threshold	-	-	-	15	18	22	24
Catering: Departmental activities	-	-	-	145	176	214	226
Communication	-	-	-	185	224	273	287
Consultants and professional services:	-	-	-	960	2 624	3 181	3 358
Business and advisory services	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	250	304	369	389
Travel and subsistence	-	-	-	3 575	4 341	5 267	5 555
Operating expenditure	-	-	-	465	565	684	722
Venues and facilities	-	-	-	1 170	1 418	1 725	1 818
Transfers and subsidies	245 092	220 361	297 992	355 010	464 823	524 266	554 931
Departmental agencies and accounts	171 597	150 429	232 011	278 461	301 911	340 358	366 848
Universities and technikons	-	-	-	6 820	-	-	-
Public corporations and private enterprises	73 495	69 932	65 981	69 729	162 912	183 908	188 083
Total	245 092	220 361	297 992	376 900	499 898	566 559	599 450
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	171 597	150 429	232 011	278 461	301 911	340 358	366 848
Competition Commission	23 221	44 000	80 739	117 661	126 595	159 020	175 291
Competition Tribunal	8 670	9 909	13 040	13 625	15 175	15 600	16 458
International Trade Administration Commission	55 707	58 427	60 885	64 343	69 604	72 666	76 908
South African Micro-finance Apex Fund	83 999	38 093	77 347	82 832	90 537	93 072	98 191
Public corporations and private enterprises							
Public corporations							
Public corporations - subsidies on products and production							
Current	73 495	69 932	65 981	69 729	67 912	143 908	148 083
Industrial Development Corporation	-	-	-	-	34 000	108 000	108 000
Khula Enterprise Finance Limited	73 495	69 932	65 981	69 729	33 912	35 908	40 083
Capital	-	-	-	-	95 000	40 000	40 000
Khula Enterprise Finance Limited	-	-	-	-	40 000	40 000	40 000
Khula Direct pilot	-	-	-	-	55 000	-	-
Universities and technikons							
Current	-	-	-	6 820	-	-	-
Wits University - Economic Development Capacity Building Course	-	-	-	2 000	-	-	-
University of Johannesburg - Academy for Social Economy	-	-	-	4 820	-	-	-

Expenditure trends

The spending focus over the medium term will be on making transfers to entities to allow them to provide development finance, and effectively implement competition policy and trade administration.

Over the medium term, spending is expected to increase from R376.9 million to R599.5 million, at an average annual rate of 16.7 per cent. The majority of this increase is concentrated in the *Investment for Economic Development* and the *Competitiveness and Trade for Decent Work* subprogrammes, and will be used for transfers and subsidies. The ratio of administrative costs to line function costs in this programme is 2:1.

Programme 4: Economic Development and Dialogue

- *National Social Dialogue and Strategic Frameworks* contributes to social dialogue on economic development issues and policy development; and co-ordinates, monitors and ensures the development and implementation of action plans and framework agreements on the global economic crisis as well as those that are envisaged such as the national economic development and decent work pacts. This subprogramme has a total budget of R7.2 million in 2010/11, of which 50 per cent is used for compensation of employees. The subprogramme promotes dialogue with social partners and implements framework agreements in collaboration with them.
- *Sector and Workplace Social Dialogue* promotes workplace and sector agreements and social pacts that address challenges of growth and development, job creation and retention, and productivity and innovation. The subprogramme has a total budget of R400 000 in 2010/11, which is all used for goods and services.
- *Capacity Building for Economic Development* promotes and builds the research output and knowledge base of social partners of economic development sectors, and issues relating to equity and productivity. This is done by implementing appropriate empowering mechanisms. This subprogramme has a total budget of R1.7 million in 2010/11, which is all used for compensation of employees. It will also harness economic development expertise through an advisory panel, knowledge networks and learning events.
- *Productivity, Entrepreneurship, Innovation* develops a policy framework for increasing productivity and enhancing entrepreneurship and innovation. The subprogramme has a total budget of R1.5 million in 2010/11, of which 83 per cent is used for compensation of employees.

Objectives and measures

- Promote dialogue among social partners by convening and participating in national social dialogue forums on economic development on an ongoing basis.
- Promote productivity and equity by facilitating social pacts at workplace, sector and national levels.
- Alleviate hardship as a result of the economic downturn and mobilise society behind common socioeconomic goals by facilitating, monitoring and reporting on the implementation of framework agreements and social pacts.
- Enhance the understanding of the challenges and opportunities of economic development by hosting learning events for economic development knowledge networks.
- Secure stakeholder partnerships for major government initiatives such as the New Growth Path by hosting an annual economic development conference.
- Inform the development of new policies by establishing an advisory panel on economic development to get advice from prominent experts on the challenges facing government.

Expenditure estimates

Table 28.7 Economic Development and Dialogue

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
National Social Dialogue and Strategic Frameworks	-	-	-	7 151	10 965	12 361	13 016
Sector and Workplace Social Dialogue	-	-	-	400	520	600	633
Capacity Building for Economic Development	-	-	-	1 710	2 628	2 912	3 062
Productivity, Entrepreneurship, Innovation	-	-	-	1 451	2 171	2 421	2 546
Total	-	-	-	10 712	16 284	18 294	19 257
Change to 2010 Budget estimate				(531)	163	273	245

Table 28.7 Economic Development and Dialogue (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	-	-	-	10 712	16 284	18 294	19 257
Compensation of employees	-	-	-	6 507	10 817	11 987	12 604
Goods and services	-	-	-	4 205	5 467	6 307	6 653
<i>of which:</i>							
Administrative fees	-	-	-	15	20	22	24
Catering: Departmental activities	-	-	-	10	13	15	16
Consultants and professional services:	-	-	-	550	715	825	870
Business and advisory services	-	-	-				
Inventory: Stationery and printing	-	-	-	100	130	150	158
Travel and subsistence	-	-	-	1 350	1 755	2 025	2 136
Operating expenditure	-	-	-	530	689	795	838
Venues and facilities	-	-	-	1 650	2 145	2 475	2 611
Total	-	-	-	10 712	16 284	18 294	19 257

Expenditure trends

The spending focus over the medium term will be on filling senior and support posts, establishing monitoring and reporting systems, and hosting social dialogue forums and learning events.

The programme has only begun to incur expenditure in 2010/11 as it is newly established. Over the medium term, spending is expected to increase from R10.7 million to R19.3 million, at an average annual rate of 21.7 per cent. The increase is concentrated in the *National Social Dialogue and Strategic Frameworks* and *Capacity Building for Economic Development* subprogrammes and will mostly be used for compensation of employees.

The ratio of administrative costs to line function costs in this programme is 1:0.2.

Public entities and other agencies

Competition Commission

Strategic overview: 2007/08 – 2013/14

The Competition Commission was established in terms of the Competition Act (1998), and is responsible for promoting competitive market conditions. The commission's activities revolve around: the investigation, prevention and prosecution of horizontal or vertical restrictive practices that are prohibited in terms of the act; the investigation and prosecution of the abuse of dominance, which includes price discrimination, exclusionary acts, and excessive pricing; merger reviews and analysis to determine whether a proposed merger would prevent or lessen competition, as well as its impact on public interest issues such as employment and Black Economic Empowerment; the analysis of exemption applications in terms of section 10 and schedule 1 of the act; and advocating for key stakeholders to make competition sensitive decisions, either in formulating policy and legislation or in conducting their day-to-day business.

With effect from 1 April 2010, the commission has been transferred from the Department of Trade and Industry to the Economic Development Department.

Between 2007/08 and 2009/10, the commission continued with its proactive focus on enforcement work in line with its strategic objectives set in 2006. The commission's main focus was on cartel behaviour in identified priority sectors (infrastructure and construction, food and agro-processing, intermediate industrial products and financial services). This resulted in the successful dismantling of a number of cartels including those involved in the bread, plastic pipes, pre-cast concrete and industries involved in the supply of intravenous medical products.

