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VOTE 35
Tourism

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



national treasury

Department:
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2011

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

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

Foreword

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

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

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

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

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

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

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



Lesetja Kganyago
Director-General: National Treasury

Introduction

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

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

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

Budgeting for outcomes

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

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

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

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

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

Functional classification of national departments and related outcomes

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

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

Savings and reprioritisation of budgets

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

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

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

Savings realised per function over the medium term

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

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

Major areas of savings and reprioritisation

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

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

Policy reserve

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

Allocation of the policy reserve

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

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

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

Additional allocations

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

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

Economic affairs

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

Transport

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

Energy and environmental protection

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

Industrial development

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

Agriculture, forestry, fisheries and land affairs

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

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

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

Housing and community amenities

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

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

Education

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

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

Health

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

Social protection

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

Recreation, culture and sport

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

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

Public order and safety

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

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

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

Defence

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

General public service

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

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

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

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

Overview of expenditure

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

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

Summary tables

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Tourism

**National Treasury
Republic of South Africa**



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Vote 35

Tourism

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	173 763	166 936	5 000	1 827	208 723	219 997
Tourism Development	348 140	50 249	293 396	4 495	299 101	318 268
Tourism Growth	694 074	24 141	669 613	320	733 987	774 003
Policy, Research, Monitoring and Evaluation	26 899	26 839	–	60	32 091	33 014
Total expenditure estimates	1 242 876	268 165	968 009	6 702	1 273 903	1 345 281
Executive authority	Minister of Tourism					
Accounting officer	Director General of Tourism					
Website address	www.tourism.gov.za					

Aim

Promote and support growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership, centralised administration and executive support, and corporate services.

Programme 2: Tourism Development

Purpose: Facilitate and support the development of an equitable tourism sector.

Programme 3: Tourism Growth

Purpose: Promote growth, competitiveness and quality of the tourism sector.

Programme 4: Policy, Research, Monitoring and Evaluation

Purpose: Provide sector policy development, research, planning, monitoring and evaluation.

Strategic overview: 2007/08 – 2013/14

The Department of Tourism supports the tourism sector's contribution to South Africa's economic growth. Its mandate is to create conditions for sustainable tourism growth and development. To achieve its targets for government's new growth path, which focuses on job creation and economic growth, the department supports both the public and private sectors in the tourism industry.

Key sector for economic growth and job creation

Government's industrial policy action plan identifies tourism as a driver of both domestic consumer spending and foreign exchange earnings, the tourism industry is a key labour intensive sector and strategic area of the economy, with low barriers to entry for entrepreneurs, and has the potential to create jobs in both urban and

rural areas and stimulate economic growth. It is estimated that for every 16.1 tourists, a job is created in the sector. Tourism is set to contribute 225 000 new jobs by 2020.

Key priorities

In line with its vision, which is aligned with government's new growth path, the department's key priorities include: increasing investment in the tourism sector; developing tourism infrastructure; promoting decent work; addressing people development and encouraging previously disadvantaged communities and individuals to enter the sector; increasing the number of foreign tourists; developing cooperative partnerships with stakeholders; dramatically improving the quality of service; supporting the development of innovative, unique and authentic tourism products that meet market needs; ensuring value for money for consumers; and encouraging more South Africans to enjoy the tourism experiences that the country offers.

The national tourism sector strategy focuses on priority markets in the medium and long term. South African Tourism, a public entity reporting to the department, spearheads the marketing component of Brand South Africa.

Increasing revenue from domestic and international tourism

Tourism's total direct and indirect contribution to the economy has increased by 16 per cent from R163 billion in 2007 to R189 billion in 2009. The department aims to increase tourism's total direct and indirect contribution to R318 billion by 2015, with the aim of increasing the direct contribution of tourism to South Africa's GDP by 3 per cent per year over the medium term.

The department would like to see an increase in foreign direct spending, which is important for the country's current account and balance of payments, with the average spend per international tourist rising from R8 400 in 2009 to R10 400 by 2014. Foreign arrivals are expected to increase from 9.9 million in 2009 to 12 million by 2015.

Domestic tourism saw 15 million South Africans making 30 million domestic trips in 2009, with a total annual spend of R22 billion. This offset any foreign pull-back during the recession. The national tourism sector strategy aims to increase the number of domestic trips to 40 million by 2015.

Leveraging off the 2010 FIFA World Cup

309 554 tourists arrived in South Africa with the primary purpose of attending the 2010 FIFA World Cup. Of these tourists, 38 per cent were from Africa. Tourist expenditure during the 2010 FIFA World Cup amounted to approximately R4 billion, at an average of R12 000 over a stay of 10 nights.

The tourism industry is leveraging off South Africa's successful hosting of the 2010 FIFA World Cup to build the country's brand. It is also exploring the potential for niche markets, such as conferencing, cruise tourism, rural and small town tourism, health tourism, social tourism and cultural heritage tourism. The department is supporting these initiatives.

Outcomes and related outputs

The department contributes directly to the creation of decent employment through inclusive economic growth (outcome 4) and vibrant, equitable and sustainable rural communities and food security for all (outcome 7).

Given the strong growth in the sector, it is clear that tourism has the potential to create more jobs, and to increase levels of income, GDP growth and the distribution of income to the lower 40 per cent of earners. This is a direct contribution to the creation of decent employment through inclusive economic growth (outcome 4). The tourism sector is expected to make direct and major contributions to achieving the growth and employment targets set for outcome 4, through activities such as skills development, ongoing improvement in the quality of tourism products and services, and support for small, medium and micro enterprises (SMMEs). Its activities are specifically linked to more labour absorbing growth (output 2), and sector strategies to support the growth of labour intensive industries (sub-output 3), through the national tourism sector strategy.

The tourism sector will also contribute to vibrant, equitable and sustainable rural communities and food security for all (outcome 7) by building a robust industry, and ensuring, together with other sectors, that targets for rural job creation, skills training and the promotion of economic livelihoods are met by 2014. To maximise its contribution, the department will develop and implement an integrated strategy for rural tourism development from 2012 onwards.

