



VOTE 32
Mineral Resources

ESTIMATES OF NATIONAL EXPENDITURE **2011**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure 2011

National Treasury

Republic of South Africa

23 February 2011



ISBN: 978-0-621-39863-2

RP: 07/2011

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]	Outcome 4: Decent employment through inclusive economic growth Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced
Housing and community amenities	Human Settlements [31], Water Affairs [38]	Outcome 4: Decent employment through inclusive economic growth Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: A responsive, accountable, effective and efficient local government system
Education	Basic Education [15], Higher Education and Training [17]	Outcome 1: Improved quality of basic education Outcome 5: A skilled and capable workforce to support an inclusive growth path
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]	Outcome 3: All people in South Africa are and feel safe Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Defence	Defence and Military Veterans [22]	Outcome 3: All people in South Africa are and feel safe Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World
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]	Outcome 9: A responsive, accountable, effective and efficient local government system Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship

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 percent) to provinces and R5.1 billion (5.4 percent) 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			
2010/11	2011/12	2012/13	2013/14	R million
				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			
2010/11	2011/12	2012/13	2013/14	R million
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
384 334.3	428 131.5	457 512.2	486 602.9	Transfers and subsidies to:
				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
5 615.9	7 845.0	10 560.6	14 057.6	Payments for capital assets
				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

		Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease
R million		2010/11	2011/12					
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 Cooperative Governance and Traditional Affairs	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7 Public Works	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 National Treasury	–	–	4 200.0	–	–	–	–	–
Social Services								
14 Arts and Culture	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15 Basic Education	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 Health	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 Higher Education and Training	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 Sport and Recreation South Africa	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26 Agriculture, Forestry and Fisheries	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31 Human Settlements	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 Transport	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 Cooperative Governance and Traditional Affairs	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 Public Works	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10 National Treasury	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29 Energy	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31 Human Settlements	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 Transport	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 Water Affairs	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.

Mineral Resources

**National Treasury
Republic of South Africa**



Contents

Budget summary.....	1
Aim.. ..	1
Programme purposes	1
Strategic overview: 2007/08 – 2013/14	1
Savings and cost effectiveness measures	3
Selected performance indicators	3
Expenditure estimates.....	4
Expenditure trends	5
Departmental receipts	5
Programme 1: Administration.....	6
Programme 2: Promotion of Mine Safety and Health.....	7
Programme 3: Mineral Regulation	10
Programme 4: Mineral Policy and Promotion.....	12
Additional tables	30

Vote 32

Mineral Resources

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	247 940	237 206	1 118	9 616	258 689	274 582
Promotion of Mine Safety and Health	147 501	141 705	5 288	508	157 524	170 095
Mineral Regulation	160 368	120 994	39 374	–	171 020	175 367
Mineral Policy and Promotion	480 403	87 744	392 659	–	520 260	558 663
Total expenditure estimates	1 036 212	587 649	438 439	10 124	1 107 493	1 178 707
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

Aim

Promote and regulate the minerals and mining sector for transformation, growth and development and ensure that all South Africans derive sustainable benefits from the country's mineral wealth.

Programme purposes

Programme 1: Administration

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

Programme 2: Promotion of Mine Safety and Health

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

Programme 3: Mineral Regulations

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

Programme 4: Mineral Policy and Promotion

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

Strategic overview: 2007/08 – 2013/14

The legislative mandate of the Department of Mineral Resources is determined by the Mineral and Petroleum Resources Development Act (2002), which provides a regulatory framework for equitable access to and sustainable development of South Africa's mineral resources.

Focus over the medium term

Transformation of the industry

The department will review mining policies and legislation to advance government's transformation objective and to improve regulatory certainty, which has a profound impact on investments in the industry.

Over the medium term, the department will focus on the development and implementation of the mining sector strategy, to achieve the annual growth target in gross fixed capital investment of 10 per cent. The strategy will identify constraints to growth of the mining industry, such as infrastructure and electricity and recommend appropriate government interventions.

Together with industry stakeholders, a declaration on the strategy for sustainable growth and meaningful transformation of South Africa's mining industry was agreed and signed, with an emphasis on growth and transformation.

Policy and legislative developments

The 2002 Broad Based Socioeconomic Charter for the South African Mining Industry was revised to remove any ambiguities, to define any outstanding terms and to also review it in relation to issues of competitiveness, infrastructure, sustainable development, beneficiation and transformation. The revised mining charter was published and gazetted in September 2010. The Geoscience Amendment Bill, which aims to align the Geoscience Act (1993) with the Mineral and Petroleum Resources Development Act (2002) and expand the functions of the Council for Geoscience, was assented to by the president in November 2010.

The department is planning to develop, amend or review the following legislation over the medium term: the Mine Health and Safety Act (1996, amended in 2008) to strengthen enforcement provisions and reinforce offences and penalties; the Minerals and Petroleum Resources Development Act (2002), to improve the regulatory system and to streamline administrative processes; the Diamond Second Amendment Act (2005) to secure rough diamonds for local beneficiation, in line with the beneficiation strategy; and the Precious Metals Act (2005) to secure precious metals for local beneficiation in line with the beneficiation strategy.

Other legislation to be developed is the Petroleum Resources Development Agency Bill, which will establish a national petroleum agency to manage the development of South African petroleum resources, and the state Mining Company Bill, which will establish a state owned mining company to participate in the mining of minerals.

The environment

To achieve equitable and sustainable benefits from South Africa's minerals, the department will prioritise the rehabilitation of derelict and ownerless mines, and the growing impact of acid mine drainage. Historically, mining in South Africa has been practised in a relative policy vacuum, and has not been integrated with other aspects of the industry, such as the environment. Government has to manage the effects of derelict and ownerless mines, which impact negatively on the environment and on communities' safety and health.

The department entered into a three-year contract with the Council for Mineral Technology and Research to manage the rehabilitation of mines project, and an additional allocation was made to the council for the treatment of acid mine water.

Minerals beneficiation strategy

The beneficiation strategy aims to increase growth in gross fixed capital investment in mining by 10 per cent annually. The strategy will contribute to transforming and diversifying South Africa's economy to increase exports as well as to create jobs, eradicate poverty and contribute to economic growth and development.

Mine health and safety

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

deaths, injuries and ill health, by providing advice and applying monitoring and enforcement systems. The department will be advising and assisting small medium and micro enterprises (SMMEs) to operate in a safe and healthy way, not only to benefit workers but also the surrounding communities.

Transparent administration of prospecting applications

The department will continue to implement the online system for administering mining and prospecting applications, which provides for transparency and the eradication of perceptions of impropriety.

Skills development

The department contributes to improving employment opportunities and economic livelihoods. One of the key challenges for rural communities is the lack of skills. Through its involvement and responsibilities in the Mining Qualifications Authority, the department will support initiatives in training and skills development for mine workers, many of whom are from rural communities.

Savings and cost effectiveness measures

Efficiency savings of R3.3 million in 2011/12, R3.5 million in 2012/13 and R3.7 million in 2013/14 have been identified in expenditure across all programmes. The measures are aimed at reducing the costs of travel and subsistence, venue and facilities, communication, consultants and professional services, catering, telephone costs, and operating payments. These measures streamline administration budgets and channel more resources towards core service delivery functions. Efficiency savings of R60 million were also identified over the medium term in transfers to public entities. A further R30 million in 2011/12 and R30 million in 2012/13 was reprioritised from goods and services to the Council for Mineral Technology and Research for the rehabilitation of derelict and ownerless mines.

Selected performance indicators

Table 32.1 Mineral Resources

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of occupational health and safety inspections and mine audits conducted per year	Promotion of Mine Health and Safety	10 491	12 700	7 164	3 327	10 100	10 100	10 100
Number of mining rights granted to historically disadvantaged South Africans per year	Mineral Regulation	90	152	300	27	30	33	36
Number of women led companies licensed per year	Mineral Regulation	22	34	36	18	20	22	24
Number of industry workshops on compliance issues per year	Mineral Regulation	1	9	9	10	10	10	10
Number of mining charter inspections per year	Mineral Regulation	65	140	171	140	169	169	179
Number of environment inspections per year	Mineral Regulation	1 200	1 742	1 907	1 380	1 380	1 380	1 380
Number of inspections conducted during moratorium on issuing new rights	Mineral Regulation	0	0	0	3 473	0	0	0
Number of planned promotional activities (exhibitions, conferences) per year	Mineral Policy and Promotion	10	11	11	15	16	16	16
Number of policies developed or reviewed per year	Mineral Policy and Promotion	3	3	3	2	4	2	2
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	0	0	0	0	6	10	10
Number of sustainable SMMEs supported (new and established) per year.	Mineral Policy and Promotion	38	45	49	40	67	67	67