Over the MTEF period, the focus will shift from specific activities to achieving demonstrable competitive outcomes in the economy (prioritisation for impact), increasing stakeholder engagements to improve the competitive environment for economic activity, and building a high performance competition regulatory authority. These strategic priorities will contribute to government's goal of achieving decent employment through inclusive economic growth (government outcome 4), as competition policy can play a meaningful role in improving competitiveness and removing obstacles to growth. The commission also contributes to an efficient, competitive and responsive economic infrastructure network (outcome 6). The demands placed on the authority to realise these objectives as well as the growing caseload, has resulted in an expansion of operational resources to ensure that targeted outcomes are effectively achieved. This has resulted in an increase in the grant allocation over the medium term.

Savings and cost-effectiveness measures

The commission has consciously worked at inculcating a savings culture and is continuously trying to find ways of using scarce resources more effectively. The commission has matched equally its expenditure to the grant allocations over the medium term by performing a cost analysis, implementing an internal budget review processes and prioritising cases with a significant impact on the economy.

Selected performance indicators

Table 28.8 Competition Commission

Indicator	Programme/Activity	Past	Current	Project				
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of merger cases registered per year	Mergers and Acquisitions	513	414	180	-	-	-	-
Number of complaints received per year about prohibited practices	Enforcement and Exemptions	193	210	172	-	-	-	-
Number of prohibited practices cases initiated per year	Enforcement and Exemptions	10	23	31	-	-	-	-
Number of prohibited practices cases referred to the Competition Tribunal per year	Legal Services	24	22	13	-	-	-	-
Number of research projects per year on specific sectors and topics related to industrial organisation	Policy and Research	6	5	29	-	-	-	-
Number of exemption evaluations completed per year	Enforcement and Exemptions	-	-	-	2	1	1	1
Number of corporate leniency applications completed per year	Enforcement and Exemptions	-	-	-	-	12	13	13
Number of mergers approved per year	Mergers and Acquisitions	-	-	-	201	216	227	238
Value of income from merger fees per year	Mergers and Acquisitions	-	-	-	R37.25m	R38.25m	R40.2m	R42.2m
Number of guidelines issued to stakeholders per year	-	-	-	-	2	2	2	2
Number of case reports produced per year	Legal Services	-	-	-	2	2	2	2
Number of employment equity plans submitted per year	-	-	-	-	1	1	1	1

Details of programmes/activities/objectives

The commission has a staff complement of 137 and a total budget of R162.5 million in 2010/11.

Mergers and Acquisitions reviews, investigates and analyses mergers and acquisitions to ensure that a transaction does not prevent or lessen competition to the detriment of consumers.

Enforcement and Exemptions investigates complaints of restrictive horizontal and vertical practices, abuse of dominant positions, and reviews exemption applications.

Legal Services prosecutes anti-competitive behaviour and litigates cases before the Competition Tribunal and other courts.

Policy and Research assists with economic analysis in complex cases, conducts market studies on the existence and implications of possible anti-competitive behaviour, and develops economic briefs and reports.

Expenditure estimates

Table 28.9 Competition Commission

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	62 668	55 245	32 553	41 983	42 540	44 667	46 900
Sale of goods and services other than capital assets	57 312	50 506	30 380	39 526	40 140	42 147	44 254
<i>of which:</i>							
Admin fees	57 312	50 506	30 380	39 526	40 140	42 147	44 254
Other non-tax revenue	5 356	4 739	2 173	2 457	2 400	2 520	2 646
Transfers received	23 221	44 000	80 739	122 661	131 595	159 020	175 291
Total revenue	85 889	99 245	113 292	164 644	174 135	203 687	222 191
Expenses							
Current expense	82 386	101 823	123 470	155 319	167 235	196 442	214 584
Compensation of employees	39 550	54 938	71 557	90 131	105 116	116 110	124 464
Goods and services	41 971	46 053	49 253	60 558	58 139	77 269	87 576
Depreciation	811	807	2 432	4 541	3 891	2 969	2 445
Interest, dividends and rent on land	54	25	228	90	90	95	99
Transfers and subsidies	9 285	8 814	5 203	7 225	6 900	7 245	7 607
Total expenses	91 671	110 637	128 673	162 544	174 135	203 687	222 191
Surplus / (Deficit)	(5 782)	(11 392)	(15 381)	2 099	-	-	-
Statement of financial position							
Carrying value of assets	2 905	4 993	6 837	5 600	2 746	3 865	2 561
<i>of which: Acquisition of assets</i>	1 462	3 166	4 275	3 303	1 036	4 088	1 142
Inventory	-	55	165	165	165	165	165
Receivables and prepayments	548	119	652	813	650	837	879
Cash and cash equivalents	45 223	32 659	18 855	23 405	22 968	24 481	25 596
Total assets	48 676	37 826	26 509	29 982	26 529	29 347	29 201
Accumulated surplus/deficit	32 610	21 217	5 834	7 933	7 934	7 934	7 934
Capital and reserves	-	-	-	5	5	5	5
Trade and other payables	15 508	14 474	18 480	20 912	18 436	19 254	20 108
Provisions	277	2 112	154	154	154	154	154
Liabilities not classified elsewhere	281	23	2 041	978	0	2 000	1 000
Total equity and liabilities	48 676	37 826	26 509	29 982	26 529	29 347	29 201

Expenditure trends

The spending focus over the medium term is on increasing the capacity of the commission to meet the high demand for their services as well as increased responsibilities as laid out in the amended Competition Act (1998).

Revenue is generated mostly from transfers from the Economic Development Department and filing fees from external parties mainly related to merger and acquisition transactions. Between 2007/08 and 2010/11, revenue increased from R85.9 million to R164.6 million, at an average annual rate of 24.2 per cent. Over the medium term, revenue is expected to increase to R222.2 million, at an average annual rate of 10.5 per cent. The increase in transfers is offset by a decrease in filing fees as a result of raising merger thresholds in April 2009, which resulted in a decrease in the number of merger notifications and the income generated from mergers. Merger activity is expected to increase by 5 per cent per year over the medium term.

Expenditure increased from R91.7 million in 2007/08 to R162.5 million in 2010/11, at an average annual rate of 21 per cent. Over the medium term, expenditure is expected to increase to R222.2 million, at an average annual rate of 11 per cent. The growth in both periods is due to the increase in investigations arising from the commission's proactive approach to enforcement activities and its corporate leniency policy. The number of

cases before the tribunal also increased, adding to the growth in spending. Case related costs for litigation and economic experts are expected to increase from R21 million in 2009/10 to R31 million in 2010/11. This trend is expected to continue over the medium term with the criminalisation of cartels and envisaged market enquiries.

Personnel information

The commission has an establishment of 97 posts, of which 137 are funded and 62 are additional to the approved establishment. The number of posts filled increased from 116 in 2007/08 to 137 in 2010/11 and is expected to grow to 194 over the medium term. This growth will allow to commission to increase the number of investigations it undertakes and to create a cartel unit. The commission's services are in high demand from the public and they were given additional powers and responsibilities under the amended Competition Act (1998).

There are 22 vacancies within the department, of which 8 are at the professional level and 5 are at the semi-skilled level. The ratio of temporary staff to permanent staff is 1:9. The ratio of expenditure on consultants to compensation of regular employees is 1:11.6.