Savings and cost effectiveness measures

The department has identified savings to the baseline of R10.4 million, R12.0 million and R11.5 million over the medium term on non-core goods and services. Provision has been made in the departmental establishment to increase the institutional capacity to carry out research and special functions. The increased in-house capacity will reduce reliance on consultants and will contribute to the cost savings. The appointment of consultants will also be monitored closely to ensure maximum value for minimum funds without compromising service delivery. Furthermore, the department introduced a cost saving measure on venues and facilities, holding most official meetings and workshops at government owned venues. Meetings involving provincial representatives are held at venues near the airports to save on travelling costs. The Expanded Public Works Programme Incentive allocation was revised downward by R120.5 million over the medium term, emanating from the outcome of the annual performance review which is conducted by the Environment and Culture Sector Programme Management Team.

Selected performance indicators

Table 35.1 Tourism

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Number of new full time equivalent jobs created per year	Tourism Development	-	-	-	5 671	5 270	3 860	4 241
Total number of public sector organisations reporting on how they are leveraging off state resources to incentivise compliance with the Tourism BEE Charter and Scorecard	Tourism Development	-	-	-	-	25	30	35
Number of tourism products in rural and less visited provinces supported per year	Tourism Development	-	-	-	1	2	2	2
Number of interventions implemented per year to facilitate, guide and support product development	Tourism Development	-	-	-	1	1	2	2
Number of unemployed graduates and out of school youth placed for experiential learning per year	Tourism Growth	-	-	-	70	70	50	100

Table 35.1 Tourism (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of young people trained as chefs per year	Tourism Growth	-	-	-	150	800	800	800

Expenditure estimates

Table 35.2 Tourism

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	89 717	91 352	85 929	178 840	178 840	173 763	208 723	219 997
Tourism Development	428 128	497 605	325 104	331 683	331 683	348 140	299 101	318 268
Tourism Growth	530 664	595 343	719 605	658 728	658 728	694 074	733 987	774 003
Policy, Research, Monitoring and Evaluation	7 518	17 941	14 981	14 565	14 565	26 899	32 091	33 014
Total	1 056 027	1 202 241	1 145 619	1 183 816	1 183 816	1 242 876	1 273 903	1 345 281
Change to 2010 Budget estimate				31 980	31 980	19 708	(17 305)	(16 943)

Economic classification

	193 182	181 970	137 745	220 694	220 694	268 165	333 999	344 567
Current payments								
Compensation of employees	130 786	106 428	89 631	101 080	101 080	141 895	158 427	169 409
Goods and services	62 396	75 542	48 114	119 614	119 614	126 270	175 572	175 158
<i>of which:</i>								
Administrative fees	118	57	571	382	382	534	894	908
Advertising	987	1 574	1 608	2 015	2 015	1 606	2 265	2 177
Assets less than the capitalisation threshold	351	717	1 170	1 979	1 979	1 962	3 402	2 837
Audit cost: External	817	853	1 018	2 314	2 314	2 369	3 312	3 507
Bursaries: Employees	93	28	475	1 375	1 375	500	1 468	1 532
Catering: Departmental activities	415	371	609	943	943	636	978	981
Communication	1 419	2 031	2 401	1 494	1 494	2 270	2 959	3 156
Computer services	1 178	2 738	1 156	3 572	3 572	11 908	19 937	17 063
Consultants and professional services: Business and advisory services	11 089	10 760	3 735	14 992	14 992	23 837	32 139	33 578
Consultants and professional services: Infrastructure and planning	-	-	-	60	60	-	-	-
Consultants and professional services: Legal costs	1 072	807	574	640	640	120	195	206
Contractors	3 355	4 197	3 808	23 393	23 393	1 692	6 571	6 299
Agency and support / outsourced services	554	1	1	3 762	3 762	200	309	322
Entertainment	34	30	456	469	469	381	510	526
Fleet services (including government motor transport)	-	-	-	325	325	-	-	-
Inventory: Food and food supplies	2	4	334	307	307	251	293	309
Inventory: Fuel, oil and gas	91	146	175	511	511	343	392	422
Inventory: Materials and supplies	78	30	36	255	255	11	12	12
Inventory: Medical supplies	-	-	2	30	30	-	-	-
Inventory: Other consumables	79	130	156	732	732	287	375	330
Inventory: Stationery and printing	728	746	531	3 525	3 525	3 915	5 099	5 248
Lease payments	4 586	4 343	3 758	18 406	18 406	29 150	33 040	36 006
Property payments	224	211	252	1 520	1 520	210	234	257
Transport provided: Departmental activity	4	5	6	329	329	50	70	70
Travel and subsistence	22 899	34 722	20 338	26 370	26 370	34 642	49 059	47 163
Training and development	534	665	335	2 278	2 278	1 429	1 545	1 637
Operating expenditure	6 195	3 392	1 841	3 543	3 543	1 361	1 810	1 670
Venues and facilities	5 494	6 984	2 767	4 093	4 093	6 607	8 705	8 943

Table 35.2 Tourism (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Transfers and subsidies	861 844	1 019 914	1 007 462	932 993	932 993	968 009	936 988	997 404
Departmental agencies and accounts	517 556	582 135	699 489	631 685	631 685	668 613	701 803	740 402
Foreign governments and international organisations	–	–	4 000	3 265	3 265	5 000	5 250	5 539
Non-profit institutions	66 550	72 366	59 097	27 700	27 700	22 200	27 225	32 348
Households	277 738	365 413	244 876	270 343	270 343	272 196	202 710	219 115
Payments for capital assets	1 001	358	412	30 129	30 129	6 702	2 915	3 311
Machinery and equipment	968	306	408	29 829	29 829	6 702	2 915	3 311
Software and other intangible assets	33	52	4	300	300	–	–	–
Total	1 056 027	1 202 241	1 145 619	1 183 816	1 183 816	1 242 876	1 273 903	1 345 281

Expenditure trends

Expenditure increased from R1.1 billion in 2007/08 to R1.2 billion in 2010/11, at an average annual rate of 3.9 per cent, mainly due to an increase in allocations for the new office building and improved conditions of service. Over the MTEF period, expenditure is expected to increase at an average annual rate of 4.4 per cent, to reach R1.3 billion in 2013/14. The increase is mainly due to spending on establishing a survey unit and a resource centre for the department. This increased expenditure is reflected mainly in the *Policy, Research, Monitoring and Evaluation* programme.