Expenditure estimates

Table 32.2 Mineral Resources

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Administration	133 820	160 020	159 341	223 700	223 700	247 940	258 689	274 582
Promotion of Mine Safety and Health	98 527	112 698	132 029	142 069	142 069	147 501	157 524	170 095
Mineral Regulation	154 156	155 344	179 543	212 354	212 354	160 368	171 020	175 367
Mineral Policy and Promotion	331 030	340 265	382 931	417 719	417 719	480 403	520 260	558 663
Total	717 533	768 327	853 844	995 842	995 842	1 036 212	1 107 493	1 178 707
Change to 2010 Budget estimate				(34 174)	(34 174)	(75 934)	(60 501)	(53 527)
Economic classification								
Current payments	375 648	389 577	425 372	572 985	572 985	587 649	624 277	690 015
Compensation of employees	210 090	231 013	275 084	343 663	343 663	377 610	400 999	421 847
Goods and services	165 558	158 564	150 288	229 322	229 322	210 039	223 278	268 168
<i>of which:</i>								
<i>Administrative fees</i>	<i>871</i>	<i>2 296</i>	<i>2 005</i>	<i>2 904</i>	<i>2 904</i>	<i>3 700</i>	<i>3 891</i>	<i>4 153</i>
<i>Advertising</i>	<i>15 857</i>	<i>13 115</i>	<i>1 464</i>	<i>4 909</i>	<i>4 909</i>	<i>3 860</i>	<i>4 276</i>	<i>4 581</i>
<i>Assets less than the capitalisation threshold</i>	<i>1 097</i>	<i>3 076</i>	<i>3 477</i>	<i>4 592</i>	<i>4 592</i>	<i>807</i>	<i>945</i>	<i>1 292</i>
<i>Audit cost: External</i>	<i>1 915</i>	<i>2 428</i>	<i>2 406</i>	<i>4 290</i>	<i>4 290</i>	<i>4 203</i>	<i>4 434</i>	<i>4 678</i>
<i>Bursaries: Employees</i>	<i>1 320</i>	<i>1 895</i>	<i>1 873</i>	<i>3 086</i>	<i>3 086</i>	<i>3 559</i>	<i>3 771</i>	<i>4 115</i>
<i>Catering: Departmental activities</i>	<i>1 558</i>	<i>1 299</i>	<i>665</i>	<i>2 221</i>	<i>2 221</i>	<i>2 625</i>	<i>2 761</i>	<i>3 024</i>
<i>Communication</i>	<i>10 875</i>	<i>13 288</i>	<i>15 363</i>	<i>13 853</i>	<i>13 853</i>	<i>7 371</i>	<i>8 208</i>	<i>8 876</i>
<i>Computer services</i>	<i>7 450</i>	<i>13 064</i>	<i>8 623</i>	<i>17 385</i>	<i>17 385</i>	<i>21 411</i>	<i>21 568</i>	<i>22 755</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>39 257</i>	<i>6 595</i>	<i>26 270</i>	<i>10 388</i>	<i>10 388</i>	<i>7 504</i>	<i>6 946</i>	<i>7 351</i>
<i>Consultants and professional services: Infrastructure and planning</i>	<i>–</i>	<i>9 660</i>	<i>–</i>	<i>49 660</i>	<i>49 660</i>	<i>26 395</i>	<i>30 039</i>	<i>54 804</i>
<i>Consultants and professional services: Laboratory services</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>385</i>	<i>404</i>	<i>426</i>
<i>Consultants and professional services: Legal costs</i>	<i>4 988</i>	<i>10 126</i>	<i>7 003</i>	<i>1 201</i>	<i>1 201</i>	<i>120</i>	<i>126</i>	<i>133</i>
<i>Contractors</i>	<i>5 068</i>	<i>7 978</i>	<i>11 296</i>	<i>3 680</i>	<i>3 680</i>	<i>2 933</i>	<i>3 380</i>	<i>3 572</i>
<i>Agency and support / outsourced services</i>	<i>668</i>	<i>143</i>	<i>261</i>	<i>212</i>	<i>212</i>	<i>5</i>	<i>5</i>	<i>6</i>
<i>Entertainment</i>	<i>–</i>	<i>10</i>	<i>13</i>	<i>441</i>	<i>441</i>	<i>656</i>	<i>666</i>	<i>765</i>
<i>Fleet services (including government motor transport)</i>	<i>7</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Inventory: Food and food supplies</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>1</i>	<i>1</i>	<i>47</i>	<i>48</i>	<i>51</i>
<i>Inventory: Fuel, oil and gas</i>	<i>10</i>	<i>18</i>	<i>10</i>	<i>25</i>	<i>25</i>	<i>93</i>	<i>98</i>	<i>103</i>
<i>Inventory: Learner and teacher support material</i>	<i>–</i>	<i>159</i>	<i>138</i>	<i>407</i>	<i>407</i>	<i>221</i>	<i>148</i>	<i>226</i>
<i>Inventory: Materials and supplies</i>	<i>109</i>	<i>132</i>	<i>292</i>	<i>550</i>	<i>550</i>	<i>314</i>	<i>335</i>	<i>358</i>
<i>Inventory: Medical supplies</i>	<i>89</i>	<i>25</i>	<i>3</i>	<i>36</i>	<i>36</i>	<i>–</i>	<i>16</i>	<i>23</i>
<i>Inventory: Medicine</i>	<i>34</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Inventory: Other consumables</i>	<i>278</i>	<i>542</i>	<i>953</i>	<i>1 569</i>	<i>1 569</i>	<i>954</i>	<i>1 112</i>	<i>3 158</i>
<i>Inventory: Stationery and printing</i>	<i>3 836</i>	<i>4 943</i>	<i>5 146</i>	<i>7 091</i>	<i>7 091</i>	<i>4 219</i>	<i>4 432</i>	<i>5 194</i>
<i>Lease payments</i>	<i>19 804</i>	<i>18 155</i>	<i>13 920</i>	<i>28 609</i>	<i>28 609</i>	<i>41 126</i>	<i>42 782</i>	<i>45 135</i>
<i>Property payments</i>	<i>3 150</i>	<i>2 767</i>	<i>1 998</i>	<i>3 262</i>	<i>3 262</i>	<i>570</i>	<i>601</i>	<i>636</i>
<i>Transport provided: Departmental activity</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>6</i>	<i>6</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Travel and subsistence</i>	<i>35 583</i>	<i>32 481</i>	<i>30 391</i>	<i>43 383</i>	<i>43 383</i>	<i>59 380</i>	<i>63 526</i>	<i>66 294</i>

Table 32.2 Mineral Resources (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Training and development	3 966	5 653	6 061	5 720	5 720	6 591	7 218	7 591
Operating expenditure	2 931	2 858	7 963	15 867	15 867	4 755	5 001	9 399
Venues and facilities	4 837	5 858	2 695	3 974	3 974	6 235	6 541	9 469
Interest and rent on land	–	–	–	–	–	–	–	–
Transfers and subsidies	336 019	366 915	395 830	408 681	408 681	438 439	472 586	477 478
Departmental agencies and accounts	170 185	167 581	178 207	182 506	182 506	199 067	209 999	222 858
Public corporations and private enterprises	164 198	198 046	217 266	225 120	225 120	238 254	261 413	253 381
Households	1 636	1 288	357	1 055	1 055	1 118	1 174	1 239
Payments for capital assets	5 866	11 469	31 968	14 176	14 176	10 124	10 630	11 214
Machinery and equipment	4 146	9 707	18 293	14 176	14 176	10 124	10 630	11 214
Software and other intangible assets	1 720	1 762	914	–	–	–	–	–
Payments for financial assets	–	366	674	–	–	–	–	–
Total	717 533	768 327	853 844	995 842	995 842	1 036 212	1 107 493	1 178 707

Expenditure trends

Expenditure increased from R717.5 million in 2007/08 to R995.8 million in 2010/11, at an average annual rate of 11.5 per cent, due to the split of the Department of Minerals and Energy, which required additional administrative staff for the separate Department of Mineral Resources. Consequently, expenditure in compensation of employees increased by 17.8 per cent and related expenditure on goods and services increased by 11.5 per cent.

Expenditure is projected to increase from R995.8 million to R1.2 billion over the medium term, at an average annual rate of 5.8 per cent. The increase is in compensation of employees, which grew from R343.7 million to R421.8 million, as a result of changes in the salary levels of secretaries as determined by a job evaluation process and, the appointment of the new deputy minister and funding of vacancies.

The department receives additional allocations of R13.2 million in 2011/12, R13.6 million in 2012/13 and R14.1 million in 2013/14 for improved conditions of service and unfunded approved posts. Additionally, R10 million in 2012/13 and R20 million in 2013/14 are allocated for infrastructure for the water treatment technology required to set up advanced water quality laboratory and analytical services.

Personnel information

Total establishment will increase from 1 034 posts in 2010/11 to 1 183 posts in 2011/12. The increase was due to the establishment of the deputy minister's office, which added 7 posts to the establishment, and to restructuring the department after the separation of the Department of Minerals and Energy into two departments, which expanded the corporate services function and other branches in the new Department of Mineral Resources.

The ratio of administrative costs to line function costs is 1:23.

Departmental receipts

Revenue generated by the department is mainly from surface rentals and prospecting fees collected from mining companies. Revenue is also generated from administrative fees for licence applications. Revenue decreased from R267.1 million in 2007/08 to R99 million in 2010/11, at an average annual rate of 28.2 per cent. The decrease is due to implementing the Royalty Act, which resulted in shifting the royalty collections function from the department to the South African Revenue Services.

Over the medium term, revenue is expected to decrease from R99 million to R28 million at an average annual rate of 34 per cent.

Table 32.3 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	267 104	261 304	212 715	99 033	99 033	27 605	27 964	28 326
Sales of goods and services produced by department	2 157	2 291	1 056	2 728	2 728	2 603	2 637	2 671
Sales of scrap, waste, arms and other used current goods	4	4	27	11	11	14	14	14
Fines, penalties and forfeits	218	112	382	470	470	324	328	332
Interest, dividends and rent on land	244 126	256 089	210 791	95 055	95 055	23 288	23 591	23 897
Transactions in financial assets and liabilities	20 599	2 808	459	769	769	1 376	1 394	1 412
Total	267 104	261 304	212 715	99 033	99 033	27 605	27 964	28 326

Programme 1: Administration

Expenditure estimates

Table 32.4 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	1 055	1 474	1 702	1 808	3 494	3 669	3 863
Corporate Services	106 759	130 861	142 175	174 689	191 827	200 693	209 445
Management	9 964	11 990	15 438	24 553	28 517	28 901	34 450
Office Accommodation	16 042	15 695	26	22 650	24 102	25 426	26 824
Total	133 820	160 020	159 341	223 700	247 940	258 689	274 582
Change to 2010 Budget estimate				(15 342)	(17 323)	(13 076)	(12 130)

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	127 505	147 581	141 176	208 971	237 206	247 418	262 691
Compensation of employees	50 578	62 099	73 656	103 734	119 576	126 914	134 288
Goods and services	76 927	85 482	67 520	105 237	117 630	120 504	128 403
of which:							
Administrative fees	345	1 664	922	1 689	1 657	1 750	1 847
Advertising	854	1 031	503	2 357	2 413	2 546	2 686
Assets less than the capitalisation threshold	932	1 673	3 390	1 703	503	530	560
Audit cost: External	1 915	2 428	2 406	4 194	4 203	4 434	4 678
Bursaries: Employees	731	771	595	1 454	1 449	1 529	1 612
Catering: Departmental activities	1 101	768	338	1 099	1 803	1 902	2 007
Communication	5 118	7 178	7 640	8 085	1 447	1 527	1 610
Computer services	7 324	8 232	7 214	8 104	20 075	20 179	21 289
Consultants and professional services: Business and advisory services	4 262	2 948	7 844	9 441	5 884	5 207	5 767
Consultants and professional services: Legal costs	1 168	2 323	1 197	546	–	–	–
Contractors	4 824	7 926	865	3 141	2 241	2 364	2 494
Agency and support / outsourced services	668	135	222	197	–	–	–
Entertainment	–	5	7	237	420	443	468
Fleet services (including government motor transport)	7	–	–	–	–	–	–
Inventory: Fuel, oil and gas	10	15	10	25	90	95	100

Table 32.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Current payments							
<i>Inventory: Learner and teacher support material</i>	–	74	44	234	45	47	50
<i>Inventory: Materials and supplies</i>	35	106	268	516	290	306	322
<i>Inventory: Medical supplies</i>	31	25	–	20	–	–	–
<i>Inventory: Medicine</i>	20	–	–	–	–	–	–
<i>Inventory: Other consumables</i>	268	371	209	469	111	117	124
<i>Inventory: Stationery and printing</i>	3 197	4 584	5 077	5 204	3 104	3 275	3 455
<i>Lease payments</i>	19 728	17 796	8 518	28 311	39 405	40 975	43 228
<i>Property payments</i>	2 620	2 424	1 734	2 152	72	76	80
<i>Travel and subsistence</i>	12 971	15 684	11 590	18 457	22 343	22 572	24 811
<i>Training and development</i>	2 423	2 214	2 606	3 079	4 452	4 697	4 956
<i>Operating expenditure</i>	2 887	2 241	2 409	3 004	3 289	3 470	3 661
<i>Venues and facilities</i>	3 488	2 866	1 913	1 519	2 334	2 463	2 598
Transfers and subsidies	535	1 265	315	1 055	1 118	1 174	1 239
Households	535	1 265	315	1 055	1 118	1 174	1 239
Payments for capital assets	5 780	10 959	17 309	13 674	9 616	10 097	10 652
Machinery and equipment	4 060	9 197	12 697	13 674	9 616	10 097	10 652
Software and other intangible assets	1 720	1 762	914	–	–	–	–
Payments for financial assets	–	215	541	–	–	–	–
Total	133 820	160 020	159 341	223 700	247 940	258 689	274 582
Details of transfers and subsidies							
Households							
Households other transfers							
Current	–	–	–	–	1 118	1 174	1 239
Households	–	–	–	–	1 118	1 174	1 239

Expenditure trends

Expenditure increased from R133.8 million 2007/08 to R223.7 million in 2010/11, at an average annual rate of 18.7 per cent. This can be attributed to the expansion of the programme's establishment after the split with the previous Department of Minerals and Energy, which required leasing a building.