Table 28.10 Competition Commission

	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	9	7	2	6	7	7	7	8	8	8
Senior management	15	19	2	11	16	18	19	26	28	27
Middle management	6	13	2	10	10	11	13	22	26	31
Professionals	43	62	8	46	52	63	62	76	80	78
Semi-skilled	24	23	5	23	23	23	23	30	31	29
Very low skilled	-	13	3	20	24	16	13	21	21	21
Total	97	137	22	116	132	138	137	183	194	194
Compensation (R thousand)				39 550	54 938	71 557	90 131	105 116	116 110	124464
Unit cost (R thousand)				341	416	519	658	574	599	642

1. As at 30 September 2010.

Competition Tribunal

Strategic overview: 2007/08 – 2013/14

The Competition Act (1998) is administered by three autonomous agencies: the Competition Commission, the Competition Tribunal and the Competition Appeal Court. All large corporate mergers and alleged restrictive practices are brought before the tribunal by the Competition Commission and interested parties for adjudication. The tribunal may also hear appeals from certain decisions which the commission is empowered to make. The function of the oversight of the Competition Tribunal was transferred from the Department of Trade and Industry to the Economic Development Department with effect from 1 April 2010.

The tribunal is an adjudicative agency and its quasi-judicial nature precludes it from setting proactive objectives or embarking on focused interventions that target any particular sector or emphasise any specific criterion in its decision-making. The tribunal's caseload is determined entirely by complaint referrals and notified mergers and each case is adjudicated on its own merits.

To give effect to the objectives of the relevant acts governing its operations, the tribunal has set itself four strategic outcomes. These are to: promote and maintain competition within South Africa by holding hearings and adjudicating matters; educate and create awareness of competition matters to its stakeholders; develop the expertise of tribunal members and staff; and improve the tribunal's service to its customers.

The tribunal has attempted to align its legislative mandate with the performance outcomes and policy drivers that the Economic Development Department has identified, as well as with government's 12 outcomes. The tribunal's work relates directly to an efficient and competitive and responsive economic infrastructure network (outcome 6) and the related output of improving competition and regulation (output 1), and an efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship (outcome 12). The tribunal also supports decent employment through inclusive growth (outcome 4), including improved

support to small business and cooperatives, promoting more labour absorbing growth, and raising competitiveness and net exports. In relation to the Economic Development Department, the tribunal's priorities are aligned with the department's outcomes linked to providing business with support, more labour absorbing growth and raising competitiveness and net exports.

Savings and cost effectiveness measures

The tribunal has limited ability to identify line items where savings can be applied. It has, however, continued to implement initiatives that restrict spending on travel, and training and conferences, such as travelling by economy class locally as well as rationalising attendance of conferences. Service delivery is centred on the turnaround times for hearings, decisions issued and reasons given. The tribunal meets these requirements and achieves cost effectiveness as resources are used efficiently.

Selected performance indicators

Table 28.11 Competition Tribunal

Indicator	Programme/Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of larger matters referred by the Commission per year	Adjudication	102	104	40	26	-	-	-
Number of large matters heard (some from a previous period) per year	Adjudication	100	102	42	24	-	-	-
Number of larger mergers heard within specified turnaround times per year	Adjudication	88	81	25	22	-	-	-
Number of larger merger orders issued per year	Adjudication	98	102	42	24	-	-	-
Number of larger merger orders issued within specified timeframes per year	Adjudication	98	102	29	24	-	-	-
Other matters (not larger mergers heard)	Adjudication	47	38	14	36	-	-	-
Number of media reports	Adjudication	482	375	268	198	-	-	-
Percentage of large mergers set down within 10 business days	Adjudication	-	-	-	-	75%	75%	75%
Percentage of Large merger orders issued within 10 business days	Adjudication	-	-	-	-	98%	98%	98%
Percentage of merger reasons issued within 20 business days	Adjudication	-	-	-	-	56%	57%	58%
Percentage of opposed prohibited practices - prehearing invite sent within 60 business days	Adjudication	-	-	-	-	90%	90%	90%
Percentage of opposed prohibited practices - orders and reasons issued within 60 business days	Adjudication	-	-	-	-	80%	80%	80%
Percentage of consent orders issued within 20 business days	Adjudication	-	-	-	-	75%	75%	75%
Percentage of procedural matters - orders issued within 20 business days	Adjudication	-	-	-	-	85%	85%	85%
Percentage of Interim relief cases - reasons issued within 20 business days	Adjudication	-	-	-	-	85%	85%	85%
Percentage of turnaround time for all reasons for decisions to be posted on website within 24 hours after release	Adjudication	-	-	-	-	97%	97%	97%
Number of Tribunal Tribunes distributed	Adjudication	-	-	-	-	3	3	3
Percentage of merger orders published in the Government Gazette within 20 days of final decision	Adjudication	-	-	-	-	100%	100%	100%
Percentage of press releases of all final decisions issued to the media	Adjudication	-	-	-	-	100%	100%	100%
Percentage of conferences and training courses attended	Adjudication	-	-	-	-	75%	75%	75%
Percentage of satisfied customers from biannual survey results	Adjudication	-	-	-	-	76%	76%	75%

Details of programmes/activities/objectives

Table 28.12 Competition Tribunal

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Personnel	7 739	9 433	10 009	13 055	14 781	15 667	16 607
Training	1 433	1 306	1 408	820	1 511	1 603	1 699
Professional Services	4 510	5 123	4 706	3 743	4 678	4 957	5 254
Recruitment Costs	51	71	–	–	120	127	134
Administrative Expenses	1 499	1 354	1 819	1 937	3 248	3 181	2 966
Other Objectives	195	303	359	937	1 199	1 418	1 502
Total expense	15 427	17 590	18 301	20 492	25 537	26 953	28 162

The sole and core activity of the tribunal is adjudication, and it is therefore not project or programme driven. The Tribunal consists of 10 panel members, appointed by the president, 3 of whom are full time and 7 part time. The members are supported by a secretariat staff of 14, with 5 of these being case managers who deal with specific cases. The tribunal's total budget is R20.5 million, of which 64 per cent is used for personnel expenses. Since 2008/09, there has been an increase in the number of restrictive practice cases, particularly cartel cases, being referred to the tribunal, several of which have come in the form of consent orders.

Expenditure estimates

Table 28.13 Competition Tribunal

Statement of financial performance

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	10 797	10 688	6 790	7 204	10 362	11 353	11 704
Sale of goods and services other than capital assets	9 286	8 816	5 204	6 036	7 250	7 250	7 250
<i>of which:</i>							
<i>Admin fees</i>	9 286	8 816	5 204	6 036	7 250	7 250	7 250
<i>Other non-tax revenue</i>	1 511	1 872	1 586	1 168	3 112	4 103	4 454
Transfers received	8 670	9 909	13 040	13 625	15 175	15 600	16 458
Total revenue	19 467	20 597	19 830	20 829	25 537	26 953	28 162
Expenses							
Current expense	15 427	17 590	18 301	20 492	25 537	26 953	28 162
Compensation of employees	7 739	9 433	10 009	13 055	14 781	15 667	16 607
Goods and services	7 448	7 798	7 884	6 939	10 267	10 618	10 851
Depreciation	197	300	359	498	489	668	704
Interest, dividends and rent on land	43	59	49	–	–	–	–
Total expenses	15 427	17 590	18 301	20 492	25 537	26 953	28 162
Surplus / (Deficit)	4 040	3 007	1 530	337	–	–	–
Statement of financial position							
Carrying value of assets	814	904	1 147	3 236	3 610	3 772	3 306
<i>of which: Acquisition of assets</i>	165	396	689	2 693	863	830	238
Inventory	21	26	14	20	20	20	–
Receivables and prepayments	1 098	77	897	750	700	650	650
Cash and cash equivalents	16 450	20 839	21 301	19 233	16 447	12 882	9 514
Total assets	18 383	21 846	23 359	23 239	20 777	17 324	13 470
Accumulated surplus/deficit	16 774	19 778	21 307	21 539	19 127	15 724	11 870
Trade and other payables	468	1 313	1 338	900	850	800	800
Provisions	871	428	344	400	425	450	450
Liabilities not classified elsewhere	270	327	370	400	375	350	350
Total equity and liabilities	18 383	21 846	23 359	23 239	20 777	17 324	13 470

Expenditure trends

Spending over the MTEF period will continue to focus on adjudication of cases brought before the tribunal.