The department received additional allocations of R42 million in 2011/12, R29 million in 2012/13 and R32 million in 2013/14 to refurbish the new office building, for rental over the MTEF period, and for other related costs. The department expects to increase institutional capacity over the MTEF period which accounts for the 18.8 per cent increase in compensation of employees between 2010/11 and 2013/14. Spending on goods and services items increased by 24.2 per cent between 2007/08 and 2010/11, due to the acquisition of a new building and the related costs which ensued, and is expected to grow at an annual average of 13.6 per cent over the medium term, to reach R175.2 million in 2013/14.

The ratio of administrative to line function costs is 1:2.2 .

Personnel information

The department has an approved establishment of 450 posts of which 336 are funded and 12 are additional to the establishment. The number of filled posts increased from 161 in 2007/08 to 272 in 2010/11, and is expected to grow to 450 over the medium term, subject to the availability of funds and office space. The approved posts are essential to this newly established department in the achievement of its objectives.

There are 64 vacancies, of which the majority are in salary levels 6 to 9. Most are in the *Administration* programme. The posts remain vacant because the department is sharing accommodation with the Department of Environmental Affairs and there is not enough office space.

The ratio of support staff to line staff is currently 1:0.1, and is expected to be 1:0.6 in 2013/14.

Departmental receipts

The Department of Tourism does not generate revenue in its functions. The significant revenue received in 2009/10 and 2010/11 relates to the recovery of unutilised prior year funding for Expanded Public Works Programme projects.

Table 35.3 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	-	-	719	1 462	1 462	-	-	-
Sales of goods and services produced by department	-	-	138	29	29	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	3	-	-	-	-	-
Fines, penalties and forfeits	-	-	24	-	-	-	-	-
Interest, dividends and rent on land	-	-	31	12	12	-	-	-
Transactions in financial assets and liabilities	-	-	523	1 421	1 421	-	-	-
Total	-	-	719	1 462	1 462	-	-	-

Programme 1: Administration

Expenditure estimates

Table 35.4 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	26 547	28 102	27 544	33 597	32 506	37 826	39 879
Management	2 892	2 848	2 792	9 233	10 661	12 919	13 663
Corporate Affairs	55 782	56 546	54 831	92 152	104 596	128 978	134 455
Office Accommodation	4 496	3 856	762	43 858	26 000	29 000	32 000
Total	89 717	91 352	85 929	178 840	173 763	208 723	219 997
Change to 2010 Budget estimate				54 551	34 274	30 253	31 711

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

	88 716	90 995	81 517	147 662	166 936	201 336	211 999
Current payments							
Compensation of employees	50 169	51 629	53 913	58 421	82 058	91 696	98 074
Goods and services	38 547	39 366	27 604	89 241	84 878	109 640	113 925
of which:							
Administrative fees	52	27	32	180	373	570	610
Advertising	543	552	659	1 037	758	1 272	1 179
Assets less than the capitalisation threshold	309	160	268	1 578	1 262	2 806	2 245
Audit cost: External	817	853	1 018	1 814	2 369	3 312	3 507
Bursaries: Employees	78	13	96	981	500	1 468	1 532
Catering: Departmental activities	199	191	229	656	413	658	686
Communication	1 314	1 357	1 620	928	1 536	1 948	2 122
Computer services	1 142	1 913	283	2 940	11 513	17 523	16 554
Consultants and professional services: Business and advisory services	7 905	8 954	2 163	8 445	5 621	6 935	7 512
Consultants and professional services: Infrastructure and planning	-	-	-	60	-	-	-
Consultants and professional services: Legal costs	-	-	-	60	100	174	184
Contractors	1 300	1 422	1 698	18 432	852	1 136	1 210
Agency and support / outsourced services	554	1	1	3 759	200	309	322

Table 35.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current payments							
<i>Entertainment</i>	22	21	94	309	299	379	399
<i>Inventory: Food and food supplies</i>	2	4	334	273	197	233	246
<i>Inventory: Fuel, oil and gas</i>	91	146	175	511	343	392	422
<i>Inventory: Materials and supplies</i>	78	30	36	102	11	12	12
<i>Inventory: Medical supplies</i>	–	–	2	25	–	–	–
<i>Inventory: Other consumables</i>	79	130	156	477	185	284	240
<i>Inventory: Stationery and printing</i>	427	445	531	1 918	2 007	2 717	2 848
<i>Lease payments</i>	4 496	3 856	3 628	18 037	28 970	32 771	35 746
<i>Property payments</i>	224	211	252	1 500	200	219	242
<i>Transport provided: Departmental activity</i>	4	5	6	40	–	–	–
<i>Travel and subsistence</i>	14 086	15 397	12 966	18 498	21 170	26 094	27 508
<i>Training and development</i>	531	119	142	1 646	1 179	1 371	1 441
<i>Operating expenditure</i>	2 426	433	517	2 915	1 004	1 326	1 313
<i>Venues and facilities</i>	1 868	3 126	697	2 120	3 816	5 730	5 847
Transfers and subsidies	–	–	4 000	3 265	5 000	5 250	5 539
Foreign governments and international organisations	–	–	4 000	3 265	5 000	5 250	5 539
Payments for capital assets	1 001	358	412	27 913	1 827	2 137	2 459
Machinery and equipment	968	306	408	27 813	1 827	2 137	2 459
Software and other intangible assets	33	52	4	100	–	–	–
Total	89 717	91 352	85 929	178 840	173 763	208 723	219 997

Details of transfers and subsidies

Foreign governments and international organisations							
Current	–	–	4 000	3 265	5 000	5 250	5 539
Regional Tourism Organisation of South Africa	–	–	2 500	1 930	3 000	3 150	3 323
United Nations World Tourism Organisation	–	–	1 500	1 335	2 000	2 100	2 216

Expenditure trends

Expenditure increased from R89.7 million in 2007/08 to R178.8 million in 2010/11, at an average annual rate of 25.9 per cent, mainly due to annual salary increases and adjustments for inflation.