Over the medium term, expenditure is projected to increase from R223.7 million in 2010/11 to R274.6 million in 2013/14, at an average annual rate of 7.1 per cent, mainly due to upgrading secretaries' posts and allocations for improved conditions of service. Increased capacity in support services with a consequent increase in expenditure on goods and services also contributes to the medium term growth.

Programme 2: Promotion of Mine Safety and Health

- *Governance Policy and Oversight* develops health and safety strategies, makes inputs into policy development and provides technical support to regions. The safety performances of mines are evaluated monthly, problem areas are identified, and corrective measures developed. The technical support section advises, monitors research and harnesses expertise in support of the regulatory work of the mine health and safety inspectorate, and provides mine surveys services in support of tripartite and other stakeholders. The subprogramme has a staff complement of 89, and a total budget of R46.6 million, of which 87.5 per cent will be used for compensation of employees and related expenditure on goods and services.
- *Mine Health and Safety (Regions)* is responsible for inspections, audits, and monitoring and enforcing compliance with the Mine Health and Safety Act (1996). The subprogramme consists of all the regional offices and is responsible for monitoring compliance with the Mine Health and Safety Act (1996) as well as for issuing instructions for corrective actions required by mines. The subprogramme has a staff complement

of 267, and a total budget of R100.9 million, of which 88 per cent will be used for compensation of employees and 11.7 per cent for related expenditure on goods and services.

Objectives and measures

- Promote mine health and safety by determining risk profiles for mines on an annual basis by evaluating the safety performance for the previous year by conducting occupational health and safety audit inspections and implementing the national mining health and safety system to reduce occupational injuries, fatalities, diseases and dangerous occurrences.
- Contribute to skills development in the mining sector by:
 - ensuring adequate skilled personnel to support the transformation and growth of the sector's involvement in the Mining Qualifications Authority by implementing a human resource development plan and developing and implementing a sector skills plan
 - administering the relevant examinations on a quarterly, monthly and weekly basis, ensuring the supply of adequate skilled personnel to the mining industry examinations.
- Ensure compliance with service level agreements by identifying internal processes and disseminating best practices.
- Improve turnaround times by:
 - developing and implementing internal policies and procedures that form the basis of the time frames in responding to customers and stakeholders
 - developing and implementing a management information system to monitor turnaround times
 - rolling out the management system in regional offices.

Expenditure estimates

Table 32.5 Promotion of Mine Safety and Health

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Governance Policy and Oversight	34 408	51 753	59 256	45 684	46 600	49 518	53 052
Mine Health and Safety (Regions)	64 119	60 945	72 773	96 385	100 901	108 006	117 043
Total	98 527	112 698	132 029	142 069	147 501	157 524	170 095
Change to 2010 Budget estimate				(3 796)	(12 112)	(11 363)	(8 081)
Economic classification							
Current payments	93 695	107 291	126 787	136 233	141 705	151 415	163 629
Compensation of employees	77 871	83 397	92 086	115 006	117 645	125 230	136 138
Goods and services	15 824	23 894	34 701	21 227	24 060	26 185	27 491
<i>of which:</i>							
Administrative fees	158	214	576	334	598	626	615
Advertising	1 159	1 381	535	460	494	567	587
Assets less than the capitalisation threshold	69	18	60	168	120	122	124
Bursaries: Employees	491	979	1 115	1 562	1 730	1 843	1 947
Catering: Departmental activities	157	144	74	89	102	103	113
Communication	991	919	1 074	1 052	1 073	1 089	1 253
Computer services	–	2 156	1 409	2 458	502	513	542
Consultants and professional services: Business and advisory services	702	3 614	5 717	502	495	557	593
Consultants and professional services: Infrastructure and planning	–	–	–	–	300	315	332
Consultants and professional services: Legal costs	27	–	–	80	120	126	133
Contractors	34	(42)	5 440	231	565	683	726
Agency and support / outsourced services	–	1	20	5	–	–	–

Table 32.5 Promotion of Mine Safety and Health (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							
<i>Entertainment</i>	–	4	–	37	88	68	75
<i>Inventory: Food and food supplies</i>	–	–	–	–	1	–	–
<i>Inventory: Fuel, oil and gas</i>	–	2	–	–	–	–	–
<i>Inventory: Learner and teacher support material</i>	–	73	90	110	174	99	106
<i>Inventory: Materials and supplies</i>	10	4	2	6	6	10	16
<i>Inventory: Medical supplies</i>	58	–	2	11	–	16	23
<i>Inventory: Medicine</i>	14	–	–	–	–	–	–
<i>Inventory: Other consumables</i>	10	1	356	517	330	454	586
<i>Inventory: Stationery and printing</i>	136	81	38	126	206	204	224
<i>Lease payments</i>	70	28	3 629	–	–	–	–
<i>Property payments</i>	–	2	–	8	12	15	18
<i>Travel and subsistence</i>	10 014	10 384	11 003	10 061	14 823	15 990	16 569
<i>Training and development</i>	1 541	3 253	3 009	2 350	1 459	1 807	1 884
<i>Operating expenditure</i>	4	478	387	671	484	499	518
<i>Venues and facilities</i>	179	200	165	389	378	479	507
Transfers and subsidies	4 789	4 922	5 125	5 358	5 288	5 576	5 904
Departmental agencies and accounts	4 674	4 909	5 118	5 358	5 288	5 576	5 904
Households	115	13	7	–	–	–	–
Payments for capital assets	43	480	–	478	508	533	562
Machinery and equipment	43	480	–	478	508	533	562
Payments for financial assets	–	5	117	–	–	–	–
Total	98 527	112 698	132 029	142 069	147 501	157 524	170 095
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	4 674	4 909	5 118	5 358	5 288	5 576	5 904
Mine Health and Safety Council	4 674	4 909	5 118	5 358	5 288	5 576	5 904
Households							
Households other transfers							
Current	115	13	7	–	–	–	–
Household	115	13	7	–	–	–	–

Expenditure trends

The spending focus area over the medium term will be on an initiative to increase the numbers of certificates of competency issued by the mine health and safety inspectorate to ensure a better skilled and qualified workforce.

Expenditure increased from R98.5 million in 2007/08 to R142.1 million in 2010/11, at an average annual rate of 13 per cent. The increase relates to additional allocations for annual inflation related salary adjustments. In 2010/11, goods and services expenditure in the *Governance Policy and Oversight* subprogramme decreased by 22.9 per cent and in the *Mine Health and Safety (Regions)* subprogramme by 38.8 per cent due to the transfer of funds between votes.

Over the medium term, expenditure is expected to increase from R142.1 million in 2010/11 to R170.1 million in 2013/14, at an average annual rate of 6.2 per cent. This is mainly due to increased expenditure on travel and subsistence, bursaries and training, and registration costs associated with mine inspections.

The ratio of administrative to line function costs for this programme is 1:1.6.

Programme 3: Mineral Regulation

- *Mineral Regulation and Administration* administers prospecting and mining rights licensing and compliance with the Mineral and Petroleum Resource Development Act (2002), including mines' compliance with environmental protection requirements. The subprogramme has a staff complement of 330, and a total budget of R113 million, of which 82 per cent will be used for compensation of employees and related expenditure on goods and services.
- *Management* provides overall management of the programme. The subprogramme has a staff complement of 11, and a total budget of R7.6 million, of which 100 per cent will be used for compensation of employees and related expenditure on goods and services.
- *South African Diamond and Precious Metal Regulator* issues licences and permits related to the trade in diamonds, gold and platinum, and monitors activities in the diamond, platinum and gold sectors.

Objectives and measures

- Promote job creation through SMME development and local economic development projects.
- Promote sustainable resource use and mine environmental management through approved work programmes, social and labour plans and environmental management plans.
- Reduce state environmental risk by ensuring that environmental liabilities are fully funded.
- Protect the environment by issuing closure certificates without residual state liability.
- Implement transformation policies and legislation by:
 - increasing the number of mining rights granted to historically disadvantaged South Africans
 - increasing procurement participation in the mining industry by broad based black economic empowerment (BEE) entities
 - ensuring companies' compliance with ensuring that management comprises 40 per cent historically disadvantaged South Africans by 2010.
- Monitor and enforce compliance by:
 - conducting mining charter inspections and inspections of mining and prospecting work programmes and environmental management plans annually
 - conducting 140 environmental inspections over the medium term
 - issuing directives and statutory orders where necessary.
- Improve turnaround times by ensuring adherence to the prescribed time frames for processing mining rights applications.