Revenue is generated from transfers by the Economic Development Department and the tribunal's own income, which is generated from filing fees charged for merger applications. Between 2007/08 and 2010/11, revenue increased from R19.5 million to R20.8 million, at an average annual rate of 2.3 per cent. Over the medium term, revenue is expected to increase to R28.2 million, at an average annual rate of 10.6 per cent. The increase in both periods is driven by an increase in transfers. Transfers allocated by the department over the MTEF period are expected to increase from R15.1 million to R16.5 million.

Expenditure has grown from R15.4 million in 2007/08 to R20.5 million in 2010/11, at an average annual rate of 9.9 per cent. Over the MTEF the expenditure is expected to increase to R28.4 million, at an average annual rate of 11.2 per cent. The increase in both periods is mainly due to increases in compensation of employees and corresponding increases in the use of goods and services. The tribunal is not project driven and its budget is primarily an administrative budget. Provision is made for legal fees as certain cases require the tribunal to seek a legal opinion.

Personnel information

The tribunal has an establishment of 19 posts, of which 18 are funded. The number of posts filled increased from 17 in 2007/08 to 18 in 2010/11 and is expected to grow to 19 over the medium term. There are no vacancies within the tribunal.

Table 28.14 Competition Tribunal

	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	–	2	2	2	2	2	2	2
Senior management	4	4	–	4	4	4	4	4	4	4
Middle management	3	3	–	2	2	3	3	3	3	3
Professionals	6	5	–	5	4	4	5	6	6	6
Semi-skilled	4	4	–	4	4	4	4	4	4	4
Total	19	18	–	17	16	17	18	19	19	19
Compensation (R thousand)				7 739	9 433	10 009	13 055	14 781	15 667	16 607
Unit cost (R thousand)				455	590	589	725	778	825	874

1. As at 30 September 2010.

Industrial Development Corporation of South Africa

Strategic overview: 2007/08 – 2013/14

The Industrial Development Corporation is a national development finance institution and has been reporting to the Economic Development Department since 1 April 2010.

The primary objective of the corporation is to support industrial capacity development in line with the New Growth Path and Industrial Policy Action Plan II. The main outcome that the corporation aims to achieve through its support for the implementation of these policies is to facilitate the creation of sustainable employment opportunities. Secondary outcomes include regional equity, a more vibrant SMME sector, broad based black economic empowerment, new entrepreneurs in the economy, and environmentally sustainable growth. These outcomes can only be achieved if the corporation remains financially sustainable. In terms of government's 12 outcomes, the corporation contributes directly to creating decent employment through inclusive economic growth (outcome 4) and to creating a better South Africa and contributing to a better and safer Africa and world (outcome 11). To catalyse investment and allow for the development of these industries, the corporation aims to more than double its funding over the next five years to R100 billion, compared to the R39 billion over the five years to 2009/10.

To more effectively support the New Growth Path and Industrial Policy Action Plan II, the corporation is restructuring its operations to increase its focus on the priority sectors and stopping activities in sectors not aligned to these policies. This means, for example, establishing a business unit to focus on green industries, so that it can become a leader in this field. Other sector priorities in the New Growth Path and Industrial Policy Action Plan II are covered sufficiently in the corporation's existing business units and do not require any changes in the organisation. Two sectors in which the corporation is stopping activities are franchising and construction, so that it can concentrate on the priority sectors.

In order to increase its development activities, there will be more reliance on early stage project development, funding and implementation, and the corporation will continue to fund entrepreneurs who are establishing and expanding businesses in the priority sectors. To create an environment conducive to the development of these industries, the corporation will also provide policy makers with industrial and other economic research and analysis, to inform industrial policy development and highlight areas that are constraining industrial development.

Savings and cost effectiveness measures

The corporation has been implementing measures to control costs, especially in areas that will not directly impact service delivery, such as event sponsorships. Over the six months to September 2010, administration expenses were reduced by 6 per cent compared to the same period in the previous year. The corporation is alleviating increased capacity demands by improving efficiencies and exiting activities that are not core to the implementation of the New Growth Path and Industrial Policy Action Plan.

Selected performance indicators

Table 28.15 Industrial Development Corporation of South Africa

Indicator	Programme/Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of jobs expected to be created and saved in South Africa per year through funding proposals	Job creation	33 637	26 761	39 836	50 113	39 069	41 227	41 227
Total value of funding approvals per year	Development Financing	R8.5bn	R10.8bn	R12.6bn	R14.3bn	R14.1bn	R14.9bn	R14.9bn
Value of funding approvals to the rest of Africa per year	Africa Unit	R2.1bn	R2.9bn	R1.8bn	R1.9bn	R3.7bn	R3.9bn	R3.9bn
Total funding approvals to distressed companies per year	Distressed Companies	-	-	R2.9bn	R3.3bn	-	-	-
Value of dividends received from unlisted investments per year	Development Financing	R899m	R2.2bn	R530m	R530m	R530m	R530m	R530m

Details of programmes/ activities/objectives

The corporation aims to approve funding of R100 billion for the period 2011/12 to 2015/16 based on some constraints to the development of industry being removed. These include government decisions on certain projects and bottlenecks in processes related to permits and licensing. The corporation's total budget for 2010/11 is R7.8 billion. Sectors with the largest budgeted amounts for investment are green industries (25 per cent), mining and minerals beneficiation (23 per cent), industrial infrastructure and cross-sectoral projects (11 per cent), chemicals and allied industries (10 per cent), metal products (5 per cent) and agro-industries (5 per cent). The Agro-Processing Competitiveness Fund will be capitalised by R250 million. The aim is to facilitate increased competition, growth and development in the agro-processing sector.

Expenditure estimates

Table 28.16 Industrial Development Corporation of South Africa

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	10 377 000	17 135 000	9 190 000	10 004 000	10 222 400	11 002 140	11 848 829
Sale of goods and services other than capital assets	4 657 000	9 480 000	3 959 000	4 200 000	4 410 000	4 630 500	4 862 025
<i>of which:</i>							
Other sales	4 657 000	9 480 000	3 959 000	4 200 000	4 410 000	4 630 500	4 862 025
Other non-tax revenue	5 720 000	7 655 000	5 231 000	5 804 000	5 812 400	6 371 640	6 986 804
Transfers received	–	–	–	–	34 000	108 000	108 000
Total revenue	10 377 000	17 135 000	9 190 000	10 004 000	10 256 400	11 110 140	11 956 829
Expenses							
Current expense	6 262 000	10 420 000	7 127 000	7 699 000	8 364 100	8 988 955	9 461 403
Compensation of employees	824 000	898 000	964 000	882 000	926 100	972 405	1 021 025
Goods and services	4 697 000	8 652 000	5 280 000	6 120 000	6 361 000	6 666 550	6 987 378
Depreciation	167 000	200 000	235 000	304 000	327 000	350 000	373 000
Interest, dividends and rent on land	574 000	670 000	648 000	393 000	750 000	1 000 000	1 080 000
Total expenses	6 426 000	11 514 000	6 961 000	7 793 000	8 462 800	9 092 590	9 570 220
Surplus / (Deficit)	3 951 000	5 621 000	2 229 000	2 211 000	1 793 600	2 017 550	2 386 610
Statement of financial position							
Carrying value of assets	3 055 000	3 091 000	4 248 000	4 062 000	3 890 000	3 695 000	3 477 000
<i>of which: Acquisition of assets</i>	496 000	742 000	1 230 000	418 000	405 000	405 000	405 000
Investments	72 889 000	53 059 000	68 906 000	68 342 000	74 178 000	83 771 000	97 876 000
Inventory	1 032 000	816 000	876 000	926 000	976 000	1 026 000	1 076 000
Loans	6 133 000	8 820 000	10 374 000	14 212 000	20 565 000	27 120 000	37 182 000
Receivables and prepayments	1 171 000	1 928 000	1 341 000	1 750 000	1 920 000	2 030 000	2 400 000
Cash and cash equivalents	5 370 000	5 607 000	2 866 000	3 077 000	3 731 000	4 238 000	2 851 000
Assets not classified elsewhere	783 000	56 000	20 000	200 000	220 000	255 000	300 000
Total assets	90 433 000	73 377 000	88 631 000	92 569 000	105 480 000	122 135 000	145 162 000
Capital and reserves	75 848 000	65 045 000	79 555 000	78 336 000	84 049 000	91 232 000	99 884 000
Borrowings	5 825 000	5 165 000	3 527 000	8 987 000	15 435 000	23 907 000	37 338 000
Post-retirement benefits	200 000	206 000	192 000	200 000	220 000	255 000	300 000
Trade and other payables	1 668 000	1 447 000	1 276 000	4 796 000	5 526 000	6 491 000	7 390 000
Provisions	194 000	228 000	213 000	250 000	250 000	250 000	250 000
Liabilities not classified elsewhere	6 698 000	1 286 000	3 868 000	–	–	–	–
Total equity and liabilities	90 433 000	73 377 000	88 631 000	92 569 000	105 480 000	122 135 000	145 162 000