Expenditure is expected to increase sturdily over the MTEF period, from R178.8 million to R220 million, at an average annual rate of 7.1 per cent, as a result of an increase in funding for the new office building and improved conditions of service, as well as other costs such as internal and external audit fees. The increase is also due to the phasing in of an increased establishment over the MTEF period.

The ratio of administrative costs to line function costs over the MTEF period is 1:0.7

Programme 2: Tourism Development

- *Tourism Development Management* provides overall administrative and operational support services for the programme's activities. It manages product and enterprise development, and facilitates tourism infrastructure projects under the expanded public works programme using labour intensive methods targeting the unemployed, the youth, women and the disabled. This subprogramme has a staff complement of 6, and 40 per cent of its total budget is used for travel and subsistence.
- *Product and Enterprise Development* facilitates product and enterprise development in the tourism sector. This entails: identifying and promoting opportunities for investment in product development; creating new opportunities through identifying niche tourism products; strengthening existing products; and driving the development of rural tourism. The subprogramme has a staff complement of 8, and the bulk of its budget is

used for transfers to the National Business Initiative to support the development of SMMEs through the Tourism Enterprise Partnership.

- *Social Responsibility Implementation* manages the development of tourism projects under the expanded public works programme through labour intensive methods targeting the unemployed, the youth, women, the disabled and SMMEs. This subprogramme has a staff complement of 35, and 98 per cent of its budget over the medium term will be used for implementing tourism projects and training project beneficiaries.
- *Sector Transformation* facilitates transforming the tourism sector by implementing the gazetted Tourism BEE Charter and Scorecard and promotes opportunities for transformative tourism development. The subprogramme has a staff complement of 5, and 50 per cent of its budget is used to facilitate transformation through public and private sector engagements, as well as for reporting on and monitoring compliance. One such report is a study on the state of transformation, which has a budget of R1.3 million (15 per cent of the 2011/12 budget) and is expected to be completed by the end of March 2011.
- *Strategic Partners in Tourism* receives transfers to facilitate development support for SMMEs through the Tourism Enterprise Partnership. The subprogramme has a staff complement of 4.

Objectives and measures

- Promote the empowerment of designated communities by creating 22 196 full time equivalent jobs by 2014 through the tourism infrastructure project under the expanded public works programme.
- Develop and support sustainable tourism products by funding 192 tourism products by 2014.
- Facilitate the transformation of the tourism sector by promoting industry compliance with the Tourism BEE Charter and Scorecard by 2014.
- Support tourism by facilitating the development of 4 sustainable tourism products by 2014.
- Increase the geographic spread of tourism benefits and ensure the involvement of rural communities and less visited provinces in mainstream tourism by supporting 6 tourism products (2 products per year for the next 3 years) in rural and less visited provinces.
- Ensure the competitiveness of the South African tourism sector by developing 6 tourism niche products by 2014.

Expenditure estimates

Table 35.5 Tourism Development

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Tourism Development Management	8 545	6 134	5 006	3 351	3 694	8 461	7 511
Product and Enterprise Development	–	2 000	2 000	10 163	13 236	14 925	16 394
Social Responsibility Implementation	353 833	420 105	266 001	291 226	302 669	237 357	250 413
Sector Transformation	–	–	–	6 943	8 541	13 358	13 950
Strategic Partners in Tourism	65 750	69 366	52 097	20 000	20 000	25 000	30 000
Total	428 128	497 605	325 104	331 683	348 140	299 101	318 268
Change to 2010 Budget estimate				(29 253)	(23 080)	(43 282)	(42 946)

Table 35.5 Tourism Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	84 640	60 826	26 131	37 700	50 249	69 730	67 384
Compensation of employees	71 044	40 962	16 621	21 479	27 710	30 979	33 141
Goods and services	13 596	19 864	9 510	16 221	22 539	38 751	34 243
<i>of which:</i>							
Administrative fees	22	10	507	141	77	248	222
Advertising	148	570	575	478	234	410	396
Assets less than the capitalisation threshold	14	397	808	292	382	332	280
Audit cost: External	–	–	–	500	–	–	–
Bursaries: Employees	5	5	369	356	–	–	–
Catering: Departmental activities	72	60	248	155	101	149	142
Communication	35	460	639	226	375	588	589
Computer services	12	275	586	82	62	2 055	157
Consultants and professional services: Business and advisory services	939	1 652	556	2 971	10 548	14 706	15 691
Consultants and professional services: Legal costs	536	269	305	580	–	–	–
Contractors	685	925	187	2 994	240	436	442
Entertainment	4	3	355	100	26	68	57
Fleet services (including government motor transport)	–	–	–	325	–	–	–
Inventory: Food and food supplies	–	–	–	14	3	3	3
Inventory: Materials and supplies	–	–	–	93	–	–	–
Inventory: Medical supplies	–	–	–	5	–	–	–
Inventory: Other consumables	–	–	–	78	41	39	39
Inventory: Stationery and printing	301	301	–	818	600	942	919
Lease payments	30	287	–	220	80	165	151
Property payments	–	–	–	20	10	15	15
Transport provided: Departmental activity	–	–	–	240	–	–	–
Travel and subsistence	6 341	10 017	3 626	3 989	7 735	16 338	12 918
Training and development	1	182	10	372	40	35	40
Operating expenditure	2 227	2 227	187	108	185	321	187
Venues and facilities	2 224	2 224	552	1 064	1 801	1 902	1 995
Transfers and subsidies	343 488	436 779	298 973	292 543	293 396	228 910	250 381
Non-profit institutions	65 750	71 366	54 097	22 200	21 200	26 200	31 266
Households	277 738	365 413	244 876	270 343	272 196	202 710	219 115
Payments for capital assets	–	–	–	1 440	4 495	461	503
Machinery and equipment	–	–	–	1 440	4 495	461	503
Total	428 128	497 605	325 104	331 683	348 140	299 101	318 268
Details of transfers and subsidies							
Non-profit institutions							
Current	65 750	71 366	54 097	22 200	21 200	26 200	31 266
Strategic Partners in Tourism	65 750	69 366	52 097	20 000	20 000	25 000	30 000
National Business Initiative	–	2 000	2 000	2 200	1 200	1 200	1 266
Households							
Households other transfers							
Current	277 738	365 413	244 876	270 343	272 196	202 710	219 115
Expanded Public Works Programme	277 738	365 413	244 876	233 281	252 962	202 710	219 115
Expanded Public Works Programme: Incentive	–	–	–	37 062	19 234	–	–

Expenditure trends

The spending focus over the medium term will be on supporting tourism products development for rural and less frequently visited provinces, promoting industry compliance with the Tourism BEE Charter and Scorecard, and ensuring the competitiveness of the South African tourism sector by diversifying and enhancing the tourism product offering.