Expenditure estimates

Table 32.6 Mineral Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Mineral Regulation and Administration	127 360	108 017	119 662	166 210	113 312	121 425	122 689
Management Mineral Regulation	6 796	7 327	20 469	5 501	7 682	8 069	8 709
South African Diamond and Precious Metal Regulator	20 000	40 000	39 412	40 643	39 374	41 526	43 969
Total	154 156	155 344	179 543	212 354	160 368	171 020	175 367
Change to 2010 Budget estimate				(3 571)	(72 703)	(74 929)	(84 109)
Economic classification							
Current payments	133 222	115 190	125 425	171 687	120 994	129 494	131 398
Compensation of employees	63 730	68 815	88 142	90 448	98 877	104 198	104 702
Goods and services	69 492	46 375	37 283	81 239	22 117	25 296	26 696
of which:							
Administrative fees	82	66	406	197	290	302	318

Table 32.6 Mineral Regulation (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							
Advertising	13 408	10 448	160	1 458	448	632	666
Assets less than the capitalisation threshold	76	1 364	24	2 569	140	247	261
Audit cost: External	–	–	–	36	–	–	–
Bursaries: Employees	27	91	163	30	65	69	72
Catering: Departmental activities	188	282	197	818	547	574	606
Communication	4 549	4 997	6 488	3 938	4 011	4 711	4 971
Computer services	1	2 534	–	6 002	123	129	136
Consultants and professional services: Business and advisory services	33 598	33	11 331	–	42	44	47
Consultants and professional services: Infrastructure and planning	–	9 660	–	49 618	–	–	–
Consultants and professional services: Laboratory services	–	–	–	–	385	404	426
Consultants and professional services: Legal costs	3 793	7 803	5 806	575	–	–	–
Contractors	210	94	2 921	–	127	333	352
Agency and support / outsourced services	–	7	19	10	5	5	6
Entertainment	–	1	6	126	148	155	164
Inventory: Food and food supplies	–	–	–	1	39	41	43
Inventory: Fuel, oil and gas	–	1	–	–	3	3	3
Inventory: Learner and teacher support material	–	12	4	8	2	2	2
Inventory: Materials and supplies	64	22	22	28	18	19	20
Inventory: Medical supplies	–	–	1	5	–	–	–
Inventory: Other consumables	–	170	388	518	482	509	537
Inventory: Stationery and printing	67	72	31	664	285	299	315
Lease payments	–	331	1 773	298	303	318	336
Property payments	530	336	264	502	486	510	538
Transport provided: Departmental activity	–	–	–	6	–	–	–
Travel and subsistence	12 251	5 621	5 950	12 332	13 106	14 875	15 700
Training and development	–	126	393	90	251	264	278
Operating expenditure	22	51	412	775	153	160	170
Venues and facilities	626	2 253	524	635	658	691	729
Transfers and subsidies	20 903	40 010	39 447	40 643	39 374	41 526	43 969
Departmental agencies and accounts	20 000	40 000	39 412	40 643	39 374	41 526	43 969
Households	903	10	35	–	–	–	–
Payments for capital assets	31	11	14 659	24	–	–	–
Machinery and equipment	31	11	5 596	24	–	–	–
Payments for financial assets	–	133	12	–	–	–	–
Total	154 156	155 344	179 543	212 354	160 368	171 020	175 367
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	20 000	40 000	39 412	40 643	39 374	41 526	43 969
South African Diamond and Precious Metal Regulator	20 000	40 000	39 412	40 643	39 374	41 526	43 969
Households							
Households other transfers							
Current	903	10	35	–	–	–	–
Households	903	10	35	–	–	–	–

Expenditure trends

The spending focus over the medium term will be on implementing the revised mining charter and the Mineral and Petroleum Resource Development Act (2002) through workshops, monitoring and enforcing compliance through inspections. The programme will also focus on implementing and enhancing modules of the new electronic application system to reduce turnaround times for processing applications.

Expenditure increased from R154.2 million in 2007/08 to R212.4 million in 2010/11, at an average annual rate of 11.3 per cent. The increase can be attributed to the expansion of administrative and regulatory services in implementing the Minerals and Petroleum Resources Development Act (2002).

Over the medium term, expenditure is expected to decrease from R212.4 million to R175.4 million, at an average annual rate of 6.2 per cent. This is due to the reprioritisation of funds to the Council for Mineral Technology and Research for the rehabilitation of derelict and ownerless mines project.

The ratio of administrative costs to line function costs for this programme is 1: 1.5.

Programme 4: Mineral Policy and Promotion

- *Management* provides overall management of the programme, leading and managing all projects. The subprogramme consists of a deputy director general and 4 chief directors. Of the total budget of R10.4 million, 76.39 per cent will be used for compensation of employees and 23.6 per cent for goods and services.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to achieve transformation in the minerals and mining industry. Most of its funds go towards policy research, organising consultations with stakeholders, attending parliamentary hearings on bills, and gazetting the bills. Two major projects were completed in 2010/11: the Geoscience Bill was tabled in Parliament and assented to in December 2010, and the revised mining charter was gazetted in September 2010. 80 per cent of the 2011/12 goods and services budget will be spent on amending legislation.
- *Mineral Promotion* promotes mineral development and gives advice on trends in the mining industry to attract investment. The beneficiation and small scale mining strategies were not completed in 2010/11 as envisaged, due to extended consultations and inadequate resources. They will be completed in 2010/11.
- *Assistance to Mines* prevents the uncontrollable movement of water into and out of underground mine openings or holdings in the Witwatersrand area. The subprogramme provides subsidies to marginal mines to pump extraneous water from underground holdings and to research, develop and implement strategic solutions for mine water management. Currently, the department is responsible for managing the extraneous water at the Grootvlei mine and in the Witwatersrand basin. The subprogramme has a budget of R117 million over the MTEF period.
- *Council for Geoscience* partially funds the Council for Geoscience, a national agency which develops and maintains national geosciences knowledge infrastructure for land and ocean environments.
- *Council for Mineral Technology and Research* partially funds the Council for Mineral Technology and Research, which provides research, development and technology that fosters the development of business in the mineral and mineral products industries.
- *Economic Advisory Services* provides macroeconomic analysis through economic research and forecasting on minerals and the mining sector, and undertakes regulatory impact assessments on the laws and policies implemented by the department.
- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. The strategy for the rehabilitation of derelict and ownerless mines was developed and adopted by the department to address environmental concerns.

Objectives and measures

- Promote investment in the mining sector by:
 - growing the industry through local and foreign investment and by creating decent sustainable jobs throughout the mining value chain, from exploration to mineral beneficiation

- implementing the sector strategy, the beneficiation strategy and the small scale mining strategy
- promoting the sector through conferences, exhibitions, research and publications.
- Promote sustainable resource use and management by:
 - providing a framework for effective management of the environment
 - implementing rehabilitation projects
 - ensuring sustainable mining of strategic minerals
 - improving mine environmental management, rehabilitating derelict and ownerless sites, and identifying the interventions for strategic minerals.
- Ensure transformation in the mining and minerals sector by:
 - ensuring that previously disadvantaged South Africans participate in the economy through mining
 - amending, reviewing and developing policies and regulations
 - reviewing the transformation framework.

Expenditure estimates

Table 32.7 Mineral Policy and Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Management	1 893	1 865	13 169	13 111	10 453	11 653	20 605
Mineral Policy	3 120	3 596	8 401	7 108	8 943	9 390	9 868
Mineral Promotion	31 798	38 119	36 476	52 241	57 133	60 910	64 071
Assistance to Mines	24 139	38 178	31 100	35 671	18 000	18 000	18 000
Council for Geoscience	145 511	122 672	132 677	136 505	154 405	162 897	172 985
Council for Mineral Technology and Research	124 569	135 835	161 108	165 840	196 956	218 848	209 370
Economic Advisory Services	–	–	–	3 559	2 702	2 836	2 980
Mine Environmental Management	–	–	–	3 684	31 811	35 726	60 784
Total	331 030	340 265	382 931	417 719	480 403	520 260	558 663
Change to 2010 Budget estimate				(11 465)	26 204	38 867	50 793
Economic classification							
Current payments	21 226	19 515	31 984	56 094	87 744	95 950	132 297
Compensation of employees	17 911	16 702	21 200	34 475	41 512	44 657	46 719
Goods and services	3 315	2 813	10 784	21 619	46 232	51 293	85 578
of which:							
Administrative fees	286	352	101	684	1 155	1 213	1 373
Advertising	436	255	266	634	505	531	642
Assets less than the capitalisation threshold	20	21	3	152	44	46	347
Audit cost: External	–	–	–	60	–	–	–
Bursaries: Employees	71	54	–	40	315	330	484
Catering: Departmental activities	112	105	56	215	173	182	298
Communication	217	194	161	778	840	881	1 042
Computer services	125	142	–	821	711	747	788
Consultants and professional services: Business and advisory services	695	–	1 378	445	1 083	1 138	944
Consultants and professional services: Infrastructure and planning	–	–	–	42	26 095	29 724	54 472
Contractors	–	–	2 070	308	–	–	–
Entertainment	–	–	–	41	–	–	58
Inventory: Food and food supplies	–	–	–	–	7	7	8

Table 32.7 Mineral Policy and Promotion (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							
<i>Inventory: Learner and teacher support material</i>	–	–	–	55	–	–	68
<i>Inventory: Other consumables</i>	–	–	–	65	31	32	1 911
<i>Inventory: Stationery and printing</i>	436	206	–	1 097	624	654	1 200
<i>Lease payments</i>	6	–	–	–	1 418	1 489	1 571
<i>Property payments</i>	–	5	–	600	–	–	–
<i>Travel and subsistence</i>	347	792	1 848	2 533	9 108	10 089	9 214
<i>Training and development</i>	2	60	53	201	429	450	473
<i>Operating expenditure</i>	18	88	4 755	11 417	829	872	5 050
<i>Venues and facilities</i>	544	539	93	1 431	2 865	2 908	5 635
Transfers and subsidies	309 792	320 718	350 943	361 625	392 659	424 310	426 366
Departmental agencies and accounts	145 511	122 672	133 677	136 505	154 405	162 897	172 985
Public corporations and private enterprises	164 198	198 046	217 266	225 120	238 254	261 413	253 381
Households	83	–	–	–	–	–	–
Payments for capital assets	12	19	–	–	–	–	–
Machinery and equipment	12	19	–	–	–	–	–
Payments for financial assets	–	13	4	–	–	–	–
Total	331 030	340 265	382 931	417 719	480 403	520 260	558 663
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	135 203	111 846	115 597	121 477	152 905	160 897	171 985
State Diamond Trader	–	–	1 000	–	–	–	–
Council for Geoscience	135 203	111 846	114 597	121 477	152 905	160 897	171 985
Capital	10 308	10 826	18 080	15 028	1 500	2 000	1 000
Council for Geoscience	10 308	10 826	18 080	15 028	1 500	2 000	1 000
Households							
Households other transfers							
Current	83	–	–	–	–	–	–
Household	83	–	–	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Public corporations - subsidies on products and production							
Current	128 261	147 477	163 381	172 248	200 558	221 528	214 444
Industrial Development Corporation of South Africa	15 490	24 033	25 058	23 609	23 298	24 565	26 011
Council for Mineral Technology	112 771	123 444	138 323	148 639	177 260	196 963	188 433
Capital	11 798	12 391	22 785	17 201	19 696	21 885	20 937
Council for Mineral Technology	11 798	12 391	22 785	17 201	19 696	21 885	20 937
Public corporations and private enterprises							
Private enterprises							
Private enterprises - subsidies on products and production							
Current	24 139	38 178	31 100	35 671	18 000	18 000	18 000
Assistance to Mines	24 139	38 178	31 100	35 671	18 000	18 000	18 000

Expenditure trends

The spending focus areas over the medium term will be on disseminating information, implementing the beneficiation strategy, continuing to fund and support small scale mining projects, rehabilitating ownerless and derelict mines, and developing and reviewing legislation and policies.