Expenditure trends

The corporation's spending over the MTEF period will focus the following areas: green industries (25 per cent), mining and minerals beneficiation (23 per cent), industrial infrastructure and cross-sectoral projects (11 per cent), chemicals and allied industries (10 per cent), metal products (5 per cent) and agro-industries (5 per cent).

Revenue is generated mainly from sales, interest and dividends. Between 2007/08 and 2010/11, revenue decreased from R10.4 billion to R10 billion, at an average annual rate of 1.3 per cent. Over the MTEF period, revenue is expected to increase to R12 billion, at an average annual rate of 6.1 per cent. The decrease between 2007/08 and 2010/11 was due to fluctuations in the volume of sales, interest and dividends paid. The increase over the medium term is due to growth in interest and dividend revenue as the corporation implements an expansion in its developmental activities.

Expenditure increased from R6.4 billion to R7.8 billion between 2007/08 and 2010/11, at an average annual rate of 6.8 per cent. Over the medium term, expenditure is expected to increase to R9.6 billion, at an average annual rate of 7.1 per cent. Funding approvals over the medium term are projected to more than double, resulting in a reduction of the unit cost of developmental services offered. A large portion of the cost increases over the period relate to additional interest expenses due to increased borrowing, resulting in an increase of interest expense of R687 million. Other cost drivers include compensation of employees and use of goods and services, which will grow at an average annual rate of 5 per cent over the MTEF period.

Personnel information

The corporation has an establishment of 836 posts and expects this will grow to 850 over the medium term, as it increases its funding activities and its involvement in early stage project development. Filled posts increased from 600 in 2007/08 to 836 in 2010/11 and are expected to grow to 850 over the medium term. This is as a result of business growth and is linked to the strategic plans service delivery.

There are 99 vacancies within the corporation, of which 34 are at the management level, 47 at the professional level and 18 are at the administrative level. Vacancies result from staff turnover and the length of time required to fill highly skilled positions. The ratio of support staff to operational staff is 1:1.5 and that of consultants to corporation personnel is less than 1:370.4.

International Trade Administration Commission of South Africa

Strategic overview: 2007/08 – 2013/14

The International Trade Administration Commission of South Africa was established through the International Trade Administration Act (2002). The aim of the commission is to foster economic growth and development, raise income levels, and promote investment and employment in South Africa and the Southern African Customs Union area by establishing an administration system for international trade. The commission's core functions are: customs tariff investigations, trade remedies, and import and export control. The oversight of the commission was transferred from the Department of Trade and Industry to the new Economic Development Department in April 2010.

Its key strategic objectives over the medium term are to ensure appropriate contribution to employment creating growth and development; ensure strategic alignment and continued relevance within the Economic Development Department and national agenda; and ensure organisational efficiency and effectiveness through business support services.

Given its expertise in trade instruments, product specific investigations and the administration of the motor industry development programme (which will be superseded by the automotive production development programme in 2013), the commission is positioned to make a valuable contribution to the implementation of trade and industrial policy. In relation to the New Growth Path, over the medium term, the commission will build capacity to monitor trade flows and to identify opportunities and threats. Tariff recommendations will be carefully designed to promote domestic manufacturing, job retention and creation, and international competitiveness, and will be made conditional on a commitment by beneficiaries on performance measured against government's set policy objectives. The entity's work is closely aligned to the outputs of increased competitiveness and appropriate cost structures in the economy, thus contributing to the realisation of decent employment through inclusive economic growth (outcome 4).

Savings and cost effectiveness measures

The commission has implemented interventions that ensure the organisation's financial sustainability. No new staff will be employed except in critical functions and renewing the contracts of temporary employees will require strong motivation. Strict rules are in place regarding the use of consultants and foreign travel has been limited to travel necessary to fulfil the commission's strategic objectives. A focused programme to renegotiate rates with key service providers and suppliers is being introduced and the lifespan of capital assets has been expanded through the introduction of a critical evaluation procedure, so that assets are only replaced once the cost of maintenance exceeds the costs and benefits of replacement.

Selected performance indicators

Table 28.17 International Trade Administration Commission of South Africa

Indicator	Programme/Activity	Past			Current	Project		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of Import rebates and drawback permits issued per year	Import and Export Control	999	872	766	880	860	900	950
Number of enforcement container inspections conducted per year	Import and Export Control	474	508	1 221	1 200	1 200	1 200	1 200
Number of import control permits issued per year	Import and Export Control	13 500	12 100	14 482	12 000	13 000	13,500	3 500
Number of export control permits issued per year	Import and Export Control	4 500	3 800	6 811	6 000	7 000	7 500	7 500
Number of duty credit certificates issued per year	Import and Export Control	1 500	1 675	1 427	740	600	400	-
Number of on site verifications per year for the motor industry development programme	Tariff Investigations	49	58	227	100	100	128	160
Number of motor industry development programme certificates and permits per year	Import and Export Control	3 436	3 531	2 960	2 520	2 440	2 990	3 620
Number of tariff Investigations and reviews per year	Tariff Investigations	39	65	60	45	43	42	41
Number of trade remedy investigations and reviews initiated per year	Trade Remedies	14	6	14	15	15	15	15

Details of programmes/activities/objectives

The commission is mandated to manage an efficient and effective trade administration system. 40 per cent of the commission's medium term budget, which is expected to increase from R68.4 million in 2010/11 to R79.4 in 2013/14, will go towards executive management and business support, with the remainder being used for the commission's core activities. The largest budget for an ongoing core activity is for tariff investigations, which receives R60 million over the medium term (26 per cent of the total). R46 million will be used for trade remedies (20 per cent) and R31 million (14 per cent) will be used for import and export control.