Expenditure decreased from R428.1 million in 2007/08 to R331.7 million in 2010/11, at an average annual rate of 8.2 per cent, due to a decrease in funding to tourism infrastructure projects in the expanded public works programme.

Over the MTEF period, expenditure is expected to decrease from R331.7 million to R318.3 million, at an average annual rate of 1.4 per cent. The decrease is mainly due to a reduced budget for implementing the expanded public works programme, which has been allocated R283.4 million, R237.4 million and R250.4 million over the period.

The ratio of administrative costs to line function costs is 1:6.7.

Programme 3: Tourism Growth

- *Tourism Growth Management* provides overall administrative and operational support services for the programme's activities. It manages consumer protection and responsible practices and ensures sustainable and efficient human capital to grow a service oriented and world class tourism. The subprogramme has a staff complement of 2.
- *Responsible Tourism* ensures that consumer protection is effectively managed by establishing channels for consumer concerns. It also promotes responsible tourism practices across the industry by developing the standard for responsible tourism and promoting the principles for universal access to tourism. The subprogramme has a staff complement of 12. It will develop and implement a tourism response strategy to climate change as this increasingly becomes a major trade factor.
- *Capacity Building* ensures that human capital is effectively managed by focusing on professionalising tourist guides and other operators in the industry. The subprogramme has a staff complement of 13, and the bulk of its budget is used for training.
- *South African Tourism* transfers funds to South African Tourism, which markets South Africa as a preferred tourism destination.

Objectives and measures

- Improve service levels and customer satisfaction, thus improving the competitiveness and sustainability of the tourism industry, by:
 - establishing the national minimum standard for responsible tourism, which is expected to be finalised by the end of March 2011, depending on the South African Bureau of Standards' process
 - finalising the accreditation system with the South African National Accreditation Standard by the end of the 2011/12 financial year
 - developing the national responsible tourism strategy by the end of the 2011/12 financial year, and implementing it from 2012/13 to 2013/14
 - developing the national climate change and tourism response programme in 2011/12, and implementing it from 2012/13 to 2013/14
 - setting up and managing a consumer satisfaction framework and feedback mechanism for products and services across the sector
 - developing and implementing tourism generic service excellence norms and standards
 - training 550 unemployed youth as chefs and placing 520 unemployed graduates and out of school youth by 2014.

Expenditure estimates

Table 35.6 Tourism Growth

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							
Tourism Growth Management	–	–	–	2 299	3 589	8 269	8 133
Marketing, Responsible Tourism and Quality Assurance	12 308	12 208	15 116	6 912	9 724	10 700	11 398
Capacity Building	800	1 000	5 000	17 831	12 148	13 215	14 070
South African Tourism	517 556	582 135	699 489	631 685	668 613	701 803	740 402
Total	530 664	595 343	719 605	658 728	694 074	733 987	774 003
Change to 2010 Budget estimate				3 115	(126)	(1 980)	(2 442)
Economic classification							
Current payments	12 308	12 208	15 116	21 118	24 141	30 862	32 205
Compensation of employees	6 920	6 445	9 864	12 623	17 537	19 526	20 861
Goods and services	5 388	5 763	5 252	8 495	6 604	11 336	11 344
<i>of which:</i>							
<i>Administrative fees</i>	22	10	10	25	24	19	20
<i>Advertising</i>	148	226	226	154	99	103	116
<i>Assets less than the capitalisation threshold</i>	14	80	80	40	226	113	165
<i>Bursaries: Employees</i>	5	5	5	–	–	–	–
<i>Catering: Departmental activities</i>	72	60	60	108	67	91	75
<i>Communication</i>	35	107	107	199	213	232	257
<i>Computer services</i>	12	275	275	–	10	8	8
<i>Consultants and professional services: Business and advisory services</i>	939	77	77	1 800	1 110	1 131	1 177
<i>Consultants and professional services: Legal costs</i>	536	269	269	–	20	21	22
<i>Contractors</i>	685	925	702	1 949	600	4 969	4 617
<i>Agency and support / outsourced services</i>	–	–	–	3	–	–	–
<i>Entertainment</i>	4	3	3	55	41	45	50
<i>Inventory: Food and food supplies</i>	–	–	–	–	38	44	46
<i>Inventory: Materials and supplies</i>	–	–	–	60	–	–	–
<i>Inventory: Other consumables</i>	–	–	–	172	11	8	8
<i>Inventory: Stationery and printing</i>	–	–	–	629	819	826	867
<i>Lease payments</i>	30	100	100	80	80	84	88
<i>Transport provided: Departmental activity</i>	–	–	–	36	50	70	70
<i>Travel and subsistence</i>	1 413	2 261	1 973	2 115	2 367	2 739	2 867
<i>Training and development</i>	1	182	182	113	185	139	156
<i>Operating expenditure</i>	771	366	366	500	164	155	162
<i>Venues and facilities</i>	701	817	817	457	480	539	573
Transfers and subsidies	518 356	583 135	704 489	637 185	669 613	702 828	741 484
Departmental agencies and accounts	517 556	582 135	699 489	631 685	668 613	701 803	740 402
Non-profit institutions	800	1 000	5 000	5 500	1 000	1 025	1 082
Payments for capital assets	–	–	–	425	320	297	314
Machinery and equipment	–	–	–	425	320	297	314
Total	530 664	595 343	719 605	658 728	694 074	733 987	774 003

Table 35.6 Tourism Growth (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	517 556	582 135	699 489	631 685	668 613	701 803	740 402
South African Tourism	517 556	582 135	699 489	631 685	668 613	701 803	740 402
Non-profit institutions							
Current	800	1 000	5 000	5 500	1 000	1 025	1 082
Tourism Business Council	500	500	500	500	500	500	528
Tourism Hospitality and Sports Education and Training Authority	-	-	4 000	-	-	-	-
Federated Hospitality Association of South Africa	300	500	500	5 000	500	525	554

Expenditure trends

The spending focus over the MTEF period will be on strengthening the adoption of norms and standards, developing guidelines and strategies for the tourism sector, and marketing South Africa as a preferred destination.