Expenditure increased from R331 million in 2007/08 to R417.7 million in 2010/11, at an average annual rate of 8.1 per cent. Expenditure includes transfer payments for core funding to public entities, which represents 86.6 per cent of total expenditure in 2010/11. Between 2007/08 and 2010/11, spending on compensation of employees grew by 24.4 percent and on goods and services by 86.8 per cent. The increase resulted from transferring the international coordination and mine occupational policy directorate and the mine occupational safety policy directorate from the *Administration* and the *Promotion of Mine Health and Safety* programmes to this programme.

Expenditure in the *Assistance to Mines* subprogramme decreased from R24.1 million in 2007/08 to R18 million in 2013/14, at an average annual rate of 4.7 per cent. Transfers to the Council for Geoscience increased from R145.5 million in 2007/08 to R173 million in 2013/14, due to the reclassification of funds to the Council for Geoscience for the Witwatersrand water ingress project.

Over the medium term, expenditure is projected to grow from R417.7 million in 2010/11 to R558.7 million in 2013/14, at an average annual rate of 10.2 per cent. The growth is due to additional allocations for salary and housing allowance adjustments and to the shifting of funds from the *Mineral Regulation* programme to this programme for the rehabilitation of derelict and ownerless mines. The shift is also mostly responsible for the average annual growth of 58.2 per cent in goods and services, driven by payments for consultants.

The ratio of administrative costs to line function costs for this programme is 1: 2.

Public entities and other agencies

Mine Health and Safety Council

Strategic overview: 2007/08 – 2013/14

The Mine Health and Safety Council was established in terms of the Mine Health and Safety Act (1996) as amended in 2008. The mandate of the council is to advise the Minister of Mineral Resources on all occupational health and safety issues in the mining industry, and to develop legislation, do research, promote mine health and safety issues, and liaise with other bodies. The council's objective is to assist the industry to sustain and improve health and safety by significantly reducing fatalities, injuries and occupational diseases.

The council reviewed the outcomes of the presidential mine health and safety audit and prepared an action plan to address the outcomes related to its mandate.

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

Savings and cost effectiveness measures

Cost savings are made through efficiencies on procurement by negotiating best prices while not compromising the quality of service.

Selected performance indicators

Table 32.8 Mine Health and Safety Council

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of research programmes and reviews conducted per year	Research programme	27	18	18	18	18	18	–
Number of scheduled advice processes with the minister per year	Provide advice and reliable information on occupational health and safety	10	5	5	4	6	8	8
Number of skills development projects per year	Research programme	5	10	2	5	5	5	5
Number of legislative recommendations submitted for promulgation per year	Influence legislation	–	–	–	–	6	6	6
Number of high level tripartite stakeholder engagements to discuss issues per year	Strengthen tripartite partnerships	–	–	–	–	2	2	–
Number of tripartite partnership initiatives implemented per year	Strengthen tripartite partnerships	–	–	–	30	38	43	43

Details of programmes/activities/objectives

Table 32.9 Mine Health and Safety Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Safety	19 990	14 244	16 754	7 879	8 631	9 099	10 009
Health	13 577	17 507	15 142	8 823	9 612	10 189	11 209
Special projects	4 296	5 920	13 108	53 424	57 909	61 459	67 198
Total expense	37 862	37 671	45 004	70 126	76 153	80 748	88 416

The council's objective is to assist the industry to sustain and improve health and safety by significantly reducing fatalities, injuries and occupational diseases. 98 per cent of the entity's budget is for compensation of employees and goods and services.

The most significant recent achievement has been the development of the cultural transformation framework, expected to be finalised in May 2011 and rolled out to the entire mining sector after that.

The research programme takes up 52.9 per cent of the council's budget. The primary focus for 2010/11 remained on silicosis and falls of ground research.

Expenditure estimates

Table 32.10 Mine Health and Safety Council

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	51 386	57 473	54 798	64 768	70 865	75 172	82 512
Sale of goods and services other than capital assets	44 916	46 875	46 921	52 850	55 838	59 244	65 992
of which:							
Admin fees	516	378	9	1 272	1 348	1 429	1 572
Sales by market establishments	44 400	46 497	46 912	51 578	54 490	57 815	64 420
Other non-tax revenue	6 470	10 598	7 877	11 918	15 027	15 928	16 520

Table 32.10 Mine Health and Safety Council (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
	Audited outcome						
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Transfers received	4 674	4 909	5 118	5 358	5 288	5 576	5 904
Total revenue	56 060	62 382	59 916	70 126	76 153	80 748	88 416
Expenses							
Current expense	37 862	37 671	45 004	70 126	76 153	80 748	88 416
Compensation of employees	5 807	8 938	9 658	11 083	14 153	15 079	16 179
Goods and services	31 385	27 575	33 903	57 633	60 637	65 092	71 787
Depreciation	670	788	1 095	1 410	1 363	577	450
Interest, dividends and rent on land	–	370	348	–	–	–	–
Total expenses	37 862	37 671	45 004	70 126	76 153	80 748	88 416
Surplus / (Deficit)	18 198	24 711	14 912	–	–	–	–
Statement of financial position							
Carrying value of assets	2 403	3 640	2 265	1 852	1 852	1 852	1 402
of which: Acquisition of assets	191	1 598	727	997	1 363	577	–
Receivables and prepayments	14 672	19 814	14 732	14 732	14 732	14 732	14 732
Cash and cash equivalents	59 836	80 544	101 342	101 342	101 342	101 342	101 342
Total assets	76 911	103 998	118 339	117 926	117 926	117 926	117 476
Accumulated surplus/deficit	67 150	91 862	106 774	106 774	106 361	106 361	105 911
Borrowings	–	275	–	–	–	–	–
Post-retirement benefits	667	1 353	1 132	1 132	1 132	1 132	1 132
Trade and other payables	7 349	7 663	7 069	7 069	7 069	7 069	7 069
Provisions	148	758	760	760	760	760	760
Liabilities not classified elsewhere	1 597	2 087	2 604	2 604	2 604	2 604	2 604
Total equity and liabilities	76 911	103 998	118 339	118 339	117 926	117 926	117 476

Expenditure trends

Revenue is generated mainly from levies from mining companies. Revenue increased from R56.1 million in 2007/08 to R70.1 million 2010/11, at an average annual rate of 7.7 per cent, and is projected to increase from R70.1 million in 2010/11 to R88.4 million in 2013/14, at an average annual rate of 7.8 per cent.

Spending increased from R37.9 million in 2007/08 to R70.1 million in 2010/11, at an average annual rate of 22.8 per cent. The growth is reflected in compensation of employees, which increased from R5.8 million in 2007/08 to R11.1 million in 2010/11, as a result of salary increases to retain skills and the filling of posts. Spending on goods and services increased at an average annual rate of 22.5 per cent over the same period, due to the increased number of research projects. Spending on goods and services comprises research, operating and administration expenses. Spending on salaries and wages and on administration follows the same pattern as research expenditure.

Spending is projected to grow at an average annual rate of 8 per cent over the MTEF period, mostly due to a 13.4 per cent increase in compensation of employees as the entity continues to fill posts.

The ratio of administrative costs to research costs over the MTEF period is 1:2.

Personnel information

The council has an establishment of 22 employees, including 3 executive managers and 4 managers. The establishment is expected to increase to 29 over the medium term.

South African Diamond and Precious Metals Regulator

Strategic overview: 2007/08 – 2013/14

The South African Diamond and Precious Metals Regulator was established in terms of the Diamond Amendment Act (2005) and the Precious Metals Act (2005), which came into effect in July 2007. The acts

mandate the regulator to regulate the diamond, platinum and gold industries, and to accelerate beneficiation in the jewellery industry.

The regulator's objectives in relation to precious metals are to: ensure that the country's precious metal resources are exploited and developed in the best interests of South Africans; promote equitable access to, and local beneficiation of, the country's precious metals; promote the sound development of precious metal enterprises in the country; and advance broad based socioeconomic empowerment.

The strategic objectives of the regulator are to ensure competitiveness, sustainable development, effective transformation and job creation in the diamond and precious metals industry. By ensuring that licence holders comply with legislation and that local beneficiation takes place, more equitable access to resources for local beneficiation is being guaranteed. The regulator will also be developing and implementing a strategy to facilitate the marketing of polished diamonds.

Over the medium term, the regulator will conduct inspections to ensure compliance with the legislative requirements of the revised mining charter, thereby ensuring that transformation in the diamond and precious metals industries is taking place.

Savings and cost effectiveness measures

The regulator implemented savings and cost effectiveness measures that will not impact negatively on its ability to deliver on its mandate. In 2009/10, the regulator prioritised filling posts in core divisions and put a moratorium on filling vacant non-critical positions. This has yielded a saving of R3 million. Further, the regulator terminated the contract of a technical advisor to the government diamond valuation division, for which the regulator had budgeted R2.7 million. The termination will yield a savings of R2 million in 2010/11 and R3 million in 2011/12. The contractor's services are now provided internally by full time staff members.

Over the MTEF period, savings of about R768 000 will be realised through discontinuing the uniform allowance for all employees, introducing duplex printing, streamlining and better coordinating inspections, revising payments for parking bays by employees, and reducing the number of printed annual reports and related documents.

Selected performance indicators

Table 32.11 South African Diamond and Precious Metals Regulator

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of diamond beneficiation licences issued per year	Diamond and Precious Metals Regulation	182	163	158	135	192	205	300
Number of diamond dealers licences issued per year	Diamond and Precious Metals Regulation	284	352	457	374	533	537	700
Number of diamond trading houses established /regulated per year	Diamond and Precious Metals Regulation	7	10	12	11	16	21	30
Total number of diamond researchers	Diamond and Precious Metals Regulation	3	3	8	10	14	18	30
Number of refining licences issued per year	Diamond and Precious Metals Regulation	1	6	9	11	15	19	40
Number of jewellers permits granted per year	Diamond and Precious Metals Regulation	4	51	119	135	192	133	200
Number of precious metals beneficiation licences issued per year	Diamond and Precious Metals Regulation	32	89	332	12	18	22	30
Number of diamonds inspections per year	Diamond and Precious Metals Regulation	–	252	555	155	830	1 140	1 200
Number of precious metals inspections per year	Diamond and Precious Metals Regulation	252	673	637	63	420	490	600

Details of programmes/activities/objectives

Table 32.12 South African Diamond and Precious Metals Regulator

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Diamond and Precious Metals Regulation	23 696	51 449	42 961	49 158	68 608	73 359	78 127
Total expense	23 696	51 449	42 961	49 158	68 608	73 359	78 127

The regulator regulates the diamond, platinum and gold industries and accelerates beneficiation in the jewellery industry. It issues licences to diamond and precious metals producers, and manages and monitors exports and imports of unpolished diamonds. 96 per cent of the entity's budget is for operational expenditure, of which 71 per cent is for compensation for employees and 25 per cent for goods and services.

Over the medium term, the regulator will increase the number of licences issued and inspections conducted with a view to ensuring compliance and achieving the transformation targets outlined in the revised mining charter.