Expenditure estimates

Table 28.18 International Trade Administration Commission of South Africa

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	576	1 594	5 940	2 093	2 738	4 515	2 444
Sale of goods and services other than capital assets	3	8	17	-	20	25	30
<i>of which:</i>							
Other sales	3	8	17	-	20	25	30
Other non-tax revenue	573	1 586	5 923	2 093	2 718	4 490	2 414
Transfers received	55 707	58 427	60 885	64 343	69 604	72 666	76 908
Total revenue	56 283	60 021	66 825	66 436	72 342	77 181	79 352
Expenses							
Current expense	52 809	55 776	65 092	68 436	72 342	77 181	79 353
Compensation of employees	33 885	35 678	42 649	50 107	52 863	55 506	58 281
Goods and services	16 305	18 097	21 045	16 202	16 704	17 121	18 586
Depreciation	2 540	1 843	1 343	2 107	2 733	4 505	2 430
Interest, dividends and rent on land	79	158	55	20	42	49	55
Total expenses	52 809	55 776	65 092	68 436	72 342	77 181	79 353
Surplus / (Deficit)	3 474	4 245	1 733	(2 000)	-	-	-
Statement of financial position							
Carrying value of assets	3 306	1 860	3 699	5 353	3 770	4 390	2 335
<i>of which: Acquisition of assets</i>	2 848	165	3 489	3 761	1 150	5 125	375
Inventory	75	57	51	71	81	91	101
Receivables and prepayments	280	134	97	87	85	80	75
Cash and cash equivalents	18 436	25 353	21 549	19 000	17 000	15 000	13 000
Total assets	22 097	27 404	25 396	24 511	20 936	19 561	15 511

Table 28.18 International Trade Administration Commission of South Africa (continued)

Statement of financial performance	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Accumulated surplus/deficit	–	18 382	15 970	14 132	9 881	7 822	3 048
Trade and other payables	1 788	2 776	3 177	3 357	3 572	3 790	4 021
Provisions	5 300	5 700	6 077	6 422	6 833	7 249	7 692
Liabilities not classified elsewhere	15 009	546	172	600	650	700	750
Total equity and liabilities	22 097	27 404	25 396	24 511	20 936	19 561	15 511

Expenditure trends

Revenue is generated mainly from transfers from the department. Between 2007/08 and 2010/11, revenue increased from R56.3 million to R66.4 million, at an average annual rate of 5.7 per cent. Over the medium term, revenue is expected to increase to R79.4 million, at an average annual rate of 6.1 per cent. The increase in both periods is driven by transfers and subsidies received.

Spending grew from R52.8 million in 2007/08 to R68.4 million in 2010/11, at an average annual rate of 9 per cent. Over the medium term, spending is expected to grow to R79.4 million, at an average annual rate of 5.1 per cent. The largest expenditure item for commission is personnel, which accounts for an average of 72.9 per cent of total expenditure over the MTEF period. Spending on personnel increases in both periods as a result of a job evaluation exercise implemented in 2009/10, which increased staff numbers, and higher than budgeted for increases in public service salaries. Additional funding of R3.7 million was allocated over the medium term to provide for improved conditions of service.

Personnel information

The commission has an establishment of 130 posts, of which 130 are funded and 3 are additional to the approved establishment. The number of posts filled increased from 111 in 2007/08 to 122 in 2010/11 and is expected to grow to 130 over the medium term. This is as a result of a job evaluation exercise carried out by the entity.

There are 8 vacancies within the department, of which 4 are at the professional level and 2 at the semi-skilled level. The ratio of executive and business support services staff to core business staff is 1:2.9 and that of temporary employees to department personnel is 1:64.

Table 28.19 International Trade Administration Commission of South Africa

	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 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Executive management	3	3	–	3	2	3	3	3	3	3
Senior management	12	12	–	11	11	12	12	12	12	12
Middle management	33	33	1	26	27	31	32	33	33	33
Professionals	37	37	4	33	34	31	33	37	37	37
Semi-skilled	28	28	2	25	25	26	26	28	28	28
Very low skilled	14	14	1	10	11	13	13	14	14	14
Other	3	3	–	3	3	3	3	3	3	3
Total	130	130	8	111	113	119	122	130	130	130
Compensation (R thousand)				33 885	35 678	42 649	50 107	52 863	55 506	58 281
Unit cost (R thousand)				314	324	368	421	416	437	459

1. As at 30 September 2010.

Khula Enterprise Finance

Strategic overview: 2007/08 – 2013/14

As a development finance institution focusing on small businesses, Khula Enterprise Finance has been a financial facilitator for the development of the rapidly growing small medium enterprises sector in South Africa

for more than 10 years. Over the years, it has adapted to market forces and changed its approach to meet the demands of an increasingly valuable sector in the development and growth of the South African economy. Its main activities are providing credit indemnities for retail finance institutions, wholesale lending and support services. The oversight of Khula Enterprise Finance was transferred from the Department of Trade and Industry to the new Economic Development Department in April 2010.

The strategic priorities for Khula Enterprise Finance in relation to these core activities are to improve access to finance and to roll out and implement the Khula Direct pilot project, a retail platform to complement its wholesale activities. Research has shown that there is a significant portion of the SMME market that is underserved by financial institutions and Khula plans to correct this market failure by offering loans directly to SMMEs. A pilot project has been approved for 2011/2012 and R55 million has been allocated to fund this trial. A full business plan for the pilot is in development.

Savings and cost effectiveness measures

The entity has implemented cost effectiveness measures to reduce operational expenditure over the medium term. The measures include: placing a moratorium on filling non-critical vacancies and creating new positions, reducing reliance on recruitment agencies to find candidates, strictly controlling expenditure and procurement to reduce overheads and eliminate of wastage, postponing the acquisition of certain capital items and using assets over a longer period.

Selected performance indicators

Table 28.20 Khula Enterprise Finance

Indicator	Programme/Activity	Past			Current	Project		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of loans approved per year	Maximise access to finance for SMEs	R605m	R315m	R188m	R157m	R146m	R80m	R50m
Value of loans disbursed per year	Maximise access to finance for SMEs	R443m	R281m	R237m	R272m	R218m	R225m	R130m
Net portfolio growth	Maximise access to finance for SMEs	28%	12%	1%	1%	-4%	-23%	0%
Number of jobs created per year	Maximise development impact	-	12 865	15 465	2 000	4 058	4 583	2 330
Number of SMEs financed by partners per year	Maximise development impact	2 472	2 573	6 073	400	818	917	466
Percentage of total loan values distributed to priority provinces	Maximise development impact	42% (R254m)	36% (R113m)	36% (R42m)	36% (R57m)	36% (R53m)	36% (R29m)	36% (R18m)
Percentage of loans made to black businesses per year	Maximise development impact	72% (R436m)	52% (R164m)	52% (R98m)	52% (R82m)	52% (R76m)	52% (R42m)	52% (R26m)
Percentage of loans made to woman owned businesses per year	Maximise development impact	39% (R236m)	34% (R107m)	34% (R64m)	34% (R53m)	34% (R50m)	34% (R27m)	34% (R17m)
Percentage of loans below R250 000 made to SMMEs	Maximise development impact	50% (R603m)	31% (R98m)	40% (R75m)	40% (R63m)	40% (R58m)	40% (R32m)	40% (R20m)

Details of programmes/activities/objectives

The entity is a wholesale financing institution that facilitates access to finance to SMMEs that require funding of between R10 000 and R3 million. The entity's three core activities are indemnities, wholesale lending, and support services including a mentorship programme. Approximately 51 per cent of the entity's cash resources are derived from investment returns, while 22 percent is from government transfers and 27 per cent from government capital injection. Khula's total budget for 2010/11 is R182.2 million, of which 65 per cent is used for goods and services mostly on investment properties. A direct lending pilot called Khula Direct will be implemented in 2011/12.

Khula's contribution to SMME development between 2011/2012 and 2013/2014 will be the financing of 918 SMMEs through intermediaries and approximately 667 entrepreneurs through Khula Direct. This translates to the creation of about 16 540 jobs created by SMMEs financed from Khula funds.