Expenditure increased from R530.7 million in 2007/08 to R658.7 million in 2010/11, at an average annual rate of 7.5 per cent, due to increased allocations to South African Tourism for international marketing. Over the MTEF period, expenditure is projected to grow at an average annual rate of 5.5 per cent, to reach R774.0 million in 2013/14. The increase is mainly in the transfer payment to South African Tourism for international tourism marketing.

The ratio of administrative costs to line function costs is 1:33.3.

Programme 4: Policy, Research, Monitoring and Evaluation

- *Policy, Research, Monitoring and Evaluation Management* provides overall administrative and operational support services for the programme's activities through facilitating research and information and knowledge management. The subprogramme has a staff complement of 4.
- *Policy Development and Evaluation* manages policy development, sector planning, and monitoring and evaluation for tourism through developing and implementing models for local tourism development planning. It also ensures that the tourism policy environment is conducive to sustainable growth and development, and is responsible for tourism law reform. The subprogramme has a staff complement of 9, and the bulk of its budget is used for coordinating the implementation of the tourism sector strategy between government, industry and civil society.
- *Research and Knowledge Management* facilitates research and information and knowledge management by: researching international best practices for tourism growth and development; setting and implementing minimum sector information standards and guidelines; coordinating various information sources; promoting the commercialisation of available information; and ensuring that information about products and services is available. The subprogramme has a staff complement of 9, and the bulk of its budget is used for research and systems development.

Objectives and measures

- Ensure that the tourism policy environment is conducive to sustainable growth and development by:
 - providing mechanisms and developing frameworks to support local tourism planning and development over the medium term

- creating alignment with provincial and local government and a sector budget structure on an ongoing basis
- facilitating information and knowledge management by rationalising the framework for visitor information over the medium term
- reviewing the Tourism Act (1993) over the medium term.

Expenditure estimates

Table 35.7 Policy, Research, Monitoring and Evaluation

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							
Policy, Research, Monitoring and Evaluation Management	–	–	–	1 835	3 839	8 111	8 070
Policy Development and Evaluation	3 418	13 641	10 360	6 880	10 707	11 009	11 430
Research and Knowledge Management	4 100	4 300	4 621	5 850	12 353	12 971	13 513
Total	7 518	17 941	14 981	14 565	26 899	32 091	33 014
Change to 2010 Budget estimate				3 567	8 640	(2 297)	(3 265)

Economic classification

	7 518	17 941	14 981	14 214	26 839	32 071	32 979
Current payments							
Compensation of employees	2 653	7 392	9 233	8 557	14 590	16 226	17 333
Goods and services	4 865	10 549	5 748	5 657	12 249	15 845	15 646
<i>of which:</i>							
Administrative fees	22	10	22	36	60	56	56
Advertising	148	226	148	346	515	480	486
Assets less than the capitalisation threshold	14	80	14	69	92	151	147
Bursaries: Employees	5	5	5	38	–	–	–
Catering: Departmental activities	72	60	72	24	55	80	79
Communication	35	107	35	141	146	191	188
Computer services	12	275	12	550	323	350	345
Consultants and professional services: Business and advisory services	1 306	77	939	1 776	6 558	9 367	9 197
Consultants and professional services: Legal costs	–	269	–	–	–	–	–
Contractors	685	925	1 221	18	–	30	30
Entertainment	4	3	4	5	15	18	20
Inventory: Food and food supplies	–	–	–	20	13	13	14
Inventory: Other consumables	–	–	–	5	50	43	44
Inventory: Stationery and printing	–	–	–	160	489	615	613
Lease payments	30	100	30	69	20	20	20
Transport provided: Departmental activity	–	–	–	13	–	–	–
Travel and subsistence	1 059	7 047	1 773	1 768	3 370	3 888	3 870
Training and development	1	182	1	147	25	–	–
Operating expenditure	771	366	771	20	8	8	8
Venues and facilities	701	817	701	452	510	533	529
Payments for capital assets							
Machinery and equipment	–	–	–	151	60	20	35
Software and other intangible assets	–	–	–	200	–	–	–
Total	7 518	17 941	14 981	14 565	26 899	32 091	33 014

Expenditure trends

Spending over the medium term will focus on support to ensure the inclusion of tourism priorities in provincial growth and development strategies and in the integrated development plans of municipalities. Funds will also be used for: coordinating the implementation of the tourism sector strategy between government, industry and civil

society; ensuring collective ownership of the sector commitments, and delivery; research; and developing and implementing a reliable and accessible information and knowledge management system.

Expenditure increased from R7.5 million in 2007/08 to R14.6 million in 2010/11, at an average annual rate of 24.7 per cent, mainly due to annual salary increases and inflation adjustments.

Expenditure is expected to increase over the MTEF period, at an average annual rate of 31.4 per cent, to reach R33.0 million. The growth is mainly due to the R8.8 million increase in compensation of employees, as a result of phasing in additional posts to reach the total establishment of 45 posts in 2013/14.

The ratio of administrative costs to line function costs is 1:0.6.

Public entities and other agencies

South African Tourism

Strategic overview: 2007/08 – 2013/14

The core business of South African Tourism, established in terms of the Tourism Act (1993), is to market South Africa as a tourism destination of choice. Key activities include the promotion of tourism by encouraging travel to and within South Africa and ensuring the highest attainable standards of tourism services and facilities.