The regulator intends to give more focus to the effectiveness and efficiencies of the Diamond Exchange and Export Centre, which ensures the adequate supply of unpolished diamonds for local beneficiation and thus contributes to job creation.

Expenditure estimates

Table 32.13 South African Diamond and Precious Metals Regulator

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	23 295	24 873	8 968	9 018	29 123	31 342	33 431
Sale of goods and services other than capital assets	19 634	18 353	3 621	3 913	27 223	29 338	31 292
<i>of which:</i>							
Admin fees	691	–	–	–	–	–	–
Sales by market establishments	18 943	18 353	3 621	3 913	27 223	29 338	31 292
Other non-tax revenue	3 661	6 520	5 347	5 105	1 900	2 004	2 139
Transfers received	20 000	40 000	39 412	41 193	39 485	42 017	44 696
Total revenue	43 295	64 873	48 380	50 211	68 608	73 359	78 127
Expenses							
Current expense	23 696	51 449	42 961	49 106	68 529	73 274	78 037
Compensation of employees	11 029	21 012	26 420	34 702	49 415	52 874	56 311
Goods and services	11 521	27 384	13 502	11 626	17 040	18 548	19 806
Depreciation	994	2 913	2 915	2 645	2 020	1 794	1 823
Interest, dividends and rent on land	152	140	124	133	54	58	97
Transfers and subsidies	–	–	–	52	79	85	90
Total expenses	23 696	51 449	42 961	49 158	68 608	73 359	78 127
Surplus / (Deficit)	19 599	13 424	5 419	1 053	–	–	–
Statement of financial position							
Carrying value of assets	8 186	8 660	9 451	7 811	17 177	16 395	15 248
<i>of which: Acquisition of assets</i>	7 314	13 685	3 706	1 005	11 434	1 042	676
Inventory	–	80	63	39	56	95	74
Receivables and prepayments	494	748	1 768	3 107	1 547	482	389
Cash and cash equivalents	49 771	63 801	69 258	68 284	60 155	62 459	61 314
Assets not classified elsewhere	–	414	–	–	–	–	–
Total assets	58 451	73 703	80 540	79 241	78 935	79 431	77 025
Accumulated surplus/deficit	54 728	68 610	73 571	74 004	74 004	74 004	74 332
Trade and other payables	3 147	4 079	4 782	3 140	2 987	3 045	1 012
Managed funds	–	412	–	–	–	–	–
Liabilities not classified elsewhere	576	602	2 187	2 097	1 944	2 382	1 681
Total equity and liabilities	58 451	73 703	80 540	79 241	78 935	79 431	77 025

Expenditure trends

Revenue is mainly from transfers from the Department of Mineral Resources, which constitutes about 82 per cent of total revenue in 2010/11. Other revenue is generated from licensing fees and sales of services. Revenue increased at an average annual rate of 5.1 per cent, from R43.3 million in 2007/08 to R50.2 million in 2010/11, and is projected to increase at an average annual rate of 15.9 per cent from R50.2 million to R78.1 million over the MTEF period, due to increased revenue from precious metals inspections at OR Tambo International Airport.

Expenditure increased from R23.7 million in 2007/08 to R49.2 million in 2010/11, at an average annual rate of 27.5 per cent. This is mostly due to the average annual increase of 46.5 per cent in compensation of employees, as the entity expands its establishment in line with a projected increase in the import and export of diamonds and precious metals. Expenditure is expected to increase at an average annual rate of 16.7 per cent, from R49.2 million to R78.1 million over the medium term, attributable to spending on compensation of employees, which increases from R34.7 million to R56.3 million over the medium term, due to the expanding establishment. Also contributing to the increase over the medium term are the expansion of the Diamond Exchange and Export Centre and the precious metals inspections at OR Tambo International Airport.

Personnel information

Table 32.14 South African Diamond and Precious Metals Regulator

	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		2011/12	2012/13	2013/14
Executive management	5	5	1	1 862	4 064	3 952	2 088	4 545	4 863	5 179
Senior management	10	10	5	1 141	3 923	3 681	1 948	4 233	4 529	4 824
Middle management	80	80	1	8 026	13 384	18 461	9 882	40 637	43 482	46 308
Total	95	95	7	11 029	21 371	26 094	13 918	49 415	52 874	56 311
Compensation (R thousand)				11 029	21 012	26 420	34 702	49 415	52 874	56 311
Unit cost (R thousand)				1	1	1	2	1	1	1

1. As at 30 September 2010

The regulator has a staff establishment of 89 filled posts. 6 vacancies will be filled by the end of 2010/11. Other vacant posts are expected to be filled over the medium term to strengthen capacity in the Diamond Exchange and Export Centre, the diamonds and precious metals unit, government diamond valuers, and the licensing department.

Council for Mineral Technology and Research

Strategic overview: 2007/8 – 2013/14

The mandate of the Council for Mineral Technology and Research, as set out in the Mineral Technology Act (1989), is to serve the national interest through research, development and technology transfer, to promote mineral technology and to foster the establishment and expansion of industries in the field of minerals.

The council develops appropriate, innovative technology for transfer to the industry and provides the industry with test work, consultancy and analytical and mineralogical services.

The council's strategic intent and objectives are closely aligned with national imperatives and priorities, which include maximising the use of finite ore resources, alleviating poverty and creating employment, adding value to mineral and metal products, and promoting the transition from a resource dominated to a knowledge based economy. The following areas of research and development have been identified as needing increased investment.

Development of human capital: The council's growth in capacity is being constrained by the high turnover in experienced scientists and engineers. The council is encouraging its employees to study for post-graduate degrees on a part time basis, which will be a way of retaining staff and upgrading the council's skills base.

Uranium research and development: Following the upswing in the uranium market, the council has re-established itself as one of the foremost uranium laboratories in the country. Systematic research is undertaken on the processing of different types of uranium mineralization found in South Africa to provide enabling technology for the beneficiation of these deposits, such as the Karoo and Springbok Flats deposits).

Efficient use of water and energy: There is growing need and pressure for the development of technologies that address the way in which water and energy are used during mineral processing. The council has identified a number of opportunities to be researched, such as more energy efficient rock breaking and sorting, and the recycling and treatment of mine waters.

Processing of low grade ores and waste: Ore grades are declining worldwide, and novel technologies are urgently required for unlocking the wealth in low grade ores and the waste dumps that have been produced by inefficient processing by earlier generations.

Savings and cost effectiveness measures

The council has undertaken various initiatives to save costs. The most significant was changing all the council's lighting to energy saving units after implementing a demand side management system in 2009/10. A saving of approximately R1 million is expected going forward. The council also identified savings from a moratorium on filling vacant non-critical positions, resulting in a significant saving of R12 million in salary costs.

Selected performance indicators

Table 32.15 Council for Mineral Technology and Research

Indicator	Programme/Activity	Past			Current	Projections		
		2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14
Number of new or improved mineral technologies developed per year	Develop new technologies	5	10	5	5	6	5	6
Number of new or improved mining and minerals processing products and services developed per year	Develop new improved products	16	13	14	14	15	15	16
Number of demonstrations for council developed products and technologies per year	Develop new applications or markets for minerals and metals	5	1	3	3	4	4	5
Number of water and energy efficient flow sheets developed per year	Sustainable development	–	2	2	1	2	2	3
Number of junior resource companies supported per year	Technical assistance to junior research companies project	40	18	25	10	18	25	30
Number of technologies relevant to SMMEs developed per year	SMME research and interventions	2	2	2	3	3	4	5
Number of bursaries granted per year	Human capital development	80	116	85	85	90	90	90
Number of trainees employed per year	Human capital development	41	45	53	58	50	40	50
Number of interns employed per year	Human capital development	5	5	12	14	15	15	15
Number of strategies developed per year to support regional development	Minerals strategies	6	6	5	6	3	4	4

Details of programmes/activities/objectives

Table 32.16 Council for Mineral Technology and Research

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Develop efficient mineral processing technologies and sustainable value added products and services	224 479	237 298	227 492	231 173	272 533	281 756	298 153
Second economy interventions	13 689	18 267	18 129	15 343	19 925	22 316	23 617
Support regional interventions	12 574	10 317	21 836	16 714	22 361	21 444	22 694
Human and organisational development	23 335	22 640	26 249	16 773	23 362	25 565	27 055
Quality, Environment and Safety	1 653	1 838	2 999	2 360	2 485	2 783	2 945
Other Objectives	100 481	96 415	76 344	133 657	105 272	119 068	125 990
Total expense	376 211	386 775	373 049	416 020	445 938	472 932	500 454

The mandate of the Council for Mineral Technology and Research is to maximise the value derived from South Africa's mineral resources. It develops appropriate, innovative technology for transfer to the industry and provides test work, consultancy and analytical and mineralogical services. The majority of the council's work research, which takes approximately 41 per cent of its total revenue. The biggest cost driver is salaries, at 57 per cent of total costs.

Catalysis was started in 2000 in collaboration with AngloGold Ashanti (50:50 funding) and will continue in 2011. The project attempts to establish a new catalyst manufacturing industry in South Africa. The Council for Mineral Technology and Research and the University of Cape Town are the centre of competence in fuel cell catalysis, which forms part of a national flagship project in hydrogen and fuel cell technologies. The principal goal is to develop comprehensive South African competence to establish a domestic manufacturing base which will supply 25 per cent of the platinum catalyst demand of the global fuel cell industry by 2020.

Nanotechnology creates innovative systems and products. Cost effective point of care, or home use devices for contagious diseases, such as tuberculosis and malaria, are being developed. Prototype development work has been completed and clinical trials will be conducted towards the end of 2011. The trials are conducted free of charge by the World Health Organisation and only shipping costs are paid for by the council. The main aim of developing cost effective diagnostic devices is to improve the quality of life of South Africans, particularly in rural areas.

Water treatment develops technology and processes for treating acid mine drainage. Its Savmin demonstration plant, completed in 2007, indicated that excessive capital and operational expenditure was required. The council re-engineered the process, and is currently collaborating on further equipment improvements with an international effluent treatment company, Veolia. The council plans to evaluate and demonstrate the technology on pilot plant scale within the next year.