Expenditure estimates

Table 28.21 Khula Enterprise Finance

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Statement of financial performance							
Revenue							
Non-tax revenue	205 297	213 163	198 601	113 273	110 513	109 899	115 829
Sale of goods and services other than capital assets	79 518	101 773	95 574	69 792	82 265	86 921	91 049
<i>of which:</i>							
<i>Sales by market establishments</i>	79 518	101 773	95 574	69 792	82 265	86 921	91 049
<i>Other non-tax revenue</i>	125 779	111 390	103 027	43 481	28 248	22 978	24 780
Transfers received	-	-	-	69 729	128 912	75 908	80 083
Total revenue	205 297	213 163	198 601	183 002	239 425	185 807	195 912
Expenses							
Current expense	135 240	180 224	192 910	182 272	179 012	177 342	185 118
Compensation of employees	26 731	31 176	33 629	40 254	55 642	59 870	64 340
Goods and services	107 475	147 958	158 452	139 385	120 618	114 528	116 990
Depreciation	1 034	1 090	829	2 633	2 752	2 944	3 788
Total expenses	151 975	185 085	187 839	182 272	179 012	177 342	185 118
Surplus / (Deficit)	53 322	28 078	10 762	730	60 413	8 465	10 794
Statement of financial position							
Carrying value of assets	171 430	174 044	184 079	182 827	195 682	204 228	221 667
<i>of which: Acquisition of assets</i>	1 772	1 051	252	5 010	7 487	2 954	11 186
Investments	289 697	366 899	232 139	373 389	456 618	465 889	407 177
Loans	253 762	351 395	375 537	299 463	316 985	315 557	325 526
Receivables and prepayments	8 751	7 305	18 418	11 657	12 806	13 193	13 599
Cash and cash equivalents	523 051	401 962	540 358	473 043	358 395	350 877	389 150
Assets not classified elsewhere	12 103	13 598	20 069	16 802	16 525	16 525	16 525
Total assets	1 258 794	1 315 203	1 370 600	1 357 181	1 357 011	1 366 269	1 373 644
Statement of financial position							
Capital and reserves	599 837	616 675	623 664	1 302 286	1 303 958	1 311 886	1 320 459
Borrowings	580 381	624 287	662 503	-	-	-	-
Trade and other payables	20 511	22 737	30 834	19 778	21 346	22 925	24 582
Provisions	44 196	50 453	49 502	-	-	-	-
Liabilities not classified elsewhere	13 869	1 051	4 097	35 117	31 707	31 458	28 603
Total equity and liabilities	1 258 794	1 315 203	1 370 600	1 357 181	1 357 011	1 366 269	1 373 644

Expenditure trends

The spending focus over the MTEF period will be on goods and services. The largest component of this is expenditure on investment properties, which accounts for 28 per cent of total expenditure over the MTEF period, and expenditure on compensation of employees, which makes up 33 per cent of total costs over the medium term.

Revenue is mainly generated from transfers from national government. Other large items are rental from investment property and interest received. Between 2007/08 and 2010/11, revenue decreased from R205.3 million to R183 million, at an average annual rate of 3.8 per cent. Over the medium term, revenue is expected to increase to R195.9 million, at an average annual rate of 2.3 per cent. The decrease between 2007/08 and 2010/11 is due to reductions in the amount of interest and indemnity income received as Khula scaled down the provision of indemnities and wholesale finance. The increase over the medium term is due to increases in investment property rental income as well as loan interest.

Between 2007/08 and 2010/11, spending increased from R152 million to R182.3 million, at an average annual rate of 6.2 per cent. Over the medium term, spending is expected to increase to R185.1 million, at an average annual rate of 0.5 per cent. The ratio of administrative cost to line function cost in the organisation is 1:20.

Personnel information

In 2010/11, the entity had 116 employees. There are no vacancies. The ratio of support staff to line function staff is 1:0.9.

Table 28.22 Khula Enterprise Finance

	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
Board members	13	-	-	14	14	10	13	13	13	13
Executive management	7	-	-	5	3	7	6	8	8	8
Senior management	19	-	-	10	20	19	20	21	21	21
Middle management	16	-	-	12	15	16	14	14	14	14
Professionals	22	-	-	20	18	22	24	54	87	120
Semi-skilled	31	-	-	28	30	27	27	27	27	27
Very low skilled	8	-	-	7	8	8	8	8	8	8
Total	116	-	-	96	108	109	112	145	178	211
Compensation (R thousand)				26 731	31 177	33 629	40 254	55 642	59 870	64 340
Unit cost (R thousand)				278	289	309	359	384	336	305

1. As at 30 September 2010.

South African Micro-finance Apex Fund

Strategic overview: 2007/08 – 2013/14

The South African Micro-finance Apex Fund was transferred to the Economic Development Department in April 2010. The fund has been operational since 2006 and provides wholesale funding and capacity building support to on-lending financial intermediaries for the provision of affordable financial services to the enterprising poor in South Africa.

The fund focuses on establishing a network of sustainable micro-finance institutions and will provide loans amounting to R230 million over the medium term to on-lending financial intermediaries. This represents a substantial increase in the entity's operations, with a projected growth in disbursements from R33 million in 2010/11 to R101 million in 2013/14. The entity focuses on rural and semi-urban areas and contributes to the national priorities of the creation of decent work and rural development. The fund has implemented a major review and evaluation to assess the efficiencies and effectiveness of its operating model in achieving its mandate and will continue to implement the recommendations of the review over the medium term.

Savings and cost effectiveness measures

The entity has continued to implement controls on travel costs, consultants and communication budgets, and has also improved systems for financial management, risk management and internal control.

Selected performance indicators

Table 28.23 South African Micro-finance Apex Fund

Indicator	Programme/Activity	Past			Current	Project		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of poverty alleviation and enterprise development loans disbursed per year	Poverty Alleviation and Enterprise development	R18.5m	R9.1m	R33. m	R36m	R38.2m	R40.6m	R44.66m
Number of members benefiting from loans per year	Poverty Alleviation and Enterprise development	13 178	29 714	15 040	-	18 652	19 065	-
Number of members benefiting from savings per year	Poverty Alleviation and Enterprise development	18 133	17 255	12 527	-	8 055	10 000	11 023
Value of capacity building grants disbursed per year	Poverty Alleviation and Enterprise development	R5.9m	R3.4m	R6.3m	R23.4m	R28.7m	R30.5m	R33.6m
Number. of days taken to process an application	Poverty Alleviation and Enterprise development	120	120	90	-	60	45	30
Number of days taken to process risk management reports	Poverty Alleviation & Enterprise development	90	60	45	-	20	14	14
Number of days taken to disburse	Poverty Alleviation & Enterprise development	30	30	20	-	10	7	7
Number of Financial Services Corporatives certified	Poverty Alleviation & Enterprise development	-	-	20	-	25	40	40

Details of programmes/activities/objectives

Table 28.25 South African Micro-finance Apex Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Implementation of Accpac ERP system	-	-	1 186	300	400	2 500	1 000
HR Organisational Development	-	-	1 373	-	-	-	-
Implementation of Regulatory system	-	800	175	-	-	-	-
Capacity Building	5 956	2 458	6 300	23 376	41 450	55 935	65 000
Other Objectives	43 754	42 637	49 756	52 394	60 902	60 860	65 985
Total expense	49 710	45 895	58 790	76 070	102 752	119 295	131 985

The fund is tasked with facilitating the provision of affordable access to finance by micro, small and survivalist businesses for the purpose of growing their own income and asset bases. The fund operates through two forms of intermediaries: members based financial services cooperatives engaged in deposit taking activities and lending; and microfinance institutions that primarily provide a range of microcredit (without deposit taking) to their clients. The fund has a total budget of R76.1 million, which is spread across operational expenses (35 per cent), capacity building grants to financial services cooperatives (27 per cent) and on lending (37 per cent). One of the main focus areas in 2010/11 was to provide increased non-financial support to financial intermediaries and financial services cooperatives in the form of institutionalised capacity building efforts.