Key objectives over the medium term include: increasing the annual volume of international tourists; increasing the average spend per tourist; increasing the international brand awareness of South Africa as a travel destination; increasing the number of graded accommodation establishments; and leveraging off the gains made in the tourism industry from the 2010 FIFA World Cup.

Funding is primarily used for running offices in market countries to reduce seasonality in the industry and for facilitating the grading of products and services.

Savings and cost effectiveness measures

Over the medium term the organisation will realise a reduction in their budget amounting to R10 million, and has therefore cut back on some of its planned 2011/12 international marketing projects, and will delay its plans to open an office in Brazil. In 2011, South African Tourism will seek partnership opportunities to try and improve its marketing footprint in this critical South American market.

Selected performance indicators

Table 35.8 South African Tourism

Indicator	Past			Current	Projections		
	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14
Number of international tourist arrivals per year	9 090 881	9 591 828	9 933 966	10 193 585	10 295 521	10 398 476	10 502 461
- land arrivals	6 626 731	7 087 452	7 490 425	7 834 324	7 912 668	7 991 794	7 452 532
- air arrivals	2 464 150	2 504 376	2 443 541	2 359 261	2 382 853	2 406 682	3 049 927
Average spend per tourist per year							
- international tourists	R7 000	R8 100	R8 400	R8 700	R9 222	R9 775	R10 360
- land tourists	R5 800	R6 200	R7 100	R7 100	R7 500	R7 900	R8 400
- air tourists	R10 200	R13 800	R13 000	R14 200	R15 000	R15 900	R16 800
Percentage of global brand awareness	75%	76%	79%	77%	78%	79%	79%
Percentage of brand positivity	38%	37%	38%	40%	41%	42%	42%
Total number of accommodation establishments graded	6 400	6 940	8 196	8 288	8 288	9 117	10 029

Details of programmes/activities/objectives

Table 35.9 South African Tourism

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
International Portfolios	360 833	382 483	405 431	367 617	386 004	409 180	436 240
Head Office Marketing	135 206	215 806	293 728	249 211	267 042	275 193	279 497
Head Office Support	76 027	70 795	85 424	105 745	109 834	115 274	126 437
Head Office Finance	29 730	31 514	33 525	35 409	37 534	39 786	42 173
Tourism Grading Council of South Africa	31 508	33 399	35 403	37 527	39 779	42 165	44 695
Total expense	633 304	733 997	853 511	795 509	840 193	881 598	929 042

South African Tourism markets South Africa as a tourism destination of choice, with key activities including the promotion of tourism to South Africa and ensuring quality standards by managing international portfolios, building the South African Tourism brand, and ensuring a recognisable and credible, globally benchmarked system of quality assurance.

Almost half of the organisation's budget (R386 million) will go to the International Marketing Programme to deliver 10 million international arrivals by the end of 2011. This target will be achieved through marketing, trade partnerships and deal driven campaigns. Each market has specific consumer segments, which are targeted according to their needs and preferences as well as their travel behaviour.

Expenditure estimates

Table 35.10 South African Tourism

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousands	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	82 246	99 158	91 887	89 824	95 580	101 795	108 640
Sale of goods and services other than capital assets	51 898	73 120	70 940	82 424	88 080	94 095	100 840
<i>of which:</i>							
<i>Sales by market establishments</i>	1 346	29	-	-	-	-	-
<i>Other sales</i>	50 552	73 091	70 940	82 424	88 080	94 095	100 840
<i>Other non-tax revenue</i>	30 348	26 038	20 947	7 400	7 500	7 700	7 800
Transfers received	574 621	641 786	774 976	705 685	744 613	779 803	820 402
Total revenue	656 867	740 944	866 863	795 509	840 193	881 598	929 042
Expenses							
Current expense	633 304	733 997	853 511	795 509	840 193	881 598	929 042
Compensation of employees	95 270	110 912	111 459	117 810	124 879	131 872	138 597
Goods and services	528 335	604 717	723 014	642 595	681 151	719 295	755 979
Depreciation	4 147	8 639	14 799	16 420	17 372	18 259	19 099
Interest, dividends and rent on land	5 552	9 729	4 239	18 684	16 792	12 172	15 367
Total expenses	633 304	733 997	853 511	795 509	840 193	881 598	929 042
Surplus / (Deficit)	23 563	6 947	13 352	-	-	-	-
Statement of financial position							
Carrying value of assets	62 504	86 908	74 268	73 028	67 858	62 407	59 159
<i>of which: Acquisition of assets</i>	13 857	34 237	10 937	15 180	12 202	12 807	15 851
Receivables and prepayments	41 983	36 793	75 769	30 853	32 426	34 079	35 817
Cash and cash equivalents	178 604	162 615	224 657	237 237	249 336	262 052	275 416
Total assets	283 091	286 316	374 694	341 118	349 620	358 538	370 392

Table 35.11 South African Tourism

Statement of financial performance	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousands							
Accumulated surplus/deficit	47 371	54 566	68 166	48 288	41 857	35 080	30 440
Capital and reserves	14 718	14 471	17 513	18 492	19 435	20 426	21 467
Trade and other payables	202 334	180 546	209 772	190 656	200 379	210 598	221 338
Provisions	9 694	11 715	19 767	13 826	14 531	15 272	16 050
Liabilities not classified elsewhere	8 974	25 018	59 476	69 856	73 418	77 162	81 097
Total equity and liabilities	283 091	286 316	374 694	341 118	349 620	358 538	370 392

Expenditure trends

Transfers from the department are the main source of revenue for South African Tourism. The organisation also receives transfers from the Tourism Business Council of South Africa in the form of tourism levies collected by Tourism Marketing South Africa. The entity uses the bulk of its funding for international marketing initiatives and a portion for creating brand awareness and positivity. It will continue to focus spending on global media deals, which increases brand traction in overseas markets and tourism arrivals in South Africa. Over the previous MTEF period, the organisation prioritised its spending on awareness activities in preparation for the 2010 FIFA World Cup, using marketing initiatives that enabled leveraging off the brand after the tournament.