Expenditure estimates

Table 32.17 Council for Mineral Technology and Research

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	263 412	290 559	251 181	286 304	292 661	303 481	339 079
Sale of goods and services other than capital assets	238 227	256 213	223 235	270 944	278 833	287 994	322 353
of which:							
Sales by market establishments	238 227	256 213	223 235	270 944	278 833	287 994	322 353
Other non-tax revenue	25 185	34 346	27 946	15 360	13 828	15 487	16 726
Transfers received	128 259	135 834	123 561	130 383	155 492	172 775	165 292

Table 32.17 Council for Mineral Technology and Research (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
	Audited outcome						
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total revenue	391 671	426 393	374 742	416 687	448 153	476 256	504 371
Expenses							
Current expense	360 009	386 444	372 948	416 020	445 938	472 932	500 454
Compensation of employees	210 093	216 433	228 709	239 103	255 924	271 279	287 556
Goods and services	128 449	145 965	126 745	160 438	172 975	183 854	194 885
Depreciation	15 333	15 500	14 165	12 979	17 039	17 799	18 013
Interest, dividends and rent on land	6 134	8 546	3 329	3 500	–	–	–
Transfers and subsidies	15 169	–	–	–	–	–	–
Total expenses	376 211	386 775	373 049	416 020	445 938	472 932	500 454
Surplus / (Deficit)	15 460	39 618	1 693	667	2 215	3 324	3 917
Statement of financial position							
Carrying value of assets	210 104	204 327	195 309	215 166	228 493	245 790	266 291
of which: Acquisition of assets	19 880	10 923	25 654	32 836	30 366	35 096	38 514
Investments	100 795	136 206	222 888	205 000	199 000	205 355	195 355
Inventory	2 948	5 089	6 539	6 539	7 188	6 510	6 210
Receivables and prepayments	110 935	82 423	60 242	43 586	37 089	33 649	21 259
Cash and cash equivalents	49 038	79 618	3 761	4 735	4 735	4 935	5 135
Assets not classified elsewhere	–	85	4	–	–	–	–
Total assets	473 820	507 748	488 743	475 026	476 505	496 239	494 250
Accumulated surplus/deficit	300 746	340 363	232 698	233 365	235 580	238 904	242 821
Capital and reserves	–	–	109 358	108 461	107 564	106 667	110 770
Borrowings	1 025	667	422	200	–	–	–
Post-retirement benefits	79 921	32 586	30 545	30 485	36 489	40 868	40 868
Trade and other payables	51 664	54 774	38 981	27 150	21 516	24 435	24 435
Provisions	416	848	365	365	356	365	356
Liabilities not classified elsewhere	40 048	78 510	76 374	75 000	75 000	85 000	75 000
Total equity and liabilities	473 820	507 748	488 743	475 026	476 505	496 239	494 250

Expenditure trends

The majority of revenue is generated from commercial companies that obtain products and services and contracted research from the council. Total revenue increased at an average annual rate of 2.1 per cent, from R391.7 million in 2007/08 to R416.7 million in 2010/11. Transfer payments to the council increased from R128.3 million in 2007/08 to R130.4 million in 2010/11, and are expected to increase to R165.3 million over the medium term, at an average annual rate of 8.2 per cent, due to additional funding earmarked for research in water treatment and the rehabilitation of derelict and ownerless mines.

Expenditure increased from R376.2 million in 2007/08 to R416 million in 2010/11, at an average annual rate of 3.4 per cent. Over the medium term, expenditure is expected to increase to R500.5 million, at an average annual rate of 6.4 per cent. Staff costs make up 57.5 per cent of the council's total expenditure in 2010/11, as the main cost driver is the council's extensive research and project work.

Administrative costs equate to 38 per cent of line function costs in 2011/12. Administrative costs include campus maintenance, security, garden services, canteen costs, IT support, and salaries for administration staff.

Personnel information

Table 32.18 Council for Mineral Technology and Research

	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		2011/12	2012/13	2013/14
Board members	9	9	–	7	7	7	9	9	9	9
Executive management	6	6	–	5	6	6	6	6	6	6
Senior management	16	16	2	16	16	16	14	16	16	16
Middle management	84	84	5	79	79	79	79	79	79	79
Professionals	177	177	17	160	160	160	160	160	160	160
Semi-skilled	239	239	2	237	237	237	237	220	220	220
Very low skilled	237	237	2	235	235	235	235	220	220	220
Total	768	768	28	739	740	740	740	710	710	710
Compensation (R thousand)				210 093	216 433	228 709	239 103	255 924	271 279	287 556
Unit cost (R thousand)				284	292	309	323	360	382	405

1. As at 30 September 2010.

The council has an establishment of 768 positions, of which 740 are filled. The number of permanent employees has grown between 2007/08 and 2010/11, due to the 2008 ban on using labour brokers. The vacancies are due to a significant increase in resignations, mainly among professionals. The human resources plan estimates an increase of 5 per cent over the medium term, mainly to cater for the absorption of bursars and trainees in the bursary pipeline.

Council for Geoscience

Strategic overview: 2007/08 – 2013/14

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

The council undertook to develop and implement a quality management system based on international standards in accordance with ISO 9001 in 2008/09. Good progress was made and the implementation of procedures and quality standards in terms of ISO 17025 for the analytical laboratory began in 2009/10. This accreditation is likely to result in improved levels of professionalism, and should lead to the quality of the services provided by the laboratory being formally recognised. In 2009/10, the council completed its annual technical programme to the high level of 83.5 per cent against a target of 85 per cent. Geochemical and geophysical survey projects that the council has worked on have produced invaluable scientific information in relation to potential new mineral occurrences.

The council has been playing a greater role in proposing geoscience solutions to the threat posed by South Africa's long mining legacy and the contamination of associated water and soil resources. After 127 years of continuous coal mining in South Africa, the remaining resources of the commodity are declining rapidly. The council has undertaken pilot coal resource studies on some of the peripheral coalfields. The information that it has gleaned is available, but there is a need to integrate it with data from the mining companies that are active in the areas where the studies were carried out.

The Geoscience Amendment Bill, which aims to align the Geoscience Act (1993) with the Mineral and Petroleum Resources Development Act (2002) and expand the functions of the council, was assented by the president in November 2010. The Geoscience Amendment Act has been passed by Parliament, and it should be promulgated within the next year.

The council will continue to provide technical support to the department for the stakeholders' declaration on the mining industry strategy for sustainable growth and meaningful transformation. It is also supporting the mine health and safety project, which deals with the integration of the current national seismic network with the local mining network.

Savings and cost effectiveness measures

In the past year, the council terminated some of its projects due to a lack of financial resources and the resignation of key personnel. Some of these projects have been running over quite a number of years and millions of Rands have been invested in them. Some can be completed in 2011/12 if sufficient funding becomes available.

Selected performance indicators

Table 32.19 Council for Geoscience

Indicator	Past			Current	Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Annual technical programme performance index	89.3%	91.9%	83.5%	85%	85%	85%	85%
Number of maps and publications published per year	32	117	48	25	25	30	35
Number of papers and articles published per year	90	109	92	40	35	40	40
Number of rural development projects in progress per year	38	43	33	24	25	25	30
Number of regional and African development projects per year	30	32	31	32	22	22	25
Number of projects with external collaborators completed each year	57	62	61	52	55	58	60
Percentage of satisfied customers (of total customers completing satisfaction questionnaire)	84.6%	88.2%	90.1%	80%	80%	80%	80%

Details of programmes/activities/objectives

Table 32.20 Council for Geoscience

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Commercial Projects - Local	89 070	110 602	111 500	50 732	72 785	80 129	88 806
Commercial Projects - Foreign	23 134	17 498	14 041	10 992	7 442	8 186	8 186
Statutory Projects	87 963	123 671	101 802	138 260	142 803	149 938	158 747
Total expense	200 167	251 771	227 343	199 984	223 030	238 253	255 739

The council carries out systematic geological, geophysical, geochemical, marine geoscience, metallogenic and engineering geological mapping of South Africa. The council also provides commercial geoscientific services.

58.8 per cent of the entity's budget goes to compensation of employees and 34 per cent goes to goods and services.

The **Geoscience Mapping** programme aims to obtain and publish new basic geoscience data on South Africa. It is the council's main programme. The information is used by stakeholders and clients for varied uses, such as exploration for mineral and energy resources, the exploration of groundwater resources, the development of physical infrastructure, the planning of spatial development, and environmental investigations. Lack of funding is currently constraining the programme. There has been a general decrease in the number of maps and publications, and the number of rural development projects. Activities are mainly focused on the completion of maps and reports that are in the advanced stages.

The **Mineral Resources** programme will drive the council's contribution to eradicating poverty. The aim of the programme is to identify and develop mineral and energy related resource projects that can be used to trigger economic development in the poorest regions of South Africa. The objective is to develop investment profiles that can be used to attract development funding that will allow the local population to establish new business ventures.

In 2010/11, the council continued the financial support of its 29 full time and 65 part time bursars in 2010. It also assisted the Mining Qualifications Authority to train South African small scale miners to develop skills for the mining industry.

Expenditure estimates

Table 32.21 Council for Geoscience

Statement of financial performance				Revised	Medium-term estimate		
	Audited outcome			estimate			
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	97 337	127 280	69 887	78 507	70 125	77 356	83 754
Sale of goods and services other than capital assets	74 203	110 602	62 595	75 241	67 500	74 600	80 860
<i>of which:</i>							
<i>Sales by market establishments</i>	74 203	110 602	62 595	75 241	67 500	74 600	80 860
<i>Other non-tax revenue</i>	23 134	16 678	7 292	3 266	2 625	2 756	2 894
Transfers received	125 378	126 008	135 343	121 477	152 905	160 897	171 985
Total revenue	222 715	253 288	205 230	199 984	223 030	238 253	255 739
Expenses							
Current expense	200 167	251 771	227 343	198 604	221 830	237 053	255 462
Compensation of employees	18 645	131 013	126 125	114 573	131 312	139 456	139 796
Goods and services	170 009	106 978	86 977	70 085	76 573	83 652	101 721
Depreciation	11 487	13 765	14 233	13 938	13 938	13 938	13 938
Interest, dividends and rent on land	26	15	8	8	7	7	7
Transfers and subsidies	–	–	–	1 380	1 200	1 200	277
Total expenses	200 167	251 771	227 343	199 984	223 030	238 253	255 739
Surplus / (Deficit)	22 548	1 517	(22 113)	–	–	–	–
Statement of financial position							
Carrying value of assets	181 895	195 472	212 191	199 952	188 571	178 333	169 396
<i>of which: Acquisition of assets</i>	31 233	30 212	31 322	1 699	2 556	3 700	5 000
Receivables and prepayments	78 139	79 644	56 052	31 510	32 702	29 040	31 944
Cash and cash equivalents	171 259	113 498	93 010	90 652	95 703	99 520	100 924
Total assets	431 293	388 614	361 253	322 114	316 976	306 893	302 264
Accumulated surplus/deficit	206 520	208 037	185 924	190 906	190 906	190 906	190 906
Post-retirement benefits	54	18 838	19 949	8 043	8 847	9 732	10 705
Trade and other payables	125 161	63 957	60 712	31 369	25 759	16 611	12 977
Provisions	5 216	6 776	6 328	6 122	8 456	9 302	10 000
Liabilities not classified elsewhere	94 342	91 006	88 340	85 674	83 008	80 342	77 676
Total equity and liabilities	431 293	388 614	361 253	322 114	316 976	306 893	302 264

Expenditure trends

The council's main sources of revenue are fees for geological service contracts and transfers from the department. Total revenue decreased from R222.7 million in 2007/08 to R200 million in 2010/11, at an average annual rate of 3.5 per cent, due to reduced commercial earnings as a result of the global economic downturn. Revenue is projected to increase over the medium term, at an average annual rate of 8.5 per cent, from R200 million to R255.7 million,

Expenditure decreased from R200.2 million in 2007/08 to R200 million in 2010/11, at an average rate of 0.03 per cent. Over the medium term, expenditure is expected to increase from R200 million to R255.7 million, at an average annual rate of 8.6 per cent. Spending on compensation of employees is projected to increase from R114.6 million in 2010/11 to R139.8 million in 2013/14, at an average annual rate of 6.9 per cent, due to the anticipated filling of all vacant positions.