Expenditure estimates

Table 28.26 South African Micro-finance Apex Fund

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	9 259	15 732	12 119	12 804	12 215	26 223	33 794
Other non-tax revenue	9 259	15 732	12 119	12 804	12 215	26 223	33 794
Transfers received	49 580	45 732	58 771	82 832	90 537	93 072	98 191
Total revenue	58 839	61 464	70 890	95 636	102 752	119 295	131 985
Expenses							
Current expense	43 754	42 497	52 490	52 687	61 302	63 360	66 985
Compensation of employees	19 013	23 610	28 945	31 777	33 987	36 027	38 189
Goods and services	23 993	17 795	21 730	19 180	25 801	25 627	27 058
Depreciation	739	1 091	1 815	1 730	1 514	1 706	1 738
Interest, dividends and rent on land	9	1	-	-	-	-	-
Transfers and subsidies	5 956	3 398	6 300	23 383	41 450	55 935	65 000
Total expenses	49 710	45 895	58 790	76 070	102 752	119 295	131 985
Surplus / (Deficit)	9 129	15 569	12 100	19 566	-	-	-

Table 28.26 South African Micro-finance Apex Fund (continued)

Statement of financial position	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Carrying value of assets	2 596	3 700	2 439	1 644	3 430	4 724	5 286
<i>of which: Acquisition of assets</i>	2 304	2 205	570	935	3 300	3 000	2 300
Loans	10 414	14 329	19 686	36 000	38 200	40 600	42 300
Receivables and prepayments	–	4	156	50	2	2	2
Cash and cash equivalents	133 083	133 277	159 551	150 000	134 244	129 839	120 599
Total assets	146 093	151 310	181 832	187 694	175 876	175 165	168 187
Accumulated surplus/deficit	9 130	24 698	36 799	56 334	40 649	48 215	45 826
Capital and reserves	78 360	78 360	78 360	78 360	78 360	78 360	78 360
Trade and other payables	5 850	2 799	2 213	2 500	5 632	5 590	5 262
Provisions	2 152	2 491	2 923	2 500	2 922	3 198	2 819
Liabilities not classified elsewhere	50 601	42 962	61 537	48 000	48 313	39 802	35 920
Total equity and liabilities	146 093	151 310	181 832	187 694	175 876	175 165	168 187

Expenditure trends

The spending focus over the MTEF period is on an increasing the volume of loan disbursements. Total disbursements will rise from R38.2 million in 2011/12 to R44.7 million in 2013/14. Spending on compensation of employees will account for 33 per cent of expenditure over the MTEF and goods and services will account for 22 per cent.

Revenue is generated mainly from transfers and subsidies from the department. Revenue increased from R58.8 million in 2007/08 to R95.6 million in 2010/11, at an average annual rate of 17.6 per cent. Over the medium term, revenue is expected to increase to R132 million, at an average annual rate of 11.3 per cent. The increases in both periods are driven mainly by transfers received, which are expected to provide assistance to financial intermediaries and financial service cooperatives.

Spending increased from R49.7 million in 2007/08 to R76.1 million in 2010/11, at an average annual rate of 15.2 per cent. Over the medium term, spending is expected to increase to R132 million, at an average annual rate of 20.2 per cent. The increase in both periods provides mainly for increased support to financial intermediaries and financial services cooperatives in line with the fund's mandate and contribution towards decent employment through inclusive economic growth (outcome 4).

Personnel information

The entity has an establishment of 74 posts, of which 70 are funded. There are no posts additional to the establishment. The number of posts filled increased from 52 in 2007/08 to 63 in 2010/11 and is expected to grow to 66 over the medium term. There are 10 vacancies within the department, of which 6 are in middle management and 3 are in senior management. The total staff complement of the provincial offices is 36.

Table 28.27 South African Micro-finance Apex Fund

	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	4	4	1	3	4	4	4	4	4	4
Senior management	18	18	3	13	14	14	14	17	17	17
Middle management	30	28	6	12	22	31	31	31	31	31
Professionals	21	19	–	24	16	13	13	13	13	13
Semi-skilled	1	1	–	–	1	1	1	1	1	1
Total	74	70	10	52	57	63	63	66	66	66
Compensation (R thousand)				19 013	23 610	28 945	31 777	33 987	36 027	38 189
Unit cost (R thousand)				366	414	459	504	515	546	579

1. As at 30 September 2010.

Additional tables

Table 28.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	-	-	-	44 802	325	45 127	39 785
Economic Policy Development	-	-	-	18 150	(1 049)	17 101	7 583
Economic Planning and Coordination	292 474	316 192	314 645	344 402	32 498	376 900	335 557
Economic Development and Dialogue	-	-	-	11 243	(531)	10 712	1 549
Total	292 474	316 192	314 645	418 597	31 243	449 840	384 474
Economic classification							
Current payments	-	22 999	14 214	95 211	(5 170)	90 041	44 969
Compensation of employees	-	12 643	7 865	59 457	(1 734)	57 723	33 650
Goods and services	-	10 356	6 349	35 754	(3 436)	32 318	11 319
Transfers and subsidies	292 474	287 192	297 992	318 597	36 413	355 010	332 544
Departmental agencies and accounts	226 493	221 211	232 011	248 868	29 593	278 461	255 995
Universities and technikons	-	-	-	-	6 820	6 820	6 820
Public corporations and private enterprises	65 981	65 981	65 981	69 729	-	69 729	69 729
Payments for capital assets	-	6 001	2 439	4 789	-	4 789	6 961
Machinery and equipment	-	6 001	2 439	3 789	-	3 789	5 961
Software and other intangible assets	-	-	-	1 000	-	1 000	1 000
Total	292 474	316 192	314 645	418 597	31 243	449 840	384 474

Table 28.B Detail of approved establishment and personnel numbers according to salary level ¹

	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
Department	265	98	-	-	-	-	45	129	142	142
Salary level 1 – 6	20	13	-	-	-	-	-	13	14	14
Salary level 7 – 10	52	23	-	-	-	-	12	24	30	30
Salary level 11 – 12	41	17	-	-	-	-	21	27	29	29
Salary level 13 – 16	152	45	-	-	-	-	12	65	69	69
Administration	86	46	-	-	-	-	29	62	62	62
Salary level 1 – 6	20	13	-	-	-	-	-	13	14	14
Salary level 7 – 10	24	15	-	-	-	-	12	17	17	17
Salary level 11 – 12	21	11	-	-	-	-	9	18	17	17
Salary level 13 – 16	21	7	-	-	-	-	8	14	14	14
Economic Policy Development	59	16	-	-	-	-	6	18	21	21
Salary level 7 – 10	10	3	-	-	-	-	-	3	4	4
Salary level 11 – 12	6	1	-	-	-	-	4	2	3	3
Salary level 13 – 16	43	12	-	-	-	-	2	13	14	14
Economic Planning and Coordination	54	25	-	-	-	-	7	24	28	28
Salary level 7 – 10	8	4	-	-	-	-	-	3	4	4
Salary level 11 – 12	5	3	-	-	-	-	6	3	4	4
Salary level 13 – 16	41	18	-	-	-	-	1	18	20	20

Table 28.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
Economic Development and Dialogue	66	11	-	-	-	-	3	25	31	31
Salary level 7 – 10	10	1	-	-	-	-	-	1	5	5
Salary level 11 – 12	9	2	-	-	-	-	2	4	5	5
Salary level 13 – 16	47	8	-	-	-	-	1	20	21	21

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 28.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)	-	-	7 865	37 784	79 200	91 781	96 524
Training expenditure (R thousand)	-	-	-	120	792	918	965
Training as percentage of compensation				0.3%	1.0%	1.0%	1.0%



**ESTIMATES
OF NATIONAL
EXPENDITURE 2011**

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