Transfers received from the Department of Tourism are expected to increase from R631.7 million in 2010/11 to R740.4 million in 2013/14, at an average annual rate of 5.4 per cent. The transfer from the department for 2010/11 comprises R483 762 million for tourism marketing, R147 908 million for operational expenditure and R15 million for the Tourism Grading Council of South Africa.

Between 2007/08 and 2008/09 expenditure increased by 15.9 per cent and again by 16.3 percent between 2008/09 and 2009/10 in line with the focus on 2010 FIFA World Cup. Due to the growth in the African and Chinese markets, an office was opened in Beijing, China, and one in Luanda, Angola, is being established. Additional funding received in 2009/10 was for implementing the Tourism Grading Council of South Africa's new IT system and appointing the provincial master assessors. The 16.4 per cent increase in expenditure on compensation of employees experienced between 2007/08 and 2008/09 is due to an expansion in the number of international offices.

Personnel information

Table 35.12 South African Tourism

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹ 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Board members	12	12	-	12	12	12	12	12	12	12
Executive management	5	5	-	4	4	5	5	5	5	5
Middle management	14	14	-	14	14	14	14	14	14	14
Professionals	117	117	13	152	140	135	104	129	129	129
Total	148	148	13	182	170	166	135	160	160	160
Compensation (R thousand)				95 270	110 912	111 459	117 810	124 879	131 872	138 597
Unit cost (R thousand)				523	652	671	873	780	824	866

1. As at 30 September 2010.

South African Tourism has an establishment of 148 posts, with none additional to the approved establishment. The number of posts decreased from 182 in 2007/08 to 135 in 2010/11, and is expected to grow to 160 over the medium term. This is as a result of the board's decision to unfreeze certain positions as well as the intention to open new offices in the African market.

As at 30 September 2010 there were 13 vacancies due to the imposition of a moratorium on the filling of posts.

The ratio of support staff to line function staff is currently 1:37.

Additional tables

Table 35.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	92 098	95 968	85 929	124 289	54 551	178 840	178 840
Tourism Development	311 996	325 104	325 104	360 936	(29 253)	331 683	331 683
Tourism Growth	690 590	719 605	719 605	655 613	3 115	658 728	658 728
Policy, Research, Monitoring and Evaluation	14 377	14 981	14 981	10 998	3 567	14 565	14 565
Total	1 109 061	1 155 658	1 145 619	1 151 836	31 980	1 183 816	1 183 816

Economic classification

Current payments	145 007	147 784	137 745	196 073	24 621	220 694	220 694
Compensation of employees	86 631	89 631	89 631	98 480	2 600	101 080	101 080
Goods and services	58 376	58 153	48 114	97 593	22 021	119 614	119 614
Transfers and subsidies	963 642	1 007 462	1 007 462	953 328	(20 335)	932 993	932 993
Departmental agencies and accounts	655 669	699 489	699 489	631 685	-	631 685	631 685
Foreign governments and international organisations	4 000	4 000	4 000	4 600	(1 335)	3 265	3 265
Non-profit institutions	59 097	59 097	59 097	46 700	(19 000)	27 700	27 700
Households	244 876	244 876	244 876	270 343	-	270 343	270 343
Payments for capital assets	412	412	412	2 435	27 694	30 129	30 129
Machinery and equipment	408	408	408	2 135	27 694	29 829	29 829
Software and other intangible assets	4	4	4	300	-	300	300
Total	1 109 061	1 155 658	1 145 619	1 151 836	31 980	1 183 816	1 183 816

Table 35.B Detail of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	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	450	336	12	161	161	161	272	336	450	450
Salary level 1 – 6	89	71	10	32	32	33	57	71	89	89
Salary level 7 – 10	208	137	-	65	65	64	107	137	208	208
Salary level 11 – 12	94	76	-	36	36	35	58	76	94	94
Salary level 13 – 16	59	52	2	28	28	30	50	52	59	59
Administration	272	205	12	95	95	93	165	205	272	272
Salary level 1 – 6	68	54	10	25	25	24	43	54	68	68
Salary level 7 – 10	132	89	-	37	37	37	65	89	132	132
Salary level 11 – 12	41	35	-	17	17	17	30	35	41	41
Salary level 13 – 16	31	27	2	16	16	15	27	27	31	31
Tourism Development	92	70	-	36	36	36	58	70	92	92
Salary level 1 – 6	8	6	-	3	3	3	5	6	8	8
Salary level 7 – 10	38	28	-	14	14	14	23	28	38	38
Salary level 11 – 12	33	24	-	12	12	12	19	24	33	33
Salary level 13 – 16	13	12	-	7	7	7	11	12	13	13

Table 35.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Tourism Growth	41	29	-	30	30	20	27	29	41	41
Salary level 1 – 6	5	5	-	4	4	3	4	5	5	5
Salary level 7 – 10	17	10	-	13	13	9	12	10	17	17
Salary level 11 – 12	11	9	-	7	7	4	6	9	11	11
Salary level 13 – 16	8	5	-	6	6	4	5	5	8	8
Policy, Research, Monitoring and Evaluation	45	32	-	-	-	12	22	32	45	45
Salary level 1 – 6	8	6	-	-	-	3	5	6	8	8
Salary level 7 – 10	21	10	-	-	-	4	7	10	21	21
Salary level 11 – 12	9	8	-	-	-	2	3	8	9	9
Salary level 13 – 16	7	8	-	-	-	4	7	8	7	7

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 35.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)	130 786	106 428	89 631	101 080	141 895	158 427	169 409
Training expenditure (R thousand)	1 377	1 470	980	993	1 034	1 067	1 120
Training as percentage of compensation of employees	1.1%	1.4%	1.1%	1.0%	0.7%	0.7%	0.7%
Total number trained in department (head count)	64	65	-	-			
<i>of which:</i>							
Employees receiving bursaries (head count)	13	13	-	-			
Learnerships trained (head count)	9	9	-	-			
Internships trained (head count)	40	40	-	-			
Households receiving bursaries (R thousand)	500	600	650	700	720	733	770
Households receiving bursaries (head count)	20	20	-	-			



**ESTIMATES
OF NATIONAL
EXPENDITURE 2011**

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