Personnel information

Table 32.22 Council for Geoscience

	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		2011/12	2012/13	2013/14
Board members	–	–	–	9	10	12	13	13	13	13
Executive management	–	–	–	5	5	5	5	5	5	5
Senior management	–	–	–	15	16	13	13	13	13	13
Middle management	–	–	–	261	267	249	238	243	245	247
Professionals	–	–	–	54	57	54	53	53	53	53
Semi-skilled	–	–	–	14	13	11	11	10	10	10
Total	–	–	–	358	368	344	333	337	339	341
Compensation (R thousand)				18 645	131 013	126 125	114 573	131 312	139 456	139 796
Unit cost (R thousand)				52	356	367	344	390	411	410

1. As at 30 September 2010

The council has 333 employees and expects to employ an additional 8 over the MTEF period. The cost of salaries decreased from R126 million in 2009/10 to R114.5 million in 2010/11, mainly due to the 2009 board decision not to employ any more staff until the council's financial position improved. Compensation of employees is projected to increase over the medium term as the council is in the process of filling all vacancies.

State Diamond Trader

Strategic overview: 2007/08 – 2013/14

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

Over the medium term, the State Diamond Trader will focus on: contributing to the sustainable development of the local diamond beneficiation sector by purchasing up to 10 per cent of unpolished diamonds from local producers and selling these to diamond processors; seeking regulatory amendments on its mandate to ensure that it trades profitably; promoting equitable access to and beneficiation of diamond resources; addressing distortions in the diamond industry, and correcting historical market failures to develop and grow South Africa's diamond cutting and polishing industry; and accelerating the development and acquisition of human resource capacity by facilitating developmental support services, such as access to training and development, finance, local and international diamond and jewellery markets, and diamond resources.

Selected performance indicators

Table 32.23 State Diamond Trader

Indicator	Past			Current	Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of revenue per year	R48.1m	R117.2m	R330.9m	R454.6m	R520.3m	R568.3m	R613.8m
Value of purchases of rough diamonds per year	R42.6m	R115.5m	R318.3m	R436.4m	R499.5m	R545.5m	R589.2m
Value of net expenditure before taxation (excluding purchases of rough diamonds) per year	R4.1m	R7m	R2.3m	R7.3m	R11.3m	R12.2m	R13.2m
Number of diamond producers who sell unpolished diamonds to the State Diamond Trader per year	1	10	7	15	17	19	19
Number of State Diamond Trader clients per year	78	105	105	130	140	145	150
Number of diamond production inspections per year	10	15	20	20	25	30	30
Number of trainees employed per year	1	4	4	7	10	10	10

Details of programmes/activities/objectives

Table 32.24 State Diamond Trader

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Sale of Rough Diamond	48 000	130 141	330 311	489 701	569 197	618 586	593 892
Total expense	48 000	130 141	330 311	489 701	569 197	618 586	593 892

The State Diamond Trader buys and sells rough diamonds for local beneficiation. It scrutinises the practices of some mines that export rough diamonds and thus avoid local beneficiation.

The main business is to buy and sell rough diamonds to clients that are able to cut and polish them in South Africa. The entity assists its clients where possible on the challenges they face, for example funding and other resources. The entity is also constantly challenging suppliers in order to pass these down to its clients at reasonable prices.

The bulk of the budget goes to goods and services.

Expenditure estimates

Table 32.25 State Diamond Trader

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	48 000	124 926	337 939	454 565	584 000	635 000	609 500
Sale of goods and services other than capital assets	48 000	117 209	330 892	454 565	584 000	635 000	609 500
of which:							
Sales by market establishments	48 000	117 209	330 892	454 565	584 000	635 000	609 500
Other non-tax revenue	–	7 717	7 047	–	–	–	–
Transfers received	–	–	1 000	–	–	–	–
Total revenue	48 000	124 926	338 939	454 565	584 000	635 000	609 500
Expenses							
Current expense	48 000	130 139	328 642	489 701	569 197	618 586	593 892
Goods and services	47 985	127 401	328 059	489 150	568 368	617 619	592 994
Depreciation	15	387	209	551	829	967	899
Interest, dividends and rent on land	–	2 351	374	–	–	–	–
Total expenses	48 000	130 141	330 311	489 701	569 197	618 586	593 892
Surplus / (Deficit)	–	(5 215)	8 628	(35 136)	14 803	16 414	15 608
Statement of financial position							
Carrying value of assets	534	1 022	836	2 652	3 443	3 900	4 426
of which: Acquisition of assets	549	873	24	330	1 424	1 424	1 424
Inventory	–	272	–	–	–	–	–
Receivables and prepayments	–	58	107	–	–	–	–
Cash and cash equivalents	–	3	8 253	–	–	–	–
Total assets	534	1 355	9 196	2 652	3 443	3 900	4 426
Accumulated surplus/deficit	–	(4 237)	4 391	–	–	–	–
Borrowings	–	3 819	2 216	–	–	–	–
Trade and other payables	–	1 710	2 542	2 652	3 443	3 900	4 426
Liabilities not classified elsewhere	534	62	47	–	–	–	–
Total equity and liabilities	534	1 354	9 196	2 652	3 443	3 900	4 426

Expenditure trends

The State Diamond Trader generates its revenue by selling rough diamonds to its clients, who are mainly polishers and cutters. Revenue increased from R48 million in 2007/08 to R454.6 million in 2010/11, at an average annual rate of 111.6 per cent. Over the medium term, revenue is expected to increase to R609.5 million, at an average annual rate of 10.3 per cent. The increase in both periods is mainly due to the interim sales strategy, which increased sales of rough diamonds. The entity is entitled to 10 per cent of diamonds from run on mines, and higher production during this period resulted in higher quantities of diamonds purchased and sold.

Expenditure increased from R48 million in 2007/08 to R489.7 million in 2010/11, at an average annual rate of 116.9 per cent. This was mostly due to the average annual growth of 116.8 per cent in goods and services, as the purchase of diamonds increased in line with higher diamond production. Over the medium term, expenditure is expected to increase to R593.9 million at an average annual rate of 6.6 per cent.

Personnel information

The State Diamond Trader is mainly staffed by seconded staff from De Beers and the Department of Mineral Resources. The entity only pays for 3 staff members. Recently, 4 new technical trainees joined the entity. The State Diamond Trader has budgeted to have its own full complement of staff from 2011/12.

Additional tables

Table 32.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	174 065	183 151	174 644	239 043	(15 343)	223 700	223 700
Promotion of Mine Health and Safety	133 027	133 027	138 543	145 864	(3 795)	142 069	142 069
Mineral Regulation	207 480	202 480	190 008	215 925	(3 571)	212 354	212 354
Mineral Policy and Promotion	390 336	406 469	397 694	429 184	(11 465)	417 719	417 719
Total	904 908	925 127	900 889	1 030 016	(34 174)	995 842	995 842
Economic classification							
Current payments	497 731	507 952	484 100	608 214	(34 174)	574 040	574 040
Compensation of employees	289 096	287 619	292 641	352 344	(8 681)	343 663	343 663
Goods and services	208 635	220 333	191 143	254 815	(25 493)	229 322	229 322
Interest and rent on land	–	–	316	1 055	–	1 055	1 055
Transfers and subsidies	398 542	408 475	395 515	407 626	–	407 626	407 626
Departmental agencies and accounts	174 018	178 209	178 207	182 506	–	182 506	182 506
Public corporations and private enterprises	223 545	229 287	217 266	225 120	–	225 120	225 120
Households	979	979	42	–	–	–	–
Payments for capital assets	8 635	8 700	20 600	14 176	–	14 176	14 176
Machinery and equipment	7 492	7 557	19 686	14 176	–	14 176	14 176
Software and other intangible assets	1 143	1 143	914	–	–	–	–
Payments for financial assets	–	–	674	–	–	–	–
Total	904 908	925 127	900 889	1 030 016	(34 174)	995 842	995 842

Table 32.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
Department	1 561	1 177	85	1 038	1 134	1 076	1 015	1 183	1 183	1 183
Salary level 1 – 6	492	308	49	433	369	331	364	304	304	304
Salary level 7 – 10	491	514	25	307	421	433	322	517	517	517
Salary level 11 – 12	449	269	6	240	238	242	256	272	272	272
Salary level 13 – 16	129	86	5	58	106	70	73	90	90	90
Administration	501	395	33	286	350	271	294	403	403	403
Salary level 1 – 6	187	143	20	160	156	125	143	141	141	141
Salary level 7 – 10	201	173	9	65	120	116	93	178	178	178
Salary level 11 – 12	68	42	2	42	22	13	31	45	45	45
Salary level 13 – 16	45	37	2	19	52	17	27	39	39	39
Promotion of Mine Health and Safety	410	320	12	327	327	329	265	318	318	318
Salary level 1 – 6	82	52	3	145	74	68	76	50	50	50
Salary level 7 – 10	30	93	7	24	71	82	20	92	92	92
Salary level 11 – 12	276	154	2	143	155	154	151	154	154	154
Salary level 13 – 16	22	21	–	15	27	25	18	22	22	22
Mineral Regulation	499	343	33	332	361	370	341	343	343	343
Salary level 1 – 6	187	91	20	108	119	114	112	91	91	91
Salary level 7 – 10	201	192	9	178	188	190	169	191	191	191
Salary level 11 – 12	68	43	2	32	37	49	44	43	43	43
Salary level 13 – 16	43	17	2	14	17	17	16	18	18	18
Mineral Policy and Promotion	151	119	7	93	96	106	115	119	119	119
Salary level 1 – 6	36	22	6	20	20	24	33	22	22	22
Salary level 7 – 10	59	56	–	40	42	45	40	56	56	56
Salary level 11 – 12	37	30	–	23	24	26	30	30	30	30
Salary level 13 – 16	19	11	1	10	10	11	12	11	11	11

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 32.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)	222 217	233 582	280 479	352 344	392 050	414 653	437 459
Training expenditure (R thousand)	1 709	3 832	9 074	3 523	3 921	4 147	4 375
Training as percentage of compensation	0.8%	1.6%	3.2%	1.0%	1.0%	1.0%	1.0%
Total number trained in department (head count)	195	195	195	291			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	47	47	47	45			
<i>Learnerships trained (head count)</i>	–	–	–	–			
<i>Internships trained (head count)</i>	195	195	195	193			
Households receiving bursaries (R thousand)	–	–	–	–	–	–	–
Households receiving bursaries (head count)	–	–	–	–			



**ESTIMATES